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## **CORPORATE GOVERNANCE GUIDELINES**

### **INTRODUCTION**

These Corporate Governance Guidelines provide a framework of authority and accountability to enable the Board of Directors of Uni-Select Inc. (the “**Corporation**”) and management to make timely and effective decisions that foster the long term success of the Corporation consistent with the Board’s responsibility to the stakeholders of the Corporation, while complying with applicable law and the Corporation’s commitment to ethical conduct, integrity and transparency.

The Board and management are committed to implementing these guidelines and to making good governance integral to the culture of the Corporation.

### **1. THE RESPONSIBILITIES OF THE BOARD AND OF MANAGEMENT**

#### **A. The Role of the Board of Directors**

- i) The duties and responsibilities of the Board are set forth in the Board of Directors Charter adopted by the Board, as amended from time to time.

#### **B. The Role of the Chair**

- i) The duties and responsibilities of the Chair or Executive Chair, as the case may be, are set forth in the position descriptions adopted by the Board, as amended from time to time.

#### **C. The Role of the Lead Director**

- i) The duties and responsibilities of the Lead Director, if any, are set forth in the position description adopted by the Board, as amended from time to time.

#### **D. The Role of Individual Directors**

- i) Each director is responsible for providing constructive counsel to and oversight of management. Each director shall advance the interests of the Corporation and the effectiveness of the Board by bringing his or her knowledge and experience to bear on the strategic and operational issues facing the Corporation, by preparing for and participating in meetings of the Board and its committees and by enhancing his or her familiarity with the Corporation and its business, people and competitive environment.
- ii) Each director shall comply with the Corporation’s Code of Ethics. If the Board determines that a director has violated the Code of Ethics, the Board may sanction the director, including

requesting the director's resignation. In the event of any such request, the director shall be expected to tender his or her resignation.

- iii) Directors shall avail themselves of corporate orientation programs and continuing education opportunities as the Board or the Corporate Governance and Nominating Committee determine from time to time.
- iv) When exercising their powers and discharging their duties, directors must act with honesty and loyalty in the interests of the Corporation. Directors are thus fiduciaries vis-a-vis the Corporation and, as such, they must advance the interests of the Corporation in an impartial and disinterested manner. In particular, directors must not allow personal or business interests to conflict with the interests of the Corporation. Directors must not use their position, and information and knowledge derived from their position, for their personal gain or advantage. Directors are also subject to a duty of confidence regarding the affairs of the Corporation. Directors should not disclose or provide to others access to confidential information about the Corporation.
- v) When exercising their powers and discharging their duties, directors must exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances. This standard requires directors to devote the necessary time and attention to the affairs of the Corporation and its subsidiaries, make necessary enquiries of management and others so as to make informed decisions, and make use of their education and experience.

**E. The Board-Management Relationship**

- i) While the Board oversees the management of the business, the Chief Executive Officer is responsible for the executive leadership and operational management of the Corporation.
- ii) The Chief Executive Officer formulates the Corporation's proposed goals, strategies and objectives, and presents them to the Board for approval. The Board approves the goals, strategies and objectives within which the Corporation is managed. The Chief Executive Officer keeps the Board informed of the Corporation's progress towards its goals and of all material deviations from the goals, strategies and objectives approved by the Board.
- iii) Management is responsible for the development of an overall corporate strategy to be presented annually to the Board. The Board participates in the strategic planning process and reviews in depth and approves the strategy, including the human, technological and capital resources required for its implementation. The Board then monitors management's execution of the strategy and its achievement of objectives.

**2. THE COMPOSITION AND INDEPENDENCE OF THE BOARD**

**A. Board Size and Composition**

The Board is committed to a Board size of between 7 and 12 members, which the Board considers to be an appropriate number for the size of the Corporation and sufficient to provide an appropriate mix of experience and skills for the stewardship of the Corporation.

**B. Independence**

- i) A majority of directors comprising the Board must qualify as Independent Directors.

“**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.

- ii) At least annually, and prior to each Annual General Meeting of the shareholders of the Corporation, the Board shall consider and determine whether a director or nominee to be a director would, upon election, be an Independent Director.
- iii) At the request of the Secretary, persons who are being considered for nomination or re-nomination to the Board shall provide the Secretary with complete and accurate information regarding the interests and relationships that might bear on the determination of whether the person would be an Independent Director.
- iv) Directors shall promptly advise the Secretary of any changes in their relationships or interests that might bear on their independence, as defined by law or these guidelines.

**C. Limitations on the Number and Role of Non-Independent Directors**

- i) The Board prefers that the Chief Executive Officer be the only member of management on the Board, although there may be times when it is appropriate to have an additional management member on the Board.
- ii) Should the Chair of the Board not be an Independent Director, the Board shall also appoint a Lead Director from among its Independent Directors.
- iii) Only Independent Directors shall serve on the Audit, Corporate Governance and Nominating, and Human Resources and Compensation Committees of the Board.

**D. Meetings of Independent Directors**

At any time, any director may request that a meeting of the Board or any Board committee be held without management or non-independent directors present or that all or some representatives of management or non-independent directors absent themselves from any particular portion of any meeting of the Board or any Board committee. The agenda for each Board and committee meeting shall provide for a period of discussion between Board members in the absence of any members of management or non-independent directors.

**E. Communications to Audit Committee**

Complaints, including concerns, demands for remedial action or reports of a suspected violation of law or corporate policy may be submitted to the Audit Committee by sending by regular mail (or other means of delivery) to the corporate headquarters address of the Corporation a sealed envelope marked “Private and Strictly Confidential – Attention: Chair of the Audit Committee of Uni-Select Inc.” Any such envelope shall be delivered unopened to the Chair of the Audit Committee. Access to the Audit Committee for the communication of complaints about the Corporation’s accounting, internal accounting controls or auditing matters shall be provided in

accordance with the Corporation's "Audit Committee Whistleblower Procedures" displayed on the Corporation's website at [www.uniselect.com](http://www.uniselect.com).

### **3. THE QUALIFICATIONS, NOMINATION AND TENURE OF DIRECTORS**

#### **A. Qualifications of Directors**

Each director must:

- i) be an individual of at least 18 years of age, of sound mind, and not have the status of a bankrupt.;
- ii) have a high degree of personal and professional integrity and operate within the ethical framework set out in the Corporation's Code of Ethics;
- iii) be financially literate; have relevant and practical business experience; have an understanding of the strategic planning process; have an understanding of human resource development, and have such competencies as determined by the Corporate Governance and Nominating Committee from time to time;
- iv) have experience and abilities that complement those of other Board members so as to enhance the Board's effectiveness and performance; and
- v) have time available to adequately perform duties and responsibilities as a Board member and not be involved in activities which conflict with the Corporation's business.

#### **B. Nomination of Directors**

- i) The Corporate Governance and Nominating Committee is responsible for identifying and recommending to the Board nominees for election or re-election to the Board or for appointment to fill any vacancy that is anticipated or has arisen on the Board.
- ii) The Corporate Governance and Nominating Committee shall review and consider all candidates identified by shareholders as potential nominees for the Board of Directors.
- iii) All directors are encouraged to identify potential nominees.
- iv) The Chair of the Board or the Lead Director, if any, shall provide additional direct input into the process.
- v) An invitation by the Board to an individual to stand as a nominee for election to the Board should be made through the Chair of the Board or the Lead Director, if any.

#### **C. Retirement and Term Limits**

- i) A director shall retire from the Board at the end of the term in which he or she turns 72 years of age. The Corporate Governance and Nominating Committee shall not nominate any candidate who, at the time of election, will be 72 years of age. Provided, however, that the foregoing may be waived in the event the incumbent is, at the time of initial election, over 61 years of age.
- ii) All directors are subject to a limit of serving 12 annual or partial terms. Provided, however,

that the foregoing may be waived by the Board in respect of a director in the event of extenuating circumstances.

#### **4. DIRECTOR CONFLICTS OF INTEREST**

##### **A. Avoidance of Conflicts of Interest**

Every director shall comply with the conflict of interest provisions of the Corporation's "*Conflict of Interest*" policy.

##### **B. Disclosure of Conflicts of Interest**

- i) Prior to the beginning of his or her service on the Board, and thereafter upon the request of the Chair of the Board or of the Lead Director, if any, every director shall disclose to the Chair of the Board or to the Lead Director, if any, or to the Chair of the Human Resources and Compensation Committee all potential conflicts of interest so that a course of action can be determined to resolve any such conflicts before any interest of the Corporation is jeopardized. If a new potential conflict of interest not previously disclosed arises in respect of a director, the director shall immediately inform the Chair of the Board or the Lead Director, if any, or the Chair of the Human Resources and Compensation Committee of this new potential conflict of interest.
- ii) If the Board, or a committee of the Board, is deliberating on a matter that may affect a director's interests or relationships outside the Corporation, the director shall disclose such interests or relationships to the Chair of the Board or to the Lead Director, if any, prior to discussion or vote on the matter, so that consideration can be given in the director's absence from discussion and voting or other recusal.

##### **C. Other Boards and Committees**

- i) Directors shall not serve on the boards of other companies if the service impedes the director's ability to effectively serve on the Board of the Corporation or creates any potential material conflicts.
- ii) Directors need written approval from the Chair or Lead Director, if any, before serving on the board of other companies.
- iii) No Independent Director may serve on the board of more than five public companies, including the Board of the Corporation. The Chief Executive Officer, or any other executive director, may not serve on the board of more than two public companies, including the Board of the Corporation. Notwithstanding the foregoing, a director may serve on a number of boards that is over the limit prescribed by these guidelines for a temporary period of time if the director has stated his or her intention to resign or not stand for re-election as a director at each other public company that is over the limit, such that the director will be deemed to be in compliance with these guidelines until the next annual meeting of each applicable other public company.
- iv) There shall be no more than two board interlocks at any given time. A board interlock occurs when two of the Corporation's directors also serve together on the board of another public company. In addition, no more than two directors may sit on the same public company board, excluding the Board of the Corporation.

## 5. CONFIDENTIALITY

### A. Confidentiality and Communications with the Public

- i) Directors are required to maintain the confidentiality of all information regarding Board and committee deliberations and proceedings, including all information about the Corporation and its directors, officers and affiliates that the director learns in his or her capacity as a director of the Corporation, and shall not disclose any such confidential information to any person or entity than the directors and executive officers of the Corporation, the independent accountants, legal counsel and financial and other advisors retained by the Corporation and, except in each case, when disclosure is authorized by the Board or required by law. No director shall use confidential information for his or her personal benefit or to benefit persons or entities other than the Corporation and its shareholders generally and except as authorized by the Board.
- ii) Every director shall comply with the provisions on communications in the Corporation's "Corporate Disclosure" policy, which establishes certain spokespersons, including the Chair and the Chief Executive Officer, authorized to speak on behalf of the Corporation and respond to inquiries from the investment community.

Shareholders may communicate with the members of the Board individually or with the Board as a group by writing to the attention of the Secretary, 170 Industriel Boulevard, Boucherville, Québec J4B 2X3 or by email at corpsecretary@uniselect.com. The Secretary shall promptly forward to the Board significant shareholder communications and keep a record of all shareholder communications that he or she deems not to be significant and report such communications to the Board on a periodic basis, but not less frequently than quarterly.

## 6. COMMITTEES OF THE BOARD

### A. Establishment of Committees

The Board shall establish committees to fulfill the responsibilities stated in their respective Charters, which shall be issued by the Board. The current committee structure includes the:

- i) Audit Committee;
- ii) Corporate Governance and Nominating Committee; and
- iii) Human Resources and Compensation Committee.

The committee structure is subject to change, from time to time, as the Board considers which of its responsibilities can best be fulfilled through more detailed review of matters in a committee.

### B. Appointment and Composition of Committee Chairs and Members

The Board shall annually review the composition of each of its committees and shall consider the rotation of the Chair and the members thereof with a view toward balancing the benefits of continuity against the benefits derived from the diversity of experience and viewpoints of the various members. The Board shall annually appoint the chair and the members of each committee.

The duties and responsibilities of the committee chairs are set forth in the position description adopted by the Board, as amended from time to time.

## **7. BOARD ACCESS TO MANAGEMENT AND INDEPENDENT ADVISORS**

### **A. Board Access to Management**

All of the directors shall have open access to the Corporation's management for consultation. It is expected that directors will exercise judgment to ensure that their contacts will not distract unduly from the Corporation's business operations. The Board also encourages individual directors to make themselves available for consultation with management at times other than Board meetings, in order to provide advice on subjects as to which such directors have special knowledge and experience and in order to expand the director's understanding of the Corporation's business.

### **B. Board Access to Independent Consultants or Advisors**

Occasionally, the Board or Board committees may wish to engage the services of a consultant or advisor not employed by the Corporation to assist on legal, accounting or other matters within their respective responsibilities. The Board, the Chair of the Board or the Lead Director, if any, or any of the committees of the Board may, on their own initiative, engage an independent consultant or advisor at the Corporation's expense. Individual directors may engage the services of an outside advisor at the expense of the Corporation if he or she first obtains authorization of the Chair of the Board or of the Lead Director, if any.

## **8. BOARD EDUCATION AND SELF-ASSESSMENT**

### **A. Director Orientation and Continuing Education**

- i) All new directors should understand the nature and operation of the Corporation's business and as such, management will provide new directors with an orientation that includes: written information about the duties and obligations of directors and the business and operations of the Corporation; documents from recent Board meetings; opportunities for meetings and discussion with senior management, other directors and operational personnel, as required; and opportunities to visit the Corporation's facilities. The details of the orientation of each new director shall be tailored to that director's individual needs and areas of interest.
- ii) On a regular basis, management or third parties will give presentations on various topics to the Board of Director, including governance and other topical issues.
- iii) The Board shall undertake or arrange for such continuing director education activities and programs as it deems advisable in order to maintain or enhance their skills and abilities as directors, as well as to ensure that their knowledge and understanding of the Corporation's business remains current.

### **B. Assessing the Board's Performance**

- i) The Board, with the assistance of the Corporate Governance and Nominating Committee, shall make an annual assessment of the overall effectiveness of the Board and its committees, the Chair of the Board and the Lead Director, if any, and of the contributions of the individual directors.

- ii) The objective of this assessment is to contribute to a process of continuous improvement in the Board's execution of its responsibilities. These assessments are expected to identify any areas in which the directors and management believe that the Board, its committees, the Chair of the Board, the Lead Director, if any, or individual directors could make a better contribution to overseeing the affairs of the Corporation so as to foster the Board's responsibility to the stakeholders of the Corporation and fulfill these guidelines.

**9. DIRECTOR COMPENSATION AND SHARE OWNERSHIP**

**A. Compensation of Directors**

The Human Resources and Compensation Committee and Corporate Governance and Nominating Committee shall review the compensation of the directors each year. The Committees shall make recommendations to the Board for consideration when they believe changes in compensation are warranted.

**B. Ownership of Stock**

The Board has adopted share ownership guidelines to set forth parameters for share ownership by directors as a way to further align their interests with the interests of shareholders and promote the Corporation's commitment to sound corporate governance.

**10. REVIEW, MODIFICATION AND WAIVER OF CORPORATE GOVERNANCE GUIDELINES**

The Corporate Governance and Nominating Committee shall review these guidelines periodically and submit any recommended changes to the Board for approval. The Corporate Governance and Nominating Committee shall take into consideration the emerging best practices at leading and comparable companies. These guidelines may be materially amended or modified only by the Board and may be waived only by the Board or the Corporate Governance and Nominating Committee, subject to the disclosure and other provisions of applicable laws and regulatory requirements.