Annual Information Form

Financial year ended September 26, 2020

Contents

Unless the context indicates otherwise, the use in this Annual Information Form of the terms “our”, “we”, “Corporation” and “METRO” collectively refers to Metro Inc., its subsidiaries and partnerships, and the term *Metro* refers to the stores operated under the *Metro* and *Metro Plus* banners.

All disclosures in this Annual Information Form are as of September 26, 2020 unless otherwise indicated. METRO’s public disclosure documents referred to from time to time in this Annual Information Form are incorporated by reference and may be found in their entirety on the System for Electronic Document Analysis and Retrieval (“SEDAR”) (sedar.com) or on METRO’s corporate website (corpo.metro.ca).

Unless stated otherwise, all amounts set forth herein are expressed in Canadian dollars. This Annual Information Form pertains to the 52-week fiscal year of the Corporation ended on September 26, 2020, unless stated otherwise and except for information in documents incorporated by reference that have a different date.

Forward-Looking Information

Throughout this annual information form (the “Annual Information Form”), 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 Annual Information Form, 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 tenses are generally indicative of forward-looking statements.

The forward-looking statements contained in this Annual Information Form are based upon certain assumptions that we believe were reasonable as of December 11, 2020 regarding the Canadian food industry, the economy in general, our annual budget as well as our 2021 action plan and financial results for the 2020 financial year.

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 36 to 40 of the Corporation’s 2020 Management’s Discussion and Analysis and Consolidated Financial Statements (the “2020 Annual Report”). As with the preceding risks, the COVID-19 pandemic constitutes a risk that could have an impact on the business, operations, projects, synergies and performance of the Corporation as well as on the forward-looking statements contained in this document.

The forward-looking statements contained in this Annual Information Form do not provide any guarantee as to the future performance of the Corporation 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 Corporation believes these statements to be reasonable and relevant at the date of publication of this Annual Information Form and to represent its expectations. The Corporation does not intend to update any forward-looking statement contained herein, except as required by applicable law.

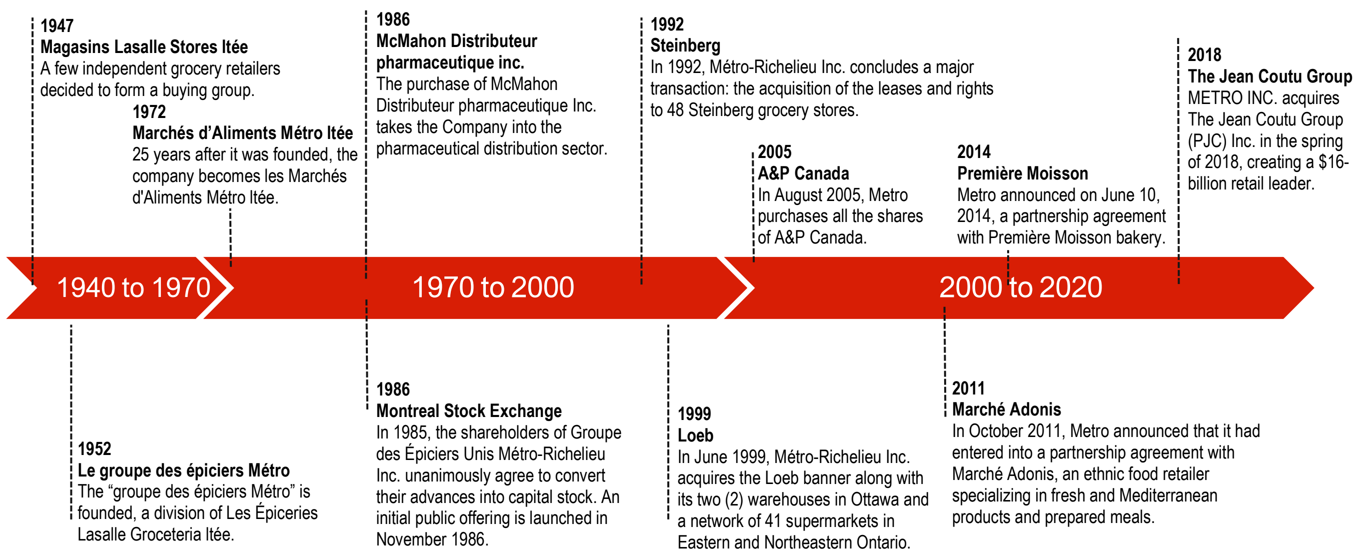
Background

With a history going back to 1947, METRO INC. is a leader in the food and pharmacy retailing industry with 1,600 retail outlets in Canada and annual sales of almost $18 billion.

Proudly founded in the province of Québec, we are a Canadian company governed by the *Business Corporations Act* (Québec). Our shares trade on the Toronto Stock Exchange (TSX) under the symbol MRU. As of September 26, 2020, we had a total market capitalization of $16,020,559,741.

Our business risks are discussed in our 2020 Annual Report, starting on pages 36 to 40, and the relevant section on risks of said 2020 Annual Report is incorporated by reference in this Annual Information Form. Our 2020 Annual Report is available on our website (corpo.metro.ca) and on SEDAR (sedar.com).

The following graph highlights the key events in the Corporation's history:



Incorporation

The Corporation is currently governed by the *Business Corporations Act* (Québec) and results from the amalgamation of Métro-Richelieu Group Inc. and United Grocers Inc. on April 30, 1982. The name of the resulting company was Groupe des Épiciers Unis Métro-Richelieu Inc.

Métro-Richelieu Group Inc. was incorporated under the name Magasins LaSalle Stores Limited by letters patent dated December 22, 1947 under the *Companies Act* (Québec). In September 1976, the Corporation, then known as Métro Food Stores Ltd., merged with Richelieu Groceries Limited to form Métro-Richelieu Inc. In 1979, it amended its name to Métro-Richelieu Group Inc.

United Grocers Inc. was incorporated under the *Companies Act* (Québec) by letters patent dated August 31, 1928.

Since the amalgamation of Métro-Richelieu Group Inc. and United Grocers Inc. on April 30, 1982, Groupe des Épiciers Unis Métro-Richelieu Inc. changed its name twice: once by certificate of amendment dated September 25, 1986 from Groupe des Épiciers Unis Métro-Richelieu Inc., which name it had used since the amalgamation on April 30, 1982, to Métro-Richelieu Inc., and a second time by certificate of amendment dated January 26, 2000, to its present name.

The share capital of the Corporation is composed of an unlimited number of common shares and an unlimited number of preferred shares. The Corporation's previous dual-class share structure was eliminated on February 1, 2012 by certificate of consolidation. All the issued and outstanding Class B multiple-voting shares of the Corporation at the time were converted into Class A subordinate-voting shares (one vote per share) on a one-to-one basis. The subordinate-voting shares were then designated as common shares. The Corporation has also amended its ticker symbol from "MRU.A" to "MRU" to reflect the elimination of its dual class-share structure.

The Corporation's head office and principal place of business is located at 11011 Maurice-Duplessis Boulevard, Montréal (Québec) H1C 1V6.

Our divisions

Metro Inc. is a holding company which carries on its business through its subsidiaries and affiliated entities. The following table lists the Corporation's main subsidiaries and affiliated entities, the jurisdiction under which they are incorporated or organized and is divided into its main divisions. All of our subsidiaries and affiliated entities were wholly-owned as of December 11, 2020.

	Jurisdiction of incorporation
Québec Division	
Metro Richelieu Inc. ("Metro Richelieu")	Canada
McMahon Distributeur pharmaceutique Inc. ("McMahon")	Canada
Metro Québec Real Estate Inc.	Canada
Adonis Group Inc. ("Adonis Group")	Canada
Phoenicia Group Inc. ("Phoenicia Group")	Canada
Première Moisson Group Inc. ("Première Moisson Group")	Canada
Cuisine Centrale Prêt-à-Manger Inc.	Canada
Metro Brands G.P.	Québec
The Jean Coutu Group (PJC) Inc. (the "Jean Coutu Group")	Québec
RX Information Centre Ltd	Canada
Pro Doc Ltée ("Pro Doc")	Québec
Ontario Division	
Metro Ontario Inc. ("Metro Ontario")	Canada
Metro Ontario Pharmacies Limited	Canada
Metro Ontario Real Estate Limited	Canada

About our company

With annual sales of almost $18 billion, METRO is a leader in the food and pharmacy industry in Québec and Ontario. As a retailer, franchisor, manufacturer and distributor, we operate a network of a total of 652 food stores and 648 drugstores and supplies more than 700 neighbourhood grocery stores.

As of September 26, 2020 and September 28, 2019, METRO, its franchisees and affiliated retailers, operated under the following principal banners and in the following locations:

Food

953 food stores

		2020	2019
Québec	***Supermarkets***		
	Metro	80	80
680	Metro Plus	114	113
	Adonis	10	10
	Discount stores		
	Super C	98	97
	Neighborhood stores		
	Marché Richelieu	53	56
	Marché Ami	301	297
	Specialty stores		
	Première Moisson	22	24
	Les 5 Saisons	2	2
Ontario	***Supermarkets***		
	Metro	130	132
273	Adonis	4	3
	Discount stores		
	Food Basics	138	135
	Specialty stores		
	Première Moisson	1	1

Pharmacy

648 pharmacies

		2020	2019
Québec	PJC Jean Coutu	322	322
	PJC Santé	37	38
537	PJC Santé Beauté	18	18
	Brunet	75	75
	Brunet Plus	51	51
	Brunet Clinique	19	20
	CliniPlus	15	17
Ontario	PJC Jean Coutu	8	8
	PJC Santé	1	1
83	Metro Pharmacy	45	43
	Food Basics Pharmacy	29	29
New Brunswick	PJC Jean Coutu	18	18
	PJC Santé	2	2
	PJC Santé Beauté	8	8
28			

It is important that METRO ensure that its supply chain works efficiently and that goods and information flow effectively between the various suppliers and its distribution centers and, ultimately, the stores. METRO continuously evaluates its supply chain, including methods of distribution, facilities, technologies, modes of transportation and relations with suppliers and, when appropriate, implements changes to its supply chain infrastructure to ensure a continued, cost-efficient system.

METRO's activities are not dependent on a single customer or a small number of customers. It holds sufficient inventories to ensure product availability. METRO maintains business relationships with a large number of national and regional suppliers. It is not dependent on any one of these third-party providers.

METRO also strives to source its products in a responsible way. Additional information on METRO's Responsible Procurement Framework can be found in the "Corporate Responsibility" section on page 14 of this Annual Information Form.

Our food division

Our activities in the food retail industry are located in the provinces of Québec and Ontario.

Each store is either operated by one of the Corporation's subsidiaries (Metro Richelieu, Metro Ontario, Adonis Group or Première Moisson Group), by a franchisee or by an affiliate retailer under a franchise or an affiliation agreement, as applicable.

The majority of METRO's food retail network is serviced by four (4) warehouses owned by METRO which ensure procurement and storage of grocery products, general merchandise, non-perishable goods and certain dairy products. It also operates nine (9) warehouses for the procurement and storage of meat, frozen foods, produce as well as products for the supply of neighbourhood grocery stores. Cuisine Centrale Prêt-à-Manger Inc. started its operations in June 2020 and produces a selection of ready-made meals, salads and dips for various food stores.

The *Adonis* stores are operated by Adonis Group and supplied by two (2) distribution centers operated by Phoenicia Group.

Adonis Group also distributes a selection of products under the *Adonis* trademarks in several of METRO's food stores.

Each *Première Moisson* store is either a corporate store operated by Première Moisson Group or is a franchised or affiliated store operated by a franchise or affiliated retailer. All 22 *Première Moisson* stores are supplied by two (2) food preparation plants owned by Première Moisson Group.

Première Moisson Group also distributes a selection of products under the *Première Moisson* and *Collection Première Moisson* trademarks in several of METRO's food stores. The *Collection Première Moisson* products include ready-to-eat products, pastries, pies and cakes and are exclusive to *Metro* stores.

Our pharmacy division

414 drugstores are operated under the *PJC Jean Coutu*, *PJC Santé* and *PJC Santé Beauté* (collectively the "*PJC* banners", and "*PJC* drugstores" shall collectively refer to drugstores operated under the *PJC* banners) and close to 24,000 employees work in the pharmacy retail network. The Jean Coutu Group is the largest pharmacy chain in Québec. Its activities mainly include: franchising, wholesaling and generic drug distribution.

160 drugstores are operated under the *Brunet*, *Brunet Plus*, *Brunet Clinique* and *CliniPlus* banners (collectively the "*Brunet* banners", and "*Brunet* drugstores" shall collectively refer to drugstores operated under the *Brunet* banners).

The combination of METRO and the Jean Coutu Group will allow* both the *PJC* and the *Brunet* banners to develop* their full potential, to strengthen the Corporation's presence in the pharmacy sector and better satisfy customer needs. The Corporation's activities in the pharmacy retail industry cover a wide-ranging territory, which includes the provinces of Québec, Ontario and New Brunswick.

In Québec, the Corporation's pharmacy retail activities are franchise based. The Jean Coutu Group acts as franchisor and wholesaler for all drugstores operating under the *PJC* banners. In addition, METRO's subsidiary, McMahon, acts as franchisor and wholesaler for all *Brunet* drugstores.

In Ontario, the Corporation's pharmacy retail activities are either corporate or franchise based. Some of METRO's stores located in Ontario, which are operated by Metro Ontario under the *Metro* and *Food Basics* banners, have full in-store pharmacy services. These drugstores are operated under two (2) banners, namely *Metro Pharmacy* and *Food Basics Pharmacy*. The Jean Coutu Group supplies these drugstores. The Jean Coutu Group also acts as franchisor and wholesaler for the *PJC* drugstores in Ontario.

In New Brunswick, METRO has a strong presence through 28 drugstores under the *PJC* banners which are operated by the franchised drugstore owners affiliated to the *PJC* banners.

** See the "Forward-Looking Information" section on page 1 of this Annual Information Form.*

METRO also operates four (4) distribution centers that supply all of its pharmacy retail network. Two (2) distribution centers are operated by McMahon and supply a wide market of independent drugstores and health care institutions such as hospitals and nursing homes as well as the *Brunet* drugstores. The Jean Coutu Group operates the other two (2) distribution centers which service all of the *PJC* and Ontario drugstores.

Distribution of generic drugs

The Corporation, through its subsidiary the Jean Coutu Group, owns all interests in Pro Doc, a generic drug distributor located in Laval that is mostly involved in the wholesale distribution of generic drugs. Pro Doc owns a portfolio of approximately 128 generic molecules and 292 different products. These products are sold under the *Pro Doc* trademark. The generic drugs distributed by Pro Doc are exclusively sold in Québec, mainly to the Jean Coutu Group and McMahon.

Our products, brands and services

METRO's retail network meets customer needs by offering friendly stores, a personalized service and a wide range of quality products at very competitive prices.

Our private brands

METRO owns several private brands offered or currently being deployed in a majority of its stores including *Selection*, *Irresistibles* and *Life Smart Mieux-être* trademarks. Certain other private brands such as the products offered under the *Phoenicia* and *Cedar* trademarks are offered in the *Adonis* stores and other food stores, whereas the *Première Moisson* stores offer a wide selection of products under the *Première Moisson* trademarks. Several *Metro* stores also carry a variety of exclusive products under the *Collection Première Moisson* trademark. Products under the *Première Moisson* trademark are also sold in *Metro*, *Super C*, *Adonis* and *Food Basics* stores.

The *PJC* drugstores carry more than 3,800 private label product items. The Jean Coutu Group's private label offerings include a line of beauty and cosmetic products, over-the-counter medications and personal care products, all of which are under the *Personelle* brand. They also carry a selection of exclusive brand products.

METRO's private label *Irresistibles* and *Selection* products are sold in the *PJC* drugstores. The Jean Coutu Group's private brand for health and beauty products, *Personnelle*, are also sold in the *Brunet* drugstores and in *Super C*, *Metro* and *Food Basics* stores. Over-the-counter products of the *Personnelle* brand are also part of the *Brunet* drugstores' product line-up.

METRO's private brands products were honoured in 2020 with more than 20 awards for their innovation, design and recipes, including six (6) Canadian Grand Prix new products awards, two (2) international Vertex awards as well as six (6) Store Brands Editors Picks.

Product development

METRO, through its marketing research and consumer intelligence department**,** generates studies on consumer habits and needs. METRO works with several partners, including Dunnhumby, to develop and implement strategies to better meet customers' needs and build strong loyalty.

METRO continued to improve its product offering in its stores and to focus even more on customer experience and innovation. METRO's teams constantly seek out innovative products as well as develop new in-store merchandising concepts. It has a department dedicated to customer experience, to define and implement a distinctive shopping experience in its *Metro* stores. The latest *Metro* stores in Québec and Ontario are part of a new generation of stores offering innovative products and services.

METRO completed this year the launch of over 350 new private brand products, brought improvements to more than 700 existing products, whether it be to the packaging, the costing or the recipe, including sodium reduction and other recipe improvements. Complete information on the sorting of materials for recycling purposes is now on the packaging of more than 1,000 products. In 2020, METRO's private label *Life Smart Mieux-être* made its debut in the *PJC* drugstores and our food stores. METRO also launched more than 70 new items for healthy products under the *Life Smart Mieux-être Naturalia*, *Life Smart Mieux-être*, *Life Smart Mieux-être plant based* and *Life Smart Mieux-être Organic* brands. The

Jean Coutu Group's private brand for health and beauty products, *Personnelle*, continued to develop its offering in the *Brunet*, *Super C*, *Food Basics* and *Metro* stores. Over-the-counter medications of the *Personnelle* brand have also been added to the *Brunet* drugstores' product line-up. This ensures that the value of all of METRO's brands is maximized in the best interests of customers across METRO's various banners.

Loyalty programs

Loyalty programs offered by METRO allow us to reach and reward more than 5.5 million customers across Québec, Ontario and New Brunswick.

In Québec, METRO, through its *metro&moi* loyalty program, allows consumers the opportunity to collect points that can be applied towards purchases in *Metro* stores and online at metro.ca. This program allows METRO to build customer loyalty through the development and implementation of consumer-focused strategies.

The Air Miles® Reward Program is offered to customers of the *Metro* banner throughout Ontario and in *PJC* drugstores across Québec, Ontario and New Brunswick. This program offers customers of these banners the possibility to accumulate Air Miles®, discounts and other loyalty rewards, while providing METRO with increased customer loyalty and insight into customer buying habits as part of an overall customer relationship management strategy.

All METRO banners have personalization and communication tools such as mobile applications, personalized communications and newsletters which allow customers to receive regular communications and relevant offers, adapted to their needs.

Digital platforms

In 2020, the *Metro* banner online grocery service continued its growth. Following the May 2019 introduction of the service in the Greater Toronto Area, the online grocery service was expanded in Québec City and Sherbrooke with the addition of two (2) new stores. This brings the total number of stores providing online grocery service to 12, reaching 70% of the Québec population and serving 1.9 million homes in Ontario. In November 2020, we announced our plan to open in 2021* a dedicated store for online grocery to serve the Greater Montreal area.

In March 2020, to meet the increased demand that was generated by the COVID-19 pandemic, a new *Priority* service was also introduced in close to 250 Metro stores in Québec and Ontario. This service is also offered to *Super C, Food Basics, Adonis, PJC* and *Brunet* shoppers. This simplified online ordering service helps meet the needs of our customers aged 70 and over, those with reduced mobility, as well as to help people who have been diagnosed with COVID-19 or are under mandatory quarantine.

In April 2020, a new partnership with Cornershop, an on-demand grocery service accessible through the web or a mobile application, has been deployed adding a new channel for our customers to access our product offering. Cornershop allows customers to receive their orders directly at home, in as little as 60 minutes, all prepared by a personal shopper in a participating *Metro* grocery store. This service is also available in the *PJC* and *Brunet* banners.

The online grocery shopping service is part of the Corporation's overall digital strategy, which aims to position METRO as the retailer that offers the food experience that best meets consumers' needs and behaviors.

The *Metro*, *Super C* and *Food Basics* banners all have mobile applications to help customers find the closest store, view flyers and access coupons. New features have also driven a surge in engagement on our mobile applications in 2020. In time for the ten (10)-year anniversary of *metro&moi*, *Metro* customers in Quebec can now instantly sign up to the loyalty program directly on the mobile application. The wider variety of exclusive mobile application offers has contributed to the success of all our grocery mobile applications which have more than two (2) million downloads combined, and more than 500,000 monthly users.

Traffic on our websites also saw a significant increase fueled by the pandemic during 2020. Additional digital services were developed to rapidly respond to this unprecedented situation.

Since May 2020, to minimize physical contact in our Metro stores, loyalty program members in Québec and Ontario have the option to receive their transaction receipt by email simply by presenting their loyalty card in-store.

In 2020, the *Brunet* mobile application user experience was completely reviewed. In addition, several updates were made to various banner websites in 2019: Brunet.ca was redesigned and migrated to the same technological platform as JeanCoutu.com; and the *Marché Richelieu*'s website (marcherichelieu.ca) as well as the *Adonis*' website (groupeadonis.ca) were redesigned to offer an improved and optimized mobile experience.

The Jean Coutu Group's and *Brunet*'s websites allow patients to find pharmacies that offer specific services. Patients can also make appointments online to receive certain services such as flu shots. In 2020, a new payment functionality was added to allow patients to pay for the renewal of their prescription directly online.

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* *See the "Forward-Looking Information" section on page 1 of this Annual Information Form.*

The Jean Coutu Group has also developed, through its subsidiary, Rx Information Centre Ltd., a proprietary pharmacy workflow and prescription management information system which is used in nearly all drugstores under the *PJC* banners. After a short pause because of the COVID-19 pandemic, the roll out of this system is continuing in the *Brunet* banners. This system is designed to enable an efficient workflow process that optimizes pharmacy services through fast prescription filling, verification of quality control, reduction in filling errors, reduced chances of adverse drug interaction, examination of workflow data, documentation and monitoring of patient records, and maximization of the availability of high-demand prescription products. At the patient's request, this system also allows customers to refill or transfer their prescriptions at any *PJC* or *Brunet* banner drugstores within the same province (except for Ontario). Patients can access, through the Jean Coutu Group's mobile application or website, their Health Record, and when appropriate, their family's. The Health Record contains the list and a copy of patients' prescriptions as well as information on medications. This application also allows patients to process new prescriptions.

Banner services

METRO's banner networks are structured to meet specific consumer needs. Each one presents a consistent image to the public and is supported by specialized technical support services.

METRO offers a range of services to affiliated retailers and franchisees operating under the *Metro*, *Metro Plus* and *Marché Richelieu* banners and many of these services are invoiced directly to their users in order to ensure their self-financing. The services include merchandising, marketing and advertising programs as well as retail accounting and data processing, store layouts and equipment, insurance programs and other analysis and advisory programs. Overall, these products and programs reflect METRO's objective to offer these retailers a comprehensive, high-quality service. METRO also offers these retailers a range of commercial programs, as well as rebates and loyalty incentives, all of which are competitive in the food industry. Metro Richelieu and Metro Ontario mainly generate revenues from the sale of products to the retailers, most of such products being delivered from their distribution centers, and from services rendered to them.

The franchised owners of the *PJC* and *Brunet* drugstores own their businesses and are responsible for managing their stores and layout, and for funding their inventory. The Jean Coutu Group and McMahon generate revenues from royalties, based on a percentage of drugstore sales, and from the sale of products to the franchised drugstore owners, mainly delivered from their distribution centers, and from services rendered to them. The Jean Coutu Group and McMahon each operates two (2) distribution centers, coordinating several other services for the benefit of their franchised drugstore owners, which may include centralized purchasing, marketing, training, human resources, operational consulting, information systems, and private label programs.

METRO grants the right to operate under any of its banners at its sole discretion. Retailers who wish to operate under one of METRO's banners must first meet certain criteria. Most banner retailers are bound by various agreements with METRO.

Intellectual property

METRO has procedures in place to protect its intellectual property. METRO uses and has exclusive ownership of several trademarks and trade names. Its principal banners are *Metro*, *Metro Plus*, *Super C*, *Marché Richelieu*, *Marché Ami*, *Food Basics*, *Adonis*, *Première Moisson*, *PJC Jean Coutu*, *PJC Santé*, *PJC Santé Beauté, Brunet*, *Brunet Plus*, *Brunet Clinique*, *Clini Plus*, *Metro Pharmacy* and *Food Basics Pharmacy*. Its principal private labels are identified by the following trademarks, among others: *Irresistibles*, *Selection*, *Personnelle*, *PJC*, *PJC Délices*, *Phoenicia*, *Cedar*, *Première Moisson*, *Collection Première Moisson* and *Pro Doc*. METRO takes the appropriate measures to protect these assets with the intellectual property authorities or otherwise.

Competitive environment

The food and drugstore industry in Canada is highly competitive, but METRO continues to work to increase its market shares*, including by carefully selecting sites for future stores, actively focusing its dynamic marketing efforts on consumer needs, and modernizing its stores, information systems and digital platforms. METRO's retail network competes with local, regional, national and international businesses, including independently owned drugstores and supermarkets, mass merchandisers, warehouse clubs, online retailers, discount stores, convenience stores and other specialty chains, groups and banners.

Seasonality

Other than certain holiday periods in the year that correlate with higher sales, there is no significant seasonality factors affecting METRO's business.

Regulations

METRO's operating activities require certain government permits and licences. In particular, METRO holds licences and permits for the sale of alcoholic beverages, tobacco, lottery tickets and for the distribution of pharmaceutical products and medical devices. METRO believes that it holds all licences and permits required for the proper conduct of its activities in accordance with the law. Moreover, METRO sells or distributes certain food and health products which are subject to price regulation, such as prescription drugs, milk, beer and wine.

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* *See the "Forward-Looking Information" section on page 1 of this Annual Information Form.*

Loan operations

The Corporation does not have any loan operations. However, in the normal course of its business, situations may arise where METRO grants loans to various parties, including to its retailers.

Risk factors

The risk factors that may affect the Corporation are described on pages 36 to 40 of the 2020 Annual Report under the “Risk Management” Section.

Our people

As at September 26, 2020, METRO employed directly 45,837 people, 36,563 of whom were governed by 161 collective agreements. If we add to this number, the structured entities’ and Première Moisson Group’s employees, this number goes up to approximately 54,800 and this represents the number of employees for whom wages and fringe benefits are accounted for at note 5 of the Consolidated Financial Statements on page 63 of the Corporation’s 2020 Annual Report. This number amounts to approximately 38,920 full-time equivalent employees as 61% of METRO employees are part-time employees. These positions are most often found in the stores and are frequently first-time jobs for people who are entering the job market for the first time. Throughout its network, METRO provides employment to approximately 90,000 people.

During the last financial year, METRO negotiated and renewed 16 collective agreements covering 962 employees. These agreements were in effect for periods ranging from 41 months to 91 months and will expire between February 19, 2023 and April 19, 2027. As at September 26, 2020, 16 collective agreements covering 2,477 employees had expired and were or were soon to be under negotiation. Over the next financial year, 29 collective agreements covering 4,938 employees will expire. Finally, 101 collective agreements will expire between October 3, 2021 and December 31, 2026. These collective agreements cover 28,383 employees.

METRO considers* its labour relations to be satisfactory.

With respect to METRO’s employees’ participation in pension plans, the majority of the employees participate in multi-employer pension plans. For accounting purposes, these plans are considered as defined contribution plans and are not administrated by METRO because said plans cover employees of a number of different corporations.

The remaining portion of METRO’s employees either participate in defined contribution pension plans or in defined benefit pension plans. By law, the administration of all Québec employees’ pension plans is the responsibility of each plan’s respective pension committee. In Ontario, these plans are administrated by METRO or by a board of trustees.

The investment policies of the above plans are reviewed annually in order to ensure that the asset allocation is appropriate.

The liabilities associated with the defined benefit pension plans represent a small portion of the Corporation’s market capitalization and compares favourably to other public corporations.

** See the “Forward-Looking Information” section on page 1 of this Annual Information Form.*

General development of the business over the last three years

Over the past three (3) financial years, both METRO and its retailers carried major work on a total of 88 food stores, which included the opening of 19 stores (including relocations), the expansion of 10 stores and the renovation of 59 stores. This represents an increase of 1.06% of its food retail network area for all food banners combined.

These investments laid solid and durable foundations for METRO and its retailers to continue to grow the network. Below are more details on the highlights of the past three (3) years.

2020

Operational Developments

The crisis related to COVID-19 is unprecedented and has solicited all our resources to ensure the safety of our employees and customers, the resilience of our supply chain and our ability to maintain in-store operations. All of our employees, our retailers, and pharmacist owners, as well as our supplier partners, pulled together to provide our customers the essential services of food and pharmacy while never compromising on safety.

Since the beginning of the pandemic, METRO has donated over $4 million to support communities. Answering the call of these long-time community partners, the money was donated primarily to Feed Ontario, Food Banks of Quebec and to the emergency fund of United Way/Centraide.

In March 2020, METRO announced a $420 million investment over five (5) years* in the construction of a new, automated distribution centre for fresh and frozen products in Terrebonne, Québec, north of Montréal, and the expansion of its produce and dairy products distribution centre in Laval, Québec. These investments will enable METRO to better meet the expectations of its current and future customers and to continue its growth*. The new Terrebonne distribution centre will open in 2023*, while the expansion of the Laval distribution centre will be completed in 2024*.

After announcing, in October 2017, a $400 million investment over six (6) years* in the Corporation's Ontario distribution network. Phase 1 of the project launched in 2019 was delayed slightly due to the pandemic but is now nearing completion. The start-up of our new fresh distribution center is planned for January 2021*. This facility equipped with state-of-the-art technology will help us improve service to our store network and offer greater product freshness and variety*.

We have accelerated our plans to increase capacity of our online grocery service. During the year, we expanded our service in Québec by adding hub stores in Québec City and Sherbrooke and will also be adding a third store in Ontario. We recently announced our plan to open in 2021* a dedicated store for online grocery to serve Montreal.

We continued to combine pharmacy activities and best practices between METRO and the Jean Coutu Group. By the end of fiscal year 2020, we had achieved our objective of generating $75 million in annualized cost synergies within three years of the acquisition.

We continued to invest in our retail network. In Québec, we opened a *Metro Plus* and a *Super C*, we also relocated a *Metro Plus* and a *Super C*, and we carried out major renovations at seven other stores. In Ontario, we opened a *Metro*, a *Food Basics* and an *Adonis*, converted two (2) *Metro* stores into *Food Basics* and carried out major renovations at eight (8) other stores.

We pursued the implementation of our corporate responsibility plan while also adapting our programs in the pandemic. We adopted a series of measures to ensure the safety of our customers and employees and revised our hiring practices to attain our recruitment targets within the health constraints. During 2020, we continued to roll out our local purchasing, sustainable procurement and food waste reduction initiatives and launched our actions to optimize our packaging and printed materials and decreased the intensity of our greenhouse gas emissions.

We acquired the minority interest in Première Moisson Group during the first quarter of fiscal 2020.

Corporate and Financial Developments

On October 10, 2019, METRO's banking syndicate agreed to an extension of the maturity date of the $600 million revolving, unsecured, renewable credit facility (the "Credit Facility") from November 3, 2023 to November 3, 2024.

On February 26, 2020, the Corporation issued through a private placement Series I unsecured senior notes in the aggregate principal amount of $400 million bearing interest at a fixed nominal rate of 3.41%, maturing on February 28, 2050, and redeemable at fair value at the issuer's option at any time prior to maturity. On February 27, 2020, the Corporation redeemed all of the Series E notes in the amount of $400 million that matured on the same day.

The Board of Directors of the Corporation authorized, on November 17, 2020, the renewal of the normal course issuer bid program for the 2020-2021 period. The Corporation bought back, in the normal course of business, between November 25, 2019 and November 24, 2020, over four (4) millions of its common shares.

* *See the "Forward-Looking Information" section on page 1 of this Annual Information Form*

2019

Operational Developments

In 2019, METRO continued to combine pharmacy activities and share best practices between METRO and the Jean Coutu Group. The first phase of consolidation of the Corporation's wholesale pharmaceutical business was completed during the summer of 2019 and orders from over 300 Ontario clients were then centralized at the Jean Coutu Group's state-of-the-art Varennes distribution centre. This constituted a first step toward implementing an integrated pharmacy operational chain for greater agility and efficiency.

The Jean Coutu Group celebrated 50 years of operations, namely 50 years of quality customer service, innovations and friendships.

In accordance with the agreement entered into with the Commissioner of Competition of Canada, METRO completed the divestiture of rights in ten (10) drugstores during the course of the year.

The Corporation launched its online grocery service in Ontario in May 2019, allowing a potential of 1.9 million households in the Greater Toronto Area to benefit from this service. Customers can pick up their orders in one of the two (2) stores providing online grocery services or have them delivered to their home. Products are selected by specially trained METRO employees.

In 2019, METRO continued to invest in its stores. In Québec, one (1) *Adonis* and one (1) *Super C* stores were relocated and major renovations were carried out at ten (10) other stores. In Ontario, two (2) new *Metro* stores and three (3) *Food Basics* stores as well as one (1) *Adonis* store were opened. In addition, two (2) *Metro* stores were converted to *Food Basics* and major renovations were carried out at ten (10) other stores.

Première Moisson Group opened a new retail location in the greater Montréal area, bringing the number of operating *Première Moisson* bakeries to 22 for the Montréal area in addition to one (1) in Québec City and two (2) in the Gatineau-Ottawa area.

After announcing, in October 2017, a $400 million investment over six (6) years* in the Corporation's Ontario distribution network, construction of the new semi-automated fresh food distribution located at METRO's Vickers Road facility in Toronto started in August 2019. This new distribution centre equipped with state-of-the-art technology will help METRO improve service to its store network and offer greater product freshness and variety*.

METRO was ranked number ten (10) by the Reputation Institute among companies doing business in Canada, marking the first time METRO made the top 50 most reputable companies in Canada. The first Canadian BrandZ report was published in 2019 and ranked METRO as the food brand with the most value and the 19th Canadian brand with the most value globally.

On January 17, 2019, along with other companies, METRO made a public statement that we would seek to reduce by 50% food waste in our operations by 2025*. The Corporation had already implemented major projects to this end, namely the waste management program and the *Récupartage* food donation program. During the year, we unveiled our packaging and print management policy and reaffirmed our intent to reduce by 50% single-use plastic bags in METRO's food and pharmacy banners by the end of fiscal 2023*. These initiatives complement those already in place, namely the energy efficiency of the Corporation's buildings, a program to improve recycling information on the packaging of private label food products and the opportunity for Québec's *Metro* stores' customers to bring their reusable containers to purchase fresh products.

Corporate and Financial Development

After a period of approximately one (1) year during which the normal course issuer bid program was not renewed, in particular because the Corporation intended, during this period, to allocate the surplus cash available to reimburse part of the debt incurred for the Transaction (as defined below), the board of directors of the Corporation authorized, on November 20, 2018, the reinstatement of the normal course issuer bid program starting on November 23, 2018. The Corporation bought back, in the normal course of business, between November 23, 2018 and November 22, 2019, over three (3) millions of its common shares and renewed the normal course issuer bid program for 2019-2020.

* *See the "Forward-Looking Information" section on page 1 of this Annual Information Form.*

2018

Business acquisitions

On May 11, 2018, the Corporation completed the acquisition of all the outstanding class A subordinate voting shares of the Jean Coutu Group and all of the outstanding class B shares of the Jean Coutu Group for a total consideration of $4.5251 billion (the "Transaction"), the terms of which are more fully described in the Business Acquisition Report dated July 25, 2018 available on SEDAR.

The Transaction allowed the Corporation to significantly increase its pharmacy activities, going from 254 drugstores at the end of the 2015 financial year to 669 drugstores operating under the various pharmacy banners at the end of the 2018 financial year. The Transaction represents the Corporation's biggest acquisition to date. As a result of the Transaction, the Jean Coutu Group became a direct wholly-owned subsidiary of the Corporation. Under the terms of the Transaction, the aggregate consideration transferred to the Jean Coutu Group shareholders consisted of $3.3772 billion in cash and the issuance of approximately 28 million common shares of the Corporation representing $1.1479 billion.

Prior to the Transaction, the Jean Coutu Group's class A shares were listed on the TSX. Following completion of the Transaction, the class A shares were delisted from the TSX and the Jean Coutu Group ceased to be a reporting issuer in each of the provinces of Canada.

In October 2017, to finance the cash portion of the purchase price payable in relation to the Transaction, the Corporation secured access to committed bank facilities fully underwritten by Bank of Montreal, Canadian Imperial Bank of Commerce and National Bank of Canada which consisted of a $500 million term loan facility (itself consisting of a 3-year $100 million tranche A, 4-year $150 million tranche B and a 5-year $250 million tranche C), a 1-month $250 million bridge term facility, an asset sale term facility of $1.5 billion and a 1-year $1.2 billion term facility. In the end, only the $500 million term loan facility and the 1-month $250 million bridge term facility were used as the Corporation financed the remaining cash portion of the purchase price of the Transaction by disposing of its investment in Alimentation Couche-Tard Inc. and by issuing unsecured senior notes by way of private placement, the whole as described below.

The Corporation completed the sale of a majority of its interests in Alimentation Couche-Tard Inc. in October 2017, for proceeds, net of the related fees and commissions, of $1.534 billion. The proceeds of such sale were used to finance part of the cash portion of the purchase price payable in relation to the Transaction. The $1.5 billion asset sale term facility was thus terminated.

The Corporation completed its issuance of unsecured senior notes by private placement on December 4, 2017 for an aggregate principal amount of $1.2 billion. Such private placement was comprised of $300 million aggregate principal amount of Series F unsecured senior notes, bearing interest at a fixed nominal rate of 2.68% and maturing on December 5, 2022; $450 million aggregate principal amount of Series G unsecured senior notes, bearing interest at a fixed nominal rate of 3.39% and maturing on December 6, 2027; and $450 million aggregate principal amount of Series H unsecured senior notes, bearing interest at a fixed nominal rate of 4.27% and maturing on December 4, 2047. The proceeds of such issuance were used to finance the last part of the cash portion of the purchase price payable in relation to the Transaction. The Corporation therefore terminated the $1.2 billion term facility.

On December 6, 2017, the Corporation amended the terms of the $500 million term loan facility, resulting in a 1-year $100 million tranche A, a 2-year $200 million tranche B and a 3-year $200 million tranche C. On May 11, 2018, the Corporation reimbursed the $100 million tranche A and the $250 million bridge loan, and on June 11, 2018, the Corporation reimbursed half of tranche B ($100 million). During the fourth quarter of the 2018 financial year, the Corporation reimbursed the $100-million balance of tranche B and the total amount of the 200 million tranche C. Both facilities were officially terminated on September 10, 2018.

As a consequence of the Transaction, METRO had to divest its rights in ten (10) drugstores in accordance with the agreement concluded with the Commissioner of Competition of Canada. METRO completed the divesture of these rights in the 2019 financial year.

In addition to the foregoing, METRO also acquired the remaining minority interests of the founders of Adonis Group and Phoenicia Group in accordance with the terms of the shareholder agreement that had been concluded between the parties. The transaction was completed during the first quarter of the year for a cash consideration of $221.2 million, including financial costs of $1.8 million. Both Adonis Group and Phoenicia Group became wholly-owned subsidiaries of METRO.

Operational developments

The Corporation announced on October 11, 2017, a $400 million investment over six (6) years* in the Ontario distribution network. With this investment, the Corporation will modernize the Toronto distribution network by building a new automatic distribution centre for frozen food close to the current West Mall facility and a new semi-automatic distribution centre for fresh food close to the current Vickers facility. With a modernized supply chain and advanced technology, METRO will be able* to meet its customers' needs more efficiently. Work on the new distribution centers started in 2018 and is scheduled* to be fully completed in 2024*. The new distribution centres will offer* a wider variety of products, greater accuracy in order picking and more flexibility, allowing METRO to improve* service to its retail network and customers. This major investment will position METRO to pursue* further growth and expansion in the Ontario market.

In 2018, METRO continued to work on improving its food retail network. In Québec, it opened one (1) new *Adonis* store in Gatineau, converted one (1) *Metro* store into a *Super C* store and carried out major renovations in 14 other locations in

** See the "Forward-Looking Information" section on page 1 of this Annual Information Form.*

Québec. The new *Adonis* store is the first of the *Adonis* stores located outside the Greater Montréal and Toronto areas. In Ontario, three (3) new *Food Basics* stores were opened and major renovations in 12 other *Metro* or *Food Basics* stores were carried out.

Première Moisson Group opened a new retail location in Gatineau, which constitutes the third store opened outside the Greater Montréal area, and therefore increasing the number of operating *Première Moisson* bakeries to 27.

In addition to the acquisition of the Jean Coutu Group, the Corporation's pharmacy activities continued to grow in 2018 in Québec and in Ontario with the opening of four (4) drugstores (including relocations) under various banners.

In June 2018, in an effort to better serve its customers, *Metro* became the first banner in Québec to offer same-day delivery for all its online services.

Following the Transaction, the Corporation started working toward the integration of the Jean Coutu Group into METRO. Towards the end of the 2018 financial year, METRO's private labels *Irresistibles* and *Selection* made their debut in the *PJC* drugstores. The Jean Coutu Group's private brand for health and beauty products, *Personnelle*, will gradually be introduced into the *Brunet*, *Super C* and Québec *Metro* stores, and eventually* in Ontario stores. Over-the-counter products of the *Personnelle* brand will also be added* to the *Brunet* drugstores' product line-up. This will ensure* that the value of all of METRO's brands will be maximized in the best interests of customers across METRO's various banners.

Corporate and Financial Developments

In May 2018, the Corporation entered into an amended and restated credit agreement for the Credit Facility to which it has had access since 2011. In the second part of the 2018 financial year, the banking syndicate also agreed to an extension of the maturity date of the Credit Facility from November 3, 2022 to November 3, 2023.

In the second half of the 2018 financial year, the Corporation disposed of the remaining portion of its investment in Alimentation Couche-Tard Inc. over the course of several transactions for total sales proceeds amounting to $326 million. The last disposal closed on November 5, 2018, thus completing the sale of all of the Corporation's shares in Alimentation Couche-Tard Inc.

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* *See the "Forward-Looking Information" section on page 1 of this Annual Information Form.*

Corporate responsibility

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

From the outset, we have demonstrated transparency by publishing an annual corporate responsibility report outlining our achievements and progress on our commitments and objectives. With the publication of our 10th report in January 2021 and with one (1) year to go before the disclosure of our 3rd plan, we are well positioned to further develop our practices and bring value to the Corporation and to society.

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

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

Delighted customers

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

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

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

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

Respect for the environment

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

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

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

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

In the past year, the Corporation launched a range of energy efficiency initiatives focused on transportation in Québec and Ontario to reduce our environmental footprint. For example, we optimized trailer loading and increased the number of road train trips (drawbar tractor and two (2) 53-foot trailers) to reduce the number of trips required to transport goods. We also adopted strategies to travel less during periods of heavy traffic to consume less fuel.

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

In 2019, the Corporation adopted the Packaging and Printed Materials Management Policy, which covers the Corporation's corporate, food and pharmacy activities. The Corporation is implementing measures to lower the use of resources and decrease waste generation while contributing to the global movement to reduce single-use plastics. Rooted in two (2) established concepts, life cycle approach and circular economy, the Policy is based on the following four (4) principles: reduce the use of packaging and printed materials, implement optimal design, select eco-responsible materials and facilitate recovery and recycling.

Over the past year, we have made progress on many fronts, including a reduction in the total weight of paper used for our food and pharmacy flyers of just over dix percent (10%) compared to 2018 (the baseline for our commitment) and the launch of a training module for our private brand suppliers to help them meet our eco-responsible packaging requirements.

To the Corporation's knowledge, requirements relating to environmental protection do not and will not have any significant impact on its capital spending, earnings or competitive position within the normal course of its operating activities.

Strengthened communities

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

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

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

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

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

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

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

Empowered employees

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

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

To adapt to the constant evolution of the Corporation's business environment, the Corporation developed a Code of conduct that came into effect in 2016 and replaced the Conflicts of Interest And Professional Ethics Policy.

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

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

Board oversight and corporate responsibility governance

GOVERNANCE STRUCTURE

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

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

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

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

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

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

Share capital structure

The common shares are the only shares of the Corporation carrying the right to vote at a meeting of shareholders. Each holder of common shares is entitled, at the meeting or any adjournment thereof, to one (1) vote for each common share registered in the name of such holder at the close of business on the Record Date. As at December 4, 2020, there were 249,600,486 common shares of the Corporation issued and outstanding, representing in the aggregate 100% of the votes attached to all common shares of the Corporation.

Information concerning the issued share capital can be found in note 21 of the Consolidated Financial Statements on pages 76 to 79 of the Corporation's 2020 Annual Report.

Transfer agent

AST Trust Company (Canada) is our transfer agent and registrar.

The registers of transfers for our common shares are held in Montréal.

Trading price and volume

The common shares of the Corporation are traded on the TSX under the ticker symbol MRU.

The table below shows the monthly range close-of-market highs and lows, monthly trading volume and average daily volume for the last financial year. September 2020 includes September 1 to 26, 2020, the last day in fiscal year 2020.

Month	High ($)	Low ($)	Total monthly volume	Average daily volume
2019				
October	$59.03	$54.55	11,484,522	522,024
November	$58.93	$54.52	10,244,915	487,853
December	$58.79	$53.30	9,119,026	455,951
2020				
January	$56.22	$53.04	11,215,196	509,782
February	$56.28	$50.89	11,294,702	594,458
March	$58.66	$49.03	28,959,404	1,316,337
April	$61.74	$56.22	17,631,570	839,599
May	$59.72	$54.95	10,728,549	536,427
June	$59.16	$54.79	17,387,408	790,337
July	$59.45	$55.67	7,335,504	333,432
August	$61.00	$57.75	9,699,404	484,970
September	$64.61	$58.09	11,090,559	616,142

Dividends

In January 2020, the Board of Directors of the Corporation changed the dividend policy which used to be based on offering annual dividends that represented 20% to 30% of the preceding financial year's adjusted net earnings* with a target** payout of 25%. Under the new policy, the dividend payout range** will be between 30% to 40% of the previous year's adjusted net earnings* without any target.

In the past three (3) financial years, the Corporation paid the following dividends per share:

Class of shares	2020	2019	2018
Common shares	$ 0.9000	$ 0.7800	$ 0.7025

Escrowed securities and securities subject to contractual restriction on transfer

Escrowed Securities (as at September 26, 2020)

Class of shares	Number of Escrowed Securities	Percentage of Class
Common shares	385,883	0.2%

The escrowed shares are common shares of the Corporation pledged to METRO by some of its retailers. Escrowed shares are held as collateral by METRO to be released and returned to the owner according to the required terms of credit or when the owner is no longer a client of METRO and no longer has any debts towards METRO.

** See Section on "Non-IFRS measurements" of the 2020 Annual Report.*
*** See the "Forward-Looking Information" section on page 1 of this Annual Information Form.*

Long-term debt

Credit facilities and senior unsecured notes

The Corporation has access to a $600 million four-year (4) revolving credit facility since 2011. The Credit Facility is unsecured, renewable and bears interest at rates which vary in accordance with bankers' acceptance rates. The Credit Facility's maturity date has been extended to November 3, 2024.

On October 12, 2005, the Corporation issued the following medium-term notes: i) 10-year series A medium term notes maturing on October 15, 2015 in a principal amount of $200 million bearing interest at a rate of 4.98% per annum (the "Series A Notes"); and ii) 30-year series B medium term notes maturing on October 15, 2035 in a principal amount of $400 million bearing interest at a rate of 5.97% (the "Series B Notes").

On December 1, 2014, the Corporation closed a private placement of $300 million aggregate principal amount of 3.20% series C senior unsecured notes due December 1, 2021 (the "Series C Notes") and $300 million aggregate principal amount of 5.03% series D senior unsecured notes due December 1, 2044 (the "Series D Notes"). The Series C Notes carry a coupon of 3.20% and were priced at $999.88 per $1,000 principal amount, for an effective yield of 3.202% per annum if held to maturity. The Series D Notes carry a coupon of 5.03% and were priced at $999.54 per $1,000 principal amount, for an effective yield of 5.033% per annum if held to maturity. The Corporation reimbursed all Series A Notes on December 31, 2014 using part of the proceeds of the Series C Notes and Series D Notes offering. The redemption price was $1,029.28 per $1,000 principal amount of the notes redeemed, plus accrued and unpaid interest to, but excluding, the redemption date. The remaining portion of the proceeds of the offering was used for working capital and other general corporate purposes.

On February 27, 2017, the Corporation closed a private placement offering of $400 million aggregate principal amount of Series E floating rate senior unsecured notes due February 27, 2020 (the "Series E notes"). The Series E Notes were issued at par and bear interest at a rate equal to the 3-month bankers' acceptance rate (CDOR) plus 57 basis points (or 0.57%), to be set quarterly commencing on the day of closing. The Corporation used the net proceeds for the repayment of indebtedness outstanding under the Credit Facility and for general corporate purposes.

In October 2017, to finance the cash portion of the purchase price payable in relation to the Transaction, the Corporation secured access to committed bank facilities fully underwritten by Bank of Montreal, Canadian Imperial Bank of Commerce and National Bank of Canada which consisted of a $500 million term loan facility (itself consisting of a 3-year $100 million tranche A, 4-year $150 million tranche B and a 5-year $250 million tranche C), a 1-month $250 million bridge term facility, an asset sale term facility of $1.5 billion and a 1-year $1.2 billion term facility. In the end, only the $500 million term loan facility and the 1-month $250 million bridge term facility were used as the Corporation financed the remaining cash portion of the purchase price of the acquisition by disposing of its investment in Alimentation Couche-Tard Inc. and by issuing unsecured senior notes by way of private placement, the whole as described below.

The Corporation completed the sale of a majority of its interests in Alimentation Couche-Tard Inc. in October 2017, for proceeds, net of the related fees and commissions, of $1.534 billion. The proceeds of such sale were used to finance part of the cash portion of the purchase price payable in relation to the Transaction. The $1.5 billion asset sale term facility was thus terminated.

The Corporation completed its issuance of unsecured senior notes by private placement on December 4, 2017 for an aggregate principal amount of $1.2 billion. Such private placement was comprised of $300 million aggregate principal amount of Series F unsecured senior notes, bearing interest at a fixed nominal rate of 2.68% and maturing on December 5, 2022 (the "Series F Notes"); $450 million aggregate principal amount of Series G unsecured senior notes, bearing interest at a fixed nominal rate of 3.39% and maturing on December 6, 2027 (the "Series G Notes"); and $450 million aggregate principal amount of Series H unsecured senior notes, bearing interest at a fixed nominal rate of 4.27% and maturing on December 4, 2047 (the "Series H Notes"). The Series F Notes carry a coupon of 2.68% and were priced at $999.95 per $1,000 principal amount, for an effective yield of 2.681% per annum if held to maturity. The Series G Notes carry a coupon of 3.39% and were priced at $999.41 per $1,000 principal amount, for an effective yield of 3.397% per annum if held to maturity. The Series H Notes carry a coupon of 4.27% and were priced at $998.99 per $1,000 principal amount, for an effective yield of 4.276% per annum if held to maturity. The proceeds of such issuance were used to finance the last part of the cash portion of the purchase price payable in relation to the Transaction. The Corporation therefore terminated the $1.2 billion term facility.

On December 6, 2017, the Corporation amended the terms of the $500 million term loan facility, resulting in a one-year (1) $100 million tranche A, a 2-year $200 million tranche B and a 3-year $200 million tranche C. On May 11, 2018, the Corporation reimbursed the $100 million tranche A and the $250 million bridge loan, and on June 11, 2018 the Corporation reimbursed half of tranche B ($100 million). During the fourth quarter of the 2018 financial year, the Corporation reimbursed the $100 million balance of tranche B and the total amount of the 200 million tranche C. Both facilities were officially terminated on September 10, 2018.

On February 26, 2020, the Corporation issued through a private placement Series I unsecured senior notes in the aggregate principal amount of $400 million bearing interest at a fixed nominal rate of 3.41%, maturing on February 28, 2050, and redeemable at fair value at the issuer's option at any time prior to maturity. On February 27, 2020, the Corporation redeemed all of the Series E notes in the amount of $400 million that matured on the same day.

The Corporation's financial debt position as at September 26, 2020 was comprised of:

- The Credit Facility to a maximum of $600 million;
- Series B notes in the amount of $400 million, bearing interest at a fixed nominal rate of 5.97% and maturing October 15, 2035;

- Series C notes in the amount of $300 million, bearing interest at a fixed nominal rate of 3.20% and maturing December 1, 2021;
- Series D notes in the amount of $300 million, bearing interest at the fixed nominal rate of 5.03% and maturing December 1, 2044;
- Series F notes in the amount of $300 million, bearing interest at the fixed nominal rate of 2.68% and maturing December 5, 2022;
- Series G notes in the amount of $450 million, bearing interest at the fixed nominal rate of 3.39% and maturing December 6, 2027;
- Series H notes in the amount of $450 million, bearing interest at the fixed nominal rate of 4.27% and maturing December 4, 2047; and
- Series I notes in the amount of $400 million, bearing interest at the fixed nominal rate of 3.41% and maturing February 28, 2050.

The table below indicates the principal amount outstanding at the end of the financial year of the Credit Facility and medium-term notes mentioned hereinabove.

Financing[1]

Type	**Maturing**	**Principal amount outstanding as of September 26, 2020**	**Principal amount outstanding as of September 28, 2019**
Revolving Credit Facility[2]	Nov. 3, 2024	—	—
Medium (C) term notes (7 years)	Dec. 1, 2021	$300 million	$300 million
Medium (F) term notes (5 years)	Dec. 5, 2022	$300million	$300 million
Medium (G) term notes (10 years)	Dec. 6, 2027	$450 million	$450 million
Medium (B) term notes (30 years)	Oct. 15, 2035	$400 million	$400 million
Medium (D) term notes (30 years)	Dec. 1, 2044	$300 million	$300 million
Medium (H) term notes (30 years)	Dec. 4, 2047	$450 million	$450 million
Medium (I) term notes (30 years)	Feb. 28, 2050	$400 million	—
TOTAL	**–**	**$2,600 million**	**$2,600 million**

Notes:

(1) Amounts shown are rounded to the nearest million.

(2) As at September 28, 2019 and September 26, 2020, $600 million remained undrawn from the Credit Facility.

The medium-term notes are neither traded nor listed on any recognized stock exchange.

Credit ratings

Credit ratings established by rating agencies are based on quantitative and qualitative considerations relevant to the Corporation. The credit ratings are intended to indicate the risk that the Corporation will not satisfy its obligations on a timely basis and disregard certain factors such as market risk or price risk, since these factors should be considered by investors as risk factors in their decision-making process. Such ratings do not constitute a recommendation to purchase, hold or sell the securities and may be changed or withdrawn at any time by the rating agencies.

During this financial year, the Corporation maintained the following credit ratings:

Standard & Poor's	BBB/ Stable trends
Dominion Bond Rating Services ("DBRS")	BBB/ Stable trends

The Standard & Poor's and DBRS ratings for long-term borrowing vary between AAA and D. The BBB rating granted by Standard & Poor's and the BBB/Stable trends granted by DBRS confirm the existence of adequate protection mechanisms. However, an unfavourable economic situation or changing circumstances could have a greater effect on the Corporation's ability to meet its financial commitments compared to companies that have obtained a higher rating.

In 2020, the Corporation paid fees to rating agencies to obtain its credit rating and expects* to pay similar fees in the future. The Corporation also paid a one-time rating service fee in relation to the private placement of $400 million unsecured senior notes dated February 26, 2020.

* *See the "Forward-Looking Information" section on page 1 of this Annual Information Form.*

Directors and officers

The name, principal occupation and place of residence of each director of the Corporation as of December 11, 2020 as well as the composition of the Human Resources, Corporate Governance and Nominating, and Audit Committees on the date of this Annual Information Form are indicated below. Each director's term of office expires at the Corporation's next annual general meeting.

Directors

Name/Place of residence	Position	Principal occupation	Principal occupation during the past five (5) years if different than current principal occupation
Maryse Bertrand Westmount, Québec	Director (since 2015)	Corporate Director and Business Advisor	Strategic Advisor and Counsel, Borden Ladner Gervais LLP (2016-2017)
Pierre Boivin Montréal, Québec	Director (since 2019)	President and Chief Executive Officer, Claridge Inc.	———
François J. Coutu Montréal, Québec	Director (since 2018)	Pharmacist	President, The Jean Coutu Group (PJC) Inc. (2007 to 2019)
Michel Coutu Montréal, Québec	Director (since 2018)	President, MMC Investments Inc.	———
Stephanie Coyles Toronto, Ontario	Director (since 2015)	Corporate Director	Strategy consultant, self employed (2012-2017)
Claude Dussault Québec, Québec	Director (since 2005)	President, ACVA Investing Corporation	———
Russell Goodman Mont-Tremblant, Québec	Director (since 2012)	Corporate Director	———
Marc Guay Oakville, Ontario	Director (since 2016)	Corporate Director	———
Christian W.E. Haub Munich, Germany	Director (since 2006)	Chief Executive Officer, The Tengelmann Group	Co-Chief Executive Officer, Tengelmann Group (2012-2018)
Eric R. La Flèche Town of Mount-Royal, Québec	Director and President and Chief Executive Officer (since 2008)	President and Chief Executive Officer, METRO	———
Christine Magee Oakville, Ontario	Director (since 2016)	Co-founder and Chair of the Board, Sleep Country Canada Holdings Inc.	———
Réal Raymond Montréal, Québec	Director and Chair of the Board (since 2008)	Chair, METRO	———
Line Rivard Montréal, Québec	Director (since 2014)	Corporate Director	———

Composition of the standing committees of the Board of Directors

As of December 11, 2020, the standing committees of the Board of Directors of the Corporation are composed of the following directors:

Human Resources Committee	Audit Committee	Corporate Governance and Nominating Committee
Boivin, Pierre Dussault, Claude (Chair) Guay, Marc Haub, Christian W.E. Rivard, Line	Bertrand, Maryse Coyles, Stephanie Goodman, Russell (Chair) Guay, Marc Rivard, Line	Bertrand, Maryse (Chair) Boivin, Pierre Dussault, Claude Goodman, Russell Magee, Christine

The information on the Audit Committee mandated by regulatory standards can be found in Schedules A and B hereto.

Officers

The name, place of residence, current position at METRO and principal occupation during the past five (5) years of the executive officers of the Corporation as of December 11, 2020 are indicated below.

Name and place of residence	Current position	Principal occupation during the past five (5) years if different than current position
Eric R. La Flèche Town of Mount-Royal, Québec	President and Chief Executive Officer	——
François Thibault Beaconsfield, Québec	Executive Vice President, Chief Financial Officer and Treasurer	Senior Vice-President, Chief Financial Officer and Treasurer, METRO (2012 to 2016)
Marc Giroux Town of Mount-Royal, Québec	Executive Vice President, Québec Division Head and eCommerce	Senior Vice President, Metro Banner, METRO (2016 to 2019); Vice-President, Metro Merchandising and Digital Strategy, METRO (2015 to 2016)
Carmine Fortino Stoney Creek, Ontario	Executive Vice President, Ontario Division Head and National Supply Chain	Executive Vice-President and Ontario Division Head, METRO (2014 to 2019)
Alain Champagne Montréal, Québec	President, Jean Coutu Group	Chief Executive Officer, Optimé International (2016 to 2019); President, McKesson Canada (2014 to 2016)
Serge Boulanger Candiac, Québec	Senior Vice President, National Procurement and Corporate Brands	——
Martin Allaire Saint-Lambert, Québec	Vice President, Real Estate and Engineering	——
Marie-Claude Bacon Brossard, Québec	Vice President, Public Affairs and Communications	Senior Director, Public Affairs and Communications, METRO (2013 to 2018)
Christina Bédard St-Bruno-de-Montarville, Québec	Vice President, E-Commerce and Digital Strategy	Senior Director, E-Commerce, METRO (2017 to 2020), Director, E-Commerce, METRO

Name and place of residence	Current position	Principal occupation during the past five (5) years if different than current position
		(2016 to 2017), Director, Digital platforms, METRO (2014 to 2016)
Geneviève Bich Westmount, Québec	Vice President, Human Resources	_____
Dan Gabbard Mississauga, Ontario	Vice President, Supply Chain	Vice President, Logistics and Distribution, Ontario, METRO (2019-2020), Vice President, Supply Chain, METRO (2016-2019)
Karin Jonsson Montréal, Québec	Vice President, corporate controller	Independent Consultant (2019 to 2020) Corporate Controller, CSL Group (2016 to 2019), Director, Corporate Finance, Rio Tinto (2011 to 2016)
Éric Legault Laval, Québec	Vice President, Technology Infrastructure	Senior Director, Information Technology, METRO (2011 to 2019)
Frédéric Legault Montréal, Québec	Vice President, Information Systems	_____
Simon Rivet Longueuil, Québec	Vice President, General Counsel and Corporate Secretary	_____
Alain Tadros Saint-Bruno-de-Montarville, Québec	Vice President, Marketing	Vice-President, Marketing, Québec, METRO (2016 to 2019); President, Publicis Montréal (2013 to 2016)
Yves Vézina Montréal, Québec	National Vice President, Logistics and Distribution	_____

To the Corporation's knowledge, the directors and executive officers of the Corporation own or control as a group and directly or indirectly, 521,800 common shares corresponding to 0.21% of the issued and outstanding shares of the Corporation as at December 4, 2020.

Cease trade order, bankruptcies, penalties or sanctions

To the Corporation's knowledge, no director or executive officer of the Corporation, as at the date of this Annual Information Form, and no shareholder holding a sufficient number of securities of the Corporation to affect materially the control of the Corporation:

a) is or was, in the past ten (10) years before the date of this Annual Information Form, a director or chief executive officer or chief financial officer of any other corporation that:

   i) was the subject of a cease trade or similar order, or an order that denied such person or corporation access to any exemption under securities legislation for a period of more than 30 consecutive days, where such order was issued while the director or officer was acting as director, chief executive officer or chief financial officer, except for Mr. Christian W.E. Haub, who was Chairman of the board of The Great Atlantic & Pacific Tea Company, Inc., the shares of which were suspended from trading on the New York Stock Exchange and which filed for protection from its creditors; or

   ii) after that person ceased to act in that capacity, was the subject of a cease trade or similar order or an order that denied that person or corporation access to any exemption under securities legislation for a period of more than 30 consecutive days as a result of an event that occurred while that person was acting in the capacity of director, chief executive officer or chief financial officer; or

b) is, as at the date of the Annual Information Form, or has been within the ten (10) years before the date of the Annual Information Form, a director or executive officer of any company that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets, except for i) Mr. Christian W.E. Haub who was chairman of the board of The Great Atlantic & Pacific Tea Company, Inc., which filed for protection from its creditors in 2010; ii) Ms. Stephanie Coyles, who was a director of Postmedia Network Canada Corp., while it completed a restructuring under a plan of arrangement under the *Canada Business Corporations Act* in 2016; and iii) Mr. Marc Guay, who was a director of Trusted Health Group Inc. until May 13, 2016 for which company a receiver was appointed on November 28, 2016; or

c) has, or an entity controlled, directly or indirectly, by such director or executive officer has, within the ten (10) years before the date of the Annual Information Form, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold such person's assets; or

d) was subject to penalties or sanctions relating to securities legislation imposed by a court or by a securities regulatory authority, or entered into a settlement agreement with such authority; or

e) was subject to any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

Conflicts of interests

To the Corporation's knowledge, no director or officer of the Corporation or of one of its subsidiaries has an existing or potential material conflict of interest with the Corporation or one of its subsidiaries, with the exception of the following: Mr. François J. Coutu, director of the Corporation and former President of the Jean Coutu Group, has a client to supplier business relationship with the Jean Coutu Group as a franchised drugstore owner of *PJC* drugstores. This relationship has no material impact on the Corporation or its subsidiaries and is concluded in the normal course of the Corporation's business, in accordance with the same terms and conditions applicable to other Jean Coutu Group franchised drugstore owners.

Legal proceedings

The Corporation is involved in various claims and litigation as a regular part of its business. While the final outcome of these claims and litigation cannot be predicted, nor can we estimate the amount of loss, or range of loss, if any, that may result from these proceedings, based on the information currently available, management believes* that the resolution of these claims and litigation (which, in certain cases, are subject to applicable deductibles covered by insurance) will not* have a material adverse effect on the Corporation's financial position or consolidated earnings.

In February 2020, a proposed class action relating to opioids was filed in British Columbia by opioid end users against a large group of defendants including subsidiaries of the Corporation, Pro Doc Ltée and The Jean Coutu Group (PJC) Inc. In May 2019, two (2) proposed class actions relating to opioids were filed in Ontario and in Québec against a large group of defendants including a subsidiary of the Corporation, Pro Doc Ltée. The allegations in these proposed class actions are similar to the allegations contained in the proposed class action filed by the province of British Columbia in August 2018 against numerous manufacturers and distributors of opioids, including subsidiaries of the Corporation, Pro Doc Ltée and The Jean Coutu Group (PJC) Inc. These proposed class actions contain allegations of breach of the *Competition Act*, of fraudulent misrepresentation and deceit, and of negligence. The province of British Columbia seeks damages (unquantified) on behalf of all federal, provincial and territorial governments and agencies for expenses allegedly incurred in paying for opioid prescriptions and other healthcare costs that would be related to opioid addiction and abuse while the Ontario and Québec proposed claims seek recovery of damages on behalf of opioid users directly. The Corporation believes* these proceedings are without merit and that, in certain cases, there is no jurisdiction. The above-mentioned subsidiaries of the Corporation are therefore vigorously defending against these proceedings.

In October 2017, the Canadian Competition Bureau began an investigation into the supply and sale of commercial bread which involves certain Canadian suppliers and retailers, including the Corporation. The Corporation continues to fully cooperate with the Competition Bureau. Class actions lawsuits have also been filed against the Corporation, suppliers and other retailers. Based on the information available to date, the Corporation does not believe* that it or any of its employees have violated the *Competition Act*. Class actions lawsuits have also been filed against the Corporation, suppliers and other retailers. On December 19, 2019, the Québec Superior Court granted the application for authorization to institute one of these class actions, the authorization process being merely a procedural step and the judgment in no way decides the case on the merits. The Corporation intends* to contest all these actions on the merits. No provision for contingent losses has been recognized in the Corporation's annual consolidated financial statements.

During the 2016 fiscal year, an application for authorization to institute a class action was served on the Jean Coutu Group by Sopropharm, an association constituted under the *Professional Syndicates Act* of which certain franchised drugstore owners of the Jean Coutu Group are members. The application seeks a declaratory judgement granting the class action and ordering, amongst others, i) to set aside certain contractual provisions of the Jean Coutu Group's standard franchise agreements, including the clause providing for the payment of royalties payable on sales of medication by franchised establishments; ii) to restore certain benefits; and iii) to reduce certain contractual obligations. On

* *See the "Forward-Looking Information" section on page 1 of this Annual Information Form.*

November 1, 2018, the Court granted the application for authorization to institute a class action, the authorization process being merely a procedural step and the judgment in no way decides the case on the merits. The Corporation intends* to contest this action on the merits. No provision for contingent losses has been recognized in the Corporation's annual consolidated financial statements.

Interests and material contracts

There are no persons with an interest in material transactions.

Except for the Combination Agreement with the Jean Coutu Group which was filed on October 6, 2017 on the Corporation's profile on SEDAR (sedar.com), the Corporation is not bound by any material contracts for which a filing is required.

Interest of experts

Ernst & Young LLP are the Corporation's external auditors.

For the 2020 financial year, the Corporation's Audit Committee obtained written confirmation from Ernst & Young LLP confirming the auditor's independence and objectivity with respect to the Corporation, in accordance with the Code of Ethics of the Québec Order of Chartered Professional Accountants.

Additional information

Additional information regarding directors' and officers' compensation and information regarding principal holders of the Corporation's securities, options to purchase securities and interest of insiders in material transactions, are, where appropriate, contained in the Corporation's Management Proxy Circular dated December 11, 2020 prepared for its next Annual General Shareholders' Meeting. Additional financial information is included in the 2020 Management's Discussion and Analysis and Consolidated Financial Statements contained in the Corporation's 2020 Annual Report.

These documents are available to the public under the conditions stipulated by law and copies of same may be obtained from the Finance Department at the Corporation's head office, 11011 Maurice-Duplessis Boulevard, Montréal, Québec, H1C 1V6, or through the Corporation's corporate website (corpo.metro.ca) and on SEDAR's website (sedar.com).

Additional information concerning the Corporation is also available on the Corporation's corporate website (corpo.metro.ca) and on SEDAR's website (sedar.com).

Upon request to the Corporate Secretary, the Corporation will provide to any person or corporation,

a) when the securities of the Corporation are in the course of a distribution under a preliminary short form prospectus or a short form prospectus:

   i) one copy of the Corporation's Annual Information Form, together with one copy of any document, or the relevant pages of any document, incorporated by reference in the Annual Information Form;

   ii) one copy of the Corporation's consolidated financial statements for its most recently completed financial year for which financial statements have been filed together with the independent auditor's accompanying report and one copy of the Corporation's most recent interim financial statements that have been filed, if any, for any period after the end of its most recently completed financial year;

   iii) one copy of the Management Proxy Circular for the Corporation's most recent Annual General Shareholders' Meeting that involved the election of directors, or one copy of any annual filing prepared instead of that management proxy circular, as appropriate;

   iv) one copy of any other document that is incorporated by reference into the preliminary short form prospectus or the short form prospectus and are not required to be provided under clauses i), ii) or iii);

b) at any other time, one copy of any other document referred to in a) i), ii) and iii), for which the Corporation may require payment of a reasonable charge if the request is made by a person or corporation that does not hold Corporation securities.

* *See the "Forward-Looking Information" section on page 1 of this Annual Information Form.*

SCHEDULE A – Information on the Audit Committee

Mandate of the Audit Committee

The mandate of the Audit Committee, which was approved by the Board of Directors, is set forth in Exhibit B to this Annual Information Form.

Composition of the Audit Committee, training and experience of its members

At the end of the 2020 financial year, the Audit Committee was composed of the following independent directors: Maryse Bertrand, Stephanie Coyles, Line Rivard, Russell Goodman (Chair) and Marc Guay.

Each of the current member has training and experience that is relevant to the performance of his or her duties on the Audit Committee and to be considered financially literate.

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

Pre-approval policies and procedures

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

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

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

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

Policy concerning complaints

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

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

Policy concerning the hiring of partners or employees of the auditors

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

Review of the quality of the work of the auditors

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

Fees for the services of the auditors

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

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

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

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

SCHEDULE B – Mandate of the Audit Committee

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

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

   1.1.1. the integrity of the Company's financial statements;

   1.1.2. the internal and external auditor qualifications and independence;

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

   1.1.4. the effectiveness of internal controls;

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

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

   1.2. Management is responsible for:

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

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

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

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

2. **Scope of mandate**

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

3. **Composition and Organization**

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

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

4. **Specific responsibilities**

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

   4.1. Financial Information

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

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

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

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

   4.2. Internal Control

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

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

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

4.3. Internal Audit

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

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

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

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

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

4.4. External Audit

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

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

ii) the compensation of the external auditor.

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

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

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

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

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

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

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

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

4.5. Miscellaneous

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

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

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

4.6. Compliance with legal and regulatory requirements

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

4.7. Risk Management

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

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

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