

## CORPORATE GOVERNANCE

The Board of Directors of Metro inc. (the “Corporation”) believes that good corporate governance is essential, and the Corporation imposes to its directors, officers and employees a rigorous code of ethics.

The Corporation intends to comply as much as possible with the guidelines adopted by the Canadian Securities Administrators and with the standards of other regulatory bodies. The following table sets forth the statement of corporate governance practices of the Corporation. The information therein contained is up to date as at December 11, 2020, and will be further updated in December 2021 in view of the filing of the Management Proxy Circular for the Annual General Meeting of Shareholders to be held in 2022.

Canadian Securities Administrators Corporate Governance Guidelines and Disclosure Requirements	Observations
Board of Directors  1. The board should have a majority of independent directors.	1. At the end of the 2020 financial year, the Board of Directors was comprised of a majority of independent directors, in that out of the 13 directors who served on the Board of Directors at one time or another during the 2020 financial year, ten (10) were considered independent directors. In order to determine if a director is independent, the Board of Directors reviews information provided by the directors or the nominees in a questionnaire which is annually completed by them. During the 2020 financial year, the independent directors serving on the Board at one time or another were: Mses. Maryse Bertrand, Stephanie Coyles, Christine Magee, Marie-José Nadeau and Line Rivard and Messrs. Pierre Boivin, Marc DeSerres, Claude Dussault, Russell Goodman, Marc Guay, Christian W.E. Haub and Réal Raymond. Mr. Eric R. La Flèche cannot be considered independent because he holds a senior executive position with the Corporation. Mr. François J. Coutu cannot be considered independent because he held a senior executive position with the Jean Coutu Group, a subsidiary of the Corporation, within the last three (3) years and is a shareholder and an executive of companies which own drugstores operating under the Jean Coutu Group banners and therefore carries a business relationship with the Corporation. Mr. Michel Coutu also cannot be considered independent as one of his family members, his brother François J. Coutu, was, within the last three (3) years, a senior executive of the Jean Coutu Group, a wholly-owned subsidiary of the Corporation and his son holds a senior executive position with the Jean Coutu Group.  If, following the Meeting on January 26, 2021, the nominees proposed by the Corporation are elected, the Board of Directors will continue to be comprised of a majority of independent directors, in that nine (9) of the 12 proposed nominees will be independent directors, namely the following director nominees: Mses. Maryse Bertrand, Stephanie Coyles, Christine Magee and Line Rivard and Messrs. Pierre Boivin, Claude Dussault, Russell Goodman, Marc Guay and Christian W.E. Haub.  A record of attendance of each director nominee at Board of Directors and Committee meetings held since the beginning of the Corporation's most recently completed financial year is

	<p>included in the director nominees profiles on pages 9 to 14 Management Proxy Circular which has been prepared and filed in view of the 2020 Annual General Meeting of Shareholders (the “Circular”) and copy of which can be found in the “Investor Relations/Annual General Meeting” section of the <a href="http://www.corpo.metro.ca">www.corpo.metro.ca</a> Website (the “Corporate Website”).</p>
2.	<p>If a director is presently a director of any other reporting issuer, identify both the director and the other issuer.</p>
2.	<p>The information pertaining to the directors who serve on the board of another reporting issuer which can be found in the “Governance/Board of Directors” section of the Corporate Website. The Board of Directors has adopted a policy limiting the number of directorships of its directors to a maximum of four (4) public companies, including the Corporation. In addition, no more than two (2) directors of the Corporation shall hold a director seat at the same board of another public company at the same time. Therefore, the Corporate Governance and Nominating Committee (the “Corporate Governance Committee”) of the Corporation takes into consideration the external directorships of potential director nominees and does not propose a slate of directors for election by shareholders if the election of those directors would result in more than two (2) simultaneous situations where two (2) directors hold a director seat at the same board of another public company. A director of the Corporation must obtain the prior approval of the Corporate Governance Committee before submitting his or her candidacy as director of another public company.</p>
3.	<p>The chair of the board should be an independent director.</p>
3.	<p>The role and responsibilities of the Chair of the Board of Directors are described in the mandate of the Chair of the Board of Directors, the text of which can be found in the “Governance” section of the Corporate Website. Mr. Réal Raymond, Chair of the Board of Directors, is an independent director. If, following the Meeting on January 26, 2021, the nominees proposed by the Corporation are elected, Mr. Pierre Boivin will replace Mr. Réal Raymond, who will be retiring as Chair of the Board of Directors at the end of the Meeting. Mr. Pierre Boivin is also independent.</p>
4.	<p>The independent directors should hold regularly scheduled meetings at which non-independent directors and members of management are not in attendance.</p>
4.	<p>A meeting of the directors without management present, chaired by the Chair of the Board, takes place at the end of each regular meeting of the Board of Directors.</p>
<b>Board Mandate</b>	
5.	<p>The board should adopt a written mandate in which it explicitly acknowledges responsibility for the stewardship of the issuer.</p>
5.	<p>The Board of Directors has adopted a mandate in which it acknowledges its stewardship responsibility. The text of said mandate can be found in the “Governance” section of the Corporate Website. Every year, the Corporate Governance Committee reviews the mandate of the Board of Directors to determine if it requires updating, and in such case, makes the recommendations to this effect to the Board of Directors.</p>
<b>Position descriptions</b>	
6.	<p>The board should develop clear position descriptions for the chair of the board and the chair of each board committee. In addition, the board should develop a clear position description for the president and CEO. The</p>
6.	<p>The Board of Directors has adopted a written mandate for the position of Chair of the Board of Directors, the text of which can be found in the “Governance” section of the Corporate Website. The Board of Directors has also adopted a mandate for the</p>

board should also develop or approve the goals and objectives that the president and CEO must meet.

position of Chair of each Board committee, the text of which can be found in the "Governance/Committee" section of the Corporate Website. The mandate of the President and Chief Executive Officer is described in the Corporation's By-Laws. The President and Chief Executive Officer reports to the Board of Directors and his responsibilities include: i) directing and managing all of the Corporation's business, subject however to the powers vested exclusively to the Board of Directors or its shareholders; ii) without limiting the generality of the foregoing, establishing the objectives, action plans, policies and strategies of the Corporation and its subsidiaries and, with the approval of the Board of Directors, implementing same; and iii) performing all other tasks which may be assigned to him from time to time by the Board of Directors of the Corporation.

At the beginning of each year, the President and Chief Executive Officer's objectives are approved by the Board of Directors, upon recommendation of the Human Resources Committee.

#### **Orientation and continuing education**

7. The board should ensure that all new directors receive a comprehensive orientation. All new directors should understand the nature and operation of the issuer's business. The board should provide continuing education opportunities for all directors.

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

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

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

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

	<p>attended a strategic planning session.</p> <p>These briefings were presented by internal speakers and renowned experts in the applicable fields.</p> <p>The Corporation ensures that all directors are members of the Institute of Corporate Directors (ICD) and pays ICD membership fees.</p>
<b>Business Ethics</b>	<p>8. The board should adopt a written code of business conduct and ethics. The code should be applicable to directors, officers and employees of the issuer.</p> <p>8. The Board of Directors has adopted a code of ethics for directors (the "Directors' Code of Ethics") and a Code of conduct for executives and employees. These codes are available on SEDAR (sedar.com) and on the Corporation's corporate website (corpo.metro.ca). These codes address the elements recommended in Policy Statement 58-201 of Corporate Governance Guidelines of the Canadian Securities Administrators ("Policy Statement 58-201"). These codes also have provisions prohibiting employees and directors of the Corporation from short selling, directly or indirectly, the Corporation's securities or Options or trading in put or call options, as well as provisions providing for the clawback of executives' compensation (for further details on these provisions, please refer to the "Summary of the Corporation's compensation policies and practices and associated risks" section on page 27 of this Circular). The Board has also adopted a "Director Resignation Policy" which requires a director to offer his or her resignation to the Chair of the Board of Directors, same being subject to the approval of the Board of Directors, in the event that: i) such director no longer meets the legal requirements or those set forth by the Board of Directors; or ii) there is a material change in the director's function, employment or assignment; or iii) such director has breached or noted a potential breach to the Directors' Code of Ethics.</p>
9. The board should be responsible for monitoring compliance with the code of ethics. Any waivers from the code that are granted for the benefit of the issuer's directors or executive officers should be granted by the board (or a board committee) only.	<p>9. The Corporate Governance Committee is responsible for overseeing compliance with the Directors' Code of Ethics. This committee is also responsible for reviewing the Directors' Code of Ethics to make sure that it is up to date and that it covers all regulatory requirements and corporate governance matters. The Human Resources Committee is responsible for overseeing compliance with the Code of conduct applicable to senior executives and employees of the Corporation. The Corporation's Vice-President, Human Resources, makes recommendations to the Human Resources Committee whenever the Corporation's senior management deems that amendments need to be made to the Code of conduct. Furthermore, every year, or otherwise when needed, she reports to the Human Resources Committee on any non-compliance with the Code of conduct by senior executives of the Corporation. No waivers have been sought for directors or senior executives and there are no breaches to report in this respect.</p>

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| <p>10. The board must ensure that directors exercise independent judgment in considering transactions and agreements in which a director or executive officer has a material interest.</p> | <p>10. The Directors' Code of Ethics provides a definition of a conflict of interest that includes a non-exhaustive list of situations, real or apparent, where directors may be inclined to favour their interests over the interests of the Corporation, or where their loyalty or judgement may be affected. Directors must report to the Chair of the Board and to the Chair of the Corporate Governance Committee any real or apprehended situation that could give rise to a conflict of interest as soon as they become aware of the situation. The Corporate Governance Committee shall review any situation involving a conflict of interest or situation that could give rise to a conflict of interest and make recommendations to the Board. If a member of the Corporate Governance Committee is involved in the situation potentially giving rise to a conflict of interest, such member must be excluded from the Corporate Governance Committee's proceedings and the discussions relating to the matter. In addition, the Code of conduct specifies, among other things, that executives and employees must avoid situations of conflict of interests. Moreover, the Code of conduct specifies that: "Employees shall avoid situations where they may become involved, directly or indirectly, in a business similar to, or in competition with, METRO's or in any entity that does or seeks to do business with METRO". Every year, the directors and senior executives of the Corporation must declare all conflicts of interest in a questionnaire, and must furthermore notify the Corporation of any subsequent change in their situation. The Corporation's Vice-President, General Counsel and Corporate Secretary, reviews the directors' questionnaires and reports back to the Corporate Governance Committee about all actual or potential breaches of the Directors' Code of Ethics regarding conflicts of interest. The Corporation's Vice-President, Human Resources, executes the same duties with respect to actual or potential conflicts of interest of any senior executives by informing, whenever necessary, the Human Resources Committee.</p> |
| <p>11. The board must take steps to encourage and promote a culture of ethical business conduct.</p>   | <p>11. The rules of conduct applicable to employees found in the Code of conduct specify, among other things, that all executives and employees must act with care, honesty, diligence, efficiency, commitment, loyalty and fidelity in order to ensure that the Corporation maintains a reputation of quality, dependability and integrity. The Code of conduct also requires that employees perform their duties in the best interest of the Corporation and its shareholders while respecting human rights and the law. In addition, not only does the Code of conduct requires employees to avoid all conflicts of interest throughout their work but it also requires them not to accept gifts unless same qualifies as a business practice defined in the Code of conduct.</p> <p>When hired, all employees must sign a form pursuant to which they acknowledge having read the Code of conduct and undertake to comply with same. They must also sign a disclosure of private interests form, which is updated on a regular basis.</p> <p>All new candidates to the position of director receive a copy of the Directors' Code of Ethics, acknowledge in writing that they have read and understood said Code of Ethics and undertake to respect same. The list of competencies and expectations of directors provides that the directors of the Corporation must act</p>  |

	<p>with integrity and respect the highest ethical and fiduciary standards.</p>
<b>Nomination of Directors</b>	
12. The board should appoint a nominating committee composed entirely of independent directors.	12. The Corporate Governance Committee is responsible for succession planning of the Board of Directors and recommending nominees to the Board of Directors for the position of directors of the Corporation. The committee is comprised of five (5) directors, all of whom are independent.
13. The nominating committee should have a written charter that clearly establishes the committee's purpose, responsibilities, member qualifications, member appointment and removal, structure, operations and manner of reporting to the board. In addition, the nominating committee should be given authority to engage and compensate any outside advisor that it determines to be necessary to permit it to carry out its duties.	13. The Board of Directors has adopted a mandate for the Corporate Governance Committee as well as an administrative resolution governing the procedure of all committees. The Corporate Governance Committee, pursuant to these documents, carries all of the responsibilities recommended in Policy Statement 58-201, and its mandate further provides that it has the authority to retain the services of an external advisor, if need be. Every year, the Corporate Governance Committee reviews its mandate to determine if it requires updating and in such case, makes recommendations to this effect to the Board of Directors.  For further details, the text of the Corporate Governance Committee's mandate can be found in the "Governance/Committees" section of the Corporate Website.
14. Prior to nominating or appointing individuals as directors, the board should adopt a process involving the following steps: consider what competencies and skills the board, as a whole, should possess and assess what competencies and skills each existing director possesses.	14. The Board of Directors has established and adopted the "List of competencies and expectations of Directors", the text of which can be found in the "Governance/directors' Skills" section of the Corporate Website. In addition, the Corporate Governance Committee has also established a skills and experience matrix of the directors currently serving on the Board of Directors. This matrix showing the skills and experience of the nominees for the positions of director can be found on page 16 of this Circular. The Corporate Governance Committee ensures that the choice of nominees takes into account the competencies, experience and skills that the Board of Directors should overall possess, and reports back to the Board of Directors accordingly.
15. The board should also consider the appropriate size of the board, with a view to facilitating effective decision-making by the board.	15. The Board of Directors examines its size on a yearly basis. Regarding the upcoming year, the Board of Directors has concluded that it would remain efficient with 12 members. The Board of Directors considers that its composition allows a diversity of point of views without hindering its efficiency.
16. The nominating committee should be responsible for identifying individuals qualified to become new board members and recommending to the board the new director nominees for the next annual meeting of shareholders.	16. The Corporate Governance Committee is responsible for identifying and recommending to the Board of Directors new nominees for the position of director. As such, the Corporate Governance Committee maintains an "evergreen" list of potential nominees. Prior to the selection of any new nominee for the position of director, the Chair of the Board of Directors, the President and Chief Executive Officer and the Chair of the Corporate Governance Committee meet with the potential nominee in order to evaluate his or her competencies and independence.

	<p>17. In making its recommendations, the nominating committee should consider the competencies and skills that the board considers to be necessary for the board, as a whole, to possess and those that the board considers each existing director and new nominee to possess.</p>	<p>17. The Corporate Governance Committee ensures that the Board of Directors possesses all the required competencies, experience and skills. It also ensures that all nominees for the position of director possess all required competencies, experience and skills to complete the Board's team and carry out the Board's mandate efficiently.</p>
<b>Compensation</b>		
	<p>18. The board should appoint a compensation committee composed entirely of independent directors.</p>	<p>18. The Human Resources Committee is comprised of five (5) directors, all of whom are independent.</p>
	<p>19. The compensation committee should have a written charter that establishes the committee's purpose, responsibilities, member qualifications, member appointment and removal, structure, operations and the manner of reporting to the board. In addition, the compensation committee should be given authority to engage and compensate any outside advisor that it determines to be necessary to permit it to carry out its duties.</p>	<p>19. The Board of Directors has adopted a mandate for the Human Resources Committee as well as an administrative resolution governing the procedure of all committees. The Human Resources Committee, pursuant to these documents, carries all of the responsibilities recommended in Policy Statement 58-201, and its mandate further provides that it has the authority to retain the services of an external advisor, if need be. Every year, the Human Resources Committee reviews its mandate to determine if it requires updating and in such case, makes recommendations to this effect to the Board of Directors.</p> <p>For further details, the text of the Human Resources Committee's mandate can be found in the "Governance/Committees" section of the Corporate Website.</p>
	<p>20. The compensation committee should be responsible for: reviewing and approving corporate goals and objectives relevant to CEO compensation, evaluating the CEO's performance in light of those corporate goals and objectives, and determining (or making recommendations to the board with respect to) the CEO's compensation level based on this evaluation; making recommendations to the board with respect to non-CEO officer compensation, incentive-compensation plans and equity-based plans and reviewing executive compensation disclosure before the issuer publicly discloses this information.</p>	<p>20. These responsibilities are specified in the Human Resources Committee's mandate. The "Executive Compensation Discussion and Analysis" section, which can be found on pages 25 to 40 of this Circular, indicates the manner in which the Human Resources Committee performs its task.</p> <p>The directors' compensation is recommended to the Board of Directors by the Corporate Governance Committee. Such recommendation is based on the compensation paid to directors of the companies included in the reference group that the Corporation uses to determine executives' compensation, the directors' involvement, their responsibilities and the risks that they assume, as well as the best practices in Canada.</p>
<b>Operations of the Board of Directors</b>		
	<p>21. Identify the standing committees of the board other than the audit, nominating and compensation committees, and describe their function.</p>	<p>21. The standing committees of the Board of Directors are: the Human Resources Committee, the Audit Committee and the Corporate Governance Committee. The texts of these committees' mandates can be found in the "Governance/Committees" section of the Corporate Website.</p>
	<p>22. The board, its committees and each individual director should be regularly assessed regarding his, her or its effectiveness and contribution.</p>	<p>22. The Board of Directors has designed a comprehensive effectiveness assessment for itself, the committees and the directors under the supervision of the Corporate Governance Committee. This assessment occurs on an annual basis using questionnaires which were reviewed by the Corporate Governance Committee. These questionnaires cover a variety of subjects, including but not limited to corporate governance and include both quantitative and qualitative questions. Every three (3) years, a detailed questionnaire replaces the usual</p>

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

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

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

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

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