

## CORPORATE GOVERNANCE

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

The Company 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 Company. The information therein contained is up to date as at December 8, 2023, and will be further updated in December 2024 in view of the filing of the Management Proxy Circular for the Annual General Meeting of Shareholders to be held in 2025.

<b>Canadian Securities Administrators Corporate Governance Guidelines and Disclosure Requirements</b>	<b>Observations</b>
<b>Board of Directors</b>	
1. The board should have a majority of independent directors.	<p>1. At the end of fiscal 2023, the Board of Directors was comprised of a majority of independent directors, in that out of the 13 directors who served on the Board of Directors at one time or another during fiscal 2023, 10 were considered independent directors. In order to determine if a director is independent, the Board of Directors reviews information provided by the directors or the nominees in a questionnaire which is annually completed by them. During fiscal 2023, the independent directors serving on the Board at one time or another were: Mses. Lori-Ann Beausoleil, Maryse Bertrand, Stephanie Coyles and Christine Magee and Messrs. Pierre Boivin, Russell Goodman, Marc Guay, Christian W.E. Haub, Brian McManus and Pietro Satriano. Mr. Eric R. La Flèche cannot be considered independent because he holds a senior executive position with the Corporation. Mr. François J. Coutu cannot be considered independent because he is a shareholder and an executive of companies which own pharmacies operating under one of the banners of the Jean Coutu Group, a wholly-owned subsidiary of the Company, and therefore carries a business relationship with the Company, and because he has one of his family members, Mr. Jean-Michel Coutu, who is the President of the Jean Coutu Group. Mr. Michel Coutu also cannot be considered independent as one of his family members, his son, Mr. Jean-Michel Coutu, is the President of the Jean Coutu Group, a wholly-owned subsidiary of the Company.</p> <p>If, following the Meeting on January 30, 2024, the nominees proposed by the Corporation are elected, the Board of Directors will continue to be comprised of a majority of independent directors, in that nine (9) of the 12 proposed nominees will be independent directors, namely the following director nominees: Mses. Lori-Ann Beausoleil, Maryse Bertrand, Stephanie Coyles, Geneviève Fortier and Christine Magee and Messrs. Pierre Boivin, Marc Guay, Brian McManus and Pietro Satriano.</p>

<p>2. If a director is presently a director of any other reporting issuer, identify both the director and the other issuer.</p>	<p>2. The information pertaining to the directors who serve on the board of another reporting issuer can be found on pages <u>12</u> to <u>20</u> of the Management Proxy Circular which has been prepared and filed in view of the 2024 Annual General Meeting of Shareholders (the “Circular”). The Board of Directors has adopted a policy limiting the number of directorships of its directors to a maximum of four (4) public companies, including the Company. In addition, no more than two (2) directors of the Company shall hold a director seat on the same board of another public company at the same time. Therefore, the Governance and Corporate Responsibility Committee of the Company (the “Governance Committee”) of the Company takes into consideration the external directorships of potential director nominees and does not propose a slate of directors for election by shareholders if the election of those directors would result in more than two (2) simultaneous situations where two (2) directors hold a director seat on the same board of another public company. A director of the Company must obtain the prior approval of the Governance Committee before submitting his or her candidacy as director of another public company.</p>
<p>3. The chair of the board should be an independent director.</p>	<p>3. The role and responsibilities of the Chair of the Board of Directors are described in Exhibit H to the Circular. Mr. Pierre Boivin, Chair of the Board of Directors, is an independent director.</p>
<p>4. The independent directors should hold regularly scheduled meetings at which non-independent directors and members of management are not in attendance.</p>	<p>4. A meeting of the directors without management present, chaired by the Chair of the Board, takes place at the end of all meetings of the Board of Directors. In addition, a meeting of the independent directors, chaired by the Chair of the Board, also takes place at the end of all meetings of the Board of Directors.</p>
<p><b>Board Mandate</b></p> <p>5. The board should adopt a written mandate in which it explicitly acknowledges responsibility for the stewardship of the issuer.</p>	<p>5. The Board of Directors has adopted a written mandate in which it acknowledges its stewardship responsibility. The text of said mandate can be found in Exhibit B to the Circular. Every year, the Governance Committee reviews the mandate of the Board of Directors to determine if it requires updating, and in such case, makes the recommendations to this effect to the Board of Directors.</p>
<p><b>Position descriptions</b></p> <p>6. The board should develop clear position descriptions for the chair of the board and the chair of each board committee. In addition, the board should develop a clear position description for the president and CEO. The board should also develop or approve the goals and objectives that the president and CEO must meet.</p>	<p>6. The Board of Directors has adopted a written mandate for the position of Chair of the Board of Directors, the text of which is included in Exhibit H to the Circular. The Board of Directors has also adopted a mandate for the position of Chair of each Board committee, the text of which is included in Exhibit I to the Circular.</p> <p>The mandate of the President and Chief Executive Officer is described in the Company’s By-Laws. The President and Chief Executive Officer reports to the Board of Directors and his responsibilities include: i) directing and managing all of the Company’s business, subject however to the powers vested exclusively to the Board of Directors or its shareholders; ii) without limiting the generality of the foregoing, establishing the objectives, action plans, policies and strategies of the Company and its subsidiaries and, with the approval of the Board of Directors, implementing same; and iii) performing all other tasks which may be assigned to him from time to time by the Board of Directors of the Company.</p> <p>At the beginning of each financial year, the President and Chief Executive Officer’s objectives are approved by the Board of Directors, upon recommendation of the Human Resources Committee.</p>

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**Orientation and continuing education**

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

7. There is a training and orientation program intended for new members of the Board of Directors. Pursuant to this program, new directors are provided with reports on the Company's business operations and internal affairs. New directors meet with the Chair of the Board of Directors and the President and Chief Executive Officer to discuss the operations of the Company and the Company's expectations towards each director. The Chair of the Board of Directors also informs new directors about the Company's corporate governance practices and, in particular, the role of the Board of Directors, its committees and each director. This program also allows new directors to meet with the committee chairs, to visit the Company's distribution centers, food stores and pharmacies and to meet key management team members. Once this training and orientation program is completed, the Chair of the Governance Committee obtains feedback from the new directors to ensure they feel adequately prepared to carry on their duties as directors of the Company.

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

At each meeting of the Board of Directors, the directors have the opportunity to hear presentations given by executive officers on various topics regarding the Company's operations. The directors also take part, periodically, in organized visits of the Company's facilities, including distribution centers as well as its retail network. The Governance Committee reviews and suggests matters upon which information sessions for Board members would be appropriate. Board members also have the opportunity to share their interest in that regard.

In fiscal 2023, six (6) formal educational sessions took place and focused on the Canadian private label market, capital expenditure allocation for budget purposes, the pharmacy and drug market, the real estate market in Québec, internal controls on vendor agreements and use of artificial intelligence in retail. Details on these sessions can be found in the "Director orientation and continuing education" section at page 23 of the Circular.

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

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

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

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**Business Ethics**

8. The board should adopt a written code of business conduct and ethics. The code should be applicable to directors, officers and employees of the issuer.

8. The Board of Directors has adopted a code of ethics for directors (the "Directors' Code of Ethics") and a Code of Conduct for executives and employees. These codes are available on SEDAR+ ([sedarplus.ca](http://sedarplus.ca)) and on the Company's corporate website ([corpo.metro.ca](http://corpo.metro.ca)). These codes address the elements recommended in Policy Statement 58-201 of Corporate Governance Guidelines of the Canadian Securities Administrators ("Policy Statement 58-201"). These codes also have provisions prohibiting employees and directors of the Company from short selling, directly or indirectly, the Company's securities or Options or trading in put or call options relating to the Company's Shares, as well as provisions providing for the clawback of executives' compensation in the event of a restatement or misconduct (for further details on these provisions,

	<p>please refer to the “Summary of the Company’s compensation policies and practices and associated risks” section on page 34 of the Circular). The Board has also adopted a “Director Resignation Policy” which requires a director to offer his or her resignation to the Chair of the Board of Directors, same being subject to the approval of the Board of Directors, in the event that: i) such director no longer meets the legal requirements or those set forth by the Board of Directors; ii) there is a material change in the director’s function, employment or assignment; or iii) such director has breached or noted a potential breach to the Directors’ Code of Ethics.</p>
<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>	<p>9. The Governance Committee is responsible for overseeing compliance with the Directors’ Code of Ethics. This committee is also responsible for reviewing the Directors’ Code of Ethics to make sure that it is up to date and that it covers all regulatory requirements and corporate governance matters. The Human Resources Committee is responsible for overseeing compliance with the Code of Conduct applicable to senior executives and employees of the Company. The Company’s Vice-President, Human Resources, makes recommendations to the Human Resources Committee whenever the Company’s senior management deems that amendments need to be made to the Code of Conduct. Furthermore, every year, or otherwise when needed, she reports to the Human Resources Committee on any non-compliance with the Code of Conduct by senior executives of the Company. No waivers have been sought for directors or senior executives during fiscal 2023 and there are no breaches to report in this respect.</p>
<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 Company, or where their loyalty or judgement may be affected. Directors must report to the Chair of the Board and to the Chair of the Governance Committee any real or apprehended situation that could give rise to a conflict of interest as soon as they become aware of the situation. The Governance Committee shall review any situation involving a conflict of interest or situation that could give rise to a conflict of interest and make recommendations to the Board. If a member of the Governance Committee is involved in the situation potentially giving rise to a conflict of interest, such member must be excluded from the Governance Committee’s proceedings and the discussions relating to the matter. In addition, the Code of conduct specifies, among other things, that executives and employees must avoid situations of conflict of interests. Moreover, the Code of conduct specifies that: “Employees shall avoid situations where they may become involved, directly or indirectly, in a business similar to, or in competition with, METRO’s or in any entity that does or seeks to do business with METRO”. Every year, the directors and senior executives of the Company must declare all conflicts of interest in a questionnaire, and must furthermore notify the Company of any subsequent change in their situation. The Company’s Vice-President, General Counsel and Corporate Secretary, reviews the directors’ questionnaires and reports back to the Governance Committee about all actual or potential breaches of the Directors’ Code of Ethics regarding conflicts of interest. The Company’s Vice-President, Human Resources, executes the same duties with respect to actual or potential conflicts of interest of any senior executives by informing, whenever necessary, the Human Resources Committee.</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 Company maintains a reputation of quality, dependability and integrity. The Code of Conduct also requires that employees perform their duties in the best interest of the Company and its shareholders while respecting human rights and the law. In addition, not only does the Code of Conduct requires employees to avoid all conflicts of interest throughout their work but it also requires them not to accept gifts unless same qualifies as a business practice defined in the Code of Conduct.</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 Company must act with integrity and respect the highest ethical and fiduciary standards.</p>
<p><b>Nomination of Directors</b></p> <p>12. The board should appoint a nominating committee composed entirely of independent directors.</p>	<p>12. The Governance Committee is responsible for succession planning of the Board of Directors and recommending nominees to the Board of Directors for the position of directors of the Company. The Governance Committee is comprised of six (6) directors, all of whom are independent.</p>
<p>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.</p>	<p>13. The Board of Directors has adopted a mandate for the Governance Committee as well as an administrative resolution governing the procedure of all committees. The Governance Committee, pursuant to these documents, carries all of the responsibilities recommended in Policy Statement 58-201, and its mandate further provides that it has the authority to retain the services of an external advisor, if need be. Every year, the Governance Committee reviews its mandate to determine if it requires updating and in such case, makes recommendations to this effect to the Board of Directors.</p> <p>For further details, the text of the Governance Committee's mandate is included in Exhibit E to the Circular.</p>
<p>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.</p>	<p>14. The Board of Directors has established and adopted the "List of competencies and expectations of Directors", the text of which is included in Exhibit F to the Circular. In addition, the Governance Committee has also established a skills and experience matrix of the directors currently serving on the Board of Directors. This matrix showing the skills and experience of the nominees for the positions of director can be found on page <u>13</u> of the Circular. The Governance Committee ensures that the choice of nominees takes into account the competencies, experience and skills that the Board of Directors should overall possess, and reports back to the Board of Directors accordingly.</p>
<p>15. The board should also consider the appropriate size of the board, with a view to facilitating effective decision-making by the board.</p>	<p>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.</p>

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16. The nominating committee should be responsible for identifying individuals qualified to become new board members and recommending to the board the new director nominees for the next annual meeting of shareholders.

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

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

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

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

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

The Governance Committee and the Chair of the Board make their recommendations to the Board of Directors which then chooses a nominee while taking into account, among other things, the list of competencies and expectations of directors that can be found in Exhibit F to the Circular and the availability of the candidates. The Board of Directors also takes into consideration the profiles of each director already serving on the Board of Directors, the needs of the Board in certain expertise, and aims to foster diversity, particularly in terms of competence, experience, skills, background and personal attributes, including age, gender, ethnicity, being a member of a visible minority, having a visible or invisible disability, being a member of Indigenous Peoples and being a member of the LGBTQ2+ community.

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

<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 Board of Directors and the Governance Committee believe that directors should possess two (2) types of qualifications:</p> <ol style="list-style-type: none"> <li>1) general qualifications that all directors must exhibit; and</li> <li>2) particular skills and experience that should be represented on the Board as a whole, but not necessarily by each director.</li> </ol> <p>The Governance Committee strives to maintain an engaged independent board with broad diverse experience and judgment that is committed to representing the long-term interests of its shareholders and stakeholders. As such, to serve on the Board, all directors must have extensive experience, meet expectations and have the core competencies listed in Exhibit F of the Circular, which the Company believes they all do.</p> <p>In addition, the Board of Directors has identified particular competencies and experience that are important to be represented on the Board as a whole, in light of the Company's current and expected future priorities and strategic needs. The specific competency and experience matrix on page 13 of the Circular has been developed to ensure that the composition of the Board of Directors is appropriate and that the required skills and experience are appropriately represented on the Board of Directors. The Governance Committee reviews annually the different directors' skills and experience requirements to ensure that they reflect the evolving priorities and strategic needs of the Company.</p>
<p><b>Compensation</b></p> <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 is included in Exhibit C to the Circular.</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 32 to 48 of the Circular, indicates the manner in which the Human Resources Committee performs its tasks.</p>
<p><b>Operations of the Board of Directors</b></p> <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 Governance Committee. The texts of these committees' mandates are included in Exhibits C, D and E to the Circular.</p>

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22. The board, its committees and each individual director should be regularly assessed regarding his, her or its effectiveness and contribution.

22. The Board of Directors has designed a comprehensive effectiveness assessment for itself, the committees and the directors under the supervision of the Governance Committee. This assessment occurs on an annual basis using questionnaires that are reviewed every year by the Governance Committee. These questionnaires cover a variety of subjects including but not limited to corporate governance, and include both quantitative and qualitative questions.

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

Every three (3) years, a detailed questionnaire replaces the regular questionnaire and only includes qualitative questions. The fiscal 2021 evaluation was performed using this detailed questionnaire.

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

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

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

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

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