

**CODE OF ETHICS
OF THE DIRECTORS OF METRO INC.**

This code of ethics establishes ethical principles that the directors of Metro Inc. (the "Corporation") must respect. These ethical principles relate to the duties and obligations of the directors of the Corporation and provide explanations and illustrative examples. The code reproduces certain statutory provisions that set out the duties and obligations of corporate directors. The code also describes corporate governance guidelines to which the Corporation is subject. Finally, the code refers to the other policies adopted by the Corporation's Board of Directors.

A. Ethical Principles

- 1) Every director must, while exercising his or her duties and in the Corporation's interest, act prudently, diligently, with honesty and loyalty.
- 2) In discharging his or her duties, every director must comply with the law and with the Corporation's articles and by-laws and the various policies and guidelines adopted by the Corporation. Every director must use his or her knowledge, skills and experience in order to discharge his or her duties properly. Every director must devote such time and attention to his or her duties as may be reasonably required in the circumstances.
- 3) Every director must, in case of doubt, act in accordance with the spirit of the principles and rules contained in this code.
- 4) Every director must respect the confidentiality of Board proceedings and internal documents distributed to members of the Board. A director must not disclose any information he or she learns in the course or at the time of discharging his or her duties.
- 5) Every director must avoid situations involving a conflict of interest between his or her personal interests and his or her obligations as a director. In accordance with the Quebec *Business Corporation Act* ("QBCA"), he or she must report to the Board the nature and value of all interest he or she may have in a contract or operation to which the Corporation is a party. Also, he or she must report any contract or operation to which the Corporation is a party, and : i) an associate corporation; ii) a group of which the director or officer is a director or officer; or iii) a group in which the director or officer or an associate of the director or officer has interest.

No director may vote on a resolution to approve, amend or terminate the contract or transaction or be present during deliberations concerning the approval, amendment or termination of such a contract or transaction except in certain circumstances described in the QBCA relating to : i) the remuneration of the director or associate; ii) an indemnity or liability insurance benefiting a director or; iii) a contract or operation with an affiliate of the Corporation, and the sole interest of the director is as a director or officer of the affiliate.

- 6) A director may not mingle the Corporation's and his or her own property and may not use the Corporation's property for his or her own benefit or for the benefit of a third party unless the Board so allows.
- 7) A director may not use information obtained in the course or at the time of performing his or her duties for his or her personal gain or for the gain of a third party.
- 8) Any transaction outside the ordinary course of business between a director and the Corporation must be submitted to the Corporate Governance and Nominating Committee for its prior approval. If a member of the Committee is concerned, that member should be excluded from the Committee's proceedings and the discussions relating to the matter.
- 9) A director may not, directly or indirectly, grant, solicit or accept any favour or undue advantage for himself/herself or for a third person.
- 10) A director may not give any undertaking to a third party or grant a third party any guarantee with respect to his or her vote or any decision that the Board may have to make.
- 11) A director who has ceased to act as a director must conduct himself/herself in such a way as not to take undue advantage of his or her former directorship of the Corporation.
- 12) A director who has ceased to act as a director may not disclose information that is not available or not publicly known or give advice with respect to the Corporation based on such information.
- 13) For one year after ceasing to act as a director, a former director may not act for or on behalf of another person with respect to a proceeding, negotiation or any other transaction to which the Corporation is a party and regarding which he or she has information not available to the public.
- 14) A director may not become involved in activities that could discredit the Corporation.
- 15) It is prohibited for Directors to, directly or indirectly; short sell Corporation stock or trading in Put or Call options on Corporation stock.
- 16) Every director has a duty to inform the Board of Directors of any breach of this code.

B. Legislative Provisions

A number of laws and regulations create duties and obligations for corporate directors. More particularly, articles 321 to 326 of the *Civil Code of Québec* (C.C.Q.) and articles 119 to 133 of the OBCA set forth the general duties and obligations of any corporate director. The text of those articles follows.

Article 321 C.C.Q.

A director is considered to be the mandatary of the legal person. He shall, in the performance of his duties, conform to the obligations imposed on him by law, the constituting act or the by-laws and he shall act within the limits of the powers conferred on him.

Article 322 C.C.Q.

A director shall act with prudence and diligence. He shall also act with honesty and loyalty in the interest of the legal person.

Article 323 C.C.Q.

No director may mingle the property of the legal person with his own property nor may he use for his own profit or that of a third person any property of the legal person or any information he obtains by reason of his duties, unless he is authorized to do so by the members of the legal person.

Article 324 C.C.Q.

A director shall avoid placing himself in any situation where his personal interest would be in conflict with his obligations as a director. A director shall declare to the legal person any interest he has in an enterprise or association that may place him in a situation of conflict of interest and of any right he may set up against it, indicating their nature and value, where applicable. The declaration of interest is recorded in the minutes of the proceedings of the board of directors or the equivalent.

Article 325 C.C.Q.

A director may, even in carrying on his duties, acquire, directly or indirectly, rights in the property under his administration or enter into contracts with the legal person. The director shall immediately inform the legal person of any acquisition or contract described in the first paragraph, indicating the nature and value of the rights he is acquiring, and request that the fact be recorded in the minutes of proceedings of the board of directors or the equivalent. He shall abstain, except if required, from the discussion and voting on the question. This rule does not, however, apply to matters concerning the remuneration or conditions of employment of the director.

Article 326 C.C.Q.

Where the director of a legal person fails to give information correctly and immediately of an acquisition or a contract, the court, on the application of the legal person or a member, may, among other measures, annul the act or order the director to render account and to remit the profit or benefit realized to the legal person. The action may be brought only within one year after knowledge is gained of the acquisition or contract.

DUTIES OF DIRECTORS AND OFFICERS UNDER THE QBCA**§ 1. — General provisions**

119. *Subject to this division, the directors are bound by the same obligations as are imposed by the Civil Code on any director of a legal person.*

Consequently, in the exercise of their functions, the directors are duty-bound toward the corporation to act with prudence and diligence, honesty and loyalty and in the interest of the corporation.

In their capacity as mandataries of the corporation, the officers are bound, among other things, by the same obligations as are imposed on the directors under the second paragraph.

2009, c. 52, s. 119.

120. Subject to the provisions of section 214, no provision of the articles, the by-laws, a resolution or a contract may relieve directors from their obligations, or from liability for a breach of their obligations.

2009, c. 52, s. 120; 2010, c. 40, s. 68.

§ 2. — Good faith reliance

121. A director of a corporation is presumed to have fulfilled the obligation to act with prudence and diligence if the director relied, in good faith and based on reasonable grounds, on a report, information or an opinion provided by

(1) an officer of the corporation who the director believes to be reliable and competent in the functions performed;

(2) legal counsel, professional accountants or other persons retained by the corporation as to matters involving skills or expertise the director believes are matters within the particular person's professional or expert competence and as to which the particular person merits confidence; or

(3) a committee of the board of directors of which the director is not a member if the director believes the committee merits confidence.

2009, c. 52, s. 121; 2010, c. 40, s. 69.

§ 3. — Disclosure of interest

122. A director or officer of a corporation must disclose the nature and value of any interest he or she has in a contract or transaction to which the corporation is a party.

For the purposes of this subdivision, "interest" means any financial stake in a contract or transaction that may reasonably be considered likely to influence decision-making. Furthermore, a proposed contract or a proposed transaction, including related negotiations, is considered a contract or transaction.

2009, c. 52, s. 122.

123. A director or an officer must disclose any contract or transaction to which the corporation and any of the following are a party:

(1) an associate of the director or officer;

(2) a group of which the director or officer is a director or officer;

(3) a group in which the director or officer or an associate of the director or officer has an interest.

The director or officer satisfies the requirement if he or she discloses, in a case specified in subparagraph 2, the directorship or office held within the group or, in a case specified in subparagraph 3, the nature and value of the interest he or she or his or her associate has in the group.

2009, c. 52, s. 123.

124. Unless it is recorded in the minutes of the first meeting of the board of directors at which the contract or transaction is discussed, the disclosure of an interest, contract or transaction must be made in writing to the board of directors as soon as the director becomes aware of the interest, contract or transaction.

2009, c. 52, s. 124.

125. In the case of an officer who is not a director, the disclosure required by sections 122 and 123 must be made as soon as

(1) the officer becomes an officer;

(2) the officer becomes aware that the contract or transaction is to be discussed or has been discussed at a meeting of the board; or

(3) the officer or the officer's associate acquires an interest in the contract or transaction, if it was entered into earlier.

2009, c. 52, s. 125.

126. The disclosure required by sections 122 and 123 must be made even in the case of a contract or transaction that does not require approval by the board of directors.

2009, c. 52, s. 126.

127. No director may vote on a resolution to approve, amend or terminate the contract or transaction described in section 122 or 123 or be present during deliberations concerning the approval, amendment or termination of such a contract or transaction unless the contract or transaction

(1) relates primarily to the remuneration of the director or an associate of the director as a director of the corporation or an affiliate of the corporation;

(2) relates primarily to the remuneration of the director or an associate of the director as an officer, employee or mandatary of the corporation or an affiliate of the corporation, if the corporation is not a reporting issuer;

(3) is for indemnity or liability insurance under Division VII; or

(4) is with an affiliate of the corporation, and the sole interest of the director is as a director or officer of the affiliate.

2009, c. 52, s. 127.

128. If no quorum exists for the purpose of voting on a resolution to approve a contract or transaction only because a director is not permitted by section 127 to be present during deliberations, the other directors present are deemed to constitute a quorum for the purpose of voting on the resolution.

2009, c. 52, s. 128.

129. If all the directors are required by section 127 to abstain from voting, the contract or transaction may be approved solely by the shareholders entitled to vote, by ordinary resolution.

The disclosure required by sections 122 and 123 must be made to the shareholders in a sufficiently clear manner before the contract or transaction is approved.

2009, c. 52, s. 129.

130. The shareholders of a corporation may, during the usual office hours of the corporation, examine the portions of any minutes of the meetings of the board of directors or of any other document that contain disclosures by directors or officers under sections 122 and 123.

2009, c. 52, s. 130.

131. If a director or officer fails to comply with this subdivision, the corporation or a shareholder may ask the court to declare the contract or transaction null and to require the director or officer to account to the corporation for any profit or gain realized on it by the director or officer or the associates of the director or officer, and to remit the profit or gain to the corporation, according to the conditions the court considers appropriate.

2009, c. 52, s. 131.

132. A contract or transaction for which a disclosure required by section 122 or 123 was made may not be declared null if the contract or transaction was approved by the board of directors and the contract or transaction was in the interest of the corporation when it was approved.

Nor may the director or officer concerned, in such a case, be required to account for any profit or gain realized or to remit the profit or gain to the corporation.

2009, c. 52, s. 132.

133. Despite this subdivision, a contract or transaction may not be declared null only because a director or officer did not make the disclosure required by sections 122 and 123, if

(1) the contract or transaction was approved by ordinary resolution by the shareholders entitled to vote who do not have an interest in the contract or transaction;

(2) the disclosure required by sections 122 and 123 was made to the shareholders in a sufficiently clear manner before the contract or transaction was approved; and

(3) the contract or transaction was in the best interests of the corporation when it was approved.

If the director or officer acted honestly and in good faith, he or she may not be required to account for the profit or gain realized and to remit the profit or gain to the corporation.

2009, c. 52, s. 133.

C. **Corporate Governance**

The Board of Directors of the Corporation places great importance on corporate governance and the Corporation intends to comply as faithfully as possible with the guidelines adopted by regulatory bodies. It is important that every director of the Corporation be familiar with these guidelines and the Corporation's corporate governance practices. The corporate governance guidelines are set forth in Schedule A to this Code and the Corporation's corporate governance practices are included in the Corporation's information circular each year.