



**UNI-SELECT®**

# **ANNUAL INFORMATION FORM**

**FOR THE YEAR ENDED DECEMBER 31, 2021**

**TSX | UNS**



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This Annual Information Form ("AIF") is dated March 24, 2022 and, unless specifically stated otherwise, all information disclosed in this AIF, is provided as at December 31, 2021, the end of the most recently completed fiscal year of Uni-Select Inc. (together with its subsidiaries, "Uni-Select" or "Corporation"). All dollar amounts are expressed in US dollars, unless otherwise stated.

## CAUTION REGARDING FORWARD-LOOKING STATEMENTS

Certain statements made in this AIF are forward-looking information within the meaning of Canadian securities laws. All such forward-looking information is made and disclosed in reliance upon the "safe harbour" provisions of applicable Canadian securities laws.

Forward-looking information includes all information and statements regarding Uni-Select's intentions, plans, expectations, beliefs, objectives, future performance, and strategy, as well as any other information or statements that relate to future events or circumstances and which do not directly and exclusively relate to historical facts. Forward-looking statements often, but not always, use words such as "believe", "estimate", "expect", "intend", "anticipate", "foresee", "plan", "predict", "project", "aim", "seek", "strive", "potential", "continue", "target", "may", "might", "could", "should", and similar expressions and variations thereof.

Forward-looking information is based on Uni-Select's perception of historic trends, current conditions and expected future developments, as well as other assumptions, both general and specific, that Uni-Select believes are appropriate in the circumstances. Such information is, by its very nature, subject to inherent risks and uncertainties, many of which are beyond the control of Uni-Select, and which give rise to the possibility that actual results could differ materially from Uni-Select's expectations expressed in, or implied by, such forward-looking information. Uni-Select cannot guarantee that any forward-looking information will materialize, and we caution readers against relying on any forward-looking information.

These risks and uncertainties include, but are not restricted to: risks associated with the COVID-19 pandemic, reduced demand for our products, disruptions of our supplier relationships or of our suppliers' operations or supplier consolidation, disruption of our customer relationships, competition in the industries in which we do business, security breaches, information security malfunctions or integration issues, the demand for e-commerce and failure to provide adequate e-commerce solutions, retention of employees, labor costs, union activities and labor and employment laws, failure to realize benefits of acquisitions and other strategic transactions, product liability claims, credit risk, loss of right to operate at key locations, failure to implement business initiatives, failure to maintain effective internal controls, macro-economic conditions such as unemployment, inflation, changes in tax policies and uncertain credit markets, operations in foreign jurisdictions, inability to service our debt or fulfill financial covenants, litigation, legislation or government regulation or policies, compliance with environmental laws and regulations, compliance with privacy laws, global climate change, changes in accounting standards, share price fluctuations, corporate social responsibility and reputation and activist investors as well as other risks identified or incorporated by reference in this AIF, in our Management's Discussion & Analysis for the year ended December 31, 2021 and in other documents that we make public, including our filings with the Canadian Securities Administrators on SEDAR at [www.sedar.com](http://www.sedar.com).

Unless otherwise stated, the forward-looking information contained in this AIF is made as of the date hereof and Uni-Select disclaims any intention or obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by applicable law. While we believe that our assumptions on which the forward-looking information is based were reasonable as at the date of this AIF, readers are cautioned not to place undue reliance on the forward-looking information.

Furthermore, readers are reminded that forward-looking information is presented for the sole purpose of assisting investors and others in understanding Uni-Select's expected financial results, as well as our objectives, strategic priorities and business outlook and our anticipated operating environment. Readers are cautioned that such information may not be appropriate for other purposes.

Further information on the risks that could cause our actual results to differ significantly from our current expectations may be found in the section titled "Risk Management" of our Management's Discussion & Analysis for the year ended December 31, 2021, which is incorporated by reference in this cautionary statement.

We also caution readers that the above-mentioned risks and the risks disclosed in our Management's Discussion & Analysis for the year ended December 31, 2021 and other documents and filings are not the only ones that could affect us. Additional risks and uncertainties not currently known to us or that we currently deem to be immaterial could also have a material adverse effect on our business, operating results, cash flows and financial condition.

## NON-GAAP FINANCIAL MEASURE

The information included in this AIF contains a financial measure that is inconsistent with GAAP. Non-GAAP financial measures do not have any standardized meaning prescribed by GAAP and are therefore unlikely to be comparable to similar measures presented by other entities. The Corporation is of the opinion that users of its AIF may analyze it based on this measure. The following presents the performance measure used by the Corporation in this AIF which is not defined by GAAP.

Organic growth – This measure consists of quantifying the increase in consolidated sales between two given periods, excluding the impact of acquisitions, the loss of sales from the consolidation of company-operated stores, exchange rate fluctuations and when necessary, the variance in the number of billing days. This measure enables Uni-Select to evaluate the intrinsic trend in the sales generated by its operational base in comparison with the rest of the market. Organic growth is based on what management regards as reasonable and may not be comparable to other corporations' organic growth.

## 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 (ii) 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) 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, 2021, the percentage of votes attaching to the voting securities of the subsidiary beneficially owned, or controlled or directed, directly or indirectly, by Uni-Select Inc. and the jurisdiction of incorporation.

Name of Subsidiary <sup>1</sup>	Percentage of Votes	Jurisdiction of Incorporation
121222 Holdco Limited	100%	England and Wales
121333 Limited	100%	England and Wales
FinishMaster, Inc.	100%	Indiana
GSF Car Parts Limited	100%	England and Wales
PA Group Holdings Limited	100%	England and Wales
PA Topco Limited	100%	England and Wales
Uni-Select Canada Holdings Inc.	100%	Canada
Uni-Select Canada Inc.	100%	Canada
Uni-Select USA Holdings, Inc.	100%	Delaware

<sup>1</sup> Some subsidiaries of Uni-Select Inc. whose total assets did not exceed 10% of the consolidated assets of the Corporation or whose revenues did not exceed 10% of the consolidated revenue of the Corporation, 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 the Corporation based on the Corporation's annual audited consolidated financial statements for the fiscal year ended December 31, 2021 filed with the Canadian securities regulatory authorities and which are available at [www.sedar.com](http://www.sedar.com) and on the Corporation's website at [www.uniselect.com](http://www.uniselect.com).

## 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 | RECENT HISTORY

#### 2019

In the first quarter of 2019, the Canadian Automotive Group segment inaugurated, its largest-ever distribution centre, which is located in Calgary, integrating two smaller ones, and opened a superstore in the Montréal metropolitan area. In the first quarter of 2019, the Parts Alliance UK segment also opened a new distribution centre situated in Midpoint, near Birmingham, England.

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 presented 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 three segments.

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 of the Canadian Automotive Group segment, as President and Chief Executive Officer of the Corporation effective May 1, 2019.

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

On October 31, 2019, Uni-Select announced the appointment of Rob Molenaar as President and Chief Operating Officer of the FinishMaster US segment 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 US since January 1, 2019.

On December 18, 2019, Uni-Select completed a private placement offering of CA\$125 million principal amount of convertible senior subordinated unsecured debentures (the “**Debentures**”). 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 its previously announced strategic review process pursuant to which a special committee of independent members of the Board of Directors had been formed to oversee a review of strategic alternatives of the Corporation. 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.

In the fourth quarter and the year end financial statements for the fiscal year ended December 31, 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

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-operated stores under Uni-Select Canada Inc. and FinishMaster Canada Inc. and its Canadian warehouse activities under Uni-Select Canada Inc.

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

Starting in March 2020 and throughout the year, temporary measures were put in place in response to the COVID-19 pandemic. 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 was permitted to continue to operate in certain of these jurisdictions as its operations were considered essential services. Uni-Select 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 facilities 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, facilities being temporarily closed or operating with reduced hours and a few facilities operating with very limited activities. The Board of Directors reduced its director 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 with the exception of the dividend declared on February 19, 2020 paid on April 21, 2020.

On May 29, 2020, Uni-Select announced that it had 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 \$565 million secured credit facilities consisted of a \$350 million revolving credit facility and \$215 million term facilities. The facilities were secured by first ranking liens on the Corporation's assets, which security also secured the Corporation's vendor financing program and its UK revolving credit facility.

On June 2, 2020, Uni-Select announced that Uni-Select Canada Inc. had joined the Aftermarket Auto Parts Alliance, Inc., a global network of independent automotive warehouse distributors.

In June 2020, Uni-Select started implementing its continuous improvement plan ("CIP") to notably ensure that Uni-Select was 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 December 31, 2020, the CIP was essentially completed for the Canadian Automotive Group and The Parts Alliance UK segments, while more initiatives continued to be undertaken for FinishMaster US.

## 2021

On April 1, 2021, Uni-Select announced the appointment of Brian McManus as Executive Chair of the Corporation effective May 13, 2021 and the appointment of Michelle Cormier as Lead Director following the May 13, 2021 annual meeting of Shareholders. Uni-Select also announced the appointment of Anthony Pagano to the position of Chief Financial Officer of the Corporation effective May 17, 2021 following the resignation of Eric Bussi eres on the same day.

On June 9, 2021, Uni-Select announced the appointment of Brian McManus as Chief Executive Officer of the Corporation effective June 30, 2021 following the retirement of Brent Windom as President and Chief Executive Officer and as President and Chief Operating Officer of the Canadian Automotive Group segment on the same day.

On June 22, 2021, Uni-Select appointed Emilie Gaudet to the position of President and Chief Operating Officer of the Canadian Automotive Group segment effective July 1, 2021.

On June 25, 2021, Uni-Select entered into an amended and restated credit agreement. Under the agreement, the aggregate amount available under the credit facility was reduced from \$565 million to \$500 million, consisting of a \$350 million secured long-term revolving credit facility, as well as two secured term facilities for a total principal amount of \$150 million, all of which will mature on June 30, 2023. In August 2021, the Corporation voluntarily repaid a portion of the \$150 million outstanding under the term facilities, without penalty, reducing the aggregate amount available under the credit facility to \$465 million.

On June 30, 2021, Uni-Select appointed Sally Dowling, the Chief Financial Officer of The Parts Alliance UK segment, to the position of Interim President and Chief Operating Officer of The Parts Alliance UK segment following the resignation of Neil Croxson on the same day. On September 20, 2021 Uni-Select appointed Mark Eburne as President and Chief Operating Officer of The Parts Alliance UK segment.

On October 12, 2021, Uni-Select appointed Michael Sylvester as President and Chief Operating Officer of the FinishMaster US segment effective October 11, 2021 following the departure of Joseph McCorry on September 16, 2021.

On November 10, 2021, The Parts Alliance UK segment was re-branded to GSF Car Parts, introducing one trading name across all the company-operated stores in the UK for the first time.

On December 6, 2021 Uni-Select entered into a second amended and restated credit agreement. Under the agreement, the aggregate amount available under the credit facility was reduced to \$400 million (plus an accordion feature of \$200 million) through the conversion into one single secured long-term revolving credit facility and immediate cancellation of the outstanding secured term facilities.



## 3 | DESCRIPTION OF THE BUSINESS

### 3.1 | OVERVIEW

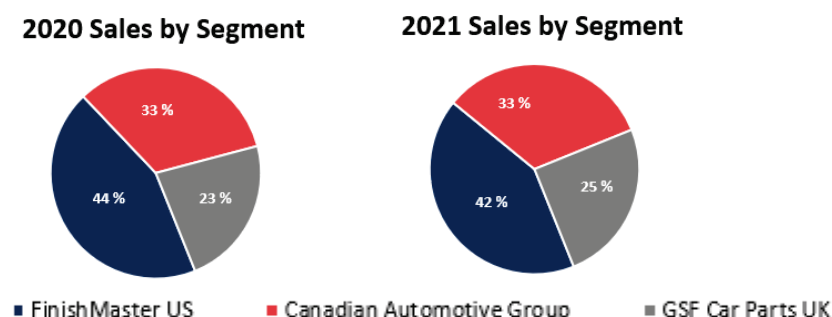
Founded in Québec, Canada in 1968, Uni-Select is a leader in the distribution of automotive refinish and industrial coatings and related products in North America, a leader in the automotive aftermarket parts business in Canada and a major distributor in the automotive aftermarket parts business in the United Kingdom.

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 wholesaler locations and more than 75 company-operated stores, many of which operate under the Bumper to Bumper®, Auto Parts Plus® or FinishMaster® store banner programs. (“**Canadian Automotive Group**”).

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

In the United Kingdom, Uni-Select, through its GSF Car Parts group of subsidiaries (formerly known as The Parts Alliance) is a major distributor of automotive parts supporting over 20,000 customer accounts with a network of over 170 company-operated stores operating under the GSF banner (“**GSF Car Parts UK**”).

Globally, Uni-Select’s customers have access to millions of 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 the Corporation’s distribution network is managed to meet localized and regionalized customer demands. Its wide range of products include industry-leading brands while also offering a wide assortment of Uni-Select private brand products.



## 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 repairs), paint and collision shop products, oils, lubricants and other chemical products, shop and industrial and safety supplies. The majority of the products distributed by the Canadian Automotive Group are industry-leading brands, while certain 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®.



FinishMaster US distributes 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, Sherwin-Williams, PPG, AkzoNobel Coatings and 3M Company. SMART® has a national brand identity and offers products that are designed to meet the high standards demanded by automotive refinish customers.

The main products distributed by GSF Car Parts UK are automotive hard parts (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 products distributed by GSF Car Parts UK are industry-leading brands, while certain of these products are also available under GSF Car Parts UK’s private brands, including A2A®, AJ Tools / Angry Jester®, Amtex®, ARX®, Carmour®, Drivetec®, GrimePro®, Powatec® and Vetec®.

## Customers

Uni-Select’s customers generally 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 are multi-shop operators or also operate or are affiliated with automotive repair and collision repair shops. Uni-Select also sells products to fleet operators and national account customers. In Canada, the Corporation services a large number of independent wholesalers, many of which operate under Uni-Select store banner programs.

## Company-Operated Stores

Uni-Select operates company-operated stores in each of its segments. The Canadian Automotive Group segment operates stores in Canada under the Bumper to Bumper® and FinishMaster® banners, the FinishMaster US segment operates stores in the United States under the FinishMaster® banner and the GSF Car Parts UK segment operates stores in England and Wales under the GSF® banner (formerly The Parts Alliance banner). The number of company-operated stores operated by each segment under each banner as at December 31, 2021 are described in the table below:

Canadian Automotive Group		FinishMaster US	GSF Car Parts UK
 <b>Bumper to Bumper®</b> <small>CANADA'S PARTS PEOPLE</small>	 <b>FINISHMASTER®</b> <small>Automotive &amp; Industrial Paint</small>	 <b>FINISHMASTER®</b> <small>Automotive &amp; Industrial Paint</small>	
68	10	147	172

## Competition

The sale of automotive aftermarket parts and automotive refinish and industrial coatings is highly competitive and impacted by many factors, including name recognition, product availability, customer service, changing customer preferences, store location, and pricing pressures.

In the automotive aftermarket parts business, Uni-Select competes primarily with national, international and regional auto parts retail chains, independent distributors, mass merchandisers and wholesalers and independent regional and local automotive parts stores, automobile dealers that supply manufacturer replacement parts and e-commerce providers. Based on volume of sales, Uni-Select believes that it is a leader in Canada among traditional warehouse distributors of automotive parts for light vehicles and an important distributor in the United Kingdom among traditional warehouse distributors for light vehicles.

In the automotive refinish and industrial coatings business, Uni-Select competes with national and independent regional automotive refinishing distributors as well as manufacturers competing primarily on the basis of technical assistance and expertise, price, breadth of product offering and financial incentives.

## 3.2 | CANADIAN AUTOMOTIVE GROUP

The vast majority of Uni-Select's Canadian operations are conducted through Uni-Select Canada Inc. and FinishMaster Canada Inc. Uni-Select operates eight distribution centres and 78 company-operated stores in Canada. Uni-Select uses the Bumper to Bumper® brand as the one consistent brand and image for all company-operated stores in Canada.

Sales of the Canadian Automotive Group segment in 2021 were \$540.9 million compared to \$485.4 million in 2020. The increase of 11.4% (\$55.5 million) is mainly due to the conversion effect of the Canadian dollar representing 7.2% (\$35.0 million), to the organic growth<sup>1</sup> of 4.2% (\$20.4 million) and net sales generated by acquired businesses representing 0.5% (\$2.7 million). They were partially offset by the effect of a different number of billing days of 0.5% (\$2.6 million).

Most of the sales of the Canadian Automotive Group are through the distribution of automotive products to independent wholesalers, many of which operate under the Corporation's Bumper to Bumper® and Auto Parts Plus® store banner programs. These independent wholesalers supply national chains of automotive service providers, 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 direct supplier of parts to a number of major businesses as well as governmental and para-governmental organizations.

Uni-Select licenses the Bumper to Bumper® brand to independent wholesalers as part of a turn-key marketing program and also offers the Auto Parts Plus® program, which is a more customizable program for independent wholesalers who want to maintain their own identity, but still have the benefits of a national program.

Since 2020, Uni-Select has offered three programs for Canadian auto repair shops (which we refer to as automotive service providers): Bumper to Bumper Auto Service™, Uni-Pro® and SelectAutoExpert (SAX). Joining one of these programs provides automotive service providers with tools and support from the Uni-Select network in Canada to help them manage and grow their business.

The Canadian Automotive Group also sells automotive and industrial paints, coatings and related accessories to collision repair shops, automotive dealerships, fleet operators and commercial clients in Canada under the FinishMaster® banner.

### Employees

As at December 31, 2021, the Canadian Automotive Group employed 1,321 employees in Canada. Warehouse employees of the distribution centres located in Boucherville, Québec and Coquitlam, British Columbia and employees of one company-owned store located in Québec are unionized (representing a total of 134 employees). These three collective bargaining agreements are with different unions and have different expiration dates.

### Real Estate

The Canadian Automotive Group generally leases the facilities out of which its operations are conducted and owns a limited amount of real estate. The following table provides details on the buildings owned by the Canadian Automotive Group in Canada as at December 31, 2021.

CATEGORY	LOCATION
Head office and distribution centre	Boucherville, Québec
Company-operated store	Elk Point, Alberta
Company-operated store	Cold Lake, Alberta
Company-operated store	Lacombe, Alberta
Company-operated store	St-Paul, Alberta
Company-operated store	Bonnyville, Alberta
Company-operated store	St-Félicien, Québec
Company-operated store	Baie-St-Paul, Québec
Land and building	Clinton, Ontario

<sup>1</sup> This is a non-GAAP financial measure. Refer to section titled Non-GAAP Financial Measures on page 4 for further details.

### 3.3 | FINISHMASTER US

FinishMaster US operates four warehouses and 147 company-operated stores in the United States.

Sales of the FinishMaster US segment in 2021 were \$672.1 million compared to \$653.7 million in 2020. The increase of 2.8% (\$18.4 million) is mainly due to the organic growth<sup>2</sup> of 3.6% (\$23.6 million), partially offset by the effect of a different number of billing days of 0.8% (\$5.2 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 network of company-operated stores. FinishMaster US also offers training in management and, together with manufacturers, training on product usage to its customers. FinishMaster US also operates an e-commerce platform for business customers which management believes reduces operating expenses and creates efficiency for both FinishMaster US and its customers.

#### Employees

As at December 31, 2021, FinishMaster US employed 1,050 full-time employees and 39 part-time employees in the United States, none of which were unionized.

#### Real Estate

FinishMaster US generally leases the facilities out of which its operations are conducted. The following table provides details on the buildings owned by FinishMaster US in the United States as at December 31, 2021.

CATEGORY	LOCATION
Warehouse	Adel, Georgia
Warehouse	Grand Rapids, Michigan
Company-operated store	Burton, Michigan
Company-operated store	Mishawaka, Indiana
Company-operated store	Ft. Myers, Florida

### 3.4 | GSF CAR PARTS UK

The vast majority of Uni-Select’s activities in the United Kingdom are conducted through GSF Car Parts Limited. GSF Car Parts UK operates two main distribution centres and 172 company-operated stores in England and Wales. On November 10, 2021, The Parts Alliance UK segment was re-branded to GSF Car Parts from The Parts Alliance, introducing one trading name across all the company-operated stores in the United Kingdom for the first time. GSF Car Parts UK continues to distribute automotive parts and supply other services to the two independent members of The Parts Alliance buying group.

Sales of the GSF Car Parts UK segment in 2021 were \$399.8 million compared to \$332.7 million in 2020. The increase of 20.2% (\$67.1 million) is mainly due to the organic growth<sup>2</sup> of 13.1% (\$43.6 million) and to the conversion effect of the British pound representing 7.8% (\$25.9 million), partially offset by the effect of a different number of billing days of 0.4% (\$1.2 million) and the erosion effect from the integration of company-operated stores for 0.3% (\$1.2 million).

GSF Car Parts UK supplies automotive parts to the independent aftermarket. It has an important inventory of parts and a market-leading catalogue to provide on-demand service to automotive service providers. GSF Car Parts UK has developed a web-based version of its catalogue to support its customers.

<sup>2</sup> This is a non-GAAP financial measure. Refer to section titled Non-GAAP Financial Measures on page 4 for further details.

GSF Car Parts UK also has an e-commerce division operating an established online business. During 2021, GSF Car Parts UK expanded its click and collect e-commerce service to include all 172 company-owned stores. Customers are able to browse through a large range of inventory and can choose to either have their purchases delivered or picked up at any location.

## Employees

As at December 31, 2021, GSF Car Parts UK employed 2,139 full-time employees and 242 part-time employees in England and Wales, none of which were unionized.

## Real Estate

GSF Car Parts UK generally leases the facilities out of which its operations are conducted. The following table provides details on the buildings owned by GSF Car Parts UK in the United Kingdom as at December 31, 2021.

CATEGORY	LOCATION
Warehouse	Hays, London
Warehouse	Chester, Cheshire
Industrial property	Accrington
Industrial property	Blackburn
Company-operated store	Burnley

### 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. 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. 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 its Management's Discussion & Analysis for the year ended December 31, 2021 under the heading "Risk Management" available on [www.sedar.com](http://www.sedar.com) as well as on Uni-Select's website at [www.uniselect.com](http://www.uniselect.com).

## 4 | DIVIDENDS

Dividends are approved by the Board of Directors which bases its decision on capital allocation priorities, operating results, cash flows and other relevant factors. On April 20, 2020, Uni-Select announced its decision to suspend all future dividend payments. In the first quarter of 2020 and during 2019, Uni-Select had declared a quarterly dividend of CA\$0.0925 per Common Share. The Board of Directors evaluates the Corporation's dividend policy annually. There are no guarantees that dividends will be declared in the future.

## 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 at March 15, 2022, 43,940,768 Common Shares were issued and outstanding.

### Preferred Shares

The preferred shares are non-voting shares issuable in series. As at March 15, 2022, 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](http://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 CA\$125 million principal amount of Debentures in denominations of CA\$1,000 or integral multiples thereof.

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 CA\$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 CA\$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.

In August 2021, CA\$15 million of the Debentures were converted into 1,105,380 Common Shares at the Conversion Price, which reduced the aggregate principal amount of issued convertible senior subordinated unsecured debentures to CA\$110 million.

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 an amount in Canadian dollars 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.

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, 2021 to December 31, 2021.

PRICE RANGE AND TRADING VOLUME OF THE COMMON SHARES			
MONTH	PRICE (LOW)	PRICE (HIGH)	VOLUME
	CA\$	CA\$	
January	6.68	8.40	1,190,494
February	6.80	10.57	4,157,442
March	8.69	10.88	2,902,863
April	9.83	14.63	3,617,976
May	12.33	16.16	2,236,381
June	13.88	16.48	2,353,442
July	13.56	16.88	2,746,148
August	15.45	18.86	2,896,346
September	17.36	19.68	2,801,058
October	16.78	19.55	2,549,447
November	17.90	25.50	4,784,026
December	22.88	26.60	2,517,865

The Debentures are not listed for trading on any stock exchange or quotation system.



## 7 | DIRECTORS AND EXECUTIVE OFFICERS

### 7.1 | DIRECTORS

The following table sets forth the name, province/state and country of residence, the year each first became a director, principal occupation for the past five years and, where required, any other previously held positions in the last five years, as well as committee membership for each of the current Directors of the Corporation. 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.

NAME	DIRECTOR SINCE	PRINCIPAL OCCUPATION	PREVIOUSLY HELD POSITION (LAST FIVE YEARS)	COMMITTEES AND BOARD POSITIONS
<b>Michelle Cormier</b> <sup>1</sup> Québec, Canada	2016	Operating Partner, Wynncchurch Capital Canada, Ltd.		<ul style="list-style-type: none"> <li>• Lead Director since May 2021</li> <li>• Audit Committee</li> <li>• Corporate Governance and Nominating Committee (Chair)</li> <li>• Human Resources and Compensation Committee</li> </ul>
<b>Martin Garand</b> Québec, Canada	2021	Senior Director, Caisse de dépôt et placement du Québec		<ul style="list-style-type: none"> <li>• Audit Committee</li> </ul>
<b>Stéphane Gonthier</b> Florida, USA	2019	Chief Executive Officer, GardaWorld Cash Services		<ul style="list-style-type: none"> <li>• Human Resources and Compensation Committee</li> </ul>
<b>Matthew B. Kunica</b> Ontario, Canada	2020	Partner, Birch Hill Equity Partners		<ul style="list-style-type: none"> <li>• Audit Committee</li> </ul>
<b>Chantel E. Lenard</b> Michigan, USA	2020	Lecturer, University of Michigan's Ross School of Business	<ul style="list-style-type: none"> <li>• U.S. Chief Marketing Officer, Ford Motor Company</li> </ul>	<ul style="list-style-type: none"> <li>• Human Resources and Compensation Committee</li> </ul>
<b>Brian McManus</b> Québec, Canada	2021	Chief Executive Officer, Uni-Select Inc.	<ul style="list-style-type: none"> <li>• Partner, Cafa Financial Corporation</li> <li>• President and Chief Executive Officer and Director, Stella-Jones Inc.</li> </ul>	<ul style="list-style-type: none"> <li>• Executive Chair since May 2021</li> </ul>
<b>Frederick J. Mifflin</b> Ontario, Canada	2019	Vice Chair, Blair Franklin Capital Partners		<ul style="list-style-type: none"> <li>• Audit Committee (Chair)</li> <li>• Corporate Governance and Nominating Committee</li> </ul>
<b>Pierre A. Raymond</b> Québec, Canada	2019	Corporate Director		<ul style="list-style-type: none"> <li>• Corporate Governance and Nominating Committee</li> </ul>
<b>David G. Samuel</b> Ontario, Canada	2020	Partner, Birch Hill Equity Partners		<ul style="list-style-type: none"> <li>• Human Resources and Compensation Committee (Chair)</li> </ul>

<sup>1</sup> 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.

## 7.2 | EXECUTIVE OFFICERS

The following table sets forth the name, province/state and country of residence, the principal occupation within the Corporation and, where required, any other previously held positions in the past five years with the Corporation or one of its subsidiaries, or outside of the Corporation of each of the executive officers of the Corporation.

EXECUTIVE OFFICERS		
NAME	PRINCIPAL OCCUPATION WITH THE CORPORATION	PREVIOUSLY HELD POSITION (LAST FIVE YEARS)
<b>Brian McManus</b> Québec, Canada	Executive Chair and Chief Executive Officer	<ul style="list-style-type: none"> <li>• Partner, Cafa Financial Corporation</li> <li>• President and Chief Executive Officer and Director, Stella-Jones Inc.</li> </ul>
<b>Anthony Pagano</b> Ontario, Canada	Chief Financial Officer	<ul style="list-style-type: none"> <li>• Chief Financial Officer, Terrapure Environmental Ltd.</li> <li>• Head of Finance and Retail, Tim Hortons, Restaurant Brands International</li> <li>• Regional President, Burger King, APAC, Restaurant Brands International</li> <li>• Vice President, International, Tim Hortons, Restaurant Brands International</li> </ul>
<b>Emilie Gaudet</b> Québec, Canada	President and Chief Operating Officer, Canadian Automotive Group	<ul style="list-style-type: none"> <li>• Chief Financial Officer, FinishMaster US</li> <li>• Vice-President, Corporate Finance, Canadian Automotive Group</li> <li>• Interim Chief Financial Officer, Canadian Automotive Group</li> <li>• Independent consultant</li> <li>• Operations Director, Business Families Foundation</li> </ul>
<b>Michael Sylvester</b> Montana, USA	President and Chief Operating Officer, FinishMaster US	<ul style="list-style-type: none"> <li>• Senior Vice-President, Stella-Jones Inc.</li> </ul>
<b>Mark Eburne</b> West Midlands, England	President and Chief Operating Officer, GSF Car Parts	<ul style="list-style-type: none"> <li>• Chief Executive Officer, Sigmat</li> <li>• Chief Executive Officer, Bradfords Group Inc.</li> </ul>
<b>Max Rogan</b> Québec, Canada	Chief Legal Officer and Corporate Secretary	<ul style="list-style-type: none"> <li>• Vice-President Legal Affairs &amp; Deputy Corporate Secretary, CGI Inc.</li> <li>• Director, Legal Affairs, WSP Global Inc.</li> </ul>

As of March 15, 2022, 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 201,725 Common Shares, representing approximately 0.46% of the then outstanding Common Shares 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 potentially 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. which maintains 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 National Instrument 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 second amended and restated credit agreement dated as of December 6, 2021 by and between, among others, Uni-Select, Uni-Select Canada Inc., Uni-Select USA Holdings, Inc., FinishMaster, Inc., PA Group Holdings Limited, GSF Car Parts 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, TD Bank, as co-lead arranger, and the financial and governmental institutions party thereto from time to time as lenders (“**Second Amended and Restated Credit Agreement**”). Under the Second Amended and Restated Credit Agreement, the aggregate amount available under the credit facility was reduced to \$400 million (plus an accordion feature of \$200 million) through the conversion into one single secured long-term revolving credit facility, and immediate cancellation, of the outstanding secured term facilities.
- The amended and restated credit agreement dated as of June 25, 2021 by and 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, TD Bank, as co-lead arranger, and the financial and governmental institutions party thereto from time to time as lenders (“**Amended and Restated Credit Agreement**”). Under the Amended and Restated Credit Agreement, the aggregate amount available under the credit facility was reduced from \$565 million to \$500 million, consisting of a \$350 million secured long-term revolving credit facility, as well as two secured term facilities for a total principal amount of \$150 million, all of which matured on June 30, 2023.
- The amended and restated investor rights agreement dated March 15, 2022 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”.

A copy of each material contract entered into by the Corporation is available under Uni-Select’s profile at [www.sedar.com](http://www.sedar.com).

## 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 Appendix A.

### 13.2 | COMPOSITION OF THE AUDIT COMMITTEE

All members of the Audit Committee are independent and financially literate within the meaning of National Instrument 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	Michelle Cormier is a senior-level executive with experience in financial management, corporate finance, turnaround and strategic advisory situations and corporate governance. She possesses capital markets background with extensive experience in public markets in Canada and the United States. Ms. Cormier is currently operating partner for the Québec-based investments of Wynnchurch Capital Canada, Ltd., 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 Corporation. 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.
Martin Garand	Martin Garand joined the Caisse de dépôt et placement du Québec (“CDPQ”) in 2006 and has been Senior Director, Québec Relationship Investing since 2013. Prior thereto, Mr. Garand held various positions at CDPQ with the most recent as Director, Private Placements Privés Québec from 2011 to 2013. Mr. Garand served as a director of Ovivo Water Inc. from 2019 to 2020 and has been an investment professional for over 20 years. Mr. Garand holds a Bachelor of Applied Science in Engineering from École Polytechnique de Montréal, a Master of Science in Finance from HEC Montréal and he is a CFA Charterholder.

AUDIT COMMITTEE COMPOSITION	
NAME	EDUCATION AND EXPERIENCE
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 (Chair)	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.

### 13.3 | OUTSIDE CONSULTANTS 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 FEES

During fiscal 2021 and 2020, the Corporation's external auditor, Ernst & Young LLP, billed the following fees for its services:

CATEGORY	FISCAL YEAR ENDED DECEMBER 31, 2021 CA\$	FISCAL YEAR ENDED DECEMBER 31, 2020 CA\$
Audit Fees <sup>1</sup>	973,300	791,041
Audit-Related Fees <sup>2</sup>	435,800	296,100
Tax Fees	-	-
All Other Fees	-	-
<b>Total</b>	<b>1,409,100</b>	<b>1,087,141</b>

<sup>1</sup> "Audit Fees" include the aggregate professional fees billed for audit services in connection with the annual consolidated financial statements of the Corporation.

<sup>2</sup> "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.

## 14 | ADDITIONAL INFORMATION

Additional information, including directors' and executive 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 2022 annual and special meeting of shareholders dated March 24, 2022, filed on SEDAR at [www.sedar.com](http://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, 2021, and may be found on SEDAR at [www.sedar.com](http://www.sedar.com). Copies of these documents may be obtained upon request to the Corporate Secretary of the Company, at its head office, 170 Industriel Boulevard, Boucherville, Québec, Canada J4B 2X3.

## APPENDIX A – AUDIT COMMITTEE CHARTER

### PART I. COMMITTEE STRUCTURE

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#### 1. PURPOSE OF COMMITTEE

The Audit Committee (the “**Committee**”) is established by the Board of Directors of Uni-Select Inc. (the “**Corporation**”) to assist the Board in fulfilling its oversight responsibilities with respect to the integrity of the Corporation’s financial statements, reports and financial reporting process and risk management processes, including the Corporation’s internal controls, the qualifications, independence and performance of the external auditors and the Corporation’s pension plans.

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

“**Financially Literate**” means the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Corporation’s financial statements.

“**Independent Director**” means a director who meets the independence criteria set out in sections 1.4 and 1.5 of National Instrument 52-110 – Audit Committees adopted by the Canadian Securities Administrators.

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 significant accounting or financial experience.

#### 3. APPOINTMENT AND REMOVAL OF COMMITTEE MEMBERS

The members of the Committee shall be appointed by 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

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#### 1. VACANCIES

Where a vacancy occurs in the membership of the Committee, it may be filled by 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, or 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 and non-independent directors.

### **6. SPECIAL MEETINGS**

After having discussed the purpose of the proposed special meeting with the Chair of the Board and the Lead Director, if any, 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 other electronic transmission, 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 shall constitute 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**

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**

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**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 Corporation's annual audited consolidated financial statements, annual management's discussion and analysis, and annual earnings' press releases prior to their publication, filing or circulation;
- c) review with management and recommend to the Board for approval the Corporation's consolidated quarterly financial statements, interim management's discussion and analysis 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 generally accepted accounting principles on the consolidated financial statements;
- h) verify that the management certificates with regards to the financial reports are in compliance with applicable legislation;
- 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 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 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 head of 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 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, including assessing the Corporation's risk management program and major risk exposures and the steps taken by management to monitor, control and report such exposures;

- i) consider and assess the risks related to cyber security, data privacy and technology that would reasonably be expected to adversely affect the Corporation's business, affairs or reputation;
- j) examine the adequacy of insurance coverage each year and as needed;
- k) 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;
- l) manage, review and recommend, when deemed advisable, the Audit Committee Whistleblower Procedures;
- m) 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, 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;
- 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;
- 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 generally accepted accounting principles. 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.