



DRIVING **OPTIMIZATION**



ANNUAL INFORMATION FORM
FOR THE YEAR ENDED DECEMBER 31, 2020

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CAUTION REGARDING FORWARD-LOOKING STATEMENTS

The Annual Information Form (“AIF”) is intended to provide investors with material information about Uni-Select Inc. and its subsidiaries (“Uni-Select” or “Corporation”) in the context of historical and possible future development.

Certain sections of this AIF contain forward-looking statements within the meaning of Canadian securities legislation and regulations concerning the Corporation’s objectives, projections, estimates, expectations or forecasts. Forward-looking statements are typically identified by the words assumption, goal, guidance, objective, outlook, project, strategy, target and other similar expressions or future or conditional verbs such as aim, anticipate, believe, could, expect, intend, may, plan, seek, should, strive and will. All such forward-looking statements are made pursuant to the “safe harbour” provisions of applicable Canadian securities laws.

Forward-looking statements are, by their very nature, subject to inherent risks and uncertainties and are based on several assumptions, both general and specific, which may cause expressed expectations to be significantly different from those listed or implied within this AIF and our business outlook, objectives, plans and strategic priorities may not be achieved. As a result, Uni-Select cannot guarantee that any forward-looking statement will materialize and we caution you against relying on any of these forward-looking statements.

The major factors that may lead to a material difference between the Corporation’s actual results and the projections or expectations expressed in these forward-looking statements are described in the “Risk Management” section of Management’s Discussion & Analysis for the year ended December 31, 2020 included in the Corporation’s Annual Report and filed with the Canadian securities regulatory authorities.

The Corporation’s results may also be affected by the competitive environment, consumer purchasing habits, vehicle fleet trends, general economic conditions and the Corporation’s financing capabilities, and further impacted by the COVID-19 pandemic and related restrictions put in place by the various governmental authorities in the jurisdictions where the Corporation operates. There can be no assurance as to the realization of the results, performance or achievements expressed or implied by forward-looking statements. Unless required to do so pursuant to applicable Canadian securities legislation and regulations, Management assumes no obligation as to the updating or revision of forward-looking statements as a result of new information, future events or other changes.

Unless otherwise stated, the information contained in this AIF is presented as at December 31, 2020
(the last day of the Corporation’s most recently completed financial year)
and all dollar amounts are expressed in US dollars.

DOCUMENTS INCORPORATED BY REFERENCE

Each section of Management’s Discussion & Analysis included in the Corporation’s Annual Report for the year ended December 31, 2020, as well as for 2019 and 2018, that are referred to in this AIF are incorporated herein by reference, all of which are filed on SEDAR at www.sedar.com.

1 | CORPORATE STRUCTURE

1.1 | INCORPORATION

Uni-Select Inc. was incorporated by letters patent issued under Part I of the *Companies Act* (Québec) on November 22, 1968. On November 3, 1981, Uni-Select was continued under Part IA of the *Companies Act* (Québec).

A Certificate of Amendment was issued on March 1, 1985 to **(i)** amend the description of its share capital to an unlimited number of Class A common shares, an unlimited number of Class B common shares and an unlimited number of Class C common shares, all without par value and an unlimited number of Class I preferred shares and an unlimited number of Class II preferred shares, each with a \$100 par value, **(ii)** to amend the restrictions upon transfers of shares and **(iii)** to amend the borrowing powers of the directors.

A Certificate of Amendment was issued on October 10, 1985 to **(i)** amend the description of its share capital to an unlimited number of common shares and an unlimited number of preferred shares, without par value, issuable in series and **(ii)** to remove the restrictions upon transfers of shares.

On November 8, 1985, the Corporation made its initial public offering.

Since February 14, 2011, Uni-Select is governed by the *Business Corporations Act* (Québec).

A Certificate of Amendment was issued on May 3, 2016 to **(i)** limit the number of preferred shares that may be issued and outstanding at any time to a number equal to not more than 20% of the number of issued and outstanding common shares at the time of issuance of any preferred shares, **(ii)** to allow shareholder meetings to be held anywhere in Canada and **(iii)** to authorize the Board of Directors to appoint one or more additional directors to hold office for a term expiring not later than the close of the annual meeting following their appointment, provided that the total number of directors so appointed may not exceed one-third of the number of directors elected at the annual meeting preceding their appointment.

The head and registered office of Uni-Select is located at 170 Industriel Boulevard, Boucherville, Québec, Canada J4B 2X3.

1.2 | SUBSIDIARIES

The activities of the Corporation are conducted either directly or through subsidiaries. The table below lists the principal subsidiaries of the Corporation as at December 31, 2020, the percentage of votes attaching to the voting securities of the subsidiary beneficially owned, or controlled or directed, directly or indirectly, by Uni-Select and where they are incorporated¹.

Name of Subsidiary	Percentage of Votes	Jurisdiction of Incorporation
121222 Holdco Limited ²	100%	England and Wales
121333 Limited ²	100%	England and Wales
12524139 Canada Inc.	100%	Canada
9332057 Canada Inc.	100%	Canada
AutoChoice Parts & Paints Limited ²	100%	Canada
Data Development Services Limited ²	80.83% ²	England and Wales
FinishMaster Canada Inc. ²	100%	Canada
FinishMaster, Inc. ²	100%	Indiana
German Swedish & French Car Parts Limited ²	100%	England and Wales
PA Group Holdings Limited ²	100%	England and Wales
PA Topco Limited ²	100%	England and Wales

Name of Subsidiary	Percentage of Votes	Jurisdiction of Incorporation
Parts Alliance Group Limited ²	100%	England and Wales
Plastique Royal Inc. ²	100%	Québec
The Parts Alliance Limited ²	100%	England and Wales
Uni-Select Canada Holdings Inc. ²	100%	Canada
Uni-Select Canada Inc. ²	100%	Canada
Uni-Sélect Lux Holdco 2018 Inc. ²	100%	Canada
Uni-Select Luxembourg 2018 SARL ²	100%	Luxembourg
Uni-Select USA Holdings, Inc. ²	100%	Delaware
Uni-Select USA LLC ³	100%	Delaware

¹ Some subsidiaries of the Corporation whose total assets did not exceed 10% of the consolidated assets of Uni-Select or whose revenues did not exceed 10% of the consolidated revenue of Uni-Select, have been omitted. Together, these other subsidiaries represented 20% or less of the total consolidated assets and 20% or less of the consolidated revenue of Uni-Select. The foregoing comments are based on the Corporation's annual audited consolidated financial statements for the fiscal year ended December 31, 2020 filed with the Canadian securities regulatory authorities and which are available at www.sedar.com and on the Corporation's website at www.uniselect.com.

² The Corporation holds the shares of this entity indirectly through 9332057 Canada Inc.

³ The Corporation holds the shares of this entity indirectly through 12524139 Canada Inc.

2 | GENERAL DEVELOPMENT OF THE BUSINESS

2.1 | GENERAL OVERVIEW

Uni-Select is a leader in the distribution of automotive refinish and industrial coatings and related products in North America, a leader in the automotive aftermarket parts business in Canada and a major distributor in the aftermarket parts business in the United Kingdom.

2.2 | HISTORY

2018

In 2018, the Corporation completed the following acquisition in Canada:

- AutoChoice Parts & Paints Limited ("**AutoChoice**") – share transaction, 18 stores located in the Provinces of New Brunswick, Nova Scotia, Prince Edward Island and Newfoundland.

and the following acquisition in the United Kingdom:

- Thorngrove Limited and German Swedish & French Car Parts (NI) Ltd ("**GSF Car Parts**") and Edenrace Limited ("**Edenrace**") – asset transaction, 3 stores located in Belfast and Dublin, Northern Ireland.

The acquisitions of the shares or assets, as the case may be, of AutoChoice, GSF Car Parts and Edenrace did not constitute "significant acquisitions" within the meaning of applicable Canadian securities laws. For information on the sales derived from these acquisitions, please refer to the consolidated financial statements of the Corporation for the fiscal year ended December 31, 2018.

During 2018, the Corporation increased its company-owned store network by 36 (21 company-owned stores through acquisitions and 15 greenfields), integrated 14 others and sold one.

On April 18, 2018, the Corporation announced the approval of a normal course issuer bid for a one-year period ending April 22, 2019 (“**2018/2019 Normal Course Issuer Bid**”). Under such normal course issuer bid, the Corporation was authorized to repurchase up to 1,500,000 of its common shares listed on the TSX, representing approximately 3.5% of all issued and outstanding common shares of the Corporation as of April 16, 2018. Daily repurchases under the renewed normal course issuer bid were limited to 32,198 common shares, with the exception of block purchaser exemptions. As part of normal course issuer bids conducted through the TSX in 2018 the Corporation repurchased for cancellation, in the aggregate, 92,696 common shares at an average price of C\$19.74.

On September 18, 2018, Uni-Select announced (i) the appointment of André Courville to the position of Interim President and Chief Executive Officer of the Corporation considering the departure of Henry Buckley as President and Chief Executive Officer effective on the same day; (ii) the appointment of Chris Adams as President and Chief Operating Officer, FinishMaster, Inc. considering the departure of Steven J. Arndt also effective on September 18, 2018; and (iii) the formation of a special committee of independent members of the Board of Directors (“**Special Committee**”) to oversee a review of strategic alternatives (“**Strategic Review Process**”).

2019

In 2019, the Corporation increased its company-owned store network by 7 (1 acquired and 6 greenfields) and integrated 41 others. The Canadian Automotive Group inaugurated, in the first quarter of 2019, its largest-ever distribution centre, which is located in Calgary, integrating 2 smaller ones, and opened a superstore in the Montréal metropolitan area. The Parts Alliance UK also opened, in the first quarter of 2019, a new distribution centre situated in Midpoint, in the heart of the United Kingdom.

On January 1, 2019, the Corporation applied, for the first time, IFRS 16 – Leases using modified retrospective transition approach and did not restate comparative amounts of the year prior to its adoption as permitted. As a result, the 2019 consolidated financial statements present significant variances when compared to 2018.

In January 2019, Uni-Select initiated its Performance Improvement Plan (“**PIP**”) consisting of the in-depth review of the operations of the FinishMaster US segment with the objective of identifying specific performance improvement and rightsizing actions and later in 2019 broadened the PIP across its 3 business units.

On March 19, 2019, Uni-Select announced the appointment of Neil Croxson, Chief Financial Officer of The Parts Alliance UK segment, as President and Chief Operating Officer of The Parts Alliance UK segment following the retirement of Peter Sephton.

On April 29, 2019, Uni-Select announced the appointment of Brent Windom, President and Chief Operating Officer, Canadian Automotive Group, as President and Chief Executive Officer of the Corporation effective May 1, 2019.

On September 30, 2019, Uni-Select sold all the assets pertaining to its ProColor banner program.

On October 31, 2019, Uni-Select announced the appointment of Rob Molenaar as President and Chief Operating Officer of FinishMaster, Inc. on an interim basis effective October 31, 2019 following the resignation of Chris Adams on the same day. Prior to that date, Mr. Molenaar was Interim Vice-President, Reorganization of FinishMaster, Inc. since January 1, 2019.

On December 18, 2019, Uni-Select completed a private placement offering of \$125.0 million principal amount of convertible senior subordinated unsecured debenture. For information regarding the terms and conditions of the Debentures, please refer to “Description of Capital Structure-Debentures”.

The Corporation also announced on December 18, 2019, the conclusion of the Strategic Review Process. The Special Committee determined that the best alternative to maximize the value for shareholders was to modify the capital structure of Uni-Select with the above-mentioned private placement and to position the Corporation to pursue growth opportunities and cost-reduction initiatives in line with the PIP.

During the 2019 fiscal year, Uni-Select did not acquire any shares as part of its 2018/2019 Normal Course Issuer Bid.

In the fourth quarter and the year end financial statements of 2019, the Corporation recorded a non-recurring, non-cash goodwill impairment charge of US\$45 million in relation to its operations in the United Kingdom due to market softness and uncertainties surrounding Brexit.

2020

In 2020, the Corporation increased its company-owned store network by 5 through acquisitions and integrated 45 others.

On January 1, 2020, Uni-Select completed a corporate reorganization to simplify its Canadian corporate structure and to concentrate substantially all of its Canadian company-owned stores under Uni-Select Canada Inc. and FinishMaster Canada Inc. and its Canadian warehouse activities under Uni-Select Canada Inc.

On February 1, 2020, Uni-Select announced the acquisition of the assets of Bay Auto & Truck Parts Ltd. and Bay Auto & Truck Parts (2012) Ltd., a member of the Uni-Select network for over 20 years, which consisted of 3 stores located in the Province of Ontario.

On March 4, 2020, Uni-Select announced the appointment of Joseph McCorry as President and Chief Operating Officer of FinishMaster, Inc. effective March 30, 2020 in replacement of Rob Molenaar, who continued to sit on the Board of Directors of Uni-Select.

Starting in March 2020 and throughout the year, temporary measures were put in place in response to the COVID-19 pandemic and to ensure maximum liquidity and financial flexibility for Uni-Select. The shutdown declarations by several governments in Canada, the U.S. and the U.K. had an impact on Uni-Select's operations. However, Uni-Select's operations were permitted in certain of these jurisdictions as they were considered essential services. Uni-Select, therefore, reorganized its focus in the first few weeks of the pandemic on functions critical to provide essential services where appropriate and permitted, leaving a limited number of sites in operation in Canada, the U.S. and the U.K., whether distribution centres or corporate stores. The temporary measures included employees being put on furlough, reduced work hours, sites being temporarily closed or operating with reduced hours and a few sites operating with very limited activities. The Board of Directors reduced its members' remuneration by 25%, effective from January 1, 2020 until December 31, 2020.

At the end of the first quarter of 2020, the PIP was completed with annualized expected savings realized.

On April 20, 2020, the Board of Directors announced its decision to suspend all future dividend payments for the time being with the exception of the dividend declared on February 19, 2020 paid on April 21, 2020, as part of a cash conservation plan aimed at ensuring maximum available liquidity and financial flexibility.

On May 29, 2020, Uni-Select announced that it had successfully secured new credit facilities, replacing Uni-Select's previous credit facilities, with leverage and interest coverage ratio requirements effective only from December 31, 2021. The new US\$565 million secured credit facilities, which will mature on June 30, 2023, consist of a US\$350 million revolving credit facility and US\$215 million term facilities. The facilities are being secured by first ranking liens on the Corporation's assets, which security also secures the Corporation's vendor financing program and its UK revolving credit facility. Export Development Canada and Investissement Québec committed to US\$75 million and US\$25 million to the term facilities, respectively.

On June 2, 2020, Uni-Select announced that Uni-Select Canada Inc. had joined the Aftermarket Auto Parts Alliance, Inc., the premier global network of independent automotive warehouse distributors, thus forming the largest Canadian group in this sector.

In June 2020, Uni-Select started implementing its continuous improvement plan (“CIP”) to notably ensure that Uni-Select is strategically positioned for recovery and growth post-COVID 19. To implement the CIP, an in-depth review of operations was undertaken by each segment’s respective team, resulting in a number of key initiatives, including the way customers are served, rightsizing where required, automation and optimizing supply chain logistics.

On November 1, 2020, Uni-Select completed the acquisition of Pièces d’auto St-Jean Inc., a leading distributor of automotive aftermarket parts and paints and a member of the Uni-Select network for over 20 years, which consisted of 2 stores located in the Province of Québec.

On December 31, 2020, the CIP was essentially completed for the Canadian Automotive Group and The Parts Alliance UK, while more initiatives continue to be undertaken for FinishMaster US.

3 | DESCRIPTION OF THE BUSINESS

3.1 | OVERVIEW

Founded in Québec, Canada in 1968, Uni-Select Inc. is, through its subsidiaries, a leader in the distribution of automotive refinish and industrial coatings and related products in North America, as well as a leader in the automotive aftermarket parts business in Canada and in the U.K.

In Canada, Uni-Select supports over 16,000 automotive repair and collision repair shops and more than 4,000 shops through its automotive repair/installer shop banners and automotive refinish banners. Its national network includes over 1,000 independent customer locations and more than 75 company-owned stores, many of which operate under the Uni-Select BUMPER TO BUMPER®, AUTO PARTS PLUS® AND FINISHMASTER® store banner programs. (“**Canadian Automotive Group**”).

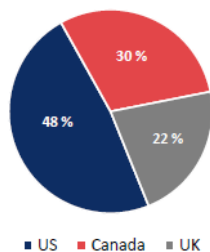
In the United States, Uni-Select, through its wholly-owned subsidiary FinishMaster, Inc. (“**FinishMaster US**”), operates a national network of over 145 automotive refinish company-owned stores under the FINISHMASTER® banner, which supports over 30,000 customers annually.

In the United Kingdom and Ireland, Uni-Select, through its Parts Alliance group of subsidiaries, is a major distributor of automotive parts supporting over 20,000 customer accounts with a network of over 170 company-owned stores (“**The Parts Alliance UK**”).

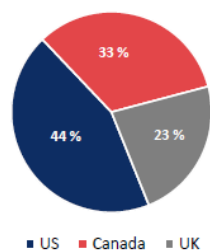
Uni-Select’s customers have access to over 3 million automotive replacement parts for domestic and import vehicle applications, tools, equipment, industrial and safety products along with nearly 30,000 different paint products and collision repair shop accessories. Inventory across its distribution network is constantly maintained to meet localized and regionalized customers’ demands. Its wide range of products include recognized industry-leading brands while also offering a wide assortment of products under Uni-Select’s private brands. Its suppliers stand among the largest global manufacturers of automotive parts, tools, equipment, industrial and safety as well as paint products in the world.

Its activities are mainly focused on the distribution, sale and marketing (i) of automotive replacement parts and accessories, tools and equipment in Canada and the United Kingdom and (ii) of paint and related products and supplies in Canada and the United States.

2019 Sales by Region

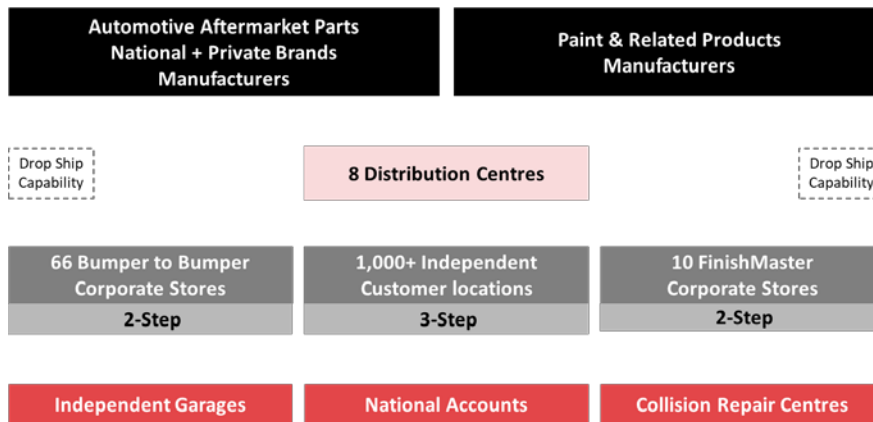


2020 Sales by Region

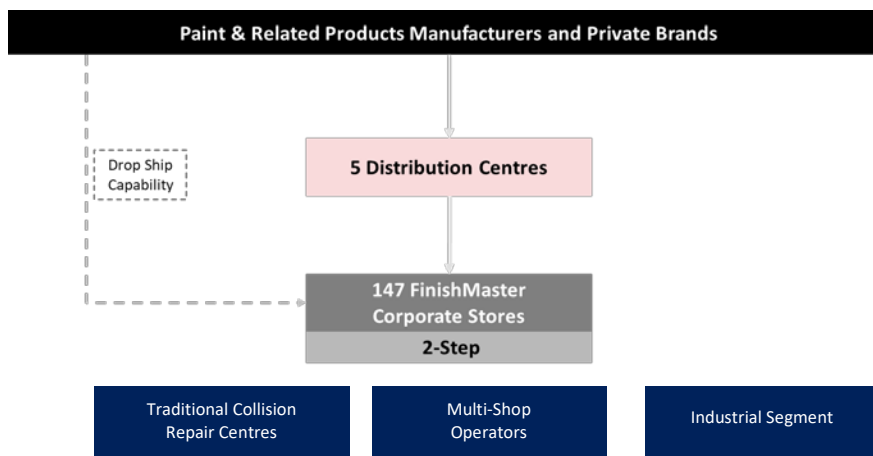


UNI-SELECT BUSINESS MODEL

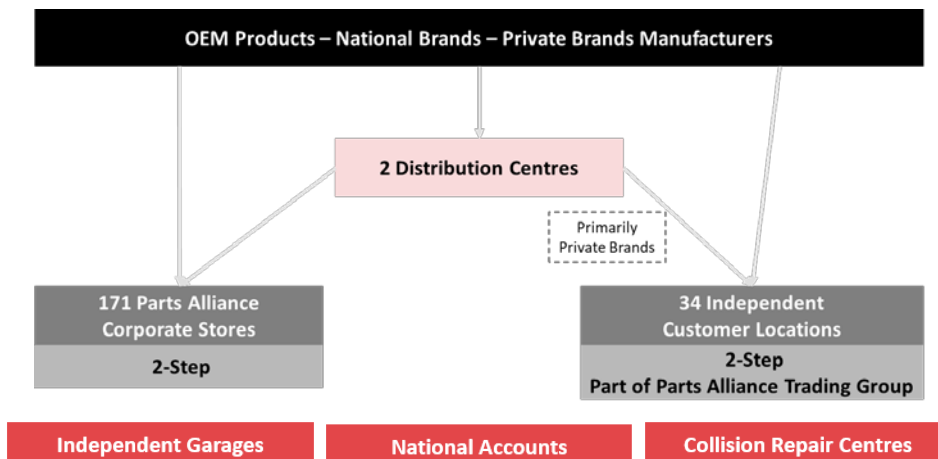
CANADIAN AUTOMOTIVE GROUP



FINISHMASTER US



THE PARTS ALLIANCE UK











Products

The main products distributed by the Canadian Automotive Group are automotive hard parts (i.e. brakes, chassis, driveline, engine management, electrical, exhaust, filtration, hard-to-find, ignition, injection, suspension and temperature control), tools and equipment (such as automotive service provider tools to perform automotive repairs), paint and collision shop products, oils, lubricants and other chemical products, shop and industrial and safety supplies. The majority of our products are sold under recognized industry-leading brands, while several of these products are also available under Uni-Select’s private brands, including Worldparts®, Mäktig®, RS Parts®, Purezone®, UStart®, The Cooling Depot®, ColorXtra®, Select Xtras® and A2A, all of which are quality products offered at competitive pricing.

FinishMaster US sells automotive and industrial paints, coatings and related accessories. In addition to its own private brand of refinishing accessory products, “SMART”, FinishMaster US provides a comprehensive selection of brand name products including Axalta Coating Systems, LLC, The Sherwin-Williams Company, PPG Industries, Inc., AkzoNobel Coatings Inc. and 3M Company. FinishMaster US is dependent on such suppliers with its top ten vendor partners accounting for approximately 90% of its purchases. SMART is FinishMaster US’s own private-label brand of associated products that are designed to meet the high standards demanded by automotive refinish customers. SMART has a national brand identity and offers exceptional value to the refinish industry.

The Parts Alliance UK mainly distributes automotive hard parts destined for the UK automotive aftermarket. (i.e. brake, chassis, driveline, engine management, electrical, exhaust, filtration, hard-to-find, ignition, injection, suspension, temperature control, tools and equipment, lubricants and chemical products). The majority of The Parts Alliance UK’s products are recognized industry-leading brands, while several of these products are also available under The Parts Alliance UK’s private brands, including A2A, AJ Tools / Angry Jester, Amtex, ARX, Carmour, Drivetec, GrimePro, PowaTec and Vetec, all of which are quality products offered at competitive pricing.

TRADEMARKS FOR PRODUCTS		
TRADEMARKS	DESCRIPTION	IDENTIFICATION
ColorXtra®	Paint products exclusively packaged for the Canadian Automotive Group	
Mäktig®	Various accessories and tools exclusively packaged for the Canadian Automotive Group	
Purezone®	Filtration and oil products exclusively packaged for the Canadian Automotive Group	
RS Parts®	Brake pads, drums and rotors exclusively packaged for the Canadian Automotive Group	
Select Xtras®	Tire and wheel accessories exclusively packaged for the Canadian Automotive Group	
The Cooling Depot®	Temperature control and engine cooling systems products exclusively packaged for the Canadian Automotive Group	
UStart®	Batteries exclusively packaged for the Canadian Automotive Group	

TRADEMARKS FOR PRODUCTS		
TRADEMARKS	DESCRIPTION	IDENTIFICATION
Valken®	Wiper blades exclusively packaged for the Canadian Automotive Group	
Worldparts®	Various premium automotive hard parts exclusively packaged for the Canadian Automotive Group	
SMART	Paint and refinishing accessory products exclusively packaged for FinishMaster US	
A2A®	Exhaust products exclusively packaged for the Canadian Automotive Group and The Parts Alliance UK	
AJ Tools / Angry Jester	Automotive hand tools exclusively packaged for The Parts Alliance UK	
Amtex	Steering & suspension products exclusively packaged for The Parts Alliance UK	
ARX	Electrical products exclusively packaged for The Parts Alliance UK	
Carmour	Automotive body care products exclusively packaged for The Parts Alliance UK	
DriveTec	Various competitively-priced automotive hard parts exclusively packaged for The Parts Alliance UK	
GrimePro	Hand cleaner and PPE products exclusively packaged for The Parts Alliance UK	
PowaTec	Engine additives/chemicals exclusively packaged for The Parts Alliance UK	
Vetech	Various competitively-priced premium quality automotive hard parts exclusively packaged for The Parts Alliance UK	

Customers

The customers of Uni-Select operate businesses involved in the wholesale and retail sale of automotive parts and accessories, equipment, tools, paint and collision repair products. Several of these businesses also operate or are affiliated with repair and collision repair shops. Uni-Select also sells products to fleet operators and national account customers.

The price structure for products sold by Uni-Select and the trade discounts granted to customers vary by reason of geography and type of customer.

A number of Canadian customers are also shareholders of Uni-Select. Uni-Select maintains contact with its customers through regularly held strategic business meetings, conventions and expositions (prior to 2020), AutoXpo which is an online digital conference (offered for the first time in January 2021) and through the participation of customers in product and strategy advisory committees.

Purchases

Uni-Select distinguishes itself in the Canadian automotive replacement parts industry by allowing its customers, who are independent distributors (independent customers), to purchase products for direct shipment from national branded suppliers (subject to certain minimum criteria) or from one of Uni-Select's distribution centres. Direct shipments from suppliers enable customers to reduce their acquisition cost for parts and improve overall operating efficiency thru inventory optimization.

Customers also purchase products through Uni-Select distribution centres for daily replenishment purposes within their stores or when they require parts on demand.

Securities and Guarantees

To secure the payment of sums owed to Uni-Select, a customer must, generally, grant security over its inventory and provide personal guarantees from its shareholders.

Support and Management Services

Uni-Select also provides, a variety of after the sale support and management services. These added-value services are directed at marketing, product promotions, advertising materials, localized media campaigns, inventory optimization through its Insight360 platform and store planogram layout. The services offered to independent distributors include administration services, preferred freight rates, training programs, loyalty programs and other various business support services.

Company-Owned Stores

2016 saw the unveiling of Uni-Select's new BUMPER TO BUMPER and FINISHMASTER banners across Canada for its company-owned stores. To further expand its market share and provide consistent organic growth, Uni-Select intends to continue to grow its company-owned store footprint, under the BUMPER TO BUMPER, FINISHMASTER and THE PARTS ALLIANCE banners.

As at December 31, 2020, Uni-Select had 66 company-owned stores that operated under the BUMPER TO BUMPER banner, 157 company-owned stores that operated under the FINISHMASTER banner (10 in Canada and 147 in the U.S.) and 171 that operated under THE PARTS ALLIANCE banner.

Competition

At the wholesale level, automotive parts are available through a variety of sources. In Canada and in the UK, the main sources are warehouse distributors, car dealers and national chains. Based on volume of sales, Uni-Select believes that it is a leader in Canada among traditional warehouse distributors for light vehicles. Notwithstanding the fact that Uni-Select's two major competitors in Canada are held by American interests, it is feasible for other foreign competitors to establish a base in Canada, thereby increasing competition. The aftermarket distribution of automotive parts in the UK remains fragmented and competitive with many independent distributors. Based on

volume of sales, the Corporation believes that it is an important distributor in the UK among traditional warehouse distributors for light vehicles.

The aftermarket distribution of automotive refinishes remains fragmented and competitive with many independent distributors competing primarily on the basis of technical assistance and expertise, price, breadth of product offering and financial assistance. There are a number of independent regional distributors, many of which are in direct competition with FinishMaster US on a regional or local level. Competition in the purchase of independent distributors and sales outlets may occur between FinishMaster US and other automotive refinishing distributors that are also pursuing growth through acquisitions. FinishMaster US may also encounter significant sales competition from new market entrants, automotive paint manufacturers, buying groups or other large distributors that may seek to enter such markets or may seek to compete with it for attractive acquisition candidates. Although the largest automotive paint manufacturers have generally not operated their own distributors, or have done so only on a limited basis, they may decide to expand such activity in the future.

3.2 | CANADIAN AUTOMOTIVE GROUP

As at the date of this AIF, the vast majority of Uni-Select's Canadian operations is conducted by Uni-Select Canada Inc., directly or through its respective subsidiaries, and FinishMaster Canada Inc. Although the majority of Uni-Select's company-owned stores in Canada are now directly owned by Uni-Select Canada Inc. and FinishMaster Canada Inc. (both indirect wholly-owned subsidiaries of the Corporation), some company-owned stores are owned by subsidiaries of Uni-Select Canada Inc., such as AutoChoice Parts & Paints Limited.

In Canada, Uni-Select operates 8 distribution centres, for a total of approximately 1,081,344 square feet of warehouse space and 76 company-owned stores. Sales in 2020 were \$485 million compared to \$516 million in 2019. The decrease of 6.0% (\$31 million) is mainly due to the negative effect of the COVID-19 pandemic on organic growth of 6.2% (\$32 million) and to the conversion effect of the Canadian dollar representing 0.9% (\$4 million). They were partially offset by net sales generated by acquired businesses representing 0.7% (\$3 million) combined with a different number of billing days of 0.4% (\$2 million).

Most of Uni-Select's Canadian sales are achieved through the distribution of automotive products to independent distributors commonly known as jobbers. These jobbers supply national chains of installers, service stations, repair shops, fleet operators, collision repair shops, automobile and heavy machinery dealers, private and public-sector businesses and consumers.



Uni-Select is also a supplier of parts to a number of major businesses including Canadian Tire, Midas, Prime Carcare Group (Minute Muffler/Speedy), Kal-Tire, OK Tire, Leader Auto Resources LAR Inc., as well as governmental and para-governmental organizations.

Programs for Independent Jobbers

In February of 2016, Uni-Select announced a new branding strategy for its company-owned stores and independent jobbers. Based on its growth vision of increasing its company-owned store network, the BUMPER TO BUMPER® brand (an already existing brand with high brand awareness in the Prairies) was selected as the one consistent brand and image for all company-owned automotive parts stores across the country. The logo has been revamped and the program enhanced and this brand is now also offered to independent jobbers. The strategy comprises two strong offerings: a turn-key marketing program with a recognized Canadian-owned brand (BUMPER TO BUMPER®), and an "à la carte" offering for the independent jobber who wants to maintain his own identity, but still be tied to a national program (AUTO PARTS PLUS®).

Auto Parts Plus® and Bumper to Bumper®

In 2020, the AUTO PARTS PLUS® and BUMPER TO BUMPER® banners regrouped company-owned stores as well as independent jobbers who were, in some instances, shareholders of Uni-Select and operated commercial or retail businesses for the sale of automotive parts. The sales to AUTO PARTS PLUS® and BUMPER TO BUMPER® customers during fiscal 2020 represented most of the sales from the Canadian operations of Uni-Select.

TRADEMARKS FOR INDEPENDENT JOBBERS IN CANADA		
TRADEMARKS	DESCRIPTION	IDENTIFICATION
Auto Parts Plus®	Trademark licensed for use by Uni-Select independent jobbers to identify their stores in Canada	
Bumper to Bumper®	Trademark identifying customers (as well as the Corporation's automotive parts company-owned stores) who operate commercial and retail businesses across Canada	

Programs for Automotive Service Providers

Since January 1, 2020, Canadian automotive service providers can join and take advantage of the program of their choice between BUMPER TO BUMPER AUTO SERVICE™, UNI-PRO® or SELECTAUTOXPRT, to support their growth with a flexible and diverse line-up of services specifically adapted to each shop's specific needs.

Joining one of these programs provides automotive service providers with tools and support from the Corporation's network in Canada to help them manage and grow their business.

Bumper to Bumper Auto Service™

In January 2020, Uni-Select launched the BUMPER TO BUMPER AUTO SERVICE™ banner program for automotive service providers that offer comprehensive services and a premium customer experience to consumers. Bumper to Bumper Auto Service™ is a partnership solution for automotive service providers looking for a complete line-up with a growing national brand. The program includes all the high-end options most commonly requested by progressive shops, with a strong brand image, a drive to shop digital strategy and a nationwide communication plan.

This program also features the Bumper to Bumper Academy, a business management coaching and mechanical training program for automotive professionals, a generous loyalty rewards program and a comprehensive warranty program including the labour warranty insurance which features a 36-month/60,000km nationwide warranty on defective parts from national and private brands and roadside assistance to customers.

UNI-PRO®




UNI-PRO is a banner program that offers an optional brand image and comprehensive warranties for shops and their customers. Installers can also take advantage of hands-on training programs and business management coaching.

This program features quality-assurance protection which includes a 12-month/24,000km warranty for labour, an extended 365-day warranty on parts, loyalty rewards in the form of cash back rewards and preferred rates on a suite of shop management services.

The 500+ UNI-PRO® bannered installers are located throughout Canada and operate repair and maintenance shops for vehicles. They purchase their parts from AUTO PARTS PLUS® and BUMPER TO BUMPER® jobbers and company-owned stores.

SelectAutoXpert

Uni-Select also offers to repair shops across the country, the SelectAutoXpert program (“SAX”) which includes a 90-day warranty for labour and loyalty rewards. Repair shops looking for an affordable, easy-to-use solution with competitive discounts can opt for the SAX program.

TRADEMARKS FOR AUTOMOTIVE SERVICE PROVIDERS IN CANADA		
TRADEMARKS	DESCRIPTION	IDENTIFICATION
Bumper to Bumper Auto Service™	Premium automotive service provider marketing program	
Uni-Pro®	Main automotive service provider marketing program	
SelectAutoXpert	Automotive service provider marketing program	

Employee Relations

As at December 31, 2020, Uni-Select employed approximately 1,300 employees in Canada. Warehouse employees of the distribution centres located in Boucherville, Québec and Coquitlam, British Columbia and employees of stores located in the Beauce region of Québec are unionized (representing approximately a total of 140 employees). These 3 collective bargaining agreements have different expiration dates.

The Corporation considers it fosters constructive relations with its employees and believes that the quality and engagement of its staff is a key factor of its success.

Real Estate

Uni-Select favours leasing the facilities out of which its operations are conducted. It owns a limited amount of real estate.

Uni-Select owns the building where its head office is located in Boucherville, Québec. The land covers an area of 435,000 square feet and the building covers approximately 195,500 square feet of which 32,300 are reserved for administration.

Uni-Select also owns, through its subsidiary Uni-Select Canada Inc., the following nine properties: seven properties out of which it operates company-owned stores in Elk Point, Alberta (9,600 square feet), Cold Lake, Alberta (9,600 square feet), Lacombe, Alberta (6,071 square feet), St-Paul, Alberta (5,000 square feet), Bonnyville, Alberta (5,000 square feet), St-Félicien, Québec (3,000 square feet) and Baie-St-Paul, Québec (3,700 square feet), as well as a 2,400 square feet building in Vermillion, Alberta and 25,388 square feet of land (including a building) in Clinton, Ontario that is leased to a customer.

3.3 | FINISHMASTER US

FinishMaster US operates 5 warehouses for a total of approximately 262,600 square feet of warehouse space, and 147 company-owned stores. Sales in 2020 were \$654 million compared to \$831 million in 2019. The decrease of 21.3% (\$177 million) is mainly due to the negative effect of the COVID-19 pandemic on organic growth of 21.3% (\$177 million) and by the erosion effect from the integration of company-owned stores for 0.4% (\$3 million). They were partially offset by a different number of billing days of 0.4% (\$3 million).

FinishMaster US sells automotive and industrial paints, coatings and related accessories to collision repair shops, automotive dealerships, fleet operators and commercial clients through its wide network of company-owned stores. It also offers training in management and, in conjunction with manufacturers, training on product usage to its customers.

E-Commerce

FinishMaster US considers e-commerce a valuable business initiative for success. Providing a strong platform for customers, across multiple segments, reduces operating expenses and creates efficiency for both FinishMaster US and its customers.

Employee Relations

As at December 31, 2020, FinishMaster US employed 1,109 full-time employees and 35 part-time employees in the United States, none of which are unionized. FinishMaster US considers its labour relations with its employees to be satisfactory and believes that the quality of its staff is a key factor of its success.

Real Estate

FinishMaster US also favours leasing the facilities out of which its operations are conducted. It owns the following six properties: a 40,860 square foot warehouse in Adel, Georgia, a 58,000 square foot warehouse in Grand Rapids, Michigan, and four properties out of which it operates company-owned stores in Muskegon, Michigan (5,856 square feet), Burton, Michigan (5,000 square feet), Mishawaka, Indiana (10,400 square feet) and Ft. Myers, Florida (6,500 square feet).

3.4 | THE PARTS ALLIANCE UK

Uni-Select's activities in the United Kingdom are conducted exclusively through The Parts Alliance UK and its subsidiaries.

The Parts Alliance UK operates 2 main distribution centres for a total of approximately 200,000 square feet of warehouse space, and 171 company-owned stores. Sales in 2020 were \$333 million compared to \$393 million in 2019. The decrease of 15.3% (\$60 million) is mainly due to the negative effect of the COVID-19 pandemic on organic growth of 14.5% (\$57 million) and the erosion effect from the integration of company-owned stores for 1.7% (\$7 million). They were partially offset by the conversion effect of the British pound representing 0.7% (\$3 million) combined with a different number of billing days of 0.2% (\$1 million).

The Parts Alliance UK supplies automotive parts to the independent aftermarket. It has an important stock holding of quality parts, a market-leading catalogue to provide on-demand service to garage customers.

E-Commerce

The Parts Alliance UK has a market leading ecommerce division operating two UK websites under gsfcarparts.com and partsforallcars.com. In 2020, the Parts Alliance UK invested in adopting the latest platform technology for both of its websites, which incorporate increased security, performance and improved customer experience. Customers are able to browse through a huge range of quality brands and can choose to either have their purchases delivered or picked up at a local member branch through "click & collect" service.

A web-based version of The Parts Alliance UK's catalogue system developed to support its trade customers, ALLICAT ONLINE, gives garages the ability to identify the parts they require, check stock and place orders with their local members. This powerful system integrates with Haynes to view fitting times, service schedules and more.

Employee Relations

As at December 31, 2020, The Parts Alliance UK employed 2,092 full-time employees and 226 part-time employees in the United Kingdom, none of which are unionized. The Parts Alliance UK considers its labour relations with its employees to be satisfactory and believes that the quality of its staff is a key factor of its success.

Real Estate

The Parts Alliance UK also favours leasing the facilities out of which its operations are conducted. It owns the following 5 properties: a 17,000 square foot industrial warehouse in Hays, London, a 20,000 square foot industrial warehouse in Chester, Cheshire and a further 3 industrial properties totalling 18,000 square feet in Accrington, Blackburn, and Burnley to the North of Manchester.

3.5 | INTELLECTUAL PROPERTY

In the course of its activities, Uni-Select uses a number of trademarks and business names, some of which may feature a logo, including those identified in Schedule A hereto. Uni-Select invests in its trademarks on a continuous basis, some of which have developed a significant market recognition. Uni-Select takes appropriate measures to protect and enforce its intellectual property.

3.6 | ENVIRONMENTAL RISK

Uni-Select is principally a distributor of automotive products and is not involved in manufacturing activities. It does not have any research and development operations in respect of new products. Other than an unforeseen incident, such as a fire in a distribution centre, the Corporation's environmental risk is limited to the accidental spill of limited quantities of hazardous materials during transport or handling and, in certain jurisdictions and in limited circumstances, to historical contamination of rented properties.

3.7 | RISK FACTORS

The Corporation incorporates by reference the disclosure describing the risk factors to which the Corporation's business is exposed in Management's Discussion & Analysis for the year ended December 31, 2020 under the heading "Risk Management" available on www.sedar.com as well as on Uni-Select's website at www.uniselect.com.

4 | DIVIDENDS

Since 1987, the Corporation has declared quarterly dividends and it has had a dividend payment policy in place since 1998. Dividends are approved by the Board of Directors which bases its decision on operating results, cash flows and other relevant factors. There are no guarantees that dividends will be declared in the future.

During the first quarter of 2020, Uni-Select declared a dividend of C\$0.0925 per common share. As a result of the COVID-19 pandemic, on April 20, 2020, Uni-Select announced its decision to suspend all future dividend payments until the crisis abates and market conditions stabilize. During 2019 and 2018, Uni-Select declared a dividend of C\$0.0925 per common share in each quarter.

5 | DESCRIPTION OF CAPITAL STRUCTURE

Uni-Select's capital structure is composed of an unlimited number of common shares ("**Common Shares**"), without par value, and an unlimited number of preferred shares, without par value, issuable in series with the following characteristics:

Common Shares

Each Common Share entitles the holder thereof to one vote and to receive dividends in such amounts and payable at such time as the Board of Directors of the Corporation shall determine after the payment of dividends to the preferred shares. In the event of a liquidation, dissolution or winding-up, the holders shall be entitled to participate in the distribution of the assets after payment to the holders of the preferred shares. As of February 28, 2021, 42,387,300 Common Shares were issued and outstanding.

Preferred Shares

The preferred shares are non-voting shares issuable in series. As of February 28, 2021, there are no issued and outstanding preferred shares. The Board of Directors of the Corporation has the right, from time to time, to fix the number of, and to determine the designation, rights and restrictions attaching to the preferred shares of each series. The holders of any series of preferred shares are entitled to receive dividends and to participate in the distribution of the assets upon liquidation, dissolution and winding-up in priority to the Common Shares. Effective May 3, 2016, the Corporation amended its articles of continuance to, among other things, limit the maximum number of preferred shares of the Corporation that may be issued to 20% of the number of then outstanding Common Shares.

Debentures

Debentures are issued under an indenture ("**Indenture**") dated December 18, 2019, between Uni-Select and AST Trust Company (Canada) ("**Debenture Trustee**"). The following text is a description of certain terms of the Indenture, a copy of which has been filed with the Canadian securities regulatory authorities. The following summary of certain provisions of the Indenture is subject to, and is qualified in its entirety by reference to, the provisions of the Indenture, a copy of which is available under Uni-Select's profile at www.sedar.com. For more details, please refer to the Indenture.

An unlimited amount of debentures, notes or evidences of indebtedness of Uni-Select are authorized to be issued in one or more series under the Indenture. On December 18, 2019, Uni-Select issued pursuant to the Indenture \$125,000,000 principal amount of Debentures in denominations of \$1,000 or integral multiples thereof ("**Debentures**").

The Debentures will mature on December 18, 2026 ("**Maturity Date**"). The Debentures bear interest at an annual rate of 6%, payable in equal instalments semi-annually in arrears on June 18 and December 18 in each year commencing on June 18, 2020 (each an "**Interest Payment Date**").

The Debentures are convertible at the holder's option into fully-paid, non-assessable and freely tradeable Common Shares at any time prior to the close of business on the earlier of the last business day immediately preceding the Maturity Date and the last business day immediately preceding the date specified by the Corporation for the redemption of Debentures, at the conversion price of \$13.57 per Common Share, subject to adjustment in accordance with the Indenture ("**Conversion Price**"), representing a ratio of approximately 73.692 Common Shares per \$1,000 principal amount of Debentures. Holders converting their Debentures will receive accrued and unpaid interest thereon in cash for the period from the last Interest Payment Date to, but excluding, the date of conversion.

The Debentures may not be redeemed by the Corporation before December 18, 2024 (except in certain limited circumstances following a Change of Control, as such term is defined in the Indenture). On or after December 18, 2024 and prior to December 18, 2025, the Debentures may be redeemed at the option of the Corporation on not more than 60 days and not less than 30 days prior written notice at the redemption price equal to the principal amount of the Debentures plus accrued and unpaid interest thereon, provided the Current Market Price (as such term is defined in the Indenture) exceeds 125% of the Conversion Price. On or after December 18, 2025, and prior to the Maturity Date, the Debentures may be redeemed in whole or in part at the option of the Corporation, on not more than 60 days and not less than 30 days prior written notice at a price equal to their principal amount plus accrued and unpaid interest thereon. In the case of redemption of less than all of the Debentures, the Debentures to be redeemed will be selected by the Debenture Trustee on a pro rata basis or in such other manner as the Debenture Trustee deems equitable, subject to approval of the Toronto Stock Exchange (“TSX”). The Corporation or any of its affiliates will have the right to purchase Debentures in the market, by tender or by private contract, provided however, that if an Event of Default (as defined in the Indenture) has occurred and is continuing, the Corporation and its affiliates will not have the right to purchase Debentures by private contract.

On the date of redemption of the Debentures (“**Redemption Date**”) or on the Maturity Date, as applicable, the Corporation will repay the indebtedness represented by the Debentures by paying to the Debenture Trustee in lawful money of Canada an amount equal to the principal amount of the outstanding Debentures, together with accrued and unpaid interest thereon. The Corporation may, at its option, on not more than 60 days’ and not less than 30 days’ prior notice (“**Redemption Notice**”) and subject to required regulatory approvals, unless an Event of Default has occurred and is continuing, elect to satisfy its obligation to pay all or a portion of the principal amount of the Debentures which are to be redeemed or which have matured by issuing and delivering freely-tradeable Common Shares to the holders of the Debentures. Payment would be satisfied by delivering that number of freely-tradeable Common shares obtained by dividing the principal amount of the Debentures by 95% of the Current Market Price of the Common Shares on the Redemption Date or Maturity Date, as applicable. Any accrued and unpaid interest will be paid in cash. The Corporation will not be entitled to issue Common Shares to satisfy its payment obligations in the case of a payment resulting from a Change of Control. No fractional Common Shares will be issued upon redemption or maturity of the Debentures; in lieu thereof, the Corporation will satisfy such fractional interest by a cash payment equal to the fractional interest multiplied by the Current Market Price of the Common Shares.

The payment of the principal of, and interest on, the Debentures will be subordinated in right of payment more particularly as set out in the Indenture, to the prior full and final payment of all of the Corporation’s existing and future Senior Indebtedness (as defined in the Indenture).

Within 30 days following the occurrence of a Change of Control (as defined in the Indenture), the Corporation will be required to make a cash offer to purchase all of the Debentures (“**Debenture Offer**”) at a price equal to 100% of the principal amount thereof plus accrued and unpaid interest thereon (“**Offer Price**”).

In addition to the requirement for the Corporation to make a Debenture Offer in the event of a Change of Control, unless, on or after December 18, 2025, a Redemption Notice is delivered to the holders of all the outstanding Debentures, if a Change of Control occurs in which 10% or more of the consideration for the Common Shares in the transaction or transactions constituting a Change of Control consists of: (i) cash; (ii) equity securities that are not traded or intended to be traded immediately following such transactions on a recognized stock exchange; or (iii) other property that is not traded or intended to be traded immediately following such transactions on a recognized stock exchange, subject to regulatory approvals, during the period beginning ten trading days before the anticipated date on which the Change of Control becomes effective and ending 30 days after the Debenture Offer is delivered, holders of Debentures will be entitled to convert their Debentures, subject to certain limitations, and to the completion of the Change of Control, at the Cash Change of Control Conversion Price, as such term is defined in the Indenture, instead of the Conversion Price, as such term is defined in the Indenture.

Unless an Event of Default has occurred and is continuing, the Corporation may elect, from time to time, subject to applicable regulatory approval, to satisfy its obligation to pay interest on the Debentures (“**Interest Obligation**”), on an Interest Payment Date, (i) in cash; (ii) by delivering sufficient Common Shares to the Debenture Trustee for sale, to satisfy the Interest Obligation on the Interest Payment Date, in which event holders of the Debentures will be entitled to receive a cash payment equal to the interest payable from the proceeds of the sale of such Common Shares; or (iii) any combination of (i) and (ii) above.

6 | MARKET FOR THE SECURITIES OF THE CORPORATION

The Common Shares are listed for trading on the TSX under the “UNS” ticker symbol.

The following table sets forth the reported low and high trading prices and trading volumes of the Common Shares as reported by the TSX from January 1, 2020 to December 31, 2020.

PRICE RANGE AND TRADING VOLUME OF THE COMMON SHARES			
MONTH	PRICE (LOW)	PRICE (HIGH)	VOLUME
	C\$	C\$	
January	11.090	12.660	1,732,534
February	10.340	13.370	1,430,678
March	4.800	11.010	1,930,374
April	4.090	6.090	3,940,073
May	2.900	4.890	4,104,162
June	3.430	8.210	6,397,384
July	7.230	9.350	3,829,881
August	7.050	8.040	1,793,224
September	5.210	7.440	1,888,751
October	5.550	7.060	3,123,220
November	5.730	9.470	3,142,372
December	7.500	8.670	1,320,167

7 | DIRECTORS AND EXECUTIVE OFFICERS

7.1 | DIRECTORS

The following table sets forth each director's name, province/state and country of residence, the year each first became a director, principal occupation for the past 5 years and, as the case may be, the committees they are part of. Directors are elected until the next annual meeting of shareholders or, in the case of a vacancy or resignation, until a successor is elected or appointed.

DIRECTORS OF THE CORPORATION			
NAME	DIRECTOR SINCE	PRINCIPAL OCCUPATION	COMMITTEE(S)
Michelle Cormier ¹ Québec, Canada	2016 (Chair since September 18, 2018)	Operating Partner at Wynnchurch Capital Canada Ltd.	<ul style="list-style-type: none"> Audit Committee Corporate Governance and Nominating Committee (Chair) Human Resources and Compensation Committee
Stéphane Gonthier ² Florida, USA	2019	Chief Executive Officer of GardaWorld Cash Services	<ul style="list-style-type: none"> Human Resources and Compensation Committee
Matthew B. Kunica Ontario, Canada	2020	Partner with Birch Hill Equity Partners	<ul style="list-style-type: none"> Audit Committee
Chantel E. Lenard ³ Michigan, USA	2020	Lecturer, University of Michigan's Ross School of Business	<ul style="list-style-type: none"> Human Resources and Compensation Committee
Frederick J. Mifflin Ontario, Canada	2019	Vice Chair of Blair Franklin Capital Partners	<ul style="list-style-type: none"> Audit Committee Corporate Governance and Nominating Committee
Robert Molenaar ⁴ Noordwijk, The Netherlands	2017	Corporate Director	-----
Pierre A. Raymond Québec, Canada	2019	Corporate Director	<ul style="list-style-type: none"> Corporate Governance and Nominating Committee
Richard G. Roy ⁵ Québec, Canada	2008	Corporate Director	<ul style="list-style-type: none"> Audit Committee (Chair)
David G. Samuel Ontario, Canada	2020	Partner with Birch Hill Equity Partners	<ul style="list-style-type: none"> Human Resources and Compensation Committee (Chair)
Brent Windom ⁶ Québec, Canada	2019	President and Chief Executive Officer of Uni-Select Inc. and President and Chief Operating Officer of its Canadian Automotive Group	-----

¹ In January 2017, Ms. Cormier was asked by the remaining senior secured creditor and by the sole shareholder of Calyx Transportation Inc. ("Calyx") to become the sole Director and Officer of Calyx. In this capacity, her mandate was to wind down Calyx in the most efficient manner, following the sale, in December 2016, by Calyx of all assets and businesses in which it operated. The large majority of net proceeds from such sales were used to repay bank indebtedness, employee severances and suppliers. Following all such payments, the cash on hand was insufficient to repay the remaining secured creditor. Given the insolvency of Calyx, Ms. Cormier in her capacity of Director of Calyx approved a voluntary assignment in bankruptcy pursuant to the Bankruptcy and Insolvency Act in order to complete the wind down of Calyx's affairs and discharge her mandate.

² Mr. Gonthier was President, CEO and director of 99 Cents Only Stores Inc., from September 2013 to May 2015.

³ From 2013 to 2017, Ms. Lenard held the position of U.S. Chief Marketing Officer with Ford Motor Company. Ms. Lenard retired from Ford Motor Company in 2017 after a 25-year career with Ford where she held numerous leadership positions in marketing, strategy, sales, finance and purchasing.

⁴ Mr. Molenaar was Interim President and Chief Operating Officer of FinishMaster, Inc. from October 2019 to the end of March 2020. He was Interim, Vice President, Reorganization of FinishMaster, Inc. from January 2019 to October 2019 and Chief Executive Officer of Tradebe Management Limited from 2015 until his retirement in 2018 when he joined its Board of Directors.

⁵ Mr. Roy was President and Chief Executive Officer of Uni-Select from January 2008 to July 31, 2015.

⁶ Mr. Windom has been President and Chief Executive Officer of Uni-Select since May 2019 and has been President and Chief Operating Officer of its Canadian Automotive Group since July 2017. He was President and Chief Executive Officer of Auto Plus | Pep Boys from February 2016 to June 2017, President and CEO of IEH Auto Parts, Auto Plus from June 2015 to June 2017 and President and Chief Operating Officer of Uni-Select USA, Inc. from August 2013 to June 2015.

7.2 | EXECUTIVE OFFICERS

The following table sets forth each executive officer's name, province/state and country of residence and his or her position within the Corporation.

EXECUTIVE OFFICERS	
NAME	POSITION
Brent Windom Québec, Canada	President and Chief Executive Officer and President and Chief Operating Officer, Canadian Automotive Group
Eric Bussi�eres Québec, Canada	Executive Vice President and Chief Financial Officer
Joseph E. McCorry Michigan, USA	President and Chief Operating Officer, FinishMaster, Inc.
Neil Croxson North Yorkshire, United Kingdom	President and Chief Operating Officer, European Automotive Group
Nathalie Giroux Québec, Canada	Chief People Officer and Vice-President, Human Resources, Canadian Automotive Group
Me Louis Juneau, L.L.L. Québec, Canada	Chief Legal and Administrative Officer and Corporate Secretary

All of the above executive officers have held the position indicated opposite their name or held a position as executives with Uni-Select during the last five years, except for:

1. Brent Windom has been President and Chief Executive Officer of Uni-Select since May 2019 and has been President and Chief Operating Officer of its Canadian Automotive Group since July 2017. He was President and Chief Executive Officer of Auto Plus | Pep Boys from February 2016 to June 2017, President and CEO of IEH Auto Parts, Auto Plus from June 2015 to June 2017 and President and Chief Operating Officer of Uni-Select USA, Inc. from August 2013 to June 2015;
2. Eric Bussi eres has been Executive Vice President and Chief Financial Officer of Uni-Select Inc. since May 2019. He was Vice President Finance, Civil at CAE Inc. for a period of five years prior to joining Uni-Select in November 2015 as Chief Financial Officer;
3. Joseph E. McCorry was appointed President and Chief Operating Officer of FinishMaster, Inc. effective March 30, 2020. Prior thereto, he held various management positions at ZF AG since 2001, with the most recent in his capacity as board member, General Manager and Vice President, Global Business Unit since 2018;
4. Neil Croxson has been the President and Chief Operating Officer of The Parts Alliance UK since March 2019. He was Chief Financial Officer of The Parts Alliance UK since May 2015. Prior thereto, he was Chief Financial Officer of Rexel Northern Europe from January 2013 to April 2015;
5. Nathalie Giroux has been Chief People Officer of Uni-Select and Vice-President, Human Resources, Canadian Automotive Group since September 2020. She was Vice President, Human Resources, Defense & Security at CAE Inc. from October 2017 to September 2020, HR Director – D&S Canada, Int'l Strategy & BD from February 2016 to September 2017 and Director, Global Rewards from March 2013 to February 2016;
6. Louis Juneau has been Chief Legal and Administrative Officer and Corporate Secretary of Uni-Select since May 2019. He was named Chief Legal Officer and Corporate Secretary in May 2015 and was previously Vice President, Legal Affairs and Secretary from March 2013 to May 2015.

As of February 28, 2021, the directors and executive officers of Uni-Select, as a group, beneficially owned or exercised control or direction over, directly or indirectly, an aggregate of 50,405 common shares, representing approximately 0.1% of the then outstanding shares of the Corporation, an aggregate of 388,840 Deferred Share Units and an aggregate of 805,362 Restricted Share Units of the Corporation.

7.3 | CONFLICTS OF INTEREST

There are no existing or potential material conflicts of interest between the Corporation or any of its subsidiaries and their respective directors and officers. Certain of the Corporation's directors and officers also serve as directors or officers of other corporations. Such associations may give rise to conflicts of interest from time to time. Management of the Corporation and its Board of Directors will address any such conflict of interest which may arise in the future in accordance with reasonable expectations and objectives of the Corporation and will act in accordance with any duty of care and any duty to act in good faith owed to the Corporation.

8 | LEGAL PROCEEDINGS AND REGULATORY ACTIONS

The Corporation is not party to any legal proceeding or regulatory action which management believes may have a material adverse effect on the Corporation's earnings or financial position, nor is any such legal proceeding or regulatory action currently contemplated.

9 | INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

No director, executive officer or shareholder of the Corporation who beneficially owns, directly or indirectly, or exercises control or direction over more than 10% of the Common Shares of the Corporation or known associate or affiliate of any such person, has or had any material interest, direct or indirect, in any transaction within the last three years or during the current financial year or in any proposed transaction, that has materially affected or will materially affect the Corporation.

10 | TRANSFER AGENT AND REGISTRAR

The transfer agent and registrar for the Common Shares is Computershare Investor Services Inc. who keeps the Corporation's register of transfers at its offices in Montréal, Québec.

11 | MATERIAL CONTRACTS

The material contracts (within the meaning of that term under Regulation 51-102 – Continuous Disclosure Obligations) entered into by the Corporation since the beginning of the most recent fiscal year or prior to such time if still in effect are the following:

- The credit agreement dated as of May 29, 2020 between, among others, Uni-Select, Uni-Select Canada Inc., Uni-Select USA Holdings, Inc., FinishMaster, Inc., PA Group Holdings Limited, Parts Alliance Group Limited, German Swedish & French Car Parts Limited and The Parts Alliance Limited, as borrowers, National Bank of Canada, as administrative agent, co-lead arranger and sole bookrunner, RBC Capital Markets, as co-lead arranger, and the financial and governmental institutions party thereto from time to time as lenders ("**Syndicated Credit Agreement**"). The Syndicated Credit Agreement replaces the credit facilities previously granted to Uni-Select. Under the terms of the Syndicated Credit Agreement, the Corporation has access, for its needs, to US\$565 million secured credit facilities, which will mature on June 30, 2023 and consist of a US\$350 million revolving credit facility and US\$215 million term facilities.

- The subscription agreement dated December 18, 2019 between Uni-Select and Birch Hill Equity Partners V, LP, Birch Hill Equity Partners (US) V, LP and Birch Hill Equity Partners (Entrepreneurs) V, LP, as purchasers and Birch Hill Equity Partners Management Inc., as purchaser representative (“Subscription Agreement”). Under the terms of the Subscription Agreement, the purchasers subscribed for C\$75,000,000 in aggregate principal amount of 6% convertible senior subordinated unsecured debentures of Uni-Select. The convertible debentures bear interest from December 18, 2019 at 6% per annum and mature on December 18, 2026. The convertible debentures are convertible into Common Shares of Uni-Select at a conversion price of C\$13.57 per Common Share.
- The investor rights agreement dated December 18, 2019 between Uni-Select and Birch Hill Equity Partners V, LP, Birch Hill Equity Partners (US) V, LP and Birch Hill Equity Partners (Entrepreneurs) V, LP, as investors and Birch Hill Equity Partners Management Inc., as investor representative (“Investor Rights Agreement”). Under the terms of the Investor Rights Agreement, Uni-Select, the investors and the investor representative set out certain rights and obligations with respect to the ownership of the convertible debentures and the Common Shares of Uni-Select into which the convertible debentures shall be convertible from time to time.
- Trust Indenture dated December 18, 2019, between Uni-Select and AST Trust Company (Canada), as the debenture trustee (“Indenture”). For information regarding the terms and conditions of the Indenture, please refer to “Description of Capital Structure – Debentures”.

12 | INTERESTS OF EXPERTS

Ernst & Young LLP, the Corporation’s external auditor, is the only person, company or partnership which is named as having prepared or certified a report, valuation, statement or opinion described, included or referred to in a filing required by National Instrument 51-102 – Continuous Disclosure Obligations made by the Corporation during or relating to the Corporation’s most recently completed fiscal year and whose profession or business gives authority to the report, valuation, statement or opinion made.

Ernst & Young LLP is independent in accordance with the auditor’s rules of professional conduct.

13 | AUDIT COMMITTEE

13.1 | AUDIT COMMITTEE CHARTER

The Board of Directors of Uni-Select adopted a charter describing in detail the mandate of the Audit Committee. A copy of the Audit Committee Charter is attached as Schedule B.

13.2 | COMPOSITION OF THE AUDIT COMMITTEE

All members of the Audit Committee are independent and financially literate within the meaning of Regulation 52-110 – Audit Committees.

The following table sets forth each Audit Committee member’s name and education, as well as experience relevant to the performance of his or her responsibilities as an Audit Committee member.

AUDIT COMMITTEE COMPOSITION	
NAME	EDUCATION AND EXPERIENCE
Michelle Cormier	Ms. Cormier is currently operating partner for the Québec-based investments of Wynnchurch Capital Canada, a private equity firm. Prior to Wynnchurch, she was CFO of a family office, spent 13 years in senior management and as CFO of a large North American forest products company. She spent 8 years in various management positions with Alcan Aluminium Limited. Ms. Cormier sits on the Board of Directors of Cascades Inc. and is lead director, Chair of its Audit and Finance Committee and a member of its Corporate Governance and Nominating Committee. She is a member of the Board of Directors of Champion Iron Limited and is a member of its Audit, Remuneration and Nomination and ESG Committees. Ms. Cormier holds a Bachelor’s Degree in Business Administration from Bishop’s University. She is a member of the Québec Order of Chartered Professional Accountants. She articulated with Ernst & Young LLP. She is also a member of the Institute of Corporate Directors.
Matthew B. Kunica	Mr. Kunica is currently a Partner with Birch Hill Equity Partners, a Canadian mid-market private equity firm, where he has worked since 2003. Prior to joining Birch Hill, Mr. Kunica worked in the investment banking groups of both Credit Suisse First Boston and BMO Nesbitt Burns in Toronto. Mr. Kunica serves on the Boards of CCM Hockey, HomeEquity Bank and Bio Agri Mix. He has played a key role in Birch Hill’s investments in a diverse cross section of companies, including Aquaterra Corporation, Creation Technologies, Hi-Pro Feeds, Holiday Canada Retirement Group II, Lift Technologies and Persona Communications. Mr. Kunica received his Bachelor of Applied Science (Honours) in Engineering from the University of Toronto.
Frederick J. Mifflin	Mr. Mifflin is an experienced public company director. He has been the Vice Chair of Blair Franklin Capital Partners Inc., an independent investment banking firm in Canada since 2007. Prior thereto, he worked in increasingly senior roles in international banking, most recently as Vice Chairman and Global Head of Investment and Corporate Banking for one of Canada’s major banks, responsible for that firm’s business in Canada, the United States, Europe and Asia. Mr. Mifflin is the Lead Director, Chair of the Audit Committee and member of each of the Compensation and Governance and Nominating Committees of Altius Minerals Corporation. Mr. Mifflin holds a B.Comm. (Hons) from Queen’s University, an MBA from the University of Chicago and is a graduate of the Advanced Management Program at Harvard Business School. He was also Executive in Residence at INSEAD in 2005.
Richard G. Roy (Chair)	Mr. Roy was the President and Chief Executive Officer of Uni-Select until July 31, 2015. 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. Mr. Roy sits on the Board of Directors of Dollarama Inc. and is the Chair of its Audit Committee. He sits on the Board of Directors of GDI Integrated Facility Services Inc. and is a member of its Audit and HR and Governance Committees. Mr. Roy also sits on the Board of Directors of Toromont Industries Ltd. and is a member of its Audit Committee and Chair of its Environmental, Social and Governance Committee. Mr. Roy holds a Bachelor’s Degree in Business Administration from HEC Montréal. He is a member of the Québec Order of Chartered Professional Accountants. He was awarded the title of Fellow in 2012.

13.3 | OUTSIDE CONSULTANT OR ADVISORS

The Audit Committee may retain, at the Corporation’s expense, outside consultants or advisors to assist or advise the Committee independently on any matter within its mandate.

13.4 | EXTERNAL AUDITOR SERVICE FEES

The following table sets out, by category, the fees billed by Ernst & Young LLP, during fiscal years 2020 and 2019.

FEES PAID TO ERNST & YOUNG LLP		
CATEGORY	FISCAL YEAR ENDED DECEMBER 31, 2020 (C\$)	FISCAL YEAR ENDED DECEMBER 31, 2019 (C\$)
Audit Fees	791,041	912,498
Audit-Related Fees	296,100	292,080
Tax Fees	-	50,625
All Other Fees	-	5,525
Total	1,087,141	1,260,728

“**Audit Fees**” include the aggregate professional fees billed for audit services in connection with the annual consolidated financial statements of the Corporation.

“**Audit-Related Fees**” include the aggregate fees (other than Audit Fees and Tax Fees) billed for professional services that are reasonably related to the performance of the audit or the consolidated financial statements of the Corporation. More specifically, these services include, among other things, pension plan audits, attestation services that are required by statute or regulation and consultations regarding financial reporting and accounting standards.

“**Tax Fees**” include the aggregate fees billed for advisory services relating to sales tax in the United States.

“**All Other Fees**” include the aggregate fees billed for all services other than those reported under Audit Fees, Audit-Related Fees and Tax Fees.

14 | ADDITIONAL INFORMATION

Additional information, including directors’ and officers’ remuneration and indebtedness, principal holders of the Corporation’s securities and securities authorized for issuance under equity compensation plans, is included in Uni-Select’s Management Information Circular for the 2021 annual meeting of shareholders, to be filed on SEDAR at www.sedar.com. Additional financial information is provided in the Consolidated Financial Statements of Uni-Select and Notes thereto and in the accompanying Management’s Discussion and Analysis for the fiscal year ended December 31, 2020, and may be found on SEDAR at www.sedar.com. Copies of these documents may be obtained upon request to the Secretary of the Company, at its head office, 170 Industriel Boulevard, Boucherville, Québec, Canada J4B 2X3, Telephone: 450-641-2440.

SCHEDULE A – UNI-SELECT TRADEMARKS

MAIN TRADEMARKS	
	UNI-SELECT®

MAIN PARTS IDENTIFICATION TRADEMARKS		
		
		
		

MAIN STORE IDENTIFICATION TRADEMARKS		
		

MAIN INSTALLER IDENTIFICATION TRADEMARKS		
		

SPECIALIZED SERVICES IDENTIFICATION TRADEMARKS


MAIN TRADEMARKS USED BY FINISHMASTER US*		
		
		

MAIN PRIVATE TRADEMARKS (BRANDS) USED BY THE PARTS ALLIANCE UK



MAIN STORE IDENTIFICATION TRADEMARKS BY THE PARTS ALLIANCE UK*



PROPRIETARY IT SYSTEMS USED BY THE PARTS ALLIANCE UK



* All of the above trademarks are owned by Uni-Select Inc. save for (i) the FinishMaster US trademarks that are owned by Uni-Select USA Holdings, Inc., formerly known as Gearhead Products, Inc., the parent company of FinishMaster, Inc. and (ii) The Parts Alliance UK trademarks that are owned by Parts Alliance Group Limited, German, Swedish & French Car Parts Limited, Data Development Services Ltd. and The Parts Alliance Limited.

SCHEDULE B – AUDIT COMMITTEE CHARTER

PART I. COMMITTEE STRUCTURE

1. PURPOSE OF COMMITTEE

The Audit Committee (“**Committee**”) is established by the Board of Directors to assist the Board in fulfilling its responsibilities with respect to the integrity of the Corporation’s financial statements, reports and financial reporting process. In so doing, it is the responsibility of the Committee to maintain free and open communication between the Board, the external auditors, the internal auditors and management of the Corporation and monitor their performance, recognizing that the internal and external auditors are ultimately accountable to the Committee, the Board and the shareholders of the Corporation.

2. COMPOSITION OF COMMITTEE

The Committee shall consist of as many members as the Board shall determine, but in any event not fewer than three directors, provided that each member shall be an independent director. In addition, each member of the Committee shall be financially literate and at least one member of the Committee shall have accounting or financial experience.

3. APPOINTMENT AND REMOVAL OF COMMITTEE MEMBERS

The members of the Committee shall be appointed by the Board, on the recommendation of the Chair of the Board. The members of the Committee shall be appointed annually at the meeting of the directors immediately following the annual meeting of shareholders and shall hold office until the next annual meeting or until their successors are appointed or until they cease to be directors of the Corporation. The Board may remove and replace any member of the Committee.

PART II. COMMITTEE OPERATIONS

1. VACANCIES

Where a vacancy occurs in the membership of the Committee, it may be filled by the Board on the recommendation of the Chair of the Board, and shall be filled by the Board if the membership of the Committee is fewer than three directors.

2. COMMITTEE CHAIR

The Board shall appoint a Chair for the Committee. The Chair may be removed and replaced by the Board.

3. ABSENCE OF CHAIR

If the Chair is not present at a meeting of the Committee, one of the other members of the Committee present at the meeting shall be chosen by the Committee to preside at the meeting.

4. SECRETARY OF COMMITTEE

Members of the Committee shall designate from time to time a person who may, but need not be, a member of the Committee or a director, to be secretary of the Committee. The secretary shall keep minutes of the meetings of the Committee.

5. REGULAR MEETINGS

The Chair, in consultation with the Committee members, shall determine the schedule and frequency of the Committee meetings, provided that the Committee shall meet at least four times per year. The Committee may, at any time, and at each regularly scheduled Committee meeting shall, meet without the presence of management or non-independent directors.

6. SPECIAL MEETINGS

After having discussed the purpose of the proposed special meeting with the Chair of the Board, the Chair, or any two members of the Committee, may call a special meeting of the Committee.

7. QUORUM

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

8. NOTICE OF MEETINGS

Notice of the time and place of every meeting shall be given in writing, by e-mail or facsimile communication, to each member of the Committee at least 24 hours prior to the time fixed for such meeting; provided, however, that a member may in any manner waive a notice of a meeting and attendance of a member at a meeting is a waiver of notice of the meeting, except where a member attends a meeting for the express purpose of objecting to the transaction of any business on the grounds that the meeting is not lawfully called.

9. AGENDA

The Chair shall develop and set the Committee's agenda in consultation with other members of the Committee, the Board and management. The agenda and information concerning the business to be conducted at each Committee meeting shall, to the extent feasible, be communicated to the members of the Committee sufficiently in advance of each meeting to allow meaningful review.

10. DELEGATION

The Committee shall have the power to delegate its authority and duties to subcommittees or individual members of the Committee, as it considers appropriate.

11. ACCESS

In discharging its responsibilities, the Committee shall have full access to all books, records, facilities and personnel of the Corporation.

12. ATTENDANCE OF OFFICERS OR EMPLOYEES AT A MEETING

The President and Chief Executive Officer of the Corporation and, at the invitation of the Chair, one or more officers or employees of the Corporation may, and if required by the Committee, shall attend a meeting of the Committee.

13. PROCEDURE, RECORDS AND REPORTING

The Committee shall fix its own procedure at meetings, keep records of its proceedings and report to the Board on its activities when the Committee may deem appropriate but no later than the next meeting of the Board.

14. OUTSIDE CONSULTANTS OR ADVISORS

The Committee, when it considers it necessary or advisable, may retain, at the Corporation's expense, outside consultants or advisors to assist or advise the Committee independently on any matter within its mandate. The Committee shall have the sole authority to retain and terminate any such consultants or advisors, including sole authority to approve the fees and other retention terms for such persons.

PART III. MANDATE OF COMMITTEE

1. MONITORING THE PRESENTATION OF FINANCIAL INFORMATION

The Committee shall:

- a) verify by means of discussions with management, the internal auditors and external auditors the quality and integrity of the accounting procedures and the process for presenting financial information, the controls and the procedures for disclosing information, and the Corporation's internal control systems;
- b) review with management and the external auditors and recommend to the Board for approval the annual audited consolidated financial statements to be incorporated in the Corporation's annual report, including information provided in the Corporation's Management Report, the annual earnings' press releases and annual information form, prior to their publication, filing or circulation;
- c) review with management and recommend to the Board for approval the consolidated quarterly financial statements of the Corporation and related information, including information provided in the Corporation's Management Report and interim earnings' press release, prior to their publication, filing and communication, and review the level and type of financial information communicated, on occasion, to the financial markets;
- d) review the financial information contained in material public disclosure documents such as prospectuses, offering memorandums, press releases and other reports, financial or otherwise, submitted to the Board for approval prior to their release;
- e) review with the external auditors and management the quality, relevancy and the communication of the Corporation's accounting principles and policies and the underlying hypothesis and practices with regards to the presentation of information as well as proposed amendments to the above;
- f) satisfy itself that adequate procedures are in place for the review of the Corporation's public disclosure of financial information extracted or derived from the Corporation's consolidated financial statements and periodically assess the adequacy of those procedures;
- g) review the analyses and other written communications prepared by management or the external auditors raising important questions regarding the presentation of the financial information and the decisions taken in the preparation of the consolidated financial statements, including the analyses of the impact of using other accounting methods in accordance with International Financial Reporting Standards on the consolidated financial statements;

- h) verify that the management certificates with regards to the financial reports are in compliance with applicable legislation; and
- i) review the results of the external audit, the important problems that caught the attention of the auditors during the audit, as well as the reaction or plan of action of management with regards to all letters of recommendation of the external auditors and all important recommendations submitted.

2. MONITOR THE INTERNAL CONTROLS AND MANAGEMENT OF RISK

The Committee shall:

- a) receive and review, periodically, a management report evaluating the adequate character and effectiveness of accounting and financial controls, the procedures for the communication of information and the internal control systems of the Corporation and satisfy itself that management is responding on a timely basis to any significant weaknesses which have been identified;
- b) in collaboration with the Chief Executive Officer, review and approve, once a year, the mandate, the objectives, the independence of the internal auditors, the merit increase and assess the adequacy of their resources;
- c) ensure the internal auditors have ongoing access to the Chair of the Committee as well as to all officers of the Corporation, particularly the President and Chief Executive Officer;
- d) review the audit plans, performance and summaries of the reports of the internal audit function as well as management's response including follow-up to any significant findings and recommendations;
- e) once a year, assess the performance of the Director, Internal Audit and, if the circumstances so warrant, review and recommend the removal of the then current incumbent and the appointment of a successor and report the findings and conclusions of the Audit Committee to the Human Resources and Compensation Committee and to the President and Chief Executive Officer of the Corporation;
- f) request that a special audit be undertaken, as needed;
- g) review the evaluation and risk management policies of the Corporation, including the Corporation's policies with regards to credit, use of derivatives and monitor the risk;
- h) review business risks that could affect the ability of the Corporation to achieve its business plan;
- i) examine the adequacy of insurance coverage each year and as needed;
- j) review fixed asset expenditures and other important expenses, asset sales, leases and transactions between the Corporation and directors (with the Corporate Governance and Nominating Committee, if applicable), and all other transactions that may modify the financial or organizational structure of the Corporation or influence them in a considerable manner, including any off balance sheet items;
- k) manage, review and recommend, when deemed advisable, the Audit Committee Whistleblower Procedures; and

- l) review the litigations, claims and other eventualities and regulatory or accounting initiatives that may influence, in a significant manner, the financial situation or results of the Corporation and verify the relevancy of their communication in the documents examined by the Committee.

3. MONITORING THE EXTERNAL AUDITORS

The Committee shall:

- a) recommend to the Board the appointment of the external auditors and, if required, their removal (in each case, subject to shareholder approval), evaluate and recommend the approval of the remuneration of the auditors, as well as, control their qualifications and their independence;
- b) review the audit plans of the internal and external auditors, including the degree of co-ordination in those plans and inquire as to the extent to which the planned audit scope can be relied upon to detect weaknesses in internal control or fraud or other illegal act. The audit plans should be reviewed with the external auditors and with management and the Committee should recommend to the Board of Directors the scope of the external audit as stated in the audit plan;
- c) approve all the auditing services provided by the external auditors of the Corporation or its subsidiaries, determine the services, other than auditing services, that the external auditors are not authorized to provide and review and approve in advance all non-audit services that the external auditors are authorized to provide and the fees for such services;
- d) review the recommendations made by the shareholders and the Board regarding the renewal of the mandate of the external auditors or their replacement for the Corporation and all the Pension Funds of the Corporation;
- e) ensure that the external auditors report freely to the Committee and the Board;
- f) discuss with the external auditors not only of the compliance of the Corporation's accounting principles but also their quality, including (i) all essential accounting practices and policies used, (ii) other ways of treating the financial information that is the subject of discussions with management, the scope of their usage and the treatment preferred by the external auditors and (iii) all other important written communications between the Corporation and the external auditors (including any disagreements with management) and to report to the Board on such meetings;
- g) review, at least once a year, the external auditors' report describing their internal quality control procedures, all important questions raised at the last internal quality control review of their firm or, on occasion, during a control by their peers or at the time of an investigation by governmental or professional authorities in the preceding five years, relating to one or more audit mandates executed by the auditors, as long as the documents are available, and the solutions implemented pursuant to such review;
- h) review, at least once a year, the official disclosure report of the external auditors describing all their relations with the Corporation and confirming their independence, and have discussions with the external auditors with regards to the relations or services that may influence their objectivity or their independence;
- i) review the Corporation's practices with regards to the hiring of actual or former partners or employees of its present or former external auditors;

- j) oversee the work of the external auditors including, the resolution of disagreements between management and the external auditors regarding financial reporting;
- k) ensure that the Committee has, at all times, direct communications with the external auditors and meets separately with the external auditors, in the absence of management, at least once a year and as often as it deems it necessary; and
- l) as part of its external oversight responsibilities, conduct an annual assessment of the external auditors, to consider and assess (i) independence, objectivity and professional skepticism, (ii) quality of the engagement team and services to be provided, and (iii) quality of communications and interactions with the external auditor and, at least every five years, conduct a comprehensive review of external auditors.

4. REVIEW OF FINANCINGS

Review the appropriateness and the conditions of financings and equity offerings.

5. OVERSIGHT IN RESPECT OF PENSION MATTERS

The Committee shall:

- a) consider and, in accordance with regulatory requirements, recommend for approval any changes in the Corporation's pension plans after consultation with the Human Resources and Compensation Committee when such changes may adversely affect the financial situation of the Corporation;
- b) recommend the termination of investment managers in light of the performance of the Corporation's pension plans; and
- c) receive, review and report to the Board on the actuarial valuation and funding requirements for the Corporation's pension plans.

6. LIMITATION OF RESPONSIBILITY

Although the Committee has the responsibilities and powers established by the present Charter, it is not obligated to plan or conduct the audits or to determine if the consolidated financial statements of the Corporation are complete and accurate and if they are in compliance with International Financial Reporting Standards. This responsibility rests with management and the external auditors.

No provision of the present Charter assigns to the Committee the Board's responsibility of ensuring that the Corporation respects all laws or applicable regulations or to extend the scope of the standards that apply to the liability of the directors or the members of the Committee pursuant to legal or regulatory requirements. Even if the Committee has a precise mandate and its members may have financial experience, they do not have the obligation to act as auditors or to conduct an audit, nor to determine if the consolidated financial statements of the Corporation are complete and accurate. The members of the Committee have the right to rely upon, in the absence of information to the contrary, (i) the integrity of the persons and the organizations that submit information to them, (ii) the exactness and integrity of the information provided, and (iii) the representations made by management regarding services, other than auditing services, that the external auditors provide to the Corporation. The Committee has not been given the responsibility to monitor so that it may determine independently if (i) management applied the proper principles with regards to accounting or the presentation of the financial information or proper internal controls and procedures or (ii) the consolidated financial statements of the Corporation were reviewed and, where applicable, audited according to International Financial Reporting Standards.

7. SELF-EVALUATION

The Committee shall conduct an annual performance self-evaluation, including a review of its compliance with this Charter, in accordance with the process developed by the Corporate Governance and Nominating Committee and approved by the Board, and shall report to the Board the results of the self-evaluation.

8. REVIEW OF DISCLOSURE

The Committee shall review those portions of the Corporation's annual disclosure documents containing information relating to matters within the Committee's mandate before the Corporation publicly discloses this information.

9. REVIEW OF COMMITTEE'S CHARTER

The Committee shall assess the adequacy of this Charter on an annual basis and recommend any changes to the Board.

10. NON-EXHAUSTIVE LIST

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