



## **NOTICE OF ANNUAL GENERAL AND SPECIAL MEETING OF SHAREHOLDERS**

To Shareholders of Uni-Select Inc.

You are convened to the Annual General and Special Meeting of the Shareholders of Uni-Select Inc. that will be held on May 8, 2012 at 1:30 p.m. at the Montreal Marriott Château Champlain, Le Caf'Conc, level A located at 1 Place du Canada, Montreal, Quebec. The meeting will have the following purposes:

1. to receive the financial statements of Uni-Select Inc. for the fiscal year ended December 31, 2011 and the auditors' report relating thereto;
2. to elect the directors;
3. to appoint the auditors and authorize the directors to set their remuneration;
4. to approve the amended and restated stock option plan of Uni-Select Inc.; and
5. to transact such other business as may properly be brought before the meeting.

If you are unable to attend the meeting in person, kindly complete and return the enclosed form of proxy to Computershare Trust Company of Canada in the enclosed envelope. You may also exercise your right to vote by internet or by phone. For directions, please see the form of proxy. The proxy must be received at least 48 hours (Saturdays, Sundays and statutory holidays not included) before the calling to order of the meeting or at any continuation following the adjournment thereof, in order to ensure the registration of your vote.

By order of the Board of Directors,

A handwritten signature in black ink, appearing to read "Chesnay".

M° Pierre Chesnay,  
Secretary

Boucherville, Québec  
March 29, 2012

## Table of contents

<b>1. SOLICITATION OF PROXIES .....</b>	3
1.1 GENERAL INFORMATION .....	3
1.2 INFORMATION ON VOTING .....	3
<b>2. MATTERS TO BE ACTED UPON .....</b>	5
2.1 FINANCIAL STATEMENTS.....	5
2.2 ELECTION OF DIRECTORS .....	5
2.3 APPOINTMENT OF AUDITORS.....	6
2.4 STOCK OPTION PLAN.....	6
<b>3. PROPOSED NOMINEES TO THE BOARD OF DIRECTORS .....</b>	6
3.1 INFORMATION ON THE NOMINEES .....	6
3.2 INFORMATION ON SHAREHOLDING .....	12
<b>4. DIRECTOR COMPENSATION AND ATTENDANCE .....</b>	12
4.1 HIGHLIGHTS .....	12
4.2 COMPOSITION OF THE COMMITTEES .....	13
4.3 DIRECTOR COMPENSATION .....	13
4.4 DIRECTOR COMPENSATION TABLE .....	14
4.5 SUMMARY OF ATTENDANCE RECORD.....	15
<b>5. COMPENSATION DISCLOSURE &amp; ANALYSIS .....</b>	15
5.1 MANDATE OF THE COMMITTEE.....	15
5.2 EXPERTISE OF COMMITTEE MEMBERS .....	16
5.3 NAMED EXECUTIVE OFFICERS.....	16
5.4 SUMMARY OF SENIOR MANAGEMENT COMPENSATION ELEMENTS .....	17
5.5 DETAILS ON COMPENSATION ELEMENTS .....	17
5.5.1 Direct Remuneration .....	17
5.5.2 Indirect Non-Risk Remuneration .....	21
5.6 PERFORMANCE ASSESSMENTS .....	22
5.7 EMPLOYMENT CONTRACTS AND CHANGE OF CONTROL.....	22
5.8 COMPENSATION AND RISK .....	22
5.9 HUMAN RESOURCES AND COMPENSATION COMMITTEE REPORT .....	22
<b>6. SUMMARY COMPENSATION TABLE .....</b>	23
6.1 2011 HIGHLIGHTS .....	23
6.2 SUMMARY COMPENSATION TABLE.....	23
6.3 BONUS RELATED TO FINANCIAL OBJECTIVES TABLE.....	23
6.4 TABLE OF BONUSES RELATED TO ATTAINMENT OF SPECIFIC OBJECTIVES .....	24
6.4.1 Discretionary bonuses awarded by the Board .....	25
6.5 TABLE OF DEFERRED PERFORMANCE UNIT (DPU) PROGRAM .....	25
6.6 EQUITY COMPENSATION PLAN INFORMATION .....	25
6.7 TABLE OF VALUE OF THE PENSION PLAN .....	26
<b>7. COMPENSATION CONSULTANT .....</b>	26
<b>8. PERFORMANCE GRAPH .....</b>	26
<b>9. ADDITIONAL INFORMATION .....</b>	27
9.1 AVAILABILITY OF ADDITIONAL DOCUMENTS .....	27
9.2 SHAREHOLDER PROPOSALS FOR THE ANNUAL MEETING .....	28
<b>10. APPROVAL OF THE DIRECTORS .....</b>	28
SCHEDULE “A” – STOCK OPTION PLAN.....	29
SCHEDULE “B” - INFORMATION CONCERNING GOVERNANCE .....	38
SCHEDULE “C” - BOARD OF DIRECTORS’ CHARTER .....	41

# **INFORMATION CIRCULAR**

## **1. SOLICITATION OF PROXIES**

### **1.1 GENERAL INFORMATION**

This information circular is furnished by the management of UNI-SELECT INC. (“Uni-Select” or the “Corporation”), which is soliciting proxies for use at the Annual General and Special Meeting of Shareholders of the Corporation (the “Meeting”), and at any continuation following the adjournment thereof, to be held at the date, time and place and for the purposes set forth in the foregoing notice of Meeting. The solicitation will be primarily by mail. However, proxies may also be solicited personally by regular employees of the Corporation. The cost of such solicitation on behalf of management, which is anticipated to be nominal, will be borne by the Corporation.

The Corporation will provide proxy materials to brokers, custodians, nominees and fiduciaries and will request that such materials be forwarded to each beneficial owner of voting shares registered in their names.

Unless otherwise stated, the information contained in this information circular is given as of March 8, 2012 and all dollar amounts are in Canadian dollars.

For those shareholders who cannot attend the Meeting in person, the Corporation has made arrangements to provide a live audio webcast of the Meeting. Details on how shareholders may listen to and view the proceedings on the webcast will be found on the Corporation’s website at [www.uniselect.com](http://www.uniselect.com) and will be provided in a news release prior to the Meeting.

### **1.2 INFORMATION ON VOTING**

#### ***Voting Matters***

At the Meeting, shareholders will vote on the election of directors, the appointment of auditors including authorizing the board of directors to fix their remuneration, and the proposed amended and restated stock option plan of Uni-Select (the “Option Plan”).

#### ***Record Date for Notice of Meeting***

The Board of Directors of Uni-Select (the “Board” or the “Board of Directors”) has fixed March 23, 2012 as the record date (the “Record Date”) for the purpose of determining shareholders entitled to receive the notice of Meeting.

#### ***Voting Shares and Principal Shareholders***

The authorized share capital of the Corporation is composed of one class of common shares and one class of preferred shares. On the date hereof, only common shares are issued (the “Shares”). Each Share entitles the holder to one vote.

As at March 8, 2012, 21,636,267 Shares of the Corporation were outstanding. Holders of shares of record at the close of business on the Record Date, or their proxy, will be entitled to one vote per share at the Meeting.

To the knowledge of the directors and officers of the Corporation, the only persons or companies which beneficially own, directly or indirectly, or control or direct, voting securities carrying 10% or more of the voting rights attached to any outstanding class of voting securities of the Corporation are the following:

Name	Number of Common Shares	Percentage
Jarislowsky, Fraser Limited	3,217,833	14.9%
Fidelity Management & Research Company Pyramis Global Advisors, LLC Pyramis Global Advisors Trust Company Strategic Advisers Incorporated and FIL Limited	3,218,500	14.9%
Mawer Investment Management Ltd.	2,282,620	10.54%

### **Normal Course Issuer Bid**

On May 11, 2011, the Board of Directors authorized a normal course issuer bid (the “Issuer Bid”) and the purchase of up to 1% of the public float of the Corporation’s common shares as at May 10, 2011. The Issuer Bid enables the Corporation to purchase on the open market through the facilities of the Toronto Stock Exchange up to 200,000 common shares for cancellation. As at May 10, 2011, there were 21,691,387 common shares of the Corporation outstanding of which approximately 42% were widely held. The Issuer Bid will expire on May 15, 2012. As at March 8, 2012, 71,300 common shares were repurchased under the Issuer Bid.

### **VOTING BY PROXY**

#### **Registered Owners**

Registered shareholders may vote in person at the Meeting or may give another person authority to vote at the Meeting on their behalf by appointing a proxyholder. Please complete, sign, date and return the form in the envelope provided or by facsimile to Computershare’s toll-free line at 1-866-249-7775 or at 1-416-263-9524 or you can vote by internet by following the instructions on your proxy form, so that it arrives no later than 5:00 p.m. (Eastern Standard Time) on May 5, 2012 (or upon reconvening of the meeting, at least 48 hours (excluding Saturdays, Sundays and holidays) before the calling to order of said reconvened meeting).

#### **Beneficial Owners**

The information set forth in this section is of significant importance if you do not hold your Shares in your own name. Only proxies deposited by shareholders whose names appear on the records of Uni-Select as the registered holders of Shares can be recognized and acted upon at the Meeting. If Shares are listed in your account statement provided by your broker, then, in almost all cases, those Shares will not be registered in your name on the records of Uni-Select. Such Shares will likely be registered under the name of your broker or an agent of that broker. In Canada, the vast majority of such Shares are registered under the name of CDS & Co., the registration name for The Canadian Depository for Securities Limited, which acts as nominee for many Canadian brokerage firms. Shares held by your broker or its nominee can only be voted upon your instructions. Without specific instructions, your broker, its agent or its nominee is prohibited from voting your Shares.

**Therefore, beneficial shareholders should ensure that instructions respecting the voting of their Shares are communicated to the appropriate person.**

Applicable regulatory policy requires your broker to seek voting instructions from you well in advance of a shareholder meeting. Every broker has its own mailing procedures and provides its own return instructions, which you should carefully follow in order to ensure that your Shares are voted at the Meeting. Often, the form of proxy supplied by your broker is similar to the form of proxy provided to registered shareholders. However, its purpose is limited to instructing the registered shareholder on how to vote on your behalf. The majority of brokers now delegate responsibility for obtaining instructions from clients to Broadridge Investor Communication Solutions (“Broadridge”). Broadridge mails a voting instruction form in lieu of the form of proxy provided by Uni-Select. The voting instruction form will name the same persons as the proxy to represent the holder of Shares at the Meeting. To exercise this right, the holder of Shares should insert the name of the desired representative in the blank space provided in the voting instruction form. You are asked to complete and return the voting instruction form to Broadridge by mail or facsimile. Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of Shares to be represented at the Meeting. **If you receive a voting instruction form from Broadridge, it cannot be used as a proxy to vote Shares directly at the Meeting as the voting instruction form must be returned to Broadridge well in advance of the Meeting in order to have the Shares voted or to appoint an alternative representative to attend the Meeting in person to vote such Shares.**

**If you are a beneficial shareholder and wish to vote in person at the Meeting, you should insert your own name in the space provided on the voting instruction form provided to you by your nominee and return the completed form to Broadridge.**

### ***Appointing a Proxyholder***

A proxyholder is the person you appoint to act on your behalf at the Meeting and to vote your Shares in your name. You may choose anyone to be your proxyholder – the person you choose does not have to be a shareholder of Uni-Select. Simply insert the person's name in the blank space provided on the proxy form (registered shareholders) or the voting instruction form (beneficial shareholders). You should be sure that this person is attending the Meeting and is aware that he or she has been appointed to vote your Shares. If you do not insert a name in the blank space, then the persons named on the form, being Jean-Louis Dulac and Richard G. Roy, each of whom is a director or senior officer of Uni-Select, will be appointed to act as your proxyholder.

Your appointed proxyholder is authorized to vote and act for you at the Meeting. On the form, you should indicate how you want your proxyholder to vote your Shares. You may vote FOR or WITHHOLD your vote on each proposed nominee for election as a director and on the appointment of the auditors including authorizing the Board of Directors to fix their remuneration and you may vote FOR or AGAINST the proposed Option Plan. Alternatively, you can let your proxyholder decide for you.

### ***Voting Discretion of Proxyholder***

If you give directions on how to vote your Shares, your proxyholder must vote your Shares according to your instructions. If your proxy form or voting instruction form does not specify how to vote on a particular issue, then your proxyholder can vote your Shares as he or she sees fit. If your proxyholder does not attend the Meeting and vote in person, your Shares will not be voted.

If you have appointed a person designated by Uni-Select as proxyholder as provided in the enclosed form of proxy and you do not provide any instructions concerning a matter identified in the Notice of Meeting, the Shares represented by such proxy will be voted as follows:

FOR the election of each person nominated for election as a director;

FOR the appointment of Raymond Chabot Grant Thornton LLP, Chartered Accountants, as auditors and the authorization of the Board of Directors to set their remuneration; and

FOR the proposed Option Plan.

The accompanying form of proxy confers discretionary authority on the persons named therein with respect to amendments or variations to matters identified in the Notice of Meeting and with respect to other business which may properly be brought before the Meeting. At the date of this information circular, management of the Corporation knows of no such amendments, variations or other business to be brought before the Meeting.

### ***Revoking your Proxy***

A shareholder who has given a proxy may revoke it at any time prior to its use, by instrument in writing executed by the shareholder or by his or her attorney authorized in writing or, if the shareholder is a corporation, by an officer or attorney thereof duly authorized. Such instrument should be delivered to the Secretary of the Corporation at the registered office of Uni-Select, 170 Industriel Boulevard, Boucherville, Québec J4B 2X3 at any time up to and including the close of business on the last business day preceding the day of the Meeting or any adjournment thereof or depositing it with the Chair of the Meeting on the day of the Meeting, being May 8, 2012 or any continuation following the adjournment thereof, or in any other manner permitted by law.

## **2. MATTERS TO BE ACTED UPON**

### **2.1 FINANCIAL STATEMENTS**

The consolidated financial statements for the year ended December 31, 2011 are available on the Corporation's website at [www.uniselect.com](http://www.uniselect.com), on SEDAR at [www.sedar.com](http://www.sedar.com) or, upon request, from the Secretary of Uni-Select.

### **2.2 ELECTION OF DIRECTORS**

The 9 nominees up for election as directors, upon recommendation of the Corporate Governance Committee, are listed below under the heading "Proposed Nominees to the Board of Directors". Unless a position becomes vacant during the year, each director elected will hold office until the next annual meeting or until that director's successor is duly elected.

### ***Majority Voting Policy***

The Board adopted a policy which requires that any nominee for director who receives a greater number of votes “withheld” than “for” his or her election shall tender his or her resignation to the Board Chair promptly following the meeting. The Corporate Governance Committee will consider the resignation offer and will make a recommendation to the Board whether to accept or refuse the resignation. The Board of Directors will issue a press release to justify the reason for its refusal of the resignation, if so applicable. A director who tenders a resignation pursuant to this policy will not participate in any meeting of the Corporate Governance Committee or the Board of Directors at which the resignation is considered.

Unless otherwise instructed, the management proxies designated in the proxy form intend to vote FOR the election of the 9 Board nominees listed below under the heading “Proposed Nominees to the Board of Directors”.

### **2.3 APPOINTMENT OF AUDITORS**

The Board, on the recommendation of the Audit Committee, recommends the renewal of the mandate of Raymond Chabot Grant Thornton LLP as the auditors of the Corporation. Raymond Chabot Grant Thornton LLP have been the auditors of the Corporation since April 26, 1985. Management solicits the vote of its shareholders for the appointment of Raymond Chabot Grant Thornton LLP. The auditors will hold office until the next annual meeting of shareholders of the Corporation or until their successors are appointed.

Unless otherwise instructed, the management proxies designated in the proxy form intend to vote FOR the appointment of Raymond Chabot Grant Thornton LLP as the auditors of the Corporation and to vote in favour of authorizing the Board of Directors to set their remuneration.

### ***External Auditor Service Fees***

Information regarding the fees paid to Raymond Chabot Grant Thornton LLP in the past two fiscal years is provided under the heading “Audit Committee – External Auditor Service Fees” of the Corporation’s Annual Information Form for 2011, which is incorporated herein by reference. A copy of the Annual Information Form is available, at no charge, on SEDAR at [www.sedar.com](http://www.sedar.com), or, upon request to the Secretary of Uni-Select.

### **2.4 STOCK OPTION PLAN**

The Board, on the recommendation of the Human Resources and Compensation Committee, recommends the adoption of the proposed Option Plan, in order to, amongst other things, increase the total amount of Shares that would be available for issuance thereunder to 1,700,000. Highlights of the Option Plan as well as a copy of the plan itself, as amended and restated, are set out as Schedule A hereto. See also the section entitled “5.5 Details on Compensation Elements – Long-Term Incentives – Stock Option Plan” for more information regarding the proposed amendments. Unless otherwise instructed, the management proxies designated in the proxy form intend to vote FOR the proposed Option Plan.

## **3. PROPOSED NOMINEES TO THE BOARD OF DIRECTORS**

### **3.1 INFORMATION ON THE NOMINEES**

The following are the nominees proposed for election as directors of Uni-Select. Other than James Buzzard and Robert Chevrier, all are currently directors of the Corporation.

The following table details the number of shares held by each proposed director for the period of December 31, 2009, March 15, 2011 and December 31, 2011.

### James Buzzard

 Buffalo, New York, USA <b>Non-Independent</b> <sup>1</sup>	<p>Mr. Buzzard is until and subject to his election to the Board, Senior Vice President, Corporate Development of Uni-Select USA, Inc. Since November 2004 he has held various senior management positions with Uni-Select USA, Inc.</p> <p>Areas of expertise: Distribution of automotive parts and accessories.</p>			
	<b>Board/Committee Membership</b>			
	<b>Public Board Membership</b>			
	N/A			
	<b>Securities Held or Controlled</b>			
	<b>Year</b>	<b>Common Shares (#)</b>	<b>Share price (\$)</b>	<b>Total market value of Common Shares (\$)</b>
	Dec. 31, 2011	None		Convertible Debentures 5.9% <sup>2</sup> (\$)
	Dec. 31, 2011	None		None

### Robert Chevrier, FCA

 Montreal, Quebec, Canada <b>Independent</b>	<p>Mr. Chevrier is a corporate director. Since April 2001, Mr. Chevrier is the President of Société de Gestion Roche Inc. Prior thereto, he was the President and Chief Executive Officer of Rexel Canada Inc.</p> <p>Areas of expertise: Distribution, accounting, finance and corporate governance.</p>			
	<b>Board/Committee Membership</b>			
	<b>Public Board Membership</b>			
	N/A			
	<b>Securities Held or Controlled</b>			
	<b>Year</b>	<b>Common Shares (#)</b>	<b>Share price (\$)</b>	<b>Total market value of Common Shares (\$)</b>
	Dec. 31, 2011	2,500	\$26.25	\$65,625
	Dec. 31, 2011	None		Convertible Debentures 5.9% (\$)

<sup>1</sup> Mr. James Buzzard is not independent having held senior management positions with Uni-Select as late as 2012.

<sup>2</sup> For information regarding the debentures, refer to the section entitled "Description of Capital Structure – General Description of Capital Structure – Debentures" contained in the 2011 Annual Information Form, herein incorporated by reference.

## Pierre Desjardins



Austin, Quebec, Canada

**Independent**

Mr. Desjardins was the Chief Executive Officer of several public companies and is now a corporate director.<sup>3</sup>

Areas of expertise: Marketing, operations, distribution, finance.

### Board/Committee Membership

### Public Board Membership

Board of Directors (1998)  
Human Resources and Compensation Committee, Chair (2011)  
Audit Committee (2004)  
Executive Committee (2001)

Fibre Inc.

### Securities Held or Controlled

Year	Common Shares (#)	Share price (\$)	Total market value of Common Shares (\$)	Convertible Debentures 5.9% (\$)
Dec. 31, 2011	5,167	\$26.25	\$135,633.75	\$300,000
March 15, 2011	5,167	\$28.21	\$145,761.07	\$300,000
Dec. 31, 2009	5,167	\$30.89	\$159,608.63	N/A

## Jean Dulac, B.Comm., M.B.A., CHRP, Adm.A.



Amos, Quebec, Canada

**Independent**

Mr. Dulac is the President of M&M Nord Ouest Inc., a distributor of automotive parts and industrial equipment for use in the mining and forestry industries and a member of the Uni-Select network.

Areas of expertise: Automotive aftermarket parts sales and distribution.

### Board/Committee Membership

### Public Board Membership

Board of Directors (2007)  
Audit Committee (2011)

N/A

### Securities Held or Controlled

Year	Common Shares (#)	Share price (\$)	Total market value of Common Shares (\$)	Convertible Debentures 5.9% (\$)
Dec. 31, 2011	1,000	\$26.25	\$26,250.00	None
March 15, 2011	1,000	\$28.21	\$28,210.00	None
Dec. 31, 2009	1,000	\$30.89	\$30,890.00	N/A

<sup>3</sup> Mr. Pierre Desjardins, director of the Corporation, was chair of the board of Total Containment Inc. (« TCI »), a public company headquartered in Oaks, Pennsylvania, when its shares were subject to a cease trade order from the Nasdaq Small Cap for failure to meet the \$1 minimum stock price requirement on May 29, 2001 as well as when TCI sought bankruptcy protection under Chapter 11 of the U.S. Bankruptcy Code on March 4, 2004.

### Jean Guénette, B.Comm., CA

 <p>Longueuil, Quebec, Canada <b>Independent</b></p>	<p>Mr. Guénette has been extensively involved in the automotive parts distribution business, and is a corporate director and a member of the board of a number of corporations that are not public issuers.</p> <p>Areas of expertise: Automotive aftermarket parts sale and distribution, finance and accounting.</p>																				
	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr style="background-color: #a6c9ff;"> <th style="text-align: center; padding: 2px;">Board/Committee Membership</th><th style="text-align: center; padding: 2px;">Public Board Membership</th></tr> </thead> <tbody> <tr> <td style="padding: 2px;">Board of Directors (1986)</td><td style="padding: 2px;">Novexco Inc.</td></tr> <tr> <td style="padding: 2px;">Audit Committee, Chair (2001)</td><td></td></tr> </tbody> </table>	Board/Committee Membership	Public Board Membership	Board of Directors (1986)	Novexco Inc.	Audit Committee, Chair (2001)															
Board/Committee Membership	Public Board Membership																				
Board of Directors (1986)	Novexco Inc.																				
Audit Committee, Chair (2001)																					
<b>Securities Held or Controlled</b>																					
<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr style="background-color: #a6c9ff;"> <th style="text-align: center; padding: 2px;">Year</th><th style="text-align: center; padding: 2px;">Common Shares (#)</th><th style="text-align: center; padding: 2px;">Share price (\$)</th><th style="text-align: center; padding: 2px;">Total market value of Common Shares (\$)</th><th style="text-align: center; padding: 2px;">Convertible Debentures 5.9% (\$)</th></tr> </thead> <tbody> <tr> <td style="padding: 2px;">Dec. 31, 2011</td><td style="padding: 2px;">3,000</td><td style="padding: 2px;">\$26.25</td><td style="padding: 2px;">\$78,750.00</td><td style="padding: 2px;">None</td></tr> <tr> <td style="padding: 2px;">March 15, 2011</td><td style="padding: 2px;">7,000</td><td style="padding: 2px;">\$28.21</td><td style="padding: 2px;">\$197,470.00</td><td style="padding: 2px;">None</td></tr> <tr> <td style="padding: 2px;">Dec. 31, 2009</td><td style="padding: 2px;">7,000</td><td style="padding: 2px;">\$30.89</td><td style="padding: 2px;">\$216,230.00</td><td style="padding: 2px;">N/A</td></tr> </tbody> </table>		Year	Common Shares (#)	Share price (\$)	Total market value of Common Shares (\$)	Convertible Debentures 5.9% (\$)	Dec. 31, 2011	3,000	\$26.25	\$78,750.00	None	March 15, 2011	7,000	\$28.21	\$197,470.00	None	Dec. 31, 2009	7,000	\$30.89	\$216,230.00	N/A
Year	Common Shares (#)	Share price (\$)	Total market value of Common Shares (\$)	Convertible Debentures 5.9% (\$)																	
Dec. 31, 2011	3,000	\$26.25	\$78,750.00	None																	
March 15, 2011	7,000	\$28.21	\$197,470.00	None																	
Dec. 31, 2009	7,000	\$30.89	\$216,230.00	N/A																	

### John A. Hanna, B.Comm., FCGA

 <p>Toronto, Ontario, Canada <b>Independent</b></p>	<p>Mr. Hanna was the Chief Executive Officer of Rexel Canada Electrical Inc., a distributor of electrical products, from 2003 to 2005, and Executive Vice President and Chief Financial Officer of Rexel North America Inc. between 2000 and 2003. Since April 2010, John Hanna is an independent member of the audit committee of Transport Canada and Infrastructure Canada. Mr. Hanna is currently a corporate director.</p> <p>Areas of expertise: Distribution, accounting, finance, mergers &amp; acquisitions and IT systems.</p>																				
	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr style="background-color: #a6c9ff;"> <th style="text-align: center; padding: 2px;">Board/Committee Membership</th><th style="text-align: center; padding: 2px;">Public Board Membership</th></tr> </thead> <tbody> <tr> <td style="padding: 2px;">Board of Directors (2006)</td><td style="padding: 2px;">Innergex Power Income Fund</td></tr> <tr> <td style="padding: 2px;">Audit Committee (2006)</td><td style="padding: 2px;">Innergex Renewable Energy Inc.</td></tr> <tr> <td style="padding: 2px;">Corporate Governance Committee (2011)</td><td></td></tr> </tbody> </table>	Board/Committee Membership	Public Board Membership	Board of Directors (2006)	Innergex Power Income Fund	Audit Committee (2006)	Innergex Renewable Energy Inc.	Corporate Governance Committee (2011)													
Board/Committee Membership	Public Board Membership																				
Board of Directors (2006)	Innergex Power Income Fund																				
Audit Committee (2006)	Innergex Renewable Energy Inc.																				
Corporate Governance Committee (2011)																					
<b>Securities Held or Controlled</b>																					
<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr style="background-color: #a6c9ff;"> <th style="text-align: center; padding: 2px;">Year</th><th style="text-align: center; padding: 2px;">Common Shares (#)</th><th style="text-align: center; padding: 2px;">Share price (\$)</th><th style="text-align: center; padding: 2px;">Total market value of Common Shares (\$)</th><th style="text-align: center; padding: 2px;">Convertible Debentures 5.9% (\$)</th></tr> </thead> <tbody> <tr> <td style="padding: 2px;">Dec. 31, 2011</td><td style="padding: 2px;">3,000</td><td style="padding: 2px;">\$26.25</td><td style="padding: 2px;">\$78,750.00</td><td style="padding: 2px;">None</td></tr> <tr> <td style="padding: 2px;">March 15, 2011</td><td style="padding: 2px;">3,000</td><td style="padding: 2px;">\$28.21</td><td style="padding: 2px;">\$84,630.00</td><td style="padding: 2px;">None</td></tr> <tr> <td style="padding: 2px;">Dec. 31, 2009</td><td style="padding: 2px;">1,000</td><td style="padding: 2px;">\$30.89</td><td style="padding: 2px;">\$30,890.00</td><td style="padding: 2px;">N/A</td></tr> </tbody> </table>		Year	Common Shares (#)	Share price (\$)	Total market value of Common Shares (\$)	Convertible Debentures 5.9% (\$)	Dec. 31, 2011	3,000	\$26.25	\$78,750.00	None	March 15, 2011	3,000	\$28.21	\$84,630.00	None	Dec. 31, 2009	1,000	\$30.89	\$30,890.00	N/A
Year	Common Shares (#)	Share price (\$)	Total market value of Common Shares (\$)	Convertible Debentures 5.9% (\$)																	
Dec. 31, 2011	3,000	\$26.25	\$78,750.00	None																	
March 15, 2011	3,000	\$28.21	\$84,630.00	None																	
Dec. 31, 2009	1,000	\$30.89	\$30,890.00	N/A																	

**Jacques L. Maltais**

 Gatineau, Quebec, Canada <b>Independent</b>	Mr. Maltais is a corporate director. Areas of expertise: Distribution, compensation.				
	<b>Board/Committee Membership</b>			<b>Public Board Membership</b>	
	Board of Directors (1988) Human Resources and Compensation Committee (1983)			N/A	
	<b>Securities Held or Controlled</b>				
	Year	Common Shares (#)	Share price (\$)	Total market value of Common Shares (\$)	Convertible Debentures 5.9% (\$)
	Dec. 31, 2011	3,000	\$26.25	\$78,750.00	None
	March 15, 2011	3,000	\$28.21	\$84,630.00	None
	Dec. 31, 2009	3,000	\$30.89	\$92,670.00	N/A

## Hubert Marleau



Mr. Marleau is a corporate director, chairman of the Board of Palos Capital Corporation and economist at Palos Management Inc<sup>4</sup>.

Areas of expertise: Corporate finance, securities.

Cornwall, Ontario, Canada

**Independent**

<b>Board/Committee Membership</b>		<b>Public Board Membership</b>		
Board of Directors (1994) Audit Committee (2004)		A.I.S. Resources Limited CanAlaska Uranium Ltd. Eco Oro Corp. Gobimin Inc. Huntington Exploration Inc. IOU Financial Inc. (formerly MCO Capital Inc.) Mitec Telecom Inc. Niocan Inc. Woulfe Mining Corp.		
<b>Securities Held or Controlled</b>				
<b>Year</b>	<b>Common Shares (#)</b>	<b>Share price (\$)</b>	<b>Total market value of Common Shares (\$)</b>	<b>Convertible Debentures 5.9% (\$)</b>
Dec. 31, 2011	4,000	\$26.25	\$105,000.00	None
March 15, 2011	4,000	\$28.21	\$112,840.00	None
Dec. 31, 2009	4,000	\$30.89	\$123,560.00	N/A

<sup>4</sup> In August 2003, Mr. Hubert Marleau, director of the Corporation, sought registration as financial advisor with the *Commission des valeurs mobilières du Québec* ("CVMQ") and duly filed an application for said purpose at that time. On November 13, 2003, Mr. Marleau and Gestion Palos Inc. undertook with the CVMQ to cease acting as dealers or advisors until such time as Gestion Palos Inc. was registered with the CVMQ as an advisor. Such registrations were granted by the CVMQ on December 15, 2003. Mr. Marleau was a director of Malette International Inc. ("Malette") a reporting issuer listed on the Toronto Stock Venture Exchange when, on February 26, 2007, Malette Industries Inc., a wholly-owned subsidiary of Malette, filed a notice of intention to make a proposal to its creditors under the *Bankruptcy and Insolvency Act*. On February 27, 2007, a creditor of Malette Hardwood Flooring Inc., another subsidiary of Malette, obtained a receivership order from the Superior Court of Québec. On February 2, 2007, the Autorité des marchés financiers issued a cease trade order against Malette for its failure to file financial statements for the year ended September 30, 2006. Effective March 1, 2007, Mr. Marleau resigned from the board of directors of Malette. Mr. Marleau was required by the TSX Venture Exchange, on September 3, 2003, to complete a workshop prior to acting as an officer of Stanstead Capital Inc. Mr. Marleau was required by the TSX Venture Exchange, in May 2007, to submit an undertaking to the TSX Venture Exchange concerning the submission in a true and correct manner of all future Personal Information Forms in relation to acting as director of Artevo Corporation. Mr. Marleau was reprimanded by the TSX Venture Exchange, on May 12, 2011, for the breach of his 2007 undertaking to the TSX Venture Exchange; Mr. Marleau was required to attend a workshop, to pay a fee of \$3,000, to provide a written acknowledgement that he had read the TSX Venture Exchange correspondence and that the 2007 undertaking remains in effect.

## Richard G. Roy, FCA



Verchères, Québec, Canada

**Non-Independent<sup>5</sup>**

Mr. Roy is the President and Chief Executive Officer of Uni-Select. Prior to January 2008, he held the positions of Vice President, Chief Operating Officer and Vice President, Administration and Chief Financial Officer of the Corporation.

Areas of expertise: Distribution, accounting, corporate finance.

### Board/Committee Membership

### Public Board Membership

Board of Directors (2008)

N/A

Executive Committee (2008)

### Securities Held or Controlled

Year	Common Shares (#)	Share price (\$)	Total market value of Common Shares (\$)	Convertible Debentures 5.9% (\$)
Dec. 31, 2011	20,438	\$26.25	\$536,497.50	None
March 15, 2011	20,438	\$28.21	\$576,555.98	None
Dec. 31, 2009	20,438	\$30.89	\$631,329.82	N/A

Information regarding the shares beneficially owned by each director or over which each exercised control or direction, has been furnished personally by each director.

### 3.2 INFORMATION ON SHAREHOLDING

The Board has set at 1,000 the minimum number of Uni-Select shares that each director must hold.

NAME	RESPECT GUIDELINES AS FOR SHAREHOLDING
James Buzzard	No
Robert Chevrier	Yes
Pierre Desjardins	Yes
Jean Dulac	Yes
Jean Guénette	Yes
John A. Hanna	Yes
Jacques L. Maltais	Yes
Hubert Marleau	Yes
Richard G. Roy	Yes

There are currently no stock ownership requirements for senior executives or directors of the Corporation, nor any anti-hedging policy on Corporation shares held by them.

## 4. DIRECTOR COMPENSATION AND ATTENDANCE

### 4.1 HIGHLIGHTS

In 2011, the directors:

- Completed a review of director compensation and recommended to the Board, who accepted, an increase in the remuneration of the directors;
- Modified the composition of the various committees of the Board;
- Initiated a review of the policies relating to the retirement age and the term of the mandate of directors; and
- Prepared the succession of the members of the Board.

<sup>5</sup> Mr. Roy is the President and Chief Executive Officer of the Corporation.

## 4.2 COMPOSITION OF THE COMMITTEES

The members of the committees changed during the exercise period such that the committees are now formed by the following individuals:

Committee <sup>1</sup>	January 1 to June 27, 2011	June 28, 2011
• <b>Executive Committee</b>	Jean-Louis Dulac, Chair Clay Buzzard Pierre Desjardins Richard G. Roy	Jean-Louis Dulac, Chair Clay Buzzard Pierre Desjardins Richard G. Roy
• <b>Human Resources and Compensation Committee</b>	Jacques Maltais, Chair Jean-Louis Dulac Jean Dulac Jeanne Wojas Jacques Landreville <sup>2</sup>	Pierre Desjardins, Chair Jacques Maltais Joseph P. Felicelli Jeanne Wojas
• <b>Corporate Governance Committee</b>	Clay Buzzard <sup>3</sup> Jeanne Wojas, Chair Jean-Louis Dulac Jean Dulac Jacques Maltais Jacques Landreville <sup>2</sup>	Jeanne Wojas, Chair Joseph P. Felicelli John Hanna
• <b>Audit Committee</b>	Jean Guénette, Chair Pierre Desjardins John Hanna Hubert Marleau	Jean Guénette, Chair Pierre Desjardins John Hanna Hubert Marleau Jean Dulac

<sup>1</sup>Jean-Louis Dulac and Richard G. Roy are invited to assist the deliberations of all committees (other than the Audit Committee for Richard G. Roy).

<sup>2</sup>Jacques Landreville was a member of the Committee until May 2011.

<sup>3</sup>Clay Buzzard was a member of the Committee until May 2011.

## 4.3 DIRECTOR COMPENSATION

The objective of the Corporation is to offer its directors a competitive compensation, sufficient to attract and retain directors who display qualities relevant to the environment in which the Corporation evolves. The Corporation has decided not to include in the director compensation any long term component.

The global compensation of the directors is reviewed every 2 years. In the spring of 2011, the Human Resources and Compensation Committee retained the services of Towers Watson, a global professional service firm, to prepare a comparative analysis of the director compensation of corporations comparable to Uni-Select based on their size, location and nature of activities.

In light of the recommendations of the Committee, the Board modified the compensation of the directors as follows:

	From January 1 to June 30, 2011	Since July 1, 2011
Quarterly allowance	\$8,750	\$10,000
Participation in a committee or Board meeting	\$1,500	\$1,750
Allowance for the Chair of the Audit Committee	\$2,750	\$12,000 per annum
Allowance for the Chair of other committees	\$1,500	\$8,000 per annum

As for the Chair of the Board, he/she will receive an annual allowance and will not receive any additional compensation for any committee or Board meetings. As of July 1<sup>st</sup>, the remuneration of the Chair of the Board was reviewed as follows:

	<b>From January 1 to June 30, 2011</b>	<b>Since July 1, 2011</b>
Annual allowance	\$90,000	\$110,000

#### **4.4 DIRECTOR COMPENSATION TABLE**

The following table provides the annual retainers and attendance fees that each non-management director earned during the fiscal year ended December 31, 2011 for their participation on the Board of Directors of Uni-Select and its Committees.

Name (a)	Fees earned (\$) (b)	Share-based awards (\$) (c)	Option-based awards (\$) (d)	Non-equity incentive plan compensation (\$) (e)	Pension Value (\$) (f)	All other compensation (\$) (g)	Total (\$) (h)
Clay E. Buzzard	\$53,500	N/A	N/A	N/A	N/A	N/A	\$53,500
Pierre Desjardins	\$69,250	N/A	N/A	N/A	N/A	N/A	\$69,250
Jean Dulac	\$63,000	N/A	N/A	N/A	N/A	N/A	\$63,000
Jean-Louis Dulac	\$100,000	N/A	N/A	N/A	N/A	N/A	\$100,000
Joseph P. Felicelli	\$65,000	N/A	N/A	N/A	N/A	N/A	\$65,000
Jean Guénette	\$70,000	N/A	N/A	N/A	N/A	N/A	\$70,000
John A. Hanna	\$69,000	N/A	N/A	N/A	N/A	N/A	\$69,000
Jacques Landreville	\$20,750	N/A	N/A	N/A	N/A	N/A	\$20,750
Jacques L. Maltais	\$70,750	N/A	N/A	N/A	N/A	N/A	\$70,750
Hubert Marleau	\$58,500	N/A	N/A	N/A	N/A	N/A	\$58,500
Jeanne Wojas	\$78,500	N/A	N/A	N/A	N/A	N/A	\$78,500
<b>Total</b>	<b>\$718,250</b>	N/A	N/A	N/A	N/A	N/A	<b>\$718,250</b>

Aside from Richard G. Roy, directors of the Corporation received no other form of compensation other than the compensation disclosed in the above table.

Richard G. Roy, President and Chief Executive Officer of the Corporation, did not receive any compensation as a director of Uni-Select. However, Mr. Roy did receive compensation as President and Chief Executive Officer of the Corporation as disclosed in the Summary Compensation Table.

The Corporation reimburses its directors for travel and other out-of-pocket expenses incurred in attending Board or committee meetings. The directors are not participants in any pension fund sponsored by Uni-Select nor do they receive any form of equity-based compensation.

The directors are insured by a Directors & Officers and General Liability Insurance policy. The premium of \$91,650 is paid by the Corporation.

#### 4.5 SUMMARY OF ATTENDANCE RECORD

The following table indicates the attendance record of each director for all Board and committee meetings held in 2011. This table takes into account the changes to the composition of the committees effective as of June 28, 2011 (see 4.2).

Name	Number of meetings which he(she) attended in 2011				
	Board 9 meetings	Audit Committee 4 meetings	Human Resources and Compensation Committee 7 meetings	Corporate Governance Committee 8 meetings	Executive Committee 0 meetings
<b>Clay E. Buzzard</b>	9	-	-	1	-
<b>Pierre Desjardins</b>	9	4	4	-	-
<b>Jean Dulac</b>	9	2	3	2	-
<b>Jean-Louis Dulac</b>	9	-	4	4	-
<b>Joseph P. Felicelli</b>	9	-	6 <sup>2</sup>	1	-
<b>Jean Guénette</b>	9	4	-	-	-
<b>John A. Hanna</b>	9	4	-	6	-
<b>Jacques Landreville</b>	3 <sup>1</sup>	-	3	2	-
<b>Jacques L. Maltais</b>	9	-	7	2	-
<b>Hubert Marleau</b>	9	4	-	-	-
<b>Richard G. Roy</b>	9	-	5	6	-
<b>Jeanne Wojas</b>	8	-	6	7	-

<sup>1</sup>Mr. Landreville ceased being a director of the Corporation in May 2011.  
<sup>2</sup>Mr. Felicelli participated as an ad hoc member of the Committee prior to June 2011.

#### 5. COMPENSATION DISCLOSURE & ANALYSIS

The Compensation Disclosure & Analysis report (“CD&A”) is prepared by the Human Resources and Compensation Committee (the “Committee”).

##### 5.1 MANDATE OF THE COMMITTEE

<b>Philosophy, policies and compensation plans, including short and long-term incentive plans</b>	Taking into account the direction of the Corporation, the Committee examines, approves and recommends to the Board the strategy to put in place for executive officers' compensation. The Committee then administers compensation and benefits programs in accordance with the approved strategy.
<b>Evaluation of the President and Chief Executive Officer</b>	Annually, the Committee recommends to the Board the compensation of the President and Chief Executive Officer and evaluates his performance against specific objectives.  The Committee, within its mandate, takes into account the performance of the Corporation, the shareholders' return and the compensation offered for comparable positions at other corporations.

<b>Succession Planning</b>	The Committee ensures that the official succession plan is periodically updated for the chief executive officer and other members of senior management.
<b>Uni-Select's retirement funds and pension plans</b>	The Committee ensures that it is well-informed on the return of the investments, the important risks related to the governance structure of Uni-Select's pension plans and other related pension plans.
<b>Risks related to compensation and human resources</b>	At least once per year the Committee examines all the risks related to remuneration. This includes a review of the compensation philosophy, the features of the incentive program, an evaluation of performance and a review of the various governance elements in place to manage compensation.
<b>Independence from the Committee</b>	All the members meet the independence criteria approved by the Board which were based on the rules for director independence set by the Canadian Securities Administrators.

## 5.2 EXPERTISE OF COMMITTEE MEMBERS

- Pierre Desjardins: Has held management positions with many companies including Domtar Inc., Labatt Breweries of Canada, Total Containment Inc., served as the Chairman and director on various public companies in Canada and the United States and acquired pertinent experience on executive compensation.
- Jacques Maltais: Has been a member of the Uni-Select Human Resource and Compensation Committee for more than 15 years, has developed an expertise in marketing and corporate stores and has knowledge about Uni-Select's compensation history.
- Joseph P. Felicelli: Has managed multiple entities in the United States such as BBB Industries, LLC, the Global Aftermarket Group of Federal-Mogul and the Aftermarket Business Unit of Delco-Remy International (now REMY International). He developed during his various functions an expertise in human resource policies and procedures, and short and long-term compensation plans, particularly for the United States.
- Jeanne Wojas: Developed pertinent expertise in compensation methods for executive officers and employees during her functions as director of a legal firm, legal counsel to large entities as well as a member of the human resources committees of large corporations.

## 5.3 NAMED EXECUTIVE OFFICERS

This CD&A focuses on the compensation paid to the executive officers listed below, also identified as the “Named Executive Officers” or the “NEOs”, during the financial year ended December 31, 2011. The Named Executive Officers include the Chief Executive Officer, the Chief Financial Officer and the three most highly compensated executive officers, taking into account their total compensation (excluding pensions). The NEOs are:

- (1) Richard G. Roy, President and Chief Executive Officer;
- (2) Denis Mathieu, Vice President and Chief Financial Officer;
- (3) Gary O’Connor, Executive Vice President;
- (4) Michel Ravacley, Vice President, Supply Chain and Integration; and
- (5) Luc L’Espérance, Vice President, Human Resources.

## 5.4 SUMMARY OF SENIOR MANAGEMENT COMPENSATION ELEMENTS

DIRECT REMUNERATION				
SHORT-TERM			MEDIUM/LONG TERM	
<b>Non-risk elements</b>			Base salary	
<b>Risk-bearing elements</b>	Annual group bonus	Annual individual bonus	Deferred performance units	Options
INDIRECT NON-RISK REMUNERATION				
Group medical insurance and benefits			Pension Plan	

## 5.5 DETAILS ON COMPENSATION ELEMENTS

### 5.5.1 Direct Remuneration

#### NON-RISK ELEMENTS

##### *Base salary*

Base salaries are a reflection of the hierarchical level, the responsibilities and the complexity of each position. The base salary for each executive officer is revised annually.

Base salary does not fluctuate in relationship with the performance of the Corporation or executive officer and the compensation is paid as long as the executive officer remains employed with Uni-Select. Base salary represents 90% to 100% of the median compensation paid to executive officers with similar responsibilities as Uni-Select's executives; this median is that of a reference group. The Reference Group for 2011 is comprised of:

Agropur	Akzo Nobel	Belron Canada
Canada Safeway	Canadian Tire	Finning International
Forzani	Honda Canada	Imperial Tobacco
Jean Coutu	Ameublement Leon	Mazda Canada
McKesson Canada	Molson Coors Canada	Nestlé Canada
Proctor & Gamble	Purolator	Quincaillerie Richelieu
RONA	Sears Canada	Shoppers Drug Mart
Thomas and Betts Ltée	Toyota Canada	UAP
United Farmers of Alberta		

These companies were selected with the assistance of Towers Watson and are companies representing potential employers for the executive officers of the Corporation, are of a similar size to Uni-Select and have a comparable business model. The Corporation does not use the data compiled from the Reference Group for any purpose other than for the comparison of executive officer compensation against those of the Reference Group. The Committee considers that such comparison is a determining factor in setting compensation.

#### RISK-BEARING ELEMENTS

The short and long-term incentives that follow represent, for each executive officer, a compensation that varies in relation to the performance of the individual or the Corporation such that each incentive can have no value (\$0). At the beginning of the year, the executive officer will not have any assurance that he or she will receive payment in relation to the risk-bearing compensation elements.

##### *Short-Term Incentive Plan*

The Short-Term Incentive Plan is comprised of an annual bonus based on the level of achievement of (i) the annual budget of the Corporation and (ii) specific objectives. The Short-Term Incentive Plan equitably rewards executive officers who distinguish themselves by their contribution, ensures a balance between individual performance, financial performance and compensation and allows the compensation of the executive officers to vary according to the level of achievement of

specific objectives. The short term incentives are risk-bearing compensation elements, i.e. at the beginning of the year the executive officer has no assurance that he or she will receive payment in relation to these compensation elements.

#### *Financial Objective Bonus*

The bonus is based on the achievement of annual financial objectives and allows executive officers to participate in the financial success of the Corporation. Annually, the Board determines the objectives in relation to the level of results attained as determined in the annual budget of the Corporation approved by the Board; a scale and parameters of achievement which correspond to a bonus determined as a percentage of base salary.

#### *Specific Objectives*

A second component of the bonus allocated to executive officers is based on the attainment of specific personal objectives. A specific objective may not be attained or may be partially or totally attained. The allocated bonus under the specific objectives component may vary from 0% of base salary to 20% of base salary depending on the nature of the specific objective, its impact on the Corporation, the operations on which the executive officer has an influence and any objective the Board wishes to promote.

#### *Long-Term Incentives*

The Long-Term Incentive Plans include the Deferred Performance Unit Program, the current purchase option plan and the proposed Option Plan, summaries of which are found under the headings “Deferred Performance Unit Program” and “Stock Option Plan” that follow.

The Corporation has no form of equity-based compensation other than the current purchase option plan and the proposed Option Plan.

#### *Deferred Performance Unit Program*

Executive officers of Uni-Select participate in the Deferred Performance Unit (“DPU”) program. The DPU program was implemented to enable executive officers to participate in the long-term success of the Corporation and to encourage them to remain in the employment of the Corporation; the DPU program was initially introduced to replace the purchase option plan as the latter could not be used equitably given the limited number of shares that could have been issued thereunder. The payout amount to participants is based on a mathematical formula which leaves no room for subjective attribution unless the Board decides otherwise. The DPU has no voting or profit-sharing attributes. The executive officers eligible under the DPU program are those who have a direct influence on the long-term results of the Corporation and are appointed by the Board upon the recommendation of the Committee. The DPU program has a strong correlation to the financial performance of the Corporation and aligns the compensation of the executive officer to such performance.

Each participant to the DPU program receives a number of units that is function of its base salary and of its hierarchical level. There are 4 levels that determine the quantity of DPUs awarded and the range varies from 0.25 for a general manager to 1.00 for the President and Chief Executive Officer.

DPUs have a base value of \$100 increased or decreased by the actual return on average shareholder equity per cycle (“Return on Average Shareholder Equity” or “RASE”). Each consecutive and rotating cycle has a term of three-years (“rolling cycles”) such that a new cycle begins each year.

The RASE is the sum of (i) the return on a 10-year Canadian issued government bond on the date the DPUs are granted by the Board and (ii) 9% (that is, the rate exceeding the rate of return of a guaranteed investment at the time the DPU program was launched).

Except in case of retirement or death, a participant to the DPU program has no vested right to a payment before the expiry of each three-year cycle; payment is contingent upon a participant being an employee of the Corporation.

#### *Stock Option Plan*

##### *Current Purchase Option Plan*

The current purchase option plan (in this section, the “Current Plan”) was first adopted and became effective as of September 30, 1985 and was thereafter amended several times, last of which being on February 14, 2000. The Board of Directors administers the Current Plan and approves all grants of options; it may grant an option on any number of Shares,

up to 100% of all shares in the Current Plan, to any executive or officer of the Corporation (a “Beneficiary”) and may adopt any measure it deems advisable for the management of the Current Plan. The number of Shares that may be issued pursuant to the exercise of options shall not exceed, subject to adjustment pursuant to the Current Plan, 929,700 Shares, which currently represents approximately 4% of all the outstanding Shares, or any higher number approved by a resolution of the Board of Directors subject to the amendment provisions of the Current Plan (including shareholder approval). Limitations regarding the number of options that may be issued to participants, including insiders, are the same as those listed under the “Proposed Amended and Restated the Option Plan” section below. Options are vested by increments of 20% of the number of Shares granted for each consecutive 12-month period. The price at which Shares may be acquired is equal to the closing price of the shares of the Corporation on the Toronto Stock Exchange (“TSX”) on the day preceding the date upon which the option is granted.

Subject to the prior approval of the TSX and any other regulatory body requiring similar approval, the Board of Directors may, at any time and from time to time, amend, suspend or terminate the Current Plan in whole or in part provided, however, that the Board of Directors may not, without approval of the holders of a majority of the Shares present and voting in person or by proxy at a meeting of shareholders of the Corporation, materially increase the benefit accruing to participants under the Current Plan, increase the number of shares that may be issued pursuant to the Current Plan, or materially modify the requirements as to eligibility for participation under the Current Plan.

*Proposed Amended and Restated the Option Plan*

The following is a summary of the Option Plan as it would stand once amended and restated pursuant to the proposed amendments. The Option Plan, as amended and restated, and highlights of certain specific proposed amendments are the subject of Schedule A hereto. The purposes of the Option Plan are (i) to grant management employees and officers of the Corporation, its subsidiaries and affiliates within the meaning of the Securities Act (Quebec) (a “Beneficiary”) options to purchase Shares directly from the Corporation in order to stimulate the productivity of such employees thus furthering the growth and development of the Corporation, and (ii) to assist the Corporation in retaining and attracting executives with experience and ability. The Option Plan shall be managed by the Board or any Committee. The Board or the Committee, as the case may be, has full and complete authority relating to the interpretation and the application of the Option Plan, its provisions and purposes. It may adopt any measure it judges necessary or advisable for the management of the Option Plan.

The Board shall, from time to time, designate the Beneficiaries and the number of Shares to be covered by an option. Any Beneficiary, at the time of the granting of the option, may hold more than one option. All options granted must be in compliance with the requirements of the TSX. The number of Shares that may be issued pursuant to the exercise of options shall not exceed, subject to adjustment pursuant to the Option Plan, 1,700,000 Shares, representing approximately 8% of all outstanding Shares as of the date hereof, or any higher number approved by a resolution of the Board of Directors subject to the amendment provisions of the Option Plan (including shareholder approval). All Shares subject to options that have expired, without being exercised, shall be available for any subsequent options under the Option Plan. A Beneficiary shall not hold options covering more than 5% of the outstanding Shares. The aggregate number of Shares issuable to insiders of the Corporation under the Option Plan and any other security based compensation arrangement of corporation, at any time, shall not exceed 10% of the total issued and outstanding Shares. Furthermore, the aggregate number of Shares issued to insiders of the Corporation, within any one year period, shall not exceed 10% of the total issued and outstanding Shares, while the maximum number of Shares that may be issued to any one insider under the Option Plan and any other share compensation arrangement (within the meaning of the Option Plan) within a one-year period shall not exceed 5% of the number of Shares outstanding. The number of Shares reserved with the TSX for options would be increased to 1,700,000 if the proposed amendments to the Option Plan are approved. The number of options currently outstanding is 61,679, representing 0.3% of the outstanding Shares as of the date hereof. If the proposed amendments to the Option Plan are approved, the Directors would thus be authorized to grant up to 1,638,231 additional options upon the coming into force of the amendments to the Option Plan.

The option price per Share for Shares which are the subject of any option shall be equal to the average closing price at which the Shares were traded on the TSX for the five (5) trading days prior to the date of granting of the options. Options are vested by increments of 25% of the number of shares granted for each consecutive 12-month period, with the first period commencing on the date of the grant of the options. Accelerated vesting is possible for a Beneficiary who has not exercised his option within the twelve (12) month period beginning on the date of his retirement at the retirement age (within the meaning ascribed to these terms in the Option Plan). In that case, the exercisable period for all options held by such Beneficiary shall be accelerated and all options then held by the Beneficiary shall become fully vested and the rights thereto acquired by the Beneficiary on the first (1<sup>st</sup>) anniversary date of his retirement. Also, a “cashless” mechanism allows for the Beneficiary to ask that the Corporation sell the Shares underlying his options on his behalf in order to retain an

amount equal to the exercise price of the options and pay the difference to the Beneficiary, less any applicable withholding taxes.

The period during which an option is exercisable and the vesting of options shall be determined by the Board of Directors or the Committee but shall not, subject to the provisions of the Option Plan, commence earlier than the date of granting of the option and shall not exceed seven (7) years. If the term of an option expires during or within ten business days after the expiration of a Blackout Period, then the term of such option or the unexercised portion thereof, shall be extended by ten business days after the expiration of the Blackout Period. For the purposes of the Option Plan, “Blackout Period” means any period during which a policy of the Corporation prevents a Beneficiary from exercising an option. No Option or any interest therein shall be assignable by the Beneficiary other than by will, the law of succession or estate settlement purposes.

Upon a Beneficiary’s employment with the Corporation being terminated for fraud or willful misconduct or neglect, the option period for options then outstanding and all the rights therefrom shall expire on the date of such dismissal. Upon the termination (other than for causes stated above) of or upon voluntary departure or resignation of the Beneficiary from his employment with the Corporation, or any of its subsidiaries or a Corporation which is an affiliate of the Corporation within the meaning of the *Securities Act* (Quebec), as the case may be, the option period for options then outstanding shall expire on the 90th day following such termination of employment, resignation or voluntary departure or on such later date as the Board of Directors or Committee may set (but no later than the expiry date first established by the Board of Directors or Committee). If a Beneficiary retires from his employment at the Retirement Age (as defined in the Option Plan), the option period for options then outstanding shall expire 14 months after the date of his retirement or on such later date as the Board of Directors or Committee may set (but no later than the expiry date first established by the Board of Directors or Committee). Also, should a Beneficiary die, either before or after retirement, the option period for options then outstanding shall expire 12 months after the date of death (but no later than the expiry date first established by the Board or Committee). Finally, unless the Board or the Committee decides otherwise, in the case of a Beneficiary with less than one (1) year of service within the Corporation at the date of the grant of the option, the option period shall begin no earlier than the first (1st ) anniversary of the start of his employment, and if such employment terminates for any cause other than death prior to such first (1st ) anniversary, the option period shall expire on the date of such termination of employment. The Beneficiary loses all rights under an option which is not exercised prior to the expiry date; he also loses his rights if the option period has not commenced prior to the date of his death or of the termination of his employment with the Corporation.

Subject to the prior approval of the TSX, any other regulatory body requiring similar approval, the Board of Directors may at any time and from time to time, amend, suspend or terminate the Option Plan in whole or in part without the approval of the holders of the outstanding Shares (but subject to matters specifically requiring the approval of holders of the outstanding shares as described below), including amendments to:

- the Option Plan for any purpose, including (a) changing the terms on which options may be granted and exercised including, without limitation, the provisions relating to exercise price, vesting, expiry date, assignment and the adjustments to be made pursuant to the Option Plan, provided the Board of Directors may not reduce the exercise price of options previously granted; (b) making any addition to, deletion from or alteration of the provisions of the Option Plan that are necessary to comply with applicable law or the requirements of any regulatory authority or stock exchange; (c) correcting or rectifying any ambiguity, defective provision, error or omission in the Option Plan; and (d) changing the provisions relating to the administration of the Option Plan, provided that no such amendment, suspension or termination of the Option Plan by a decision of the Board may, without the consent of Beneficiaries to whom options shall theretofore have been granted, adversely affect the rights of such Beneficiaries; or
- any term of any outstanding option, provided that (a) any required approval of any regulatory authority or stock exchange is obtained; (b) if the amendments would reduce the determination of the exercise price for options not previously granted or extend the expiry date of options granted to insiders, other than as authorized pursuant to the Option Plan, approval of the holders of a majority of the Shares present and voting in person or by proxy at a meeting of shareholders of the Corporation must be obtained; (c) the Board of Directors would have had the authority to initially grant the option under the terms as so amended; and (d) the consent or deemed consent of the Beneficiary of the option is obtained if the amendment would materially prejudice the rights of the Beneficiary of the option.

Notwithstanding the foregoing, the Board of Directors may not, without the approval of the holders of a majority of the Shares present and voting in person or by proxy at a meeting of shareholders of the Corporation, make amendments to the Option Plan for any of the following purposes:

- to materially increase the benefit accruing to Beneficiaries under the Option Plan;
- to modify the requirements as to eligibility for participation under the Option Plan ;
- to increase the maximum number of Shares that may be issued pursuant to options granted under the Option Plan;
- to reduce the exercise price of options to less than the price established following the method provided for under the Option Plan or to cancel and reissue options;
- to reduce the exercise price of options for the benefit of an insider;
- to extend the expiry date of options for the benefit of an insider;
- to permit the introduction or reintroduction of non-employee directors on a discretionary basis or to increase limits previously imposed on non-employee director participation;
- to increase the maximum number of Shares issuable pursuant to the Option Plan;
- to permit options granted under the Option Plan to be transferable or assignable other than by will or the law of succession or estate settlement purposes; and
- to amend the amendment provision of the Option Plan.

### **5.5.2 Indirect Non-Risk Remuneration**

#### ***Pension Plan***

The Corporation offers pension benefits to its Canadian executives through a basic registered pension plan, a registered pension plan for senior management and a non-registered supplemental pension plan for certain senior members of management. The pension plans for Canadian executives are defined benefit plans. The United States executives participate in a retirement savings plan and a supplementary retirement plan established pursuant to the Internal Revenue Code. The benefits payable to an executive officer upon his departure is not a risk-bearing compensation element.

Although, for purposes of the Information Circular, we qualify the pension plan as “non-risk”, these programs remain subject to important risks relating to the Corporation’s solvency and existence. However, these elements are not within the control of the executives of the Corporation and as long as the Corporation’s pension plan remains solvent, the benefits shall be paid to the executives during the term provided in the plan.

#### ***Details on the Pension Plan***

Each Named Executive Officer may receive full pension benefits, without actuarial reduction, upon reaching the age of 60.

The annual benefits payable to Executive Officers are based on the average of the last three years of the member’s final average earnings and on projected credited service; it is assumed, for purposes of determining the annual benefits payable at year end, that the member will satisfy the vesting conditions under the supplemental plan (i.e. the member will have attained at least age 55 and completed at least 5 years of credited service at the time of his retirement).

Employees that are based in the United States participate in a registered plan pursuant to the Internal Revenue Code commonly referred to as a 401(k) plan (the “401(k) Plan”). The 401(k) Plan allows participants to save for retirement and defer income taxes on earnings until retirement. The Corporation matches 50% of each participant’s contributions into the 401(k) Plan up to a maximum of 3% of base salary; the executive officers participate in a supplementary retirement plan for which the Corporation matches the executives’ contributions up to a maximum of \$15,000 USD.

#### ***Group Medical Insurance and Benefits***

Like the Corporation’s other employees, the executive officers benefit from group coverage that offers property insurance (automobile and home insurance) as well as personal insurance (long-term disability insurance and life insurance), privileges to purchase parts distributed by the Corporation for personal use and other benefits offered by the Corporation to its employees.

## **5.6 PERFORMANCE ASSESSMENTS**

The Committee makes recommendations to the Board of Directors on the compensation for the executive officers of Uni-Select, submits to the Board the short-term incentive plan objectives and approves the evaluation submitted for the performance of each Named Executive Officer. The Board is the final authority on compensation matters for the Named Executive Officers of Uni-Select and on policy changes related to compensation.

The President and Chief Executive Officer submits the objectives that he is expected to achieve and against which his performance is assessed by the Chair of the Board and, as part of the executive management team, each Named Executive Officer completes the same process with the President and Chief Executive Officer. All objectives are reviewed by the Committee and submitted to the Board for consideration.

The Chair of the Board conducts the assessment of the President and Chief Executive Officer who, in turn, assesses each Named Executive Officer's individual performance against their respective objectives. The Chair and the President and Chief Executive Officer submit their assessment to the Committee that, in turn, submits recommendations to the Board for approval. The Named Executive Officers do not play a role in their compensation determination, other than discussing their individual performance against their predetermined objectives.

The Chair of the Board is Jean-Louis Dulac and the Committee is comprised of the following directors: Pierre Desjardins (Chair), Joseph P. Felicelli, Jacques L. Maltais and Jeanne Wojas. No member of the Committee was an officer or employee of Uni-Select and each Committee member was determined by the Board of Directors to be independent from the Corporation.

The Committee relies on quantifiable measures and its own judgment to compensate Named Executive Officers. The determination of the level of achievement of specific objectives that are not quantifiable requires the personal assessment by the members of the Committee; the Committee believes that solely using quantifiable measures will not allow an adequate evaluation of performance of an executive officer, and a more effective method would be to use both quantifiable objectives and objectives which require a personal evaluation. The Committee ensures that the overall compensation to the Named Executive Officers reflects the guiding principles listed earlier in this CD&A and remains aligned with the financial performance of the Corporation.

## **5.7 EMPLOYMENT CONTRACTS AND CHANGE OF CONTROL**

The Corporation has not entered into employment agreements with its officers or with any of the Named Executive Officers. The Corporation has not put in place any agreement, plan or mechanism for payments in favour of the executive officers in the event of termination of duties, whether voluntary or not, or of constructive dismissal, resignation, retirement, change in responsibilities or change of control of the Corporation. However, the current purchase option plan, the proposed Option Plan and the DPU program each provide that options or units become immediately vested in case of a change of control of the Corporation.

## **5.8 COMPENSATION AND RISK**

The Committee is of the opinion that the total compensation of the executive officers is balanced to avoid any potential risk that may result from taking actions to maximize compensation without regard for the risk assumed by the Corporation.

The Committee identified two (2) situations where the risk may be unbalanced:

- The implementation of the ERP – to avoid payment above and beyond the attainment of objectives, the latter were established in relation to defined steps where the attainment level is objective;
- Corporate acquisition activities – to counter the possibility of an increase in compensation on the sole basis of an increase in sales, the acquisition projects are evaluated and approved in relation to an efficiency factor. The Board periodically reviews the efficiency attained for each entity acquired.

## **5.9 HUMAN RESOURCES AND COMPENSATION COMMITTEE REPORT**

The Committee submits that the compensation of the executive officers is appropriate given Uni-Select's size, the range of its activities and the return on shareholders' equity. The Committee is satisfied that the current executive compensation policies, programs and levels of compensation is correctly aligned with the Corporation's performance and respects competitive market practices. Notwithstanding, since the compensation structure has not varied much over the past years,

the Committee has initiated, for 2012, a review of all the executive officers' compensation elements in order to ensure that compensation will remain competitive and tied to the achievement of the Corporation's objectives.

## 6. SUMMARY COMPENSATION TABLE

### 6.1 2011 HIGHLIGHTS

In 2011, the Corporation has:

- Realized sales of \$1.8B and a net benefit of \$57M respectively 38% and 28% higher than in the previous year;
- Successfully initiated the implementation of the integrated management software, the Corporation's largest capital investment;
- Concluded the important acquisition of the assets of Parts Depot in Florida where Uni-Select did not previously have a presence; and
- Realized 60% of the synergies related to the acquisition of FinishMaster, estimated at \$10M, ahead of the established timetable.

### 6.2 SUMMARY COMPENSATION TABLE

The following table details the annual compensation to each of the Named Executive Officers with regards to 2009, 2010 and 2011. Information on compensation paid in previous years and other information filed with the Canadian provincial securities commissions on SEDAR may be reviewed on [www.sedar.com](http://www.sedar.com).

Name and principal position	Year	Salary (\$)	Share-based awards (\$)	Option-based awards (\$) <sup>(1)</sup>	Non-equity incentive plan compensation (\$)		Pension value – compensatory change (\$)	All other compensation (\$)	Total compensation (\$)
					Annual incentive plans	Long-term incentive plans DPU Program			
<b>Richard G. Roy</b> President & Chief Executive Officer	2011	\$518,269			\$262,500	\$400,000	\$165,800	\$14,400	\$1,360,969
	2010	\$493,269			\$379,493	\$320,000	\$149,200	\$14,400	\$1,356,262
	2009	\$455,673			\$138,867	\$110,000	\$90,100	\$14,400	\$809,040
<b>Denis Mathieu</b> Vice President & Chief Financial Officer	2011	\$291,154			\$119,625	\$117,500	\$73,100	\$55,563	\$656,942
	2010	\$280,000		\$70,100	\$136,020	\$86,000	\$59,300	\$11,974	\$644,102
	2009	\$251,807			\$50,363	\$86,000	\$32,700	\$12,012	\$432,882
<b>Gary O'Connor</b> Executive Vice President	2011	\$280,769			\$92,625	\$106,500	\$85,200	\$32,063	\$597,158
	2010	\$279,382			\$83,875	\$82,400	\$45,400	\$11,974	\$503,031
	2009	\$223,272			\$92,400	\$80,000	\$41,500	\$12,012	\$449,184
<b>Michel Ravacley</b> Vice President, Supply Chain and Integration	2011	\$222,461			\$87,188	\$80,625	\$57,500	\$34,563	\$482,338
	2010	\$227,923			\$85,356	N/A	\$38,300	\$11,974	\$363,554
	2009	\$215,000			\$43,001	N/A	\$37,000	\$12,012	\$307,013
<b>Luc L'Espérance</b> Vice President, Human Resources	2011	\$207,292			\$68,900	\$128,625 <sup>2</sup>	\$65,100	\$26,903	\$496,820
	2010	\$181,577			\$61,640	\$47,100	\$63,900	\$11,974	\$366,191
	2009	\$174,634			\$35,875	\$45,750	\$41,000	\$12,012	\$309,271

<sup>1</sup> The fair value of the options vested was estimated at the award date in order to determine compensation expenses for the options by using the Black & Scholes pricing model according to the following hypotheses for the 2011 year:

Expected dividend rate	1.41%	Risk-free interest rate	2.37%
Expected volatility	25.51%	Expected duration in years	7

<sup>2</sup> The vesting of the DUP units accelerated, on a prorate basis, upon retirement

### 6.3 BONUS RELATED TO FINANCIAL OBJECTIVES TABLE

For the period ending on December 31, 2011, the Named Executive Officers reached an average of 70% of the targeted financial objective level.

Name	Minimum in \$	Target in \$	Target as a percentage of salary	Realized \$
<b>Richard G. Roy</b>	\$0	\$262,500	75%	\$196,875
<b>Denis Mathieu</b>	\$0	\$101,500	75%	\$76,125
<b>Gary O'Connor</b>	\$0	\$99,750	50%	\$49,875
<b>Michel Ravacley</b>	\$0	\$78,750	75%	\$59,063
<b>Luc L'Espérance</b>	\$0	\$55,120	75%	\$41,340

#### 6.4 TABLE OF BONUSES RELATED TO ATTAINMENT OF SPECIFIC OBJECTIVES

Uni-Select determined that bonuses listed in the table below, evaluated based on the methodology described in the section entitled “Performance Assessments” (page 22), had to be paid to Named Executive Officers in relation to the level of achievement of their respective specific objectives.

Name	Objective	Minimum in \$	Maximum in \$	Maximum as a percentage of salary	Realized (excluding discretionary bonuses) \$
<b>Richard G. Roy</b>	<ul style="list-style-type: none"> <li>Implement plans to increase the value of the Uni-Select stock</li> <li>Update of strategic plan</li> </ul>	\$0	\$105,000	20%	\$65,625
<b>Denis Mathieu</b>	<ul style="list-style-type: none"> <li>Uni-Select stock plans to increase the value of the UNS title</li> <li>Realize synergies derived from the integration of FinishMaster</li> <li>Implementation of the ERP project</li> <li>Analyse and support acquisition projects</li> </ul>	\$0	\$43,500	15%	\$43,500
<b>Gary O'Connor</b>	<ul style="list-style-type: none"> <li>Support the integration of the ERP project with respect to deadlines and budget</li> <li>Participate in the update of the strategic plan</li> <li>Increase organic growth objectives</li> </ul>	\$0	\$42,750	15%	\$42,750
<b>Michel Ravacley</b>	<ul style="list-style-type: none"> <li>Optimize the inventory quality and quantity</li> <li>Coordinate the ERP system implementation for 2012 designated sites</li> <li>Reach the targeted levels for all deliveries of customer's orders</li> </ul>	\$0	\$33,750	15%	\$28,125
<b>Luc L'Espérance</b>	<ul style="list-style-type: none"> <li>Update the HR development plan to align resources and corporate objectives</li> <li>Redefine the compensation structure for employees of the corporate stores in the United States</li> <li>Integrate the personnel of FinishMaster</li> <li>Succession plans for upper management</li> </ul>	\$0	\$29,680	14%	\$27,560

#### 6.4.1 Discretionary bonuses awarded by the Board

The Board, making use of its discretionary powers, recommended the payment of bonuses to Denis Mathieu, Luc L'Espérance, Michel Ravacley and Gary O'Connor in light of their dedication to the implementation of the ERP and the integration of Finishmaster. These bonuses are included under the heading "All other compensation" of table 6.2.

#### 6.5 TABLE OF DEFERRED PERFORMANCE UNIT (DPU) PROGRAM

The Named Executive Officers participate in the DPU program and were awarded the following compensation on account of units held and were also awarded the performance units set out opposite their respective names.

Name	Number of units awarded in 2007	Number of units awarded in 2008	Number of units awarded in 2009	RASE for a payment at the target level			Level achieved in 2009	Level achieved in 2010	Level achieved in 2011	2009 Payment	2010 Payment	2011 Payment
				2007	2008	2009						
<b>Richard G. Roy</b>	1,375	4,000	4,000	14.33%	13.62%	14%	\$80	\$80	\$100	\$110,000	\$320,000	\$400,000
<b>Denis Mathieu</b>	1,075	1,075	1,175	14.33%	13.62%	14%	\$80	\$80	\$100	\$86,000	\$86,000	\$117,500
<b>Gary O'Connor</b>	1,000	1,030	1,065	14.33%	13.62%	14%	\$80	\$80	\$100	\$80,000	\$82,400	\$106,500
<b>Michel Ravacley</b>	N/A	N/A	806	14.33%	13.62%	14%	\$80	\$80	\$100	N/A	N/A	\$80,625
<b>Luc L'Espérance</b>	572	589	1,286	14.33%	13.62%	14%	\$80	\$80	\$100	\$45,750	\$47,100	\$128,625

#### 6.6 EQUITY COMPENSATION PLAN INFORMATION

The following table sets forth the compensation plan under which equity securities of the Corporation are authorized for issuance, being the Corporation's current purchase option plan, as at December 31, 2011:

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)	Weighted-average exercise price of outstanding options, warrants and rights (b)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c)
<b>Equity compensation plans approved by security holders</b>	N/A	N/A	N/A
<b>Equity compensation plans not approved by security holders</b>	61,769	\$30.22	29,126
<b>Total</b>	61,769	\$30.22	29,126

The following table shows all awards outstanding for each Named Executive Officer for the year ending December 31, 2011, notably those awarded before the end of the last period.

Option-Based Awards					Share-Based Awards		
Name	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options (\$) <sup>1</sup>	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested (\$)	Market or payout value of vested share-based awards not paid out or distributed (\$)
<b>Richard G. Roy</b>	50,000	\$31.43	Jan. 1, 2018	Ø	10,000	Ø	Ø
<b>Denis Mathieu</b>	10,000	\$26.70	Dec. 12, 2012	Ø	6,000	Ø	Ø
<b>Gary O'Connor</b>	Ø	Ø	Ø	Ø	Ø	Ø	Ø
<b>Michel Ravacley</b>	Ø	Ø	Ø	Ø	Ø	Ø	Ø
<b>Luc L'Espérance</b>	Ø	Ø	Ø	Ø	Ø	Ø	Ø

<sup>1</sup> The difference between the rate of exercise and the close price at December 31, 2011, being \$26.25.

During its most recently completed financial year-end or all other periods covered by this information circular, the Corporation did not make any awards under a non-equity incentive plan based on conditions related to the Uni-Select share price. Aside from the DPU program, the Corporation did not award any compensation under a non-equity long-term incentive plan during the most-recently ended period.

## **6.7 TABLE OF VALUE OF THE PENSION PLAN**

The following table describes the costs for the Corporation and the estimated benefits at retirement for each of the Named Executive Officers. The assumptions used in preparing the information presented in the following table are identical to those used for purposes of calculating the accrued obligations as at December 31, 2011 reflected in the audited financial statements for the year ending as at that date; these assumptions include a projected annual salary increase of 3.75% per annum and a discount rate of 5.40% per annum.

Name	Number of years of credited service as at December 31, 2011		Annual benefits payable (\$)		Opening present value of defined benefit obligation	Compensatory change	Non-compensatory change	Closing present value of defined benefit obligation
	Registered Plans	Supplemental Plan	At year end	At age 65 <sup>1</sup>	(\$)	(\$)	(\$)	(\$)
<b>Richard G. Roy</b>	13.00	11.41	141,800	200,300	1,714,200	165,800	530,400	2,410,400
<b>Denis Mathieu</b>	4.83	4.83	29,200	117,900	237,100	73,100	137,100	447,300
<b>Gary O'Connor</b>	6.00	6.00	35,200	91,300	383,700	85,200	156,900	625,800
<b>Michel Ravacley</b>	3.00	3.00	11,600	33,100	118,900	57,500	25,800	202,200
<b>Luc L'Espérance</b>	17.46	15.00	78,100	90,900	1,056,000	65,100	221,200	1,342,300

<sup>1</sup> 60 years for executives having 15 years of participation in retirement plans.

## **7. COMPENSATION CONSULTANT**

In 2011, the Committee retained the services of Towers Watson, an expert-consultation firm that provides independent advice on executive compensation and related governance questions. Towers Watson was mandated to provide the Committee with advice and assistance in relation to the decisions to be taken on the compensation programs. The Committee takes into account the opinions and recommendations of Towers Watson, but makes its own decisions. Towers Watson provides other services to the Corporation. Total fees paid by the Corporation to Towers Watson for services rendered in 2011 (as compared to 2010) are presented in the table below:

Fees paid to Towers Watson for services rendered pertaining to executive compensation for periods ending on December 31, 2011 and 2010		
Type of mandate	2011	2010
Executive Compensation	\$165,499	\$3,315
Other services	\$143,615	\$38,202
<b>Total</b>	<b>\$308,914</b>	<b>\$41,517</b>

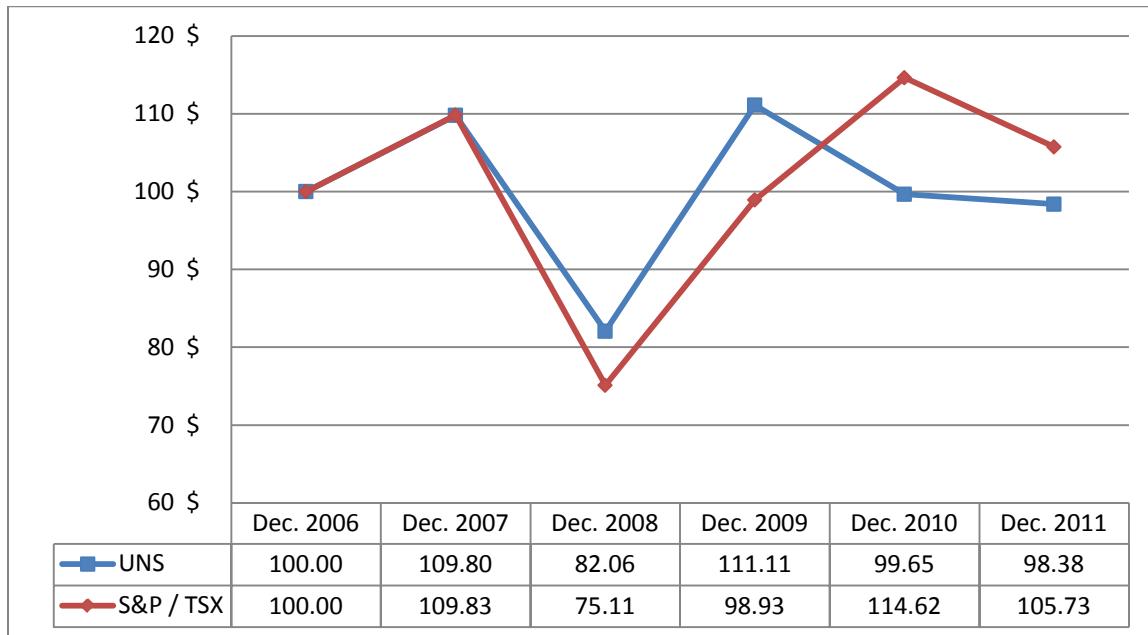
## **8. PERFORMANCE GRAPH**

The graph below illustrates the annual percentage change in the Corporation's cumulative return on shareholders' equity on the stock of the Corporation in relation to the cumulative return of the S&P/TSX Index over a five-year period ended December 31, 2011.

The year-end valuation of each investment is based on the increase in share value, adjusted for cash dividends reinvested as at the date on which they were paid. These calculations do not account for brokerage fees or taxes. The total return on

shareholders' equity for each investment, whether measured in dollars or as a percentage, may be calculated from the year-end values shown on the graph below.

Uni-Select Inc.  
STOCK PERFORMANCE GRAPH  
December 31, 2006 to December 31, 2011 (5-year period)



The trend shown by the above performance graph is a significant decrease in 2008 when the recession, which began in the second half of the year, affected the securities market as a whole. As at December 31, 2009, Uni-Select's share price had recovered and had increased by 37.12% compared to its value as at December 31, 2008. The trend in the Corporation's compensation to the Named Executive Officers has generally followed the trend in the performance graph save for the 2008 financial year where total compensation of the NEOs increased even though the share price decreased. Throughout the 2010 financial year, there was a marked difference between Uni-Select's share price and the value of the reference index; whereas the index continued to make strong gains, Uni-Select's share value continued to decrease until December 31, 2010. During 2011, the reference index decreased whereas Uni-Select's share price was stable, thus out-performing the market. The base salary of the Named Executive Officers has increased by 3.9% in the course of 2011, an increase in compensation justified by the share performance which has maintained its value since the beginning of the year when compared with the reference index that has declined significantly.

## **9. ADDITIONAL INFORMATION**

Unless otherwise indicated, the information contained herein is provided as at March 8, 2012. The Corporation is not aware of any matters that could be submitted at the Meeting other than those indicated in the Notice of Meeting. Should any unknown matters be properly submitted at the Meeting, the persons named in the form of proxy will vote on such matters according to their best judgment.

### **9.1 AVAILABILITY OF ADDITIONAL DOCUMENTS**

Uni-Select is a reporting issuer and is subject to securities legislation; accordingly, it must file its annual financial statements and information circular. Uni-Select must also file an annual information form with the securities commissions. Financial information is provided in the Corporation's comparative financial statements and management report for its most recently completed financial year. Copies of this information circular, as well as the Corporation's latest annual information form, annual report and management report for the year ended December 31, 2011, and its quarterly financial statements

produced after the latest annual financial statements may be obtained from the Corporation's website, at no charge, at [www.uniselect.com](http://www.uniselect.com) or by mail from the Secretary at 170 Industriel Blvd., Boucherville, Québec, J4B 2X3.

Interested parties may also access Uni-Select's disclosure documents and any reports, statements or other information filed with the Canadian provincial securities commissions on SEDAR at [www.sedar.com](http://www.sedar.com).

## **9.2 SHAREHOLDER PROPOSALS FOR THE ANNUAL MEETING**

Shareholder proposals for the meeting held for the purposes of receiving the 2012 year-end financial statements and other matters must be received by December 31, 2012.

## **10. APPROVAL OF THE DIRECTORS**

The directors of the Corporation have approved the contents and the sending of this information circular.

The Secretary,

A handwritten signature in black ink, appearing to read "Pierre Chesnay".

M° Pierre Chesnay  
March 29, 2012  
Boucherville, Québec



## SCHEDULE “A” – STOCK OPTION PLAN

### RECOMMENDED SALIENT AMENDMENTS AT A GLANCE

	CURRENT PLAN	AMENDED AND RESTATED PLAN
Number of shares	Balance of unawarded options: 29,126	New total: 1,700,000
Exercise price	Closing value on the eve of the grant	Average 5 days closing value
Vesting	4 years + 1 day	3 years + 1 day
Cashless exercise	Beneficiary may ask that the Corporation purchase the option for a price equal to the increase in value of the share	Beneficiary may ask that the Corporation sell the shares, retain the exercise price and pay the difference to the beneficiary
New		No repricing of options under any circumstance; Tax notification provisions; No extension of the expiry date; No material change without shareholder consent; Possibility for a beneficiary of an accelerated vesting of options granted provided he holds his options for a period of 12 months after the date of retirement. Automatic 10 day extention for options expiring during or within 10 days of a blackout period; Detailed amendments provision granting the board of directors certain powers to amend the plan and outstanding options without shareholder approval.



## **AMENDED AND RESTATED STOCK OPTION PLAN OF UNI-SELECT INC.**

Amending and restating certain terms and conditions of the purchase option plan of the Corporation as adopted on September 30, 1985 as modified on May 6, 1988, August 23, 1989, December 31, 1994, December 31, 1996, February 11, 1999 and February 14, 2000. All granted and unexercised options as at May 8, 2012, of such purchase option plan by Employees of the Corporation will be governed by the present terms and conditions.

### **1. Definitions**

For the purposes hereof, unless the context indicates otherwise,

- 1.1. “Advance” has the meaning ascribed thereto in sub-section 9.5;
- 1.2. “Applicable Laws” has the meaning ascribed thereto in sub-section 15.1;
- 1.3. “Beneficiary” means a management employee or an officer to whom an Option has been granted under the Plan;
- 1.4. “Blackout Period” has the meaning ascribed thereto in Section 8;
- 1.5. “Board” means the Board of Directors of the Corporation;
- 1.6. “Code” has the meaning ascribed thereto in Section 12;
- 1.7. “Committee” means any Committee elected by the Board of Directors of the Corporation to manage the Plan;
- 1.8. “Common Shares” means the common shares of the share capital of the Corporation;
- 1.9. “Corporation” means Uni-Select Inc.;
- 1.10. “Employee” means the management employees and officers of a Group Corporation;
- 1.11. “Group Corporation” means the Corporation, and any of its subsidiaries or a corporation which is an affiliate of the Corporation within the meaning of the *Securities Act* (Quebec) as the case may be;
- 1.12. “Insider” means:
  - 1.12.1. an insider as defined in the *Securities Act* (Quebec), other than a person who falls within that definition solely by virtue of being a director or senior officer of a subsidiary of the Corporation;
  - 1.12.2. an associate, as defined in the *Securities Act* (Quebec), of any person who is an insider by virtue of sub-section 1.12.1;
- 1.13. “Option” means an Option to purchase the Shares granted under the Plan;
- 1.14. “Plan” means the present amended and restated stock option plan of the Corporation;
- 1.15. “Retirement Age” means the age of retirement from employment at the Corporation as determined by the Board but in no event shall the Retirement Age be earlier than 60 years of age;

- 1.16. “Share Compensation Arrangement” means any stock option, stock option plan, employee stock purchase plan or any other compensation or incentive mechanism involving the issuance or potential issuance of Shares, including a share purchase from treasury which is financially assisted by the Corporation by way of a loan, guarantee or otherwise and the Share Purchase Plan for new merchant members of the Corporation;
- 1.17. “Shares” means the Common Shares that may be purchased by the exercise of an Option;
- 1.18. “Transaction Costs” has the meaning ascribed thereto in sub-section 9.5;
- 1.19. “U.S. Beneficiary” has the meaning ascribed thereto in Section 12; and
- 1.20. “Withholding Amount” has the meaning ascribed thereto in sub-section 15.4.

## **2. Purposes of the Plan**

The purposes of the Plan are (i) to grant Employees of the Group Corporation options to purchase Shares directly from the Corporation in order to stimulate the productivity of such Employees thus furthering the growth and development of the Corporation, and (ii) to assist the Corporation in retaining and attracting executives with experience and ability.

## **3. Management of the Plan**

The Plan shall be managed by the Board or any Committee. The Board or the Committee, as the case may be, has full and complete authority relating to the interpretation and the application of the Plan, its provisions and purposes. It may adopt any measure it judges necessary or advisable for the management of the Plan.

## **4. Shares subject to the Plan**

The number of Shares that may be issued pursuant to the exercise of Options shall not exceed, subject to adjustment pursuant to Section 13, 1,700,000 Shares, or any higher number approved by a resolution of the Board subject to Section 14 hereof. All Shares subject to Options that have expired, without being exercised, shall be available for any subsequent Options under the Plan. A Beneficiary shall not hold Options covering more than 5% of the outstanding Shares.

## **5. Grant of Options**

The Board shall, from time to time, designate the Beneficiaries and the number of Shares to be covered by an Option. Any Beneficiary, at the time of the granting of the Option, may hold more than one Option. The granting of each Option shall be evidenced by a letter from the Corporation addressed to the Beneficiary setting forth the number of Shares covered by such Option, the exercise price and the Option Period.

## **6. Limits with respect to Insiders**

- 6.1. The maximum number of Shares that may be reserved for issuance to Insiders pursuant to Options granted under the Plan and any other Share Compensation Arrangement is 10% of the number of Shares outstanding.
- 6.2. The maximum number of Shares that may be issued to Insiders under the Plan and any other Share Compensation Arrangement within a one-year period is 10% of the number of Shares outstanding.
- 6.3. The maximum number of Shares that may be issued to any one Insider and such Insider’s associates under the Plan and any other Share Compensation Arrangement within a one-year period is 5% of the number of Shares outstanding.
- 6.4. For the purposes of sub-sections 6.2 and 6.3, the number of Shares outstanding at the time of the reservation or issuance, as the case may be, shall be calculated excluding Shares issued under the Plan or under any other Share Compensation Arrangement during the preceding one-year period.

## **7. Exercise price**

The exercise price for each Share covered by an Option shall be equal to the average closing price at which the Shares were traded on The Toronto Stock Exchange for the five (5) trading days prior to the date of granting of the Options.

## **8. Option Period**

Each Option shall be exercisable during a period (“**Option Period**”) established by the Board or the Committee; the Option Period shall not commence earlier than the date of the granting of the Option and shall expire no later than after the seventh (7<sup>th</sup>) anniversary of such date except that:

- 8.1. Should a Beneficiary die, either before or after retirement, the Option Period for Options then outstanding shall expire 12 months after the date of death (but no later than the expiry date first established by the Board or Committee);
- 8.2. Should a Beneficiary retire from his employment at the Retirement Age, the Option Period for Options then outstanding shall expire 14 months after the date of his retirement or on such later date as the Board or Committee may set (but no later than the expiry date first established by the Board or Committee);
- 8.3. Should the employment of a Beneficiary terminate or should a Beneficiary resign or voluntarily leave his employment with the Corporation, or any of its subsidiaries or a Corporation which is an affiliate of the Corporation within the meaning of the Securities Act (Quebec), as the case may be, except in those events mentioned in sub-sections 8.1 and 8.2, the Option Period for Options then outstanding shall expire on the 90<sup>th</sup> day following such termination of employment, resignation or voluntary departure or on such later date as the Board or Committee may set (but no later than the expiry date first established by the Board or Committee);
- 8.4. Should a Beneficiary be dismissed for fraud or willful misconduct or neglect, the Option Period for Options then outstanding and all the rights therefrom shall expire on the date of such dismissal; and
- 8.5. Unless the Board or the Committee decides otherwise, in the case of a Beneficiary with less than one (1) year of service within the Corporation at the date of the grant of the Option, the Option Period shall begin no earlier than the first (1<sup>st</sup>) anniversary of the start of his employment, and if such employment terminates for any cause other than death prior to such first (1<sup>st</sup>) anniversary, the Option Period shall expire on the date of such termination of employment.

The Beneficiary loses all rights under an Option which is not exercised prior to the expiry date; he also loses his rights if the Option Period has not commenced prior to the date of his death or of the termination of his employment with the Corporation.

Should a material change occur in the nature of the employment of a Beneficiary prior to the commencement of the Option Period, the Board or Committee shall, at its sole discretion, reduce or extinguish all rights granted under the Option. For the purpose of this section, a "material change in the nature of the employment" is deemed to have occurred at the date set by the Board or Committee, as being the date at which a Beneficiary performs work or services that the Board or Committee, in their sole discretion, determines to be of less value than the work or services performed by the Beneficiary at the date of grant of the Option.

If the date on which an Option expires occurs during a Blackout Period or within 10 business days after the last day of a Blackout Period, the date of expiry of such Option will be the last day of such 10 business day period. For the purposes hereof, “**Blackout Period**” means any period during which a policy of the Corporation prevents a Beneficiary from exercising an Option.

## **9. Exercise of Option**

- 9.1. An Option may be exercised, prior to its expiry, at any time during a period commencing on the date of the grant of the Option on the basis of not more than 25% of the number of Shares granted for a 12 month period (the “**Exercisable Period**”).
- 9.2. Provided a Beneficiary has not exercised his Option(s) within the twelve (12) month period beginning on the date of his retirement at the Retirement Age, notwithstanding the provisions of sub-section 9.1, the Exercisable Period for all Options held by such Beneficiary shall be accelerated and all Options then held by the Beneficiary shall become fully vested and the rights thereto acquired by the Beneficiary on the first (1<sup>st</sup>) anniversary date of his retirement; the Option Period for the Options held by such Beneficiary shall expire sixty (60) days thereafter.
- 9.3. If, during the Exercisable Period, a Beneficiary exercises the Option for a number less than the number of Shares to which the Option allows during such Exercisable Period, or decides not to exercise his Option during the Exercisable Period, the Beneficiary may exercise the unexercised portion of the Option until the last day of the seventh (7<sup>th</sup>) year following the date the Option has been granted.
- 9.4. Exercise shall be made by the Beneficiary giving written notice to the Corporation setting forth the number of Shares with respect to which the Option is being exercised and specifying the address to which the certificate evidencing such Shares is to be delivered. Such notice shall be accompanied by a certified cheque made payable to the Corporation in the amount of the exercise price (unless the exercise price is paid in accordance with sub-section 9.5) and the Withholding Amount (unless the Withholding Amount is otherwise paid in accordance with sub-section 15.6). The Corporation shall cause a certificate for the number of Shares specified in the notice to be issued in the name of the Beneficiary and delivered to the address specified in the notice not later than 10 business days following a receipt of such notice and cheque.
- 9.5. During an Exercisable Period or a period prescribed by sub-section 9.3, as the case may be, a Beneficiary may, by sending a notice to the Corporation containing the information set out in sub-section 9.4, elect to exercise the Beneficiary’s options in accordance with the mechanism of this sub-section 9.5. In which case, the Beneficiary (i) consents to receive a loan payable on demand from a Group Corporation for a principal amount equal to the amount of the exercise price (“**Advance**”), (ii) directs for the proceeds from the loan to be used to pay for the exercise price of the Options specified in the notice, (iii) consents to have a Group Corporation sell, or arrange for the sale, in the market or as the Corporation may determine, on behalf of any Beneficiary, such portion of any Shares issuable to the Beneficiary on exercise of any Option as the Corporation may determine, in order to realize net cash proceeds sufficient for the Beneficiary to repay the Advance, and (iv) hereby directs such net cash proceeds to be paid to the Group Corporation in satisfaction of the Beneficiary’s obligation to repay the Advance to the Group Corporation. The Corporation shall be responsible for paying all transaction costs, including brokerage commissions or similar fees (collectively, the “**Transaction Costs**”). If any investment bank or other person sells any Shares on behalf of a Beneficiary as contemplated in this sub-section 9.5, any net amount after deduction of the Advance and Withholding Amount shall be paid to the Beneficiary.

## **10. Non-assignability**

No Option or any interest therein shall be assignable by the Beneficiary other than by will, the law of succession or estate settlement purposes.

## **11. Status of Beneficiary**

A Beneficiary shall have no right as a shareholder of the Corporation with respect to any Shares covered by the Option until he becomes the registered holder of such Shares.

## **12. Beneficiary – U.S. citizen or resident**

With respect to each Beneficiary who is a United States citizen or resident (a “**U.S. Beneficiary**”), the Plan is intended to be exempt from the requirements of Section 409A of the *Internal Revenue Code of 1986*, as amended (the “**Code**”) and any regulations or guidance that may be adopted thereunder from time to time and shall be interpreted and administered consistent with that intent. If any provision of the Plan contravenes Code Section 409A or could cause

the U.S. Beneficiary to incur any tax, interest or penalties under Code Section 409A, the Board may, in its sole discretion and without the U.S. Beneficiary's consent, modify such provision to (i) comply with, or avoid being subject to, Code Section 409A, or to avoid the incurrence of taxes, interest and penalties under Code Section 409A, and/or (ii) maintain, to the maximum extent practicable, the original intent and economic benefit to the U.S. Beneficiary of the applicable provision without materially increasing the cost to the Corporation or contravening Code Section 409A. Nonetheless, the Corporation shall have no obligation to modify the Plan and does not guarantee that options granted pursuant to the Plan will not be subject to taxes, interest and penalties under Code Section 409A. Notwithstanding the foregoing, if any option is subject to and not exempt from, Code Section 409A, and if amounts under the option are payable upon a U.S. Beneficiary's "separation from service" (as defined in Code Section 409A) when the U.S. Beneficiary is a "specified employee" (as defined in Code Section 409A), the payment shall be delayed until the first business day that is at least six months after the U.S. Beneficiary's "separation from service".

### **13. Amendment to share capital and change of control**

- 13.1. In the event of any amendment in the outstanding Shares of the Corporation by reason of any stock dividend, split, recapitalization, merger, consolidation, combination or exchange of shares, or other similar corporate change in the structure of the Corporation, the Board shall make an equitable adjustment in the maximum number or class of shares issuable under the Plan or subject to outstanding Options and in the exercise price of such shares. Such adjustment shall be conclusive and binding for all purposes of the Plan. Notwithstanding anything in this sub-section 13.1 or the Plan to the contrary, with respect to U.S. Beneficiaries, no substitutions or adjustments shall be made under this sub-section 13.1 or any other provision of the Plan to an option granted to any U.S. Beneficiary if such substitution or adjustment would cause the option to be treated as nonqualified deferred compensation which does not meet the requirements of Code Section 409A. This provision does not guarantee that an Option will not be subject to taxes, interest and penalties under Code Section 409A.
- 13.2. Notwithstanding sub-section 13.1, in the event of an offer for at least 66 %% of the issued and outstanding Shares, the exercise periods prescribed by sub-sections 9.1 and 9.3 for all Options then outstanding shall be waived in order to permit the full exercise of all outstanding Options held by a Beneficiary.
- 13.3. If a Beneficiary does not exercise any outstanding Options prior to the expiration of an offer which is accepted by holders of at least 66 %% of the issued and outstanding Shares of the Corporation, he shall be deemed to have exercised such Options pursuant to sub-section 9.5 and to have given notice to the Corporation of his election pursuant to sub-section 9.4 on the date of the expiration of the offer.

### **14. Amendment and termination**

- 14.1. Subject to the prior approval of The Toronto Stock Exchange, any other regulatory body requiring similar approval, and subject to sub-section 14.3, the Board, may at any time and from time to time, amend, suspend or terminate the Plan in whole or in part without the approval of the holders of the outstanding Shares and such amendments to the Plan may be made for any purposes, including:
  - 14.1.1. changing the terms on which Options may be granted and exercised including, without limitation, the provisions relating to exercise price, vesting, expiry date, assignment and the adjustments to be made pursuant to Section 13, provided the Board may not reduce the exercise price of Options previously granted;
  - 14.1.2. making any addition to, deletion from or alteration of the provisions of the Plan that are necessary to comply with applicable law or the requirements of any regulatory authority or stock exchange;
  - 14.1.3. correcting or rectifying any ambiguity, defective provision, error or omission in the Plan; and
  - 14.1.4. changing the provisions relating to the administration of the Plan,

provided that no such amendment, suspension or termination of the Plan by a decision of the Board may, without the consent of Beneficiaries to whom Options shall theretofore have been granted, adversely affect the rights of such Beneficiaries.

14.2. In addition to the changes that may be made pursuant to Section 13 and sub-section 14.1 and without limiting the generality of the foregoing, the Board may, at any time and from time to time, without the approval of the holders of the outstanding Shares, amend any term of any outstanding Option (including, without limitation, the exercise price, vesting and expiry of the Option), provided that:

- 14.2.1. any required approval of any regulatory authority or stock exchange is obtained;
  - 14.2.2. if the amendments would reduce the determination of the exercise price for Options not previously granted or extend the expiry date of Options granted to Insiders, other than as authorized pursuant to Section 13, approval of the holders of a majority of the Shares present and voting in person or by proxy at a meeting of shareholders of the Corporation must be obtained;
  - 14.2.3. the Board would have had the authority to initially grant the Option under the terms as so amended; and
  - 14.2.4. the consent or deemed consent of the Beneficiary of the Option is obtained if the amendment would materially prejudice the rights of the Beneficiary of the Option.
- 14.3. Notwithstanding the provisions of this Section 14, the Board may not, without the approval of the holders of a majority of the Shares present and voting in person or by proxy at a meeting of shareholders of the Corporation, make amendments to the Plan for any of the following purposes:
- 14.3.1. to materially increase the benefit accruing to Beneficiaries under the Plan;
  - 14.3.2. to modify the requirements as to eligibility for participation under the Plan;
  - 14.3.3. to increase the maximum number of Shares that may be issued pursuant to Options granted under the Plan as set out in Section 4;
  - 14.3.4. to reduce the exercise price of Options to less than the price established following the method provided for under Section 7 or to cancel and reissue Options;
  - 14.3.5. to reduce the exercise price of Options for the benefit of an Insider;
  - 14.3.6. to extend the expiry date of Options for the benefit of an Insider;
  - 14.3.7. to permit the introduction or reintroduction of non-employee directors on a discretionary basis or to increase limits previously imposed on non-employee director participation;
  - 14.3.8. increase the maximum number of Shares issuable pursuant to sub-sections 6.1 and 6.2;
  - 14.3.9. to permit Options granted under the Plan to be transferable or assignable other than by will or the law of succession or estate settlement purposes; and
  - 14.3.10. to amend the provisions of this sub-section 14.

## **15. Legal Compliance and Withholding**

15.1. The Plan, including, without limitation, the grant and exercise or surrender of Options under the Plan and the Corporation's obligations hereunder, including to issue Shares or make any payment on exercise or surrender of an Option, will be subject to all applicable federal, provincial, territorial and foreign laws, rules and regulations, including all applicable corporate, securities and income tax laws (including any applicable provisions of the Income Tax Act (Canada), the United States Internal Revenue Code of 1986, and income tax legislation of any other jurisdiction (including any jurisdiction within Canada or the United States, such as a province, state or territory), and the regulations thereunder), in each case as the same may from time to time be amended, and all applicable by-laws, rules or regulations of any stock exchange on which securities of the Corporation are listed (collectively, "**Applicable Laws**").

- 15.2. Without limiting the generality of the foregoing or any other provision hereof, the Corporation may take such steps and require such documentation from Beneficiaries as the Board or Committee may from time to time determine are necessary or desirable to ensure compliance with all Applicable Laws and the terms of the Plan.
- 15.3. In taking any action under the Plan, or in relation to any rights or benefits hereunder, the Corporation and each Beneficiary shall comply with all provisions and requirements of Applicable Laws which may be applicable to the Corporation or Beneficiary, as the case may be.
- 15.4. Any Group Corporation may withhold, or cause to be withheld, and deduct, or cause to be deducted, from any amount to be paid to the Beneficiary, any amount the Group Corporation is required by Applicable Law to withhold or deduct on account of income taxes, social security charges or other deductions required by any Canadian or foreign, federal, provincial, territorial, state or local taxing authorities or other amounts required by law to be withheld in relation to the grant, surrender or exercise of any Option, the issuance of, the disposition of, or other transaction involving shares purchased hereunder or any payment or benefit under this Plan (the “**Withholding Amount**”).
- 15.5. Any Group Corporation shall have the right to require, in connection with the surrender or exercise of any Option, payment by the Beneficiary of the Withholding Amount.
- 15.6. Any Group Corporation shall have the right to sell, or arrange for the sale, in the market or as the Corporation may determine, on behalf of any Beneficiary, such portion of any Shares issuable to the Beneficiary on surrender or exercise of any Option as the Corporation may determine, in order to realize net cash proceeds sufficient (after taking into account any Transaction Costs) for the Beneficiary to pay the Withholding Amount, and hereby directs such net cash proceeds to be paid to the Group Corporation in satisfaction of the Beneficiary’s obligation to pay the Withholding Amount at sub-section 15.5. Unless the Board or the Committee otherwise determines, the Beneficiary shall be responsible for paying all Transaction Costs in connection with such sales and the Corporation may authorize any investment bank or other person selling Shares on behalf of a holder to sell additional Shares on behalf of the holder in order to realize sufficient proceeds to pay such Transaction Costs and such investment bank or other person shall be entitled to so sell such additional Shares on behalf of the holder and deduct from the proceeds of such sale such Transaction Costs. If any investment bank or other person sells any Shares on behalf of a Beneficiary as contemplated in this sub-section 15.6, any net amount after deduction of the Withholding Amount, Transaction Costs, and Advance, if any, shall be paid to the Beneficiary.
- 15.7. Any Group Corporation may take such other action as the Board or the Committee may consider advisable to enable the Group Corporation and any Beneficiary to satisfy obligations for the payment of the Withholding Amount.
- 15.8. Each Beneficiary (or the Beneficiary’s legal representative) shall bear and be responsible for any and all income or other tax imposed in respect of the grant, surrender and exercise of any Option under the Plan, the issuance of, the disposition of, or any other transaction involving Shares and in respect of any amount payable to or benefit received or deemed to be received by such Beneficiary (or legal representative) under the Plan. Each Beneficiary shall be responsible for reporting and paying all income and other taxes applicable to or payable in respect of any Option granted to the Beneficiary, any exercise or surrender of such Option, any payment required under this Plan, any issuance of, any disposition of, or any other transaction involving, Shares purchased hereunder, any dividends or distributions in respect thereof, or proceeds from any disposition thereof, including, without limitation, any taxes payable in respect of any disposition of Shares made by or on behalf of the Beneficiary (including as contemplated in sub-section 15.6). **The Beneficiary should consult a tax advisor before surrendering or exercising any Options or disposing of any Shares that may be issued under the Plan.**
- 15.9. If the Group Corporation does not withhold any amount or require payment of an amount by the Beneficiary (or legal representative), sufficient to satisfy all obligations referred to in sub-section 15.4, the Beneficiary (or legal representative) shall forthwith make reimbursement, on demand, in cash, of any amount paid by the Corporation to any governmental authority (or any subsidiary of the Corporation) in satisfaction of any such obligation.

## **16. Tax Consultation**

The surrender or exercise of Options and the subsequent disposition of the Shares may cause the Beneficiary to be subject to tax. **The Beneficiary should consult a tax advisor before surrendering or exercising Options or disposing of or entering into any other transaction involving the Shares purchased hereunder.**

## **17. Governing Law**

The Plan and the Options granted under the Plan shall be construed in accordance with and be governed by the laws of the Province of Quebec.

## **18. Language**

Each party hereto declares that he has required that this agreement be drafted in the English language and does hereby consent to any documentation, notices or legal proceedings provided herein, issued hereunder, or relating directly or indirectly thereto, to be in the English language only. *Chaque partie aux présentes déclare qu'elle a demandé que la présente entente soit rédigée en langue anglaise et consent à ce que la documentation, les avis et les procédures prévus aux présentes, émis aux termes des présentes ou qui y ont trait directement ou indirectement, soient en langue anglaise seulement.*

[May 8, 2012]



## SCHEDULE "B" - INFORMATION CONCERNING GOVERNANCE

### BOARD OF DIRECTORS

The Board of Directors is comprised of 11 directors until the annual meeting: Jean-Louis Dulac, the Chair of the Board, Clay E. Buzzard, Pierre Desjardins, Jean Dulac, Joseph P. Felicelli, Jean Guénette, John A. Hanna, Jacques L. Maltais, Hubert Marleau, Richard G. Roy and Jeanne Wojas. The Board of Directors estimates that a number of directors between nine and twelve allows the Board to adequately carry out its obligations.

The Board of Directors regularly schedules meetings of the Board at which non-independent directors and members of management are not in attendance. In 2011, the independent directors held 9 meetings in the absence of non-independent directors and members of management.

The Chair of the Board is responsible for effectively managing the affairs of the Board in accordance with corporate governance principles. For a more detailed description of the role and responsibilities of the Chair of the Board see the Position Description of the Chair of the Board available on Uni-Select's website at [www.uniselect.com](http://www.uniselect.com) or, upon request to the Secretary of the Corporation.

### BOARD MANDATE

The Board of Directors adopted a Board of Directors' Charter in order to identify the specific responsibilities of the Board of Directors and thereby to enhance coordination and communication between the Board and management. A copy of the mandate of the Board is attached hereto as Schedule "C".

### POSITION DESCRIPTIONS

The Board of Directors has developed Charters for each of the Committees of the Board, as well as respective position descriptions for the Chair of the Board, for the Committee chairs and for the President and Chief Executive Officer. A copy of the Committee Charters and Position Descriptions are available on Uni-Select's website at [www.uniselect.com](http://www.uniselect.com) or, upon request to the Secretary of the Corporation.

### ORIENTATION AND CONTINUING EDUCATION

The Board ensures that all new directors receive a comprehensive orientation regarding the nature and operation of the Corporation's business. Management provides new directors with a general information record on the Corporation and the new directors are given the opportunity to meet with executive management and operational personnel and to visit the Corporation's distribution centres and other facilities.

New directors are also provided with a basic understanding of the role of the Board and its Committees, as well as the contribution individual directors are expected to make (including, in particular, the commitment of time and resources that the Corporation expects from its directors) in order to assist the new directors in contributing effectively to the Board.

The Board also ensures that the directors receive continuing education on a regular basis. Management or independent consultants give presentations to the Board of Directors on various topics and update the Board on governance initiatives and issues. In addition, the Board makes continuing education activities and programs available to the directors, such as membership to the Institute of Corporate Directors, in order to maintain or enhance their skills and abilities as directors, as well as to ensure that their knowledge and understanding of the Corporation's business remains current.

### ETHICAL BUSINESS CONDUCT

The responsibilities identified in the Board of Directors' Charter are to be carried out consistently with the principles stated in the Corporation's Code of Business and Workplace Ethics that applies to all of the Corporation's directors, officers and employees. A copy of the Code of Business and Workplace Ethics is available on SEDAR at [www.sedar.com](http://www.sedar.com) or on Uni-Select's website at [www.uniselect.com](http://www.uniselect.com) or, upon request to the Secretary of the Corporation.

Yearly, each director delivers to the Secretary a list of the companies for which he/she acts as director or in which he/she has a material ownership interest. In the event a director has a material interest in a transaction, he/she discloses this interest to the Board and is excused from the meeting until the Chair invites him/her to return to the meeting. In any event, the director involved abstains from the discussions and the vote.

## **NOMINATION OF DIRECTORS**

The Corporate Governance Committee is responsible for identifying and recommending to the Board nominees for election or re-election to the Board or for appointment to fill any vacancy that is anticipated or has arisen on the Board. When recommending candidates to the Board, the Committee takes into consideration such factors as i) the competencies and skills that the Board considers to be necessary for the Board, as a whole, to possess; ii) the individual competencies and skills of the candidate; iii) the compatibility of each candidate with the other members of the Board; and iv) whether or not each new nominee can devote sufficient time and resources to his or her duties as a Board member. In addition, judgment, independence, skill, diversity, experience with businesses and other organizations of comparable size, the interplay of the candidate's experience with the experience of other Board members and the extent to which the candidate would be a desirable addition to the Board and any Committee of the Board will also be considered. The Committee also considers legal and regulatory requirements applicable to the Corporation in respect of the composition of the Board and its Committees.

## **HUMAN RESOURCES AND COMPENSATION COMMITTEE**

The Human Resources and Compensation Committee is established by the Board of Directors to assist the Board in fulfilling its responsibilities relating to matters of human resources and compensation and to establish a succession plan and development of senior management. The Committee has the responsibility for evaluating and making recommendations to the Board regarding the compensation of the Corporation's executives and the short and long-term compensation plans, policies and programs of the Corporation. In addition, the Committee produces an annual report on executive compensation for inclusion where appropriate in the Corporation's information circular.

A more detailed description of the role and responsibilities of the Human Resources and Compensation Committee and the Human Resources and Compensation Committee Charter are available on Uni-Select's website at [www.uniselect.com](http://www.uniselect.com) or, upon request to the Secretary of the Corporation.

## **AUDIT COMMITTEE**

Information regarding the Corporation's Audit Committee is provided in Item 12 of the Corporation's Annual Information Form for 2011, which is incorporated herein by reference. A copy of the Annual Information Form is available, at no cost, on SEDAR at [www.sedar.com](http://www.sedar.com) or, upon request to the Secretary of Uni-Select.

The Audit Committee Charter is available as Schedule C of the Annual Information Form, on Uni-Select's website at [www.uniselect.com](http://www.uniselect.com) or, upon request to the Secretary of the Corporation.

## **EXECUTIVE COMMITTEE**

The Board of Directors has established an Executive Committee to assist the Board in the implementation of specific Board resolutions within such parameters as specifically delegated by the Board to the Committee. The Executive Committee is composed of Clay E. Buzzard, Pierre Desjardins, Jean-Louis Dulac and Richard G. Roy. Jean-Louis Dulac chairs the Executive Committee. With the exception of Richard G. Roy, the members of the committee are independent directors.

A more detailed description of the role and responsibilities of the Executive Committee and the Executive Committee Charter are available on Uni-Select's website at [www.uniselect.com](http://www.uniselect.com) or, upon request to the Secretary of the Corporation.

## **CORPORATE GOVERNANCE COMMITTEE**

The Corporate Governance Committee is established by the Board of Directors to assist the Board in fulfilling its responsibilities in overseeing the implementation of corporate governance rules, procedures and policies as well as compliance therewith, in particular by establishing and reviewing the functions of the Board and its Committees, and those of the Chair of the Board. It also periodically reviews the selection and succession criteria and procedures for directors. Furthermore, it ensures that a process is set up to assess the performance and effectiveness of the Board, the Committees and their members. It establishes criteria for, and annually implements, an evaluation process for the Board, the Board Chair, each Committee of the Board and the individual directors in order to assess their effectiveness and contribution and recommends steps which may be taken to improve effectiveness. Such assessment takes into consideration, in the case of the Board or a Board Committee, its charter and, in the case of an individual director, the competencies and skills each individual director is expected to bring to the Board. Each of the Board, the Board Chair, the Committees of the Board and the individual directors then conduct an annual performance self-evaluation including a review of their compliance with their Charter or Position Description, in accordance with the process developed by the Corporate Governance Committee and approved by the Board, and reports to the Board the results of the self-evaluation. The Committee also ensures that full and complete disclosure of the Corporation's systems of corporate governance is made, where appropriate, in the Corporation's disclosure documents.

After the resignations of Mr. Clay Buzzard and Mr. Jacques Landreville from the Committee in May 2011, the Corporate Governance Committee was composed until June 27, 2011 of Jean Dulac, Jean-Louis Dulac, Jacques L. Maltais and Jeanne Wojas, chair of the Committee and since June 28, 2011 of John Hanna, Joseph P. Felicelli and Jeanne Wojas, chair of the Committee.

For a more detailed description of the role and responsibilities of the Corporate Governance Committee, see the Corporate Governance Committee Charter available on Uni-Select's website at [www.uniselect.com](http://www.uniselect.com) or, upon request to the Secretary of the Corporation.



## SCHEDULE "C" - BOARD OF DIRECTORS' CHARTER

### INTRODUCTION

This Charter is intended to identify the specific responsibilities of the Board of Directors and thereby to enhance coordination and communication between the Board and management. The responsibilities identified here are to be carried out consistently with the principles stated in the Corporation's Code of Business and Workplace Ethics. This Charter complements the Charters of the four committees of the Board, as well as the respective position descriptions for the Chairman of the Board, for the committee chairs and for the President and Chief Executive Officer.

### PART I. BOARD STRUCTURE

#### 1. COMPOSITION OF THE BOARD

A majority of directors comprising the Board must qualify as independent. As a general objective, the Board will ensure itself that it is composed of directors with diverse backgrounds and personal characteristics and traits as well as competencies and expertise that add value to the Corporation and that each director will serve the Board to best discharge its responsibilities.

#### 2. ELECTION AND APPOINTMENT OF DIRECTORS

Nominees for directors are initially considered and recommended by the Corporate Governance Committee, approved by the entire Board and elected annually by the shareholders of the Corporation.

### PART II. BOARD OPERATIONS

#### 1. CHAIR OF THE BOARD

The Board shall appoint annually a chair from the independent members of the Board.

The Chair of the Board is charged with the responsibility of overseeing the efficient operation of the Board and its committees and ensuring that the Board's agenda will enable it to successfully carry out its duties. The principal duties of the Chair shall be set out in the position description developed by the Board and shall include running the affairs of the Board efficiently and in accordance with corporate governance principles and properly evaluating the effectiveness of the committee structures and the quality of management's work that is presented in support of the decision-making process of the Board. The Chair may also serve as a member of a committee of the Board.

#### 2. SECRETARY OF COMMITTEE

The Chair of the Board shall designate from time to time a person who may, but need not be, a director, to be secretary of the Board. The secretary shall keep minutes of the meetings of the Board and circulate them to the Board.

#### 3. REGULAR MEETINGS

Regularly scheduled meetings of the Board at which non-independent directors and members of management are not in attendance shall be held at such time or times as the Board or the Chairman of the Board may determine to discuss matters of interest.

#### 4. SPECIAL MEETINGS

Special meetings of the Board may be called by, or by the order of the Chairman, the President and Chief Executive Officer or any two directors.

#### 5. QUORUM

A majority of the directors present in person or by means of telephone or other telecommunication device that permits all persons participating in the meeting to speak to each other shall constitute a quorum.

## **6. AGENDA**

The Chair shall develop and set the Board's agenda in consultation with the other directors and the secretary. The agenda and information concerning the business to be conducted at the Board meetings shall, to the extent practical, be communicated to the directors sufficiently in advance of each meeting to permit meaningful review. Each Board meeting agenda shall include a period of discussion between directors in the absence of management and non-independent directors.

## **7. DELEGATION**

The Board shall have the power to delegate certain of its responsibilities to committees of the Board, as it considers appropriate. The responsibilities of those committees will be as set forth in their Charters, as amended from time to time. In addition, the Board may appoint ad hoc committees as may be needed from time to time to address other issues. The Board shall develop a position description for the chairs of the committees.

## **8. OUTSIDE CONSULTANTS OR ADVISORS**

At the Corporation's expense, the Board and its committees may retain, when they consider it necessary or desirable, outside consultants or advisors to advise the Board or the committees independently on any matter. The Board and its committees shall have the sole authority to retain and terminate any such consultants or advisors, including sole authority to review a consultant's or advisor's fees and other retention terms. The Board has determined that any director who wishes to engage an outside advisor at the expense of the Corporation may do so if he or she first obtains authorization of the Chairman.

# **PART III. DUTIES AND RESPONSIBILITIES**

## **1. PRIMARY RESPONSIBILITY AND PLENARY AUTHORITY**

The Board is responsible for the stewardship of the Corporation including responsibility for satisfying itself as to the integrity of the President and Chief Executive Officer and other executive officers and that the President and Chief Executive Officer and other executive officers create a culture of integrity throughout the Corporation. The primary responsibility of the Board is to supervise the management of the Corporation so as to foster the long-term success of the Corporation consistent with the Board's responsibility to the shareholders to maximize shareholder value. The Board has plenary power. Any responsibility not delegated to management or a committee of the Board remains with the Board.

## **2. OPERATIONS OF THE BOARD**

The Board operates by delegating certain of its authority, including spending authorizations, to management and by reserving certain powers to itself. The general legal obligations of the Board are described in detail in Section 12. Subject to these legal obligations and to the Articles and By-laws of the Corporation, the Board retains the responsibility for managing its own affairs, including:

- a) planning its composition and size;
- b) selecting its Chair;
- c) nominating candidates for election to the Board upon the recommendation of the Corporate Governance Committee;
- d) determining whether each director is an independent director;
- e) appointing committees of the Board and membership of directors thereon and approving their respective mandates and the limits of authority delegated to each committee;
- f) together with the Human Resources and Compensation Committee and the Corporate Governance Committee, determining director compensation;
- g) assessing, through the Corporate Governance Committee, the effectiveness of the Board, its committees and its directors in fulfilling their responsibilities;
- h) establishing through the Corporate Governance Committee an appropriate system of corporate governance including guidelines and practices to ensure the Board functions independently of management.

### **3. ESTABLISHMENT AND REVIEW OF BOARD MEMBER CHARACTERISTICS**

Prior to nominating or appointing individuals as directors, the Board shall:

- a) together with the Board Chair, monitor the size and composition of the Board and its committees to ensure effective decision-making;
- b) consider the appropriate skills and competencies required of the Board as a whole, taking into consideration the Board's short-term needs and long-term succession plans and assess what competencies and skills each existing director possesses; and
- c) develop, and annually update, a long-term plan for the Board's composition that takes into consideration the characteristics of independence, age, skills, experience and availability of service to the Corporation of its members, as well as the opportunities, risks and strategic direction of the Corporation.

In carrying out each of these functions, the Board should consider the advice and input of the Corporate Governance Committee.

### **4. MANAGEMENT AND HUMAN RESOURCES**

Upon the recommendations of the Human Resources and Compensation Committee, the Board has the responsibility to:

- a) appoint the President and Chief Executive Officer, and provide advice and counsel to the President and Chief Executive Officer in the execution of his/her duties;
- b) develop the position description for the President and Chief Executive Officer and develop or approve the corporate goals and objectives he/she is responsible for meeting;
- c) evaluate the President and Chief Executive Officer's performance at least annually against agreed upon written objectives and determine and approve the President's and Chief Executive Officer's compensation level based on this evaluation;
- d) approve a comprehensive statement of compensation philosophy, strategy and principles for the Corporation's executives;
- e) approve certain decisions relating to senior management, including the:
  - appointment and discharge of executive officers;
  - compensation and benefits for executive officers;
  - employment, consulting, retirement and severance agreements, and other special arrangements proposed for executive officers; and
  - annual corporate and business unit performance objectives utilized in determining incentive compensation or other awards to officers;
- f) ensure that succession planning and management development programs are in place, including:
  - approving the succession plan for the President and Chief Executive Officer;
  - in the case of other senior managers, ensuring that plans are in place for management succession and development; and
  - monitoring senior management;
  - ensuring that criteria and processes for recognition, promotion, development and appointment of senior management are consistent with the future leadership requirements of the Corporation;
- g) create opportunities to become acquainted with employees within the Corporation who have the potential to become members of senior management, including presentations to the Board by these employees or any form of interaction with them; and
- h) approve certain matters relating to all employees, including:
  - the annual salary and incentive policies/programs for employees;
  - new benefit programs or material changes to existing programs;
  - material changes in the Corporation's retirement plans; and

- material benefits granted to retiring employees outside of benefits received under approved retirement and other benefit programs.

## **5. STRATEGY AND PLANS**

The Board has the responsibility to:

- adopt a strategic planning process and participate with management in the development of, and ultimately approve on at least an annual basis, the Corporation's strategic plan which takes into account, among other things, the future trends, opportunities and risks of the business over a three to seven-year horizon;
- approve annual capital and operating budgets that support the Corporation's ability to meet its strategic objectives and operating plans;
- approve the entering into, or withdrawing from, lines of business that are, or are likely to be, material to the Corporation;
- approve financial and operating objectives used in determining compensation if they are different from the strategic, capital or operating plans referred to above;
- approve material divestitures and acquisitions;
- monitor the Corporation's progress towards its strategic objectives, and revise and alter its direction through management in light of changing circumstances; and
- review recent developments that may affect the Corporation's strategy, and advise management on emerging trends and issues.

## **6. FINANCIAL AND CORPORATE ISSUES**

The Board has the responsibility to:

- take reasonable steps to ensure, through the Audit Committee, the integrity and effectiveness of the Corporation's internal control and management information systems, including the evaluation and assessment of information provided by management and others (e.g., internal and external auditors) about the integrity and effectiveness of the Corporation's internal control and management information systems;
- review operating and financial performance relative to budgets and objectives;
- approve annual financial statements and quarterly financial results and approve their release by management;
- declare dividends;
- approve financings, changes in authorized capital, issue and repurchase of shares, issue of debt securities, listing of shares and other securities, issue of commercial paper and related prospectuses and trust indentures;
- approve appointment of external auditors and approve auditors' fees upon the recommendation of the Audit Committee;
- approve banking resolutions and significant changes in banking relationships;
- review and consider for approval all amendments or departures proposed by management from established strategy, capital and operating budgets or matters of policy which diverge from the ordinary course of business;
- approve significant contracts, transactions and other arrangements or commitments that may be expected to have a material impact on the Corporation; and
- approve the commencement or settlement of litigation that may be expected to have a material impact on the Corporation.

## **7. BUSINESS AND RISK MANAGEMENT**

The Board has the responsibility to:

- identify the principal risks of the Corporation's business and ensure that management implements appropriate systems to manage these risks;
- review coverage, deductibles and key issues regarding corporate insurance policies;

- c) review compliance with legislative and regulatory requirements, and adopting and monitoring compliance with the Code of Business and Workplace Ethics; and
- d) understand the principal risks associated with the Corporation's business and review whether the Corporation achieves a proper balance between risk and returns.

## **8. POLICIES AND PROCEDURES**

The Board has the responsibility to:

- a) develop the Corporation's system of an overall approach to corporate governance. The Board may delegate to the Corporate Governance Committee responsibility to review and make recommendations to the Board regarding the content and implementation of corporate governance guidelines and other related governance matters and processes;
- b) review compliance with the significant policies and procedures by which the Corporation is operated and approve any waivers of the practice for officers and directors;
- c) ensure that management operates at all times within applicable laws and regulations; and
- d) review significant new corporate policies or material amendments to existing policies (including, for example, policies regarding business conduct and conflicts of interest).

## **9. DIRECTOR ORIENTATION AND EDUCATION**

New directors shall receive a comprehensive orientation. New directors shall be provided with a basic understanding of the Corporation's business, the role of the Board and its Committees, as well as the contribution individual directors are expected to make (including, in particular, the commitment of time and resources that the Corporation expects from its directors) in order to assist such directors in contributing effectively to the Board.

All new directors should understand the nature and operation of the Corporation's business and as such, management will provide new directors with a general information record on the Corporation, the opportunity to meet with Executive Management and operational personnel and the opportunity to visit the Corporation's warehouses and other facilities.

On a regular basis, management or independent consultants will give presentations on various topics to the Board of Directors and updates on governance initiatives and issues.

The Board shall undertake or arrange for such continuing director education activities and programs as it deems advisable in order to maintain or enhance their skills and abilities as directors, as well as to ensure that their knowledge and understanding of the Corporation's business remains current.

## **10. COMPLIANCE REPORTING AND CORPORATE COMMUNICATIONS**

The Board has the responsibility to:

- a) ensure that the Corporation has in place effective communication processes with shareholders and other stakeholders and with financial, regulatory and other institutions and agencies;
- b) ensure that the Corporation has in place effective measures for receiving feedback from security holders such as establishing a process to permit security holders to directly contact the independent directors;
- c) approve interaction with shareholders on all items requiring shareholder approval;
- d) approve the content of the Corporation's major communications to shareholders and the investing public, including the quarterly reports, Annual Report, Management's Report, Management Proxy Circular, Annual Information Form and any prospectuses that may be issued, and any significant information respecting the Corporation contained in any documents incorporated by reference in any such documents;
- e) take reasonable steps to ensure that the financial performance of the Corporation is accurately and fairly reported to shareholders, other security holders and regulators on a timely and regular basis, and in accordance with generally accepted accounting principles;
- f) ensure the timely reporting of any other developments that have a material impact on the Corporation; and
- g) report annually to shareholders on the Board's stewardship for the preceding year (the Annual Report);
- h) review and amend when required the Corporate Disclosure Policy of the Corporation.

## **11. PENSION FUNDS MATTERS**

Through the Audit Committee consider and, in accordance with regulatory requirements:

- a) monitor the Corporation's pension plans having to do with financial matters after consultation with the Human Resources and Compensation Committee and the Audit Committee in respect of any effect such a change may have on pension benefits;
- b) recommend changes when a financial risk is identified;
- c) recommend the appointment and termination of investment managers with respect to the Corporation's pension plans; and
- d) receive and review the actuarial valuation and funding requirements for the Corporation's pension plans.

## **12. GENERAL LEGAL OBLIGATIONS**

A. The Board has the responsibility to:

- a) ensure that management meets all legal requirements, and properly prepares, approves and maintains documents and records;
- b) approve changes in the By-laws and Articles of Incorporation, matters requiring shareholder approval and agendas for shareholder meetings; and
- c) approve the Corporation's legal structure, mission statement and vision statement.

B. The following are legal requirements of the Board:

- a) to manage the affairs of the Corporation;
- b) to act with honesty and loyalty in the interest of the Corporation; and
- c) to act with prudence and diligence.

## **13. EXPECTATIONS AND RESPONSIBILITIES OF DIRECTORS**

Directors oversee the management of the business and affairs of the Corporation.

Directors must attend all Board and relevant committee meetings; read all Board and committee materials received in advance of meetings; discuss concerns and seek appropriate information directly from management as needed; seek advice from independent advisors (at the Corporation's expense with the prior authorization of the Chairman) as deemed necessary, and participate actively, freely and openly in all meetings and discussions.

Directors shall avail themselves of corporate orientation programs and continuing education opportunities as the Board or the Corporate Governance Committee determine from time to time.

### *Fiduciary Duty and Confidentiality*

When exercising their powers and discharging their duties, directors must act with honesty and loyalty in the interest of the Corporation. Directors are thus fiduciaries vis-a-vis the Corporation and, as such, they must advance the interests of the Corporation in an impartial and disinterested manner. In particular, directors must not allow personal or business interests to conflict with the interests of the Corporation. Directors must not use their position, and information and knowledge derived from their position, for their personal gain or advantage. Directors are also subject to a duty of confidence regarding the affairs of the Corporation. Directors should not disclose or provide to others access to confidential information about the Corporation.

### *Standard of Care*

When exercising their powers and discharging their duties, directors must exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances. This standard requires directors to devote the necessary time and attention to the affairs of the Corporation and its subsidiaries, make necessary enquiries of management and others so as to make informed decisions, and make use of their education and experience.

### Position Qualifications

Each director must:

- a) be an individual of at least 18 years of age, of sound mind, and not have the status of a bankrupt. A majority of the directors must be independent;
- b) be financially literate; have relevant and practical business experience; have an understanding of the strategic planning process; have an understanding of human resource development, and have such competencies as determined by the Corporate Governance Committee from time to time;
- c) have a high degree of personal and professional integrity and operate within the ethical framework set out in the Corporation's Code of Business and Workplace Ethics; and
- d) have time available to adequately perform duties and responsibilities as a Board member and not be involved in activities which conflict with the Corporation's business.

Directors are elected annually by the shareholders. The Corporate Governance Committee has the responsibility to recommend to the Board who will stand each year for election or re-election by the shareholders.

## **14. EVALUATION OF THE BOARD**

Regularly, the Board and its members will assess the effectiveness of the Board and its committees, including the operation of the Board, the Board structure, the adequacy of information provided to directors and the effectiveness of the Chair in managing the meetings of the Board and the strategic direction of the Corporation. Such assessments shall consider the charter of the Board and its committees.

The Board or the Corporate Governance Committee shall also assess, on a regular basis, the performance and contribution of each director on a variety of topics including, strategic insight, participation and accountability, in order to provide them with constructive feedback to help them improve their performance. In making its assessment, the Board or the Corporate Governance Committee shall consider the applicable position description, as well as the competencies and skills each individual director is expected to bring to the Board. The Board or the Corporate Governance Committee will share with the committees responsible for corporate behaviour and governance matters the results of this evaluation and discussion.

## **15. REVIEW OF BOARD CHARTER**

The Board shall assess the adequacy of this Charter annually and shall make any changes deemed necessary or appropriate.

## **16. NON-EXHAUSTIVE LIST**

The foregoing list of duties is not exhaustive, and the Board may, in addition, perform such other functions as may be necessary or appropriate in the circumstances for the performance of its responsibilities.