



## NOTICE OF ANNUAL GENERAL MEETING OF SHAREHOLDERS

To Shareholders of Uni-Select Inc.

You are convened to the Annual General Meeting of the Shareholders of Uni-Select Inc. that will be held on May 1, 2013 at 1:30 p.m. at the Omni Mount-Royal Hotel, Rooms Saisons A and B located at 1050 Sherbrooke West, Montréal, Québec. The meeting will have the following purposes:

1. to receive the financial statements of Uni-Select Inc. for the fiscal year ended December 31, 2012 and the auditors' report relating thereto;
2. to elect the directors;
3. to appoint the auditors and authorize the directors to set their remuneration; and
4. to transact such other business as may properly be brought before the meeting.

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

By order of the Board of Directors

M° Louis Juneau  
Vice-President, Legal Affairs and Secretary

Boucherville, Québec  
March 26, 2013

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# INFORMATION CIRCULAR

## 1. SOLICITATION OF PROXIES

### 1.1 GENERAL INFORMATION

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

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

Unless otherwise stated, the information contained in this information circular is given as of March 8, 2013 and all dollar amounts are in Canadian dollars.

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

### 1.2 INFORMATION ON VOTING

#### *Voting Matters*

At the Meeting, shareholders will vote on the election of directors and the appointment of auditors including authorizing the board of directors of Uni-Select (the “Board” or the “Board of Directors”) to fix their remuneration.

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

The Board of Directors has fixed March 25, 2013 as the record date (the “Record Date”) for the purpose of determining shareholders entitled to receive the notice of Meeting.

#### *Voting Shares and Principal Shareholders*

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

As at March 8, 2013, 21,468,770 Shares of the Corporation were outstanding. Holders of shares of record at the close of business on the Record Date, or their proxy, will be entitled to one vote per Share at the Meeting.

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

Name	Number of Common Shares	Percentage
Fidelity Management & Research Company Pyramis Global Advisors, LLC Pyramis Global Advisors Trust Company Strategic Advisers Incorporated and FIL Limited	3,841,600	17.89%
Jarislowsky, Fraser Limited	3,217,833	14.99%
Mawer Investment Management Ltd.	2,860,922	13.33%

#### *Normal Course Issuer Bid*

On August 7, 2012, the Board of Directors authorized a normal course issuer bid (the “Issuer Bid”) and the purchase of up to 0.9% of the public float of the Corporation’s common shares as at August 6, 2012. The Issuer Bid enables the

Corporation to purchase on the open market through the facilities of the Toronto Stock Exchange up to 200,000 common shares for cancellation. As at August 6, 2012, there were 21,638,036 common shares of the Corporation outstanding of which approximately 59% were widely held. The Issuer Bid will expire on August 8, 2013. As at March 8, 2013, 169,266 common shares were repurchased under the Issuer Bid. On March 15, 2013, the Corporation amended the Issuer Bid to increase the number of common shares that Uni-Select may purchase for cancellation from 200,000 to 750,000.

## ***VOTING BY PROXY***

### ***Registered Owners***

Registered shareholders may vote in person at the Meeting or may give another person authority to vote at the Meeting on their behalf by appointing a proxyholder. Please complete, sign, date and return the form in the envelope provided or by facsimile to Computershare's toll-free line at 1-866-249-7775 or at 1-416-263-9524 or you can vote by internet by following the instructions on your proxy form, so that it arrives no later than 5:00 p.m. (Eastern Daylight Time) on April 29, 2013 (or upon reconvening of the meeting, at least 48 hours (excluding Saturdays, Sundays and holidays) before the calling to order of said reconvened meeting).

### ***Beneficial Owners***

The information set forth in this section is of significant importance if you do not hold your Shares in your own name. Only proxies deposited by shareholders whose names appear on the records of Uni-Select as the registered holders of Shares can be recognized and acted upon at the Meeting. If Shares are listed in your account statement provided by your broker, then, in almost all cases, those Shares will not be registered in your name on the records of Uni-Select. Such Shares will likely be registered under the name of (a) an intermediary such as a bank, a trust company, securities dealer or broker, as the Trustee or Administrator of a self-administered RRSP, RRIF, RESP, TFSA or similar plan, or (b) under the name of CDS & Co., the registration name for The Canadian Depository for Securities Limited, which acts as nominee for many Canadian brokerage firms. Shares held by your broker or its nominee can only be voted upon your instructions. Without specific instructions, your broker, its agent or its nominee is prohibited from voting your Shares.

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

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

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

### ***Proxy Solicitation***

The Corporation does not send proxy-related materials directly to beneficial shareholders and is not relying on the notice-and-access provisions of securities laws for delivery to either registered or beneficial shareholders. The Corporation will provide proxy materials to brokers, custodians, nominees and fiduciaries and will request that such materials be forwarded to each beneficial owner of voting shares registered in their names. If you are a beneficial shareholder your nominee should send you a voting instruction form or proxy form along with this Management Proxy Circular. The Corporation has elected to pay for the delivery of its proxy-related materials to objecting beneficial shareholders.

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

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

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

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

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

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

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

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

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

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

A shareholder who has given a proxy may revoke it at any time prior to its use, by instrument in writing executed by the shareholder or by his or her attorney authorized in writing or, if the shareholder is a corporation, by an officer or attorney thereof duly authorized. Such instrument should be delivered to the Secretary of the Corporation at the registered office of Uni-Select, 170 Industriel Boulevard, Boucherville, Québec J4B 2X3 at any time up to and including the close of business on the last business day preceding the day of the Meeting or any adjournment thereof or depositing it with the Chair of the Meeting on the day of the Meeting, being May 1, 2013 or any continuation following the adjournment thereof, or in any other manner permitted by law.

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

### **2.1 FINANCIAL STATEMENTS**

The Consolidated Financial Statements for the year ended December 31, 2012 are available on the Corporation’s website at [www.uniselect.com](http://www.uniselect.com), on SEDAR at [www.sedar.com](http://www.sedar.com) or, upon request, from the Secretary of Uni-Select.

### **2.2 ELECTION OF DIRECTORS**

The 10 nominees up for election as directors, upon recommendation of the Corporate Governance Committee, are listed below under the heading “Proposed Nominees to the Board of Directors”. Unless a position becomes vacant during the year, each director elected will hold office until the next annual meeting or until that director’s successor is duly elected.

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

The Board adopted a policy which requires that any nominee for director who receives, for his or her election, a greater number of votes “withheld” than “for” shall tender his or her resignation to the Board Chair promptly following the

meeting. The Corporate Governance Committee will consider the resignation offer and will make a recommendation to the Board whether to accept or refuse the resignation. The Board of Directors will issue a press release to justify the reason for its refusal of the resignation, if so applicable. A director who tenders a resignation pursuant to this policy will not participate in any meeting of the Corporate Governance Committee or the Board of Directors at which the resignation is considered.

Unless otherwise instructed, the Management proxies designated in the proxy form intend to vote FOR the election of the 10 Board nominees listed below under the heading “Proposed Nominees to the Board of Directors”.

### **2.3 APPOINTMENT OF AUDITORS**

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

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

#### *External Auditor Service Fees*

Information regarding the fees paid to Raymond Chabot Grant Thornton LLP in the past two fiscal years is provided under the heading “Audit Committee – External Auditor Service Fees” of the Corporation’s Annual Information Form for 2012, which is incorporated herein by reference. A copy of the Annual Information Form is available, at no charge, on SEDAR at [www.sedar.com](http://www.sedar.com), or, upon request to the Secretary of Uni-Select.

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

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

The following are the nominees proposed for election as directors of Uni-Select. Other than Patricia Curadeau-Grou, Joseph P. Felicelli and Rick Keister, all are currently directors of the Corporation. Each director elected will hold office until the next Annual General Meeting of Shareholders or until that director’s successor is duly elected or appointed, unless the office is earlier vacated.

The following tables detail the number of shares, deferred share units and convertible debentures beneficially owned by each proposed director or over which each exercised control or direction, directly or indirectly, as of December 31, 2011, December 31, 2012 and March 8, 2013.

**James E. Buzzard**



Buffalo, New York, USA

Mr. Buzzard is President of Clarit Realty, Ltd. Until his election to the Board, he acted as Senior Vice President, Corporate Development of Uni-Select USA, Inc. Since November 2004, he has held various senior management positions with Uni-Select USA, Inc.

**Non-Independent<sup>1</sup>**

Board/Committee Membership			Public Board Membership		
Board of Directors (2012) Audit Committee (2012) Corporate Governance Committee (2012)			N/A		
Securities Held or Controlled					
Year	Common Shares (#)	Deferred Share Units (#) <sup>2</sup>	Share price (\$)	Total value of Common Shares and DSUs (\$)	Convertible Debentures 5.9% <sup>3</sup> (\$)
March 8, 2013	None	935.07	\$19.69	\$18,411.53	None
Dec. 31, 2012	None	929.97	\$23.64	\$21,984.49	None
Dec. 31, 2011	None	None	\$26.25	None	None

**Robert Chevrier, FCPA, FCA**



Montréal, Quebec, Canada

Mr. Chevrier is a corporate director and a chartered accountant. Since April 2001, Mr. Chevrier is the President of Société de Gestion Roche Inc., a holding and investment company. Prior thereto, he was the President and Chief Executive Officer of Rexel Canada Inc.

**Independent**

Board/Committee Membership			Public Board Membership		
Board of Directors (2012) Audit Committee (2012) Corporate Governance Committee, Interim Chair (2012) Human Resources and Compensation Committee (2012)			Cascades Inc. CGI Group Inc. Rona Inc.		
Securities Held or Controlled					
Year	Common Shares (#)	Deferred Share Units (#)	Share price (\$)	Total value of Common Shares and DSUs (\$)	Convertible Debentures 5.9% (\$)
March 8, 2013	7,500	7,553.24	\$19.69	\$296,398.29	None
Dec. 31, 2012	7,500	7,512.03	\$23.64	\$354,884.39	None
Dec. 31, 2011	2,500	None	\$26.25	\$65,625.00	None

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

<sup>2</sup> For information regarding the deferred share units (“DSUs”), refer to section 6.2.

<sup>3</sup> For information regarding the debentures, refer to section entitled “Description of Capital Structure – General Description of Capital Structure – Debentures” contained in the 2012 Annual Information Form, herein incorporated by reference.

## Patricia Curadeau-Grou



Outremont, Québec, Canada

Independent

Ms. Patricia Curadeau-Grou has been a senior officer of the National Bank of Canada since 1991. She was appointed Strategic Advisor to the President and Chief Executive Officer in June 2012 from her former position as Executive Vice President Risk Management, which she held from August 2011 to May 2012. Ms. Curadeau-Grou was previously Chief Financial Officer & Executive Vice President Finance, Risk and Treasury from 2008 to 2011; Senior Vice President, Finance, Risk and Treasury from 2007 to 2008; and Senior Vice President, Risk Management from 1998 to 2007.

Prior to joining National Bank, Ms. Curadeau-Grou held a number of key positions at major financial institutions, primarily in business development, credit and corporate planning. She has been a Director of Cogeco Cable Inc., a major cable telecommunications company, since November 2011 and serves as a member of its Audit and HR committees. Ms. Curadeau-Grou also sits on the Board of Directors of the Diabetic Children's Foundation and Plan Canada and has been co-chair of the Fundraising Committee of the *Fondation de l'Université du Québec à Trois-Rivières* since 2009.

Board/Committee Membership			Public Board Membership		
			Cogeco Cable Inc.		
Securities Held or Controlled					
Year	Common Shares (#)	Deferred Share Units (#)	Share price (\$)	Total value of Common Shares and DSUs (\$)	Convertible Debentures 5.9% (\$)
March 8, 2013	None	None	\$19.69	None	None
Dec. 31, 2012	None	None	\$23.64	None	None
Dec. 31, 2011	None	None	\$26.25	None	None

## Pierre Desjardins



Austin, Quebec, Canada

Independent

Mr. Desjardins was the Chief Executive Officer of several public companies and is now a corporate director.<sup>4</sup>

Board/Committee Membership			Public Board Membership		
Board of Directors (1998) Human Resources and Compensation Committee, Chair (2011) Corporate Governance Committee (2012)			N/A		
Securities Held or Controlled					
Year	Common Shares (#)	Deferred Share Units (#)	Share price (\$)	Total value of Common Shares and DSUs (\$)	Convertible Debentures 5.9% (\$)
March 8, 2013	7,167	419.11	\$19.69	\$149,370.51	\$300,000.00
Dec. 31, 2012	5,167	416.82	\$23.64	\$132,001.50	\$300,000.00
Dec. 31, 2011	5,167	None	\$26.25	\$135,633.75	\$300,000.00

<sup>4</sup> Mr. Pierre Desjardins, director of the Corporation, was Chair of the Board of Total Containment Inc. (« TCI »), a public company headquartered in Oaks, Pennsylvania, when TCI sought bankruptcy protection under Chapter 11 of the U.S. Bankruptcy Code on March 4, 2004.

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



Amos, Québec, Canada

**Independent**

Mr. Dulac is the President of M&M Nord Ouest Inc. since 2002, a distributor of automotive parts and industrial equipment for use in the mining and forestry industries and a member of the Uni-Select network.

Board/Committee Membership			Public Board Membership		
Board of Directors (2007) Human Resources and Compensation Committee (2012)			N/A		
Securities Held or Controlled					
Year	Common Shares (#)	Deferred Share Units (#)	Share price (\$)	Total value of Common Shares and DSUs (\$)	Convertible Debentures 5.9% (\$)
March 8, 2013	869,800 <sup>5</sup>	419.11	\$19.69	\$17,134,614.28	None
Dec. 31, 2012	1,000	416.82	\$23.64	\$33,493.62	None
Dec. 31, 2011	1,000	None	\$26.25	\$26,250.00	None

**Joseph P. Felicelli, B.A.**



Spanish Fort, Alabama, USA

**Independent**

Mr. Felicelli is the Chief Executive Officer of BBB Industries, LLC, a remanufacturer of automotive replacement parts headquartered in Mobile, Alabama, which is a supplier of the Corporation, and serves as a member of their Board of Directors.

Board/Committee Membership			Public Board Membership		
Board of Directors <sup>6</sup> Human Resources and Compensation Committee <sup>7</sup> Corporate Governance Committee <sup>8</sup>					
Securities Held or Controlled					
Year	Common Shares (#)	Deferred Share Units (#)	Share price (\$)	Total value of Common Shares and DSUs (\$)	Convertible Debentures 5.9% (\$)
March 8, 2013	1,050	None	\$19.69	\$20,674.50	None
Dec. 31, 2012	1,050	None	\$23.64	\$24,822.00	None
Dec. 31, 2011	1,050	None	\$26.25	\$27,562.50	None

<sup>5</sup> Mr. Dulac exercises joint control over 868,800 Shares with Daniel Dulac.

<sup>6</sup> From 2009 until May 8, 2012.

<sup>7</sup> From 2010 until May 8, 2012.

<sup>8</sup> From 2011 until May 8, 2012.

**John A. Hanna, B.Comm., FCPA, FCGA**



Toronto, Ontario, Canada

Independent

Mr. Hanna was the Chief Executive Officer of Rexel Canada Electrical Inc., a distributor of electrical products, from 2003 to 2005, and Executive Vice President and Chief Financial Officer of Rexel North America Inc. between 2000 and 2003. Since April 2010, John Hanna is an independent member of the audit committee of Transport Canada and Infrastructure Canada. Mr. Hanna is currently a corporate director.

Board/Committee Membership			Public Board Membership		
Board of Directors (2006) Audit Committee (2006) Corporate Governance Committee (2011)			Innergex Renewable Energy Inc. Russel Metals Inc.		
Securities Held or Controlled					
Year	Common Shares (#)	Deferred Share Units (#)	Share price (\$)	Total value of Common Shares and DSUs (\$)	Convertible Debentures 5.9% (\$)
March 8, 2013	3,000	935.07	\$19.69	\$77,481.53	None
Dec. 31, 2012	3,000	929.97	\$23.64	\$92,904.49	None
Dec. 31, 2011	3,000	None	\$26.25	\$78,750.00	None

**Richard L. Keister**



Hollywood, Florida, USA

Independent

Mr. Keister is Chairman of the board of directors of QCSA Holdings, Inc., a remarketing company of vehicles donated to charity as well as those declared total losses by auto insurance companies, since 2010. From 2004 to 2007, he was President and Chief Executive Officer of Keystone Automotive Industries, Inc. a publicly-traded distributor and remanufacturer of automotive collision parts, paint and materials to collision repair shops throughout the United States and Canada.

Board/Committee Membership			Public Board Membership		
Securities Held or Controlled					
Year	Common Shares (#)	Deferred Share Units (#)	Share price (\$)	Total value of Common Shares and DSUs (\$)	Convertible Debentures 5.9% (\$)
March 8, 2013	None	None	\$19.69	None	None
Dec. 31, 2012	None	None	\$23.64	None	None
Dec. 31, 2011	None	None	\$26.25	None	None

Hubert Marleau						
 Cornwall, Ontario, Canada  <b>Independent</b>	Mr. Marleau is a corporate director and is Chairman and President of Niocan Inc. and interim CEO of Woulfe Mining Corp. Mr. Marleau is the founder of Palos Capital Corporation and between 2000 and 2012 was Chairman of the Board of Palos Capital Corporation and economist at Palos Management Inc <sup>9</sup> .					
	<b>Board/Committee Membership</b>			<b>Public Board Membership</b>		
	Board of Directors (1994) Audit Committee (2004)			A.I.S. Resources Limited CanAlaska Uranium Ltd. Eco Oro Mineral Corp. Gobimin Inc. Huntington Exploration Inc. Niocan Inc. Woulfe Mining Corp.		
	<b>Securities Held or Controlled</b>					
	<b>Common Shares (#)</b>	<b>Deferred Share Units (#)</b>	<b>Share price (\$)</b>	<b>Total value of Common Shares and DSUs (\$)</b>	<b>Convertible Debentures 5.9% (\$)</b>	
<b>Year</b>						
March 8, 2013	4,000	419.11	\$19.69	\$87,012.28	None	
Dec. 31, 2012	4,000	416.82	\$23.64	\$104,413.62	None	
Dec. 31, 2011	4,000	None	\$26.25	\$105,000.00	None	

<sup>9</sup> In August 2003, Mr. Hubert Marleau, Director of the Corporation, sought registration as financial advisor with the *Commission des valeurs mobilières du Québec* ("CVMQ") and duly filed an application for said purpose at that time. On November 13, 2003, Mr. Marleau and Gestion Palos Inc. undertook with the CVMQ to cease acting as dealers or advisors until such time as Gestion Palos Inc. was registered with the CVMQ as an advisor. Such registrations were granted by the CVMQ on December 15, 2003. Mr. Marleau was a director of Magistral Biotech Inc. in early 2006 when it was subject to a cease trade order imposed by L'Autorité des marchés financiers and the British Columbia Securities Commissions because it did not file a comparative financial statement for the financial year ended December 31, 2005. Magistral Biotech Inc. subsequently filed the necessary disclosures and in late 2006, L'Autorité des marchés financiers and the British Columbia Securities Commissions each issued Partial Revocation Orders allowing Magistral Biotech Inc. to effect certain transactions to complete a reverse take-over with Immunotec Research Ltd. Mr. Marleau was a Director of Malette International Inc. ("Malette") a reporting issuer listed on the Toronto Stock Venture Exchange when, on February 26, 2007, Malette Industries Inc., a wholly-owned subsidiary of Malette, filed a notice of intention to make a proposal to its creditors under the *Bankruptcy and Insolvency Act*. On February 27, 2007, a creditor of Malette Hardwood Flooring Inc., another subsidiary of Malette, obtained a receivership order from the Superior Court of Québec. On February 2, 2007, the Autorité des marchés financiers issued a cease trade order against Malette for its failure to file financial statements for the year ended September 30, 2006. Effective March 1, 2007, Mr. Marleau resigned from the board of directors of Malette. Mr. Marleau was required by the TSX Venture Exchange, on September 3, 2003, to complete a workshop prior to acting as an officer of Stanstead Capital Inc. Mr. Marleau was required by the TSX Venture Exchange, in May 2007, to submit an undertaking to the TSX Venture Exchange concerning the submission in a true and correct manner of all future Personal Information Forms in relation to acting as director of Arveo Corporation. Mr. Marleau was reprimanded by the TSX Venture Exchange, on May 12, 2011, for the breach of his 2007 undertaking to the TSX Venture Exchange; Mr. Marleau was required to attend a workshop, to pay a fee of \$3,000, to provide a written acknowledgement that he had read the TSX Venture Exchange correspondence and that the 2007 undertaking remains in effect. On May 31, 2011, the Autorité des marchés financiers (the "AMF") instituted proceedings before the Bureau de décision et de révision (the "BDRVM") wherein the AMF sought payment by Palos Management Inc. ("Palos"), a company for which Mr. Marleau was then acting as president and chairman, of a monetary penalty of \$36,500 and an order requiring Palos to submit certain components of certain financial statements which the AMF alleged were not duly filed for the periods ending June 30, 2009, December 31, 2009 and June 30, 2010. The proceedings related to investment funds managed by Palos and offered under statutory prospectus exemptions. In the interim, Mr. Marleau resigned as president and chairman of Palos. On November 23, 2011, Palos and the AMF entered into a joint submission and acknowledgement of facts in which Palos acknowledged the facts alleged by the AMF and agreed to pay an administrative penalty of \$26,500.

Richard G. Roy, FCPA, FCA						
 Verchères, Québec, Canada  <b>Non-Independent</b> <sup>10</sup>	Mr. Roy is the President and Chief Executive Officer of Uni-Select. Prior to January 2008, he held the positions of Vice President, Chief Operating Officer and Vice President, Administration and Chief Financial Officer of the Corporation.					
	<b>Board/Committee Membership</b>			<b>Public Board Membership</b>		
	Board of Directors (2008)			Dollarama Inc.		
	<b>Securities Held or Controlled</b>					
	<b>Common Shares (#)</b>	<b>Deferred Share Units (#)</b>	<b>Share price (\$)</b>	<b>Total value of Common Shares and DSUs (\$)</b>	<b>Convertible Debentures 5.9% (\$)</b>	
<b>Year</b>						
March 8, 2013	30,438	1,205.68	\$19.69	\$623,064.06	None	
Dec. 31, 2012	30,438	None	\$23.64	\$719,554.32	None	
Dec. 31, 2011	20,438	None	\$26.25	\$536,497.50	None	

### 3.2 INFORMATION ON SHAREHOLDING

The Board modified on February 28, 2013 the minimum number of Shares that each director must hold from 1,000 shares to a minimum value of three times the annual allowance paid to the directors (\$60,000) representing a total value of \$180,000 (to be achieved within 5 years of the modification). As at March 8, 2013, Messrs. Chevrier, Dulac and Roy meet the minimum ownership value for directors set by the Board for Directors.

The Corporation has set the minimum number of Shares that each officer must hold in its Share Ownership Guidelines (“SOG”). For information regarding the SOG, refer to section 6.3.

### 3.3 DIRECTOR INDEPENDENCE

A majority of the members of the Board of Directors and a majority of the members of the Board’s committees are independent, as defined by the Canadian Securities Administrators. The Board, either directly or through one of its committees, adopts structures and procedures to ensure the Board functions independently of Management.

All director nominees, except James E. Buzzard and Richard G. Roy, are independent.

<sup>10</sup> Mr. Roy is the President and Chief Executive Officer of the Corporation.

<b>Director nominees</b>	<b>Independent</b>	<b>Non-Independent</b>	<b>Reason for Non-Independence</b>
James E. Buzzard		■	Until June 1, 2012 was Senior Vice President, Corporate Development, USA of the Corporation
Robert Chevrier	■		
Patricia Curadeau-Grou	■		
Pierre Desjardins	■		
Jean Dulac	■		
Joseph P. Felicelli	■		
John A. Hanna	■		
Rick Keister	■		
Hubert Marleau	■		
Richard G. Roy		■	President and Chief Executive Officer of the Corporation

### **3.4 DIRECTOR INTERLOCKS**

The Corporation does not currently have a policy whereby it limits the number of its directors who sit on the same board or committee of another public corporation but reviews interlocking board and committee memberships and believes disclosing them is important. As of March 8, 2013, there are no interlocking public corporation directorships or committee memberships among the Board members.

## **4. DIRECTOR COMPENSATION AND ATTENDANCE**

### **4.1 HIGHLIGHTS**

In 2012, the directors:

- Modified the composition of the various committees of the Board;
- Prepared the succession of the members of the Board;
- Introduced a defined contribution plan for Senior Executives to replace the Supplemental Executive Retirement Plan;
- Reviewed Directors compensation and recommended to the Board, who accepted, an increase in the remuneration of directors payable in DSUs and an increase of the Chair of the Board's Annual Allowance;
- Reviewed the Long-Term compensation structure for the Senior Executives; and
- Prepared a share ownership guidelines for the Senior Executives (minimum ownership), deferred share unit plan and a performance share unit plan.

## 4.2 COMPOSITION OF THE COMMITTEES

The following table sets out current committee members:

Committee <sup>1</sup>	January 1 to May 8, 2012	Since May 8, 2012
<b>Human Resources and Compensation Committee</b>	Pierre Desjardins, Chair Joseph Felicelli <sup>2</sup> Jacques Maltais Jeanne Wojas <sup>3</sup>	Pierre Desjardins, Chair Robert Chevrier <sup>5</sup> Jean Dulac Jacques Maltais
<b>Corporate Governance Committee</b>	Jeanne Wojas, Chair <sup>3</sup> Joseph Felicelli <sup>2</sup> John Hanna	Robert Chevrier, Chair (by interim) James Buzzard <sup>4</sup> Pierre Desjardins John Hanna
<b>Audit Committee</b>	Jean Gu�nette, Chair Pierre Desjardins Jean Dulac John Hanna Hubert Marleau	Jean Gu�nette, Chair James E. Buzzard Robert Chevrier <sup>5</sup> John Hanna Hubert Marleau
<sup>1</sup> Richard G. Roy is invited to assist the deliberations of all committees. Until May 8, 2012, the Corporation had an Executive Committee composed of Clay Buzzard, Pierre Desjardins and Jean-Louis Dulac. <sup>2</sup> Joseph Felicelli was a member of the Committee until May 8, 2012. <sup>3</sup> Jeanne Wojas was a member of the Committee until May 8, 2012. <sup>4</sup> James Buzzard was nominated to the Corporate Governance Committee on November 8, 2012. <sup>5</sup> Robert Chevrier is ex-officio member of all Committees.		

## 4.3 DIRECTOR COMPENSATION

The objective of the Corporation is to offer its directors a competitive compensation, sufficient to attract and retain directors who display qualities relevant to the environment in which the Corporation evolves.

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

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

	From January 1 to Sept. 29, 2012	Since Sept. 30, 2012
Quarterly allowance	\$10,000	\$10,000 \$5,000 payable in DSUs
Participation in a committee or Board meeting	\$1,750	\$1,750
Annual Allowance for the Chair of the Audit Committee	\$12,000	\$12,000
Annual Allowance for the Chair of the Human Resources and Compensation Committee	\$8,000 <sup>1</sup>	\$12,000
Annual Allowance for the Chair of other committees	\$8,000	\$8,000 <sup>2</sup>
<sup>1</sup> Annual Allowance for the Chair of the Human Resources and Compensation Committee was raised to \$12,000 on July 1, 2012. <sup>2</sup> Mr. Chevrier did not receive this annual allowance for his role as interim Chair of the Corporate Governance Committee.		

As for the Chair of the Board since May 8, 2012, Mr. Chevrier is receiving an annual allowance and is not receiving any additional compensation for any committee or Board meetings. At Mr. Chevrier's request, his annual allowance is paid in DSUs. As of July 1<sup>st</sup>, the remuneration of the Chair of the Board was reviewed as follows:

	Jan. 1 to June 30, 2012	Since July 1, 2012
Annual allowance	\$110,000	\$250,000

#### 4.4 DIRECTOR COMPENSATION TABLE

The following table provides the annual retainers and attendance fees that each non-Management director earned during the fiscal year ended December 31, 2012 for their participation on the Board of Directors of Uni-Select and its Committees:

Name	Fees earned (\$)	Share-based awards (\$) <sup>1</sup>	Option-based awards (\$)	Non-equity incentive plan compensation (\$)	Pension Value (\$)	All other compensation (\$)	Total (\$)
Clay E. Buzzard <sup>2</sup>	\$25,500.00	N/A	N/A	N/A	N/A	N/A	\$25,500.00
James E. Buzzard	\$22,250.00	\$21,294.35	N/A	N/A	N/A	N/A	\$43,544.35
Robert Chevrier	N/A	\$172,010.41	N/A	N/A	N/A	N/A	\$172,010.41
Pierre Desjardins	\$87,000.00	\$9,544.35	N/A	N/A	N/A	N/A	\$96,544.35
Jean Dulac	\$66,750.00	\$9,544.35	N/A	N/A	N/A	N/A	\$76,294.35
Joseph P. Felicelli <sup>3</sup>	\$43,500.00	N/A	N/A	N/A	N/A	N/A	\$43,500.00
Jean Gu�nette	\$74,250.00	\$9,544.35	N/A	N/A	N/A	N/A	\$83,794.35
John A. Hanna	\$63,500.00	\$21,294.35	N/A	N/A	N/A	N/A	\$84,794.35
Jacques L. Maltais	\$72,000.00	\$9,544.35	N/A	N/A	N/A	N/A	\$81,544.35
Hubert Marleau	\$65,000.00	\$9,544.35	N/A	N/A	N/A	N/A	\$74,544.35
Jeanne Wojas <sup>4</sup>	\$40,000.00	N/A	N/A	N/A	N/A	N/A	\$40,000.00
Total	\$559,750.00	\$262,320.89	N/A	N/A	N/A	N/A	\$822,070.89

<sup>1</sup> The column shows the dollar value of DSUs issued to the director. The DSUs paid are in lieu of a portion of the fees earned by the director shown in the fees column based either on (i) the Board of Directors' decision to pay a percentage of the director's remuneration in DSUs instead of cash or (ii) the director's decision to receive a percentage of his or her remuneration in DSUs instead of cash.

<sup>2</sup> Clay E. Buzzard ceased to be a director of the Corporation in May 2012.

<sup>3</sup> Joseph P. Felicelli ceased to be a director of the Corporation in May 2012.

<sup>4</sup> Jeanne Wojas ceased to be a director of the Corporation in May 2012.

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

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

The following table shows all awards of DSUs<sup>11</sup> outstanding for each Director for the year ending December 31, 2012:

Name	Option-Based Awards				Share-Based Awards		
	Number of securities underlying unexercised options (#)	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options (\$)	Number of shares or units of shares that have not vested (#)	Market or payout value of share-based awards that have not vested (\$)	Market or payout value of vested share-based awards not paid out or distributed (\$)
BUZZARD, James E.	0	0	0	0	929.97	N/A	N/A
CHEVRIER, Robert	0	0	0	0	7,512.03	N/A	N/A
DESJARDINS, Pierre	0	0	0	0	416.82	N/A	N/A
DULAC, Jean	0	0	0	0	416.82	N/A	N/A
GU�NETTE, Jean	0	0	0	0	416.82	N/A	N/A
HANNA, John A.	0	0	0	0	929.97	N/A	N/A
MALTAIS, Jacques L.	0	0	0	0	416.82	N/A	N/A
MARLEAU, Hubert	0	0	0	0	416.82	N/A	N/A

<sup>11</sup> Refer to Section 6.4.1 for additional details concerning the Deferred Share Unit Plan.

The Corporation reimburses its directors for travel and other out-of-pocket expenses incurred in attending Board or committee meetings. The directors are not participants in any pension fund sponsored by Uni-Select nor do they receive any form of share-based compensation except for the DSUs. For information regarding the Deferred Share Unit Plan, refer to section 6.4.1.

The directors are insured by a Directors & Officers and General Liability Insurance policy. The premium of US\$102,138.00 is paid by the Corporation.

#### 4.5 SUMMARY OF ATTENDANCE RECORD

The following table indicates the attendance record of each director for all Board and committee meetings held in 2012.

Name	Number of meetings which he/she attended in 2012 <sup>9</sup>			
	Board (9 Meetings)	Audit Committee (4 meetings)	Human Resources and Compensation Committee (10 meetings)	Corporate Governance Committee (6 meetings)
Clay E. Buzzard <sup>1</sup>	2/3	N/A	N/A	N/A
James E. Buzzard <sup>2</sup>	6/6	2/2	N/A	N/A
Robert Chevrier <sup>3</sup>	6/6	2/2	4/4	2/2
Pierre Desjardins <sup>4</sup>	8/9	2/2	10/10	2/2
Jean Dulac <sup>5</sup>	9/9	2/2	4/4	N/A
Jean-Louis Dulac <sup>6</sup>	3/3	N/A	N/A	N/A
Joseph P. Felicelli <sup>7</sup>	3/3	N/A	6/6	4/4
Jean Gu�nette	9/9	4/4	N/A	N/A
John A. Hanna	8/9	4/4	N/A	6/6
Jacques L. Maltais	9/9	N/A	10/10	N/A
Hubert Marleau	9/9	4/4	N/A	N/A
Richard G. Roy	9/9	N/A	N/A	N/A
Jeanne Wojas <sup>8</sup>	3/3	N/A	6/6	4/4

<sup>1</sup> Clay E. Buzzard ceased to be a director of the Corporation in May 2012.

<sup>2</sup> James E. Buzzard was elected to the Board of Directors and appointed to the Audit Committee of the Corporation in May 2012. He was also appointed to the Corporate Governance Committee of the Corporation in November 2012.

<sup>3</sup> Robert Chevrier was elected to the Board of Directors and appointed to all the Committees of the Corporation in May 2012.

<sup>4</sup> Pierre Desjardins ceased to be a member of the Audit Committee and was appointed to the Corporate Governance Committee and to the Human Resources and Compensation Committee in May 2012.

<sup>5</sup> Jean Dulac ceased to be a member of the Audit Committee and was appointed to the Human Resources and Compensation Committee in May 2012.

<sup>6</sup> Jean-Louis Dulac ceased to be a director of the Corporation in May 2012.

<sup>7</sup> Joseph P. Felicelli ceased to be a director of the Corporation and a member of the Corporate Governance and Human Resources and Compensation Committees in May 2012.

<sup>8</sup> Jeanne Wojas ceased to be a director of the Corporation and a member of the Corporate Governance and Human Resources and Compensation Committees in May 2012.

<sup>9</sup> The Executive Committee that existed until May 8, 2012 had no meetings in 2012.

In 2012, the independent directors met in camera, without any members of Uni-Select's Management or the non-independent directors being present, after 5 of the 9 Board meetings, after all Audit Committee meetings and after all but one Human Resources and Compensation Committee meeting.

#### 4.6 NOMINATION OF DIRECTORS

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

The table below illustrates the current skills and experience of the nominees to the Board:

<b>Skill</b>	<b>Description</b>	<b>James E. Buzzard</b>	<b>Robert Chevrier</b>	<b>Patricia Curadeau-Grou</b>	<b>Pierre Desjardins</b>	<b>Jean Dulac</b>	<b>Joseph P. Felicelli</b>	<b>John A. Hanna</b>	<b>Richard L. Keister</b>	<b>Hubert Marleau</b>	<b>Richard G. Roy</b>
Senior Executive	Experience as a President, CEO or executive officer of a publicly-listed company or a major organization	■	■	■	■		■	■	■	■	■
Management and Leadership	Experience driving strategic direction and leading growth of an organization	■	■	■	■	■	■	■	■	■	■
Business Development/M&A/Strategic Planning	Management or executive experience with responsibility for identifying value creation opportunities.	■	■	■	■	■	■	■	■	■	■
Financial Literacy	Experience in financial accounting and reporting and financing, particularly with respect to internal controls, Canadian GAAP and/or IFRS		■	■	■	■		■		■	■
Corporate Governance	Prior or current experience as a board member of a Canadian organization (public, private or non-profit)	■	■	■	■	■	■	■		■	
Automotive Industry Knowledge	Operating, management, marketing or regulatory expertise in the automotive parts industry	■	■			■	■		■		■
Change Management	Experience leading a major organizational change or managing a significant merger	■	■	■	■		■	■	■	■	
Health, Safety and Environmental Management	Understanding of the regulatory environment surrounding workplace health, safety, environment and social responsibility	■		■	■	■	■	■	■		
Global Experience	Management or executive experience in a multi-national organization providing understanding of the challenges faced in a different cultural, political or regulatory environment		■	■	■		■	■	■	■	■
Human Resources	Senior executive experience or board compensation committee participation with an understanding of compensation, benefits and pension programs, legislation and agreements, as well as expertise in executive compensation programs	■	■	■	■	■	■	■	■	■	■
Marketing	Senior executive experience in an industry where consumer marketing is a critical component	■	■	■	■		■				
Legal Expertise	Significant private practice or in-house experience advising within the public company environment										
Risk Evaluation	Management or executive experience in evaluation and managing the variety of risks faced by an organization	■	■	■		■		■	■	■	■
Real Estate	Senior executive experience in real estate, whether commercial, residential, development or leasing	■		■				■			
Sustainable Development	Understanding the constituents of sound sustainable development practices and their relevance to corporate success	■		■	■	■		■	■	■	
General Commercial Experience	A broad range of commercial/business experience in areas including communications, marketing, branding and business systems, practices and improvements.	■	■	■	■	■	■	■	■	■	■

## 5. EXECUTIVE COMPENSATION RELATED FEES

In 2012, the Human Resources and Compensation Committee retained the services of Eckler and Towers Watson. Towers Watson is an expert-consultation firm that provides independent advice on executive compensation and related governance questions. Towers Watson was mandated to provide the Human Resources and Compensation Committee with advice and assistance in relation to the decisions to be taken on the compensation programs for the Senior Executives.

Eckler is an actuarial consulting firm. They are responsible for the management on an annual basis of the Uni-Select pension funds. In 2012, Eckler was mandated to provide the Committee with advice and assistance in the integration of our new Supplemental Executive Retirement Plan for the Senior Executives nominated after July 1, 2012.

The Committee takes into account the opinions and recommendations of Towers Watson and Eckler, but makes its own decisions. Towers Watson and Eckler provide other related services to the Corporation. Total fees paid by the Corporation to Towers Watson and Eckler for services rendered in 2012 (as compared to 2011) are presented in the table below:

Type of mandate	Fees paid to Towers Watson & Eckler for services rendered pertaining to executive compensation for periods ending on December 31, 2012 and 2011	
	2012	2011
Executive Compensation-related fees	\$100,484	\$165,499
All other fees (Pension – Eckler)	\$ 99,729	\$ 38,521
<b>Total</b>	<b>\$200,213</b>	<b>\$204,020</b>

## 6. EXECUTIVE COMPENSATION DISCLOSURE AND ANALYSIS

This Compensation Disclosure & Analysis report (“CD&A”) is prepared by the Human Resources and Compensation Committee (referred to in this section 6 as “Committee”).

### 6.1 MANDATE OF THE COMMITTEE

The Committee assists the Board in fulfilling its responsibilities related to governance and the strategic oversight of the human capital of Uni-Select including organizational efficiency, the improvement of leadership and succession planning. The Committee is also responsible for conceiving and putting into place the remuneration policies and practices at Uni-Select, their harmonization with Uni-Select’s strategy of achieving a constant and durable return over the long term and for ensuring that Uni-Select’s remuneration programs do not entice undue risk taking.

<b>Philosophy, policies and compensation plans, including short and long-term incentive plans</b>	Taking into account the direction of the Corporation, the Committee examines, approves and recommends to the Board the strategy to put in place for Senior Executives’ compensation. The Committee then administers compensation and benefits programs in accordance with the approved strategy.
<b>Evaluation of the President and Chief Executive Officer</b>	Annually, the Committee recommends to the Board the compensation of the President and Chief Executive Officer and evaluates his performance against specific objectives. The Committee, within its mandate, takes into account the performance of the Corporation, the shareholders’ return and the compensation offered for comparable positions at other corporations.
<b>Succession Planning</b>	The Committee ensures that the official succession plan is periodically updated for the chief executive officer and other members of Senior Executives.
<b>Uni-Select’s retirement funds and pension plans</b>	The Committee ensures that it is well-informed on the return of the investments, the important risks related to the governance structure of Uni-Select’s pension plans and other related pension plans.

<b>Risks related to compensation and human resources</b>	At least once per year the Committee examines all the risks related to remuneration. This includes a review of the compensation philosophy, the features of the incentive program, an evaluation of performance and a review of the various governance elements in place to manage compensation.
<b>Independence from the Committee</b>	All the members meet the independence criteria approved by the Board which were based on the rules for director independence set by the Canadian Securities Administrators.

## 6.2 EXPERTISE OF THE COMMITTEE

The members of the Committee have various experiences and most of them have a thorough understanding of principles and policies underlying executive compensation decisions that was acquired, among other things, through experience as a former chief executive officer of large publicly-traded corporations or as a former chair and chief executive officer of a sizeable business operating inside a large publicly-traded corporation.

They have therefore acquired thorough knowledge of the most important subjects related to executive compensation such as the review of compensation contracts, leadership and succession planning, the development of incentive plans, the analysis of the compensation market, the financial analysis of compensation plans, pension fund administration, the regulatory environment and the negotiation of employment conditions.

### Executive Compensation Policy Objective

The Corporation's executive compensation policy aims to attract and retain competent individuals and motivate them to optimize value for the Corporation's shareholders. The compensation is designed to be competitive, to stimulate a profitable return on investments and long-term growth.

The Corporation's compensation policies and practices are designed to adequately reward Senior Executives for their services, and to encourage them to establish short-term and long-term strategies at increasing share value and creating economic wealth. The Corporation's strategy, therefore, places the emphasis on compensation elements linked to performance, including share value through stock option grants.

### Executive Compensation Structure Review

Towers Watson, an expert consulting firm that provides independent advice on executive compensation and related governance questions, has been appointed by the Committee to provide assistance with the Executive Compensation Structure Review ("**Review**"). The Review encompassed a market compensation competitiveness analysis for the CEO, the CFO as well as twelve other Senior Executives and included all elements forming part of executive compensation during fiscal 2011, with the objective of making any appropriate changes when establishing the compensation for the fiscal year 2012. The objective of the Committee was to better align executive compensation with shareholders' value.

The Corporation's compensation practices were therefore compared to a new comparative group, approved by the Committee. The comparative group is composed of 19 Canadian and US companies ("**Comparative Group**") conforming to, at least, one of the following criteria:

- Companies operating in the auto parts industry (direct competitors);
- Companies acting mainly in the distribution sector;
- Companies having similar organizational features (i.e. operating a large number of stores, operating a large distribution network etc.); and
- Companies of similar size.

The Corporation does not use the data compiled from the Comparative Group for any purpose other than for the comparison of senior executive compensation practices against those of the Comparative Group. The Committee considers that such comparison is a determining factor in setting compensation.

COMPARATIVE GROUP	
USA	CANADA
Applied Industrial Technologies Inc.	Canadian Tire Corporation Ltd.
Beacon Roofing Supply Inc.	Purolator Inc.
Fastenal Company	Richelieu Hardware Ltd.
Genuine Parts Company	Rona Inc.
MSC Industrial Direct Co. Inc.	Russel Metals Inc.
O'Reilly Automotive Inc.	Superior Plus Corp.
Pep Boys	Taiga Building Products Ltd.
Pool Corp.	UAP Inc.
Watsco Inc.	Wajax Corporation
W.W Grainger Inc.	

#### Review - Summary of the findings

In general, the compensation of Uni-Select's Senior Executives was found to be below the median of the Comparative Group, both for the salary scales and bonus targets while being well above on pension benefits. Bonus compensation at Uni-Select was almost exclusively paid in cash while the Comparative Group was more aligned with instruments connected with shareholders' value. Consequently, the Committee's objective was to align Senior Executives more with shareholders' value by creating a bonus structure which would reflect the value of Uni-Select's shares over time.

### **6.3 SUMMARY OF SENIOR EXECUTIVES COMPENSATION ELEMENTS**

The following table presents the key components of Senior Executive compensation, whether such components represent a direct or indirect remuneration.

DIRECT REMUNERATION			
SHORT-TERM		MEDIUM/LONG TERM	
Base salary			
Annual group bonus	Annual individual bonus	Deferred Share Unit & Performance Share Unit Plans	Stock Option
INDIRECT REMUNERATION			
Group medical insurance and benefits		Pension Plan	

Based on the analysis gathered from the Comparative Group, the Committee recommended to the Board of Directors to align base salaries with the median of the Comparative Group for new Senior Executives while remaining below the mentioned median for current Senior Executives who decided to stay with their current supplementary retirement plan. The Committee's objective is also to provide variable compensation and retirement programs in line with those of direct competitors and organizations in similar industries, and to favor stock-based long-term incentives. The Committee strives to provide adequate balance between components representing fixed and variable compensation in order to place the emphasis on compensation elements linked to performance and achieve the compensation policy's objective.

#### **Share Ownership Guidelines**

The interests of the Senior Executives are further aligned with shareholders' interests through stock ownership requirements. The Committee adopted Share Ownership Guidelines (the "SOG") in early 2013 that require minimum levels of share ownership, based on each Senior Executive's position and salary. Senior Executives are required to own Shares having an aggregate value equal to:

- Three times his or her annual base salary for the CEO;
- One and a half time his or her annual base salary for President and COOs, CFO, EVPs or Senior VPs of business units; and
- One time his or her annual base salary for VPs of the Corporation.

There is no time limitation to meet Share ownership targets. However, until target ownership is reached, Designated Executive Officers must (i) retain ownership of no less than 50% of the number of Shares obtained after taxes when issued from time to time under the terms of the Stock Option Plan and (ii) elect to receive no less than a percentage of the value of his or her annual bonus in Deferred Share Units as provided under the Deferred Share Unit Plan (30% for Senior Executives appointed on or after July 1, 2012 and 20% for Senior Executive appointed before July 1, 2012), provided that, unless expressly provided, the SOG shall not apply to Senior Executives in an event of his or her retirement. Furthermore, Shares held of record or in brokerage account and Deferred Share Units count towards ownership.

For the purpose of assessing ownership levels, compliance is calculated as at December 31<sup>st</sup> of each year based on the average of the last five business day's closing price of the Shares.

As at the December 31, 2012, none of our Named Executive Officers have reached the minimum Share Ownership Guidelines.

#### **6.4 NAMED EXECUTIVE OFFICERS**

This CD&A focuses on the compensation paid to the executive officers listed below (also identified as the “**Named Executive Officers**” or the “**NEOs**”), during the financial year ended December 31, 2012. The Named Executive Officers include the Chief Executive Officer, the Chief Financial Officer and the three most highly compensated executive officers, taking into account their total compensation (excluding pensions). The NEOs are:

1. Richard G. Roy, President and Chief Executive Officer;
2. Denis Mathieu, Executive Vice President, Corporate Services and Chief Financial Officer;
3. Gary O'Connor, President and Chief Operating Officer, Canadian Automotive;
4. William E. Alexander, President and Chief Operating Officer, US Automotive; and
5. Pierre Chesnay, Vice President, Legal Affairs and Secretary.<sup>12</sup>

##### **6.4.1 Direct Remuneration**

###### **Base salary**

The base salary component of NEO compensation aims to reflect salaries offered for positions involving similar responsibilities and complexity, hierarchical level, as well as the ability and experience of the NEO. The base salary for each NEO is revised annually. Base salary does not fluctuate in relationship with the performance of the Corporation or NEO, and the compensation is paid as long as the NEO remains employed with Uni-Select. Uni-Select base salary for NEO is generally slightly below the median of the Comparative Group in order to attribute more weight to the variable compensation, pension entitlement.

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

###### **Annual Bonus**

The Short-Term Incentive Plan is comprised of an annual bonus based on the level of achievement of (i) financial indicators of the Corporation and (ii) specific or non-financial measures. The Short-Term Incentive Plan aims to encourage the achievement of financial performance targets and equitably reward Senior Executives who distinguish themselves by their contribution. It ensures a balance between individual performance, financial performance and compensation and allows the compensation of the Senior Executives to vary according to the level of achievement of specific objectives.

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<sup>12</sup> Retired as of February 28, 2013.

	Richard G. Roy			Denis Mathieu Gary O'Connor William Alexander			Pierre Chesnay		
	Target Bonus %		Maximum Bonus %	Target Bonus %		Maximum Bonus %	Target Bonus %		Maximum Bonus %
Short-Term Incentive	Financial Objective	Specific Objective		Financial Objective	Specific Objective		Financial Objective	Specific Objective	
Total Target and Maximum Bonus	80%	10%	150%	50%	10%	100%	40%	10%	85%
Deferral of Annual Bonus (DSUs)	Mandatory deferral of 30% (20% for executives hired prior to July 1, 2012) of Bonus Payout in DSUs until the minimum ownership described in the SOG is met								
STIP Payout Grid	Target objective at 10% growth over last year with threshold at 3.5% above last year 30% of additional EBT shared with executives when growth is between 10% and 15% and 50% of additional EBT shared with executives when growth above 15% (subject to maximum above)								

### *Financial Objective Bonus*

The bonus is based on the achievement of annual financial objectives and allows Senior Executives to participate in the financial success of the Corporation. Annually, the Board of Directors determines a scale and parameters of achievement which corresponds to a bonus determined as a percentage of base salary, as well as the maximum bonus amount that would be paid to each senior executive should the target be exceeded.

For 2012, financial performance was based on the level of achievement of the earnings per share (“EPS”) when compared to the higher previous year’s actual EPS or targeted EPS. Under the Short-Term Incentive Plan, a bonus can only be paid if the EPS is at least 3.5% higher than the previous year. This Plan is designed to provide Uni-Select’s Senior Executives with an incentive to increase the profitability and growth of the Corporation.

### *Specific Objectives*

A second component of the bonus allocated to Senior Executives is based on the attainment of specific personal objectives, or non-financial measures. A specific objective may not be attained, may be partially or totally attained. The allocated bonus under the specific objectives component may vary from 0% of base salary to 10% of base salary depending on the nature of the specific objective, its impact on the Corporation, the operations on which the Senior Executives has an influence and any objective the Board wishes to promote.

### **Deferred Share Unit Plan**

To align the interests of the Senior Executives with shareholders’ interests, the Committee adopted a policy in early 2013 that requires minimum levels of Share ownership, based on each senior executive’s position and salary. Until targeted ownership is reached as described in the SOG (refer to section 6.3), designated senior executive ( “**Beneficiary**”) must elect to receive no less than a pre-determined percentage of the value of his short term bonus in Deferred Share Units (“**DSU**”) as provided under the Deferred Share Unit Plan (“**DSU Plan**”) (30% for Senior Executives appointed on or after July 1, 2012, and 20% for Senior Executives appointed before July 1, 2012), provided that, unless expressly provided, the SOG shall not apply to the Senior Executives in an event of his or her retirement.

The DSU Plan was formally approved by the Board on February 28, 2013 and is effective as of January 1, 2013 for Senior Executives with respect to (i) their short-term bonus payable in 2013 related to the 2012 Fiscal year and (ii) for short-term bonuses for subsequent years<sup>13</sup>. The DSU Plan is effective as of May 8, 2012 for the directors.

Each Beneficiary appointed prior to July 1, 2012 must elect to receive no less than 20% of the value of his short-term bonus in DSUs until such time he has attained the minimum holding requirements and to the extent required to maintain such minimum holding. Each Beneficiary hired or appointed on or after July 1, 2012 must elect to receive no less than 30% of the value of his short-term bonus in DSUs until such time, he has attained the minimum ownership requirements and to the extent required to maintain such minimum ownership.

Beneficiaries receive such number of DSUs as it is obtained by dividing (i) the portion of bonus for which the senior executive elects to be awarded DSUs by (ii) the DSU value (i.e. the average closing price at which the Shares were traded on the TSX for the five (5) trading days prior to the date of the meeting of the Board of Directors on which the

<sup>13</sup> The DSU Plan is also available to the Directors as of May 8, 2012, subject to an election to be made by each Director that could be modified on a yearly basis.

short-term bonuses are approved hereinafter referred to as the “**DSU Value**”). If and when dividends in cash are paid on the Shares, Beneficiaries shall be credited with dividend equivalents in respect of DSUs granted as of the date each such dividend is paid by the Corporation. Such dividend equivalents shall be converted into additional DSUs (including fractional DSUs based on the DSU Value on the date each such dividend is paid).

DSUs shall be redeemed by the Corporation (**A**) as soon as practicable upon (i) termination of an officer, (ii) termination of the DSU Plan upon a change in control, (iii) termination of the DSU Plan with respect to all U.S. executive officers affected by such change in control, (**B**) within 90 days of the death of the executive officer or (**C**) within the one-year period immediately following the retirement of an executive officer (each such event is referred to as a “**Redemption Event**” and each such date is referred to as a “**Redemption Date**”). Only upon the occurrence of a Redemption Event, the Corporation shall remit an amount in cash equal to the DSU Value as at the Redemption Date of all, but not less than all, DSU credited to the executive officer, less applicable taxes. The DSUs credited to the account of such executive officer shall not represent any right other than the right to receive the amount in cash and such DSUs will be automatically cancelled following the full payment of such amount.

### **Long-Term Incentives Plans**

Uni-Select currently has three long-term incentives plans which are:

1. Stock Option Plan;
2. The Deferred Performance Unit program (“**DPU Program**”); and
3. The Performance Share Unit Plan (“**PSU Plan**”).

The DPU Program and the PSU Plan are in a transition period. Under the DPU Program, the last Deferred Performance Units (“**DPU**”) were granted to Senior Executives for the 2012-2013-2014 period. This is the last three-year cycle for the DPU Program. The new PSU Plan will be used to grant Performance Share Units (“**PSU**”) to Senior Executives for three-year cycle starting for the 2013-2014-2015 period. At the end of 2014, this transition period will terminate and the DPU Program will be completely replaced by the PSU Plan and will then cease to be in force.

In 2012, Uni-Select’s Long-Term Incentives Target for all NEOs were below the Comparative Group’s median by an average of 23%.

#### ***Stock Option Plan***

The Stock Option Plan valid until May 8, 2012 was first adopted and became effective as of September 30, 1985 and was thereafter amended several times. It was amended at the Corporations’ annual meeting of shareholders held on May 8, 2012.

The purposes of the Stock Option Plan are (i) to grant management employees and officers of the Corporation (a “**Beneficiary**”) options to purchase Shares directly from the Corporation in order to stimulate the productivity of such employees thus furthering the growth and development of the Corporation, and (ii) to assist the Corporation in retaining and attracting Senior Executives with experience and ability. The Stock Option Plan is managed by the Board or any Committee. The Board or the Committee, as the case may be, has full and complete authority relating to the interpretation and the application of the Stock Option Plan, its provisions and purposes. It may adopt any measure it judges necessary or advisable for the management of the Stock Option Plan.

The Board shall, from time to time, designate the Beneficiaries and the number of Shares to be covered by an option. All options granted must be in compliance with the requirements of the TSX. The number of Shares that may be issued pursuant to the exercise of options shall not exceed, subject to adjustment pursuant to the Stock Option Plan, 1,700,000 Shares, representing approximately 8% of all outstanding Shares as of the date hereof, or any higher number approved by a resolution of the Board of Directors subject to the amendment provisions of the Stock Option Plan (including shareholder approval). All Shares subject to options that have expired, without being exercised, shall be available for any subsequent options under the Stock Option Plan. A Beneficiary shall not hold options covering more than 5% of the outstanding Shares. The aggregate number of Shares issuable to insiders of the Corporation under the Stock Option Plan and any other security based compensation arrangement of the Corporation, at any time, shall not exceed 10% of the total issued and outstanding Shares. Furthermore, the aggregate number of Shares issued to insiders of the Corporation, within any one year period, shall not exceed 10% of the total issued and outstanding Shares, while the maximum number of Shares that may be issued to any one insider under the Stock Option Plan and any other share compensation arrangement (within the meaning of the Option Plan) within a one-year period shall not exceed 5% of the number of Shares outstanding.

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

The period during which an option is exercisable and the vesting of options shall be determined by the Board of Directors or the Committee but shall not, subject to the provisions of the Stock Option Plan, commence earlier than the date of granting of the option and shall not exceed seven (7) years. If the term of an option expires during or within ten (10) business days after the expiration of a Blackout Period, then the term of such option or the unexercised portion thereof, shall be extended by ten (10) business days after the expiration of the Blackout Period. For the purposes of the Stock Option Plan, “Blackout Period” means any period during which a policy of the Corporation prevents a Beneficiary from exercising an option. No Option or any interest therein shall be assignable by the Beneficiary other than by will, the law of succession or estate settlement purposes.

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

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

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

proxy at a meeting of shareholders of the Corporation must be obtained; (c) the Board of Directors would have had the authority to initially grant the option under the terms as so amended; and (d) the consent or deemed consent of the Beneficiary of the option is obtained if the amendment would materially prejudice the rights of the Beneficiary of the option.

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

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

### ***Deferred Performance Unit Program***

Uni-Select's Senior Executives participate in the DPU Program. The DPU Program was implemented to enable Senior Executives to participate in the long-term success of the Corporation and to encourage them to remain in the employment of the Corporation. The payout amount to participants is based on a mathematical formula which leaves no room for subjective attribution unless the Board decides otherwise. The DPU has no voting or profit-sharing attributes. The executive officers eligible under the DPU program are those who have a direct influence on the long-term results of the Corporation and are appointed by the Board upon the recommendation of the Committee. The DPU program has a strong correlation to the financial performance of the Corporation and aligns the compensation of the executive officer to such performance.

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

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

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

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

### ***Performance Share Unit Plan***

The PSU Plan was formally approved by the Board on February 28, 2013 and is effective as of January 1, 2013. The PSU Plan is in replacement of our DPU Program, as mentioned previously.

The purpose of the PSU Plan is to (i) encourage the retention of Senior Executives (a "**Beneficiary**"); (ii) provide alignment between performance compensation and the achievement of the strategic plan of the Corporation; (iii) provide executive officers with an incentive to create economic value for the shareholders of the Corporation; and (iv) to align the interest of Senior Executives with those of the shareholders by encouraging share ownership. The PSU doesn't confer any shareholder rights. The Beneficiaries of the PSU Plan are appointed by the Board, from time to time. The Board awards PSUs annually in the last quarter of the year for the 3 consecutive years to begin on January next ("**Performance Period**"). The number of PSUs awarded annually to a Beneficiary is determined by multiplying the Beneficiary base

salary by the target percentage<sup>14</sup> of such Beneficiary divided by the PSU value (i.e. the average closing price at which the Shares were traded on the TSX for the five (5) trading days prior to the date of the award of the PSU, hereinafter referred to as the “**PSU Value**”). Contemporaneously, the Board sets the performance objective applicable to the PSUs. The performance objective is a Return on Equity that is the market rate Canada Savings Bonds, 10-years maturity, for the month of November immediately preceding the beginning of the Performance Period increased by 9% (“**Performance Objective**”). The percentage attributed to the Return on Equity obtained by the Corporation during the Performance Period applicable to each PSU (“**Performance Factor**”) represents 100% when the performance objective is met, a lesser percentage when the Corporation fails to meet the Performance Objective and exceeds 100% in the event the Performance objective is exceeded.

PSUs are redeemed by the Corporation (**A**) as soon as practicable upon (i) a change in control, (ii) termination of the PSU Plan with respect to all U.S. Participants affected by such change in control and the regulations thereunder, (iii) at the end of each Performance Period or (**B**) within 90 days or 90 days following the end of a plan year if the Redemption Event occur after July 1<sup>st</sup> of (i) the date on which the disability of the senior executive becomes a total disability according to the rules provided under the applicable group insurance coverage of the Corporation; (ii) the death of a senior executive; (iii) the retirement date in the event of retirement of a senior executive (each such event represents a “**Redemption Event**” and the day upon which occurs a Redemption Event is a “**Redemption Date**”).

Upon the occurrence of a Redemption Event and as of the Redemption Date, the Corporation shall remit or cause to be remitted to the Beneficiary (or his estate) an amount in cash equal to: the applicable number of PSU multiplied by the Performance Factor multiplied by the PSU Value at Redemption Date, less applicable taxes.

If the Redemption Event occurs at any time other than on the last day of a plan year, the number of PSU of the Beneficiary shall be prorated on the basis of (i) the number of completed plan years for each Performance Period and (ii) for uncompleted plan years, the sum of days from the beginning of the plan year to the Redemption Date divided by 365. Notwithstanding the foregoing, any benefit payable to a U.S. participant who is a specified employee shall be delayed and consistent with the requirements of Code Section 409A and the requirements thereunder, as may be necessary, except that in no event shall the payment of the benefit be delayed beyond the end of the calendar year following the year of retirement or termination.

Upon the occurrence of a Redemption Event, with respect to a particular Beneficiary, the PSUs credited to the account of such Beneficiary shall not represent any right other than the right to receive the amount in cash determined, and such PSUs will be automatically cancelled following the full payment of such amount. Save in the case of the occurrence of a Redemption Event, any PSU that is not vested because a Beneficiary is not an employee of the Corporation as of the Redemption Event is canceled. Upon termination, a senior executive officer loses the right to all unvested PSUs.

The PSU Plan may be amended or terminated (including without limitation to suspend or limit the right of an executive officer to elect to participate in the plan) at any time and from time to time by the Board provided that any such amendment or termination does not in any way infringe upon any rights of Senior Executives in respect of PSUs previously credited to the account of a senior executive. Where the PSU Plan is terminated, the PSUs will remain outstanding until a Redemption event, unless a change in control has occurred and the Board determines, in good faith, in terminating the plan due to the change in control, it would not be appropriate for the PSUs to remain outstanding, and their termination should constitute a Redemption Event.

#### **6.4.2 Indirect Remuneration**

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

The Corporation offers pension benefits to its Canadian employees through a basic registered pension plan, a registered pension plan for Senior Executives and a non-registered supplemental pension plan for certain Senior Executives. The basic registered pension plan is a defined benefit pension plan. The registered pension plan for Senior Executives and the non-registered supplemental pension plan for certain Senior Executives are defined benefit pension plans for Senior Executives who joined prior to July 1, 2012; any Senior Executives who joined the plans on or after July 1, 2012, or those who will join in the future, will be eligible to a registered defined contribution plan and a non-registered defined contribution plan. In the event of a change of control of the Corporation, all benefits accrued to the beneficiaries of these plans in respect of his year of credited service up to the date of a change of control become fully vested.

Under the defined benefit pension plans applicable to Senior Executives who joined prior to July 1, 2012, each NEO may receive full pension benefits, without actuarial reduction, upon reaching the age of 60. Pension benefits presented in the

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<sup>14</sup> The Target Percentage for the NEO are: Richard G. Roy 55%, Denis Mathieu 30%, Gary O’Connor 30%, William Alexander 30% and Pierre Chesnay 37.5%.

table at section 7.7 include the aggregate of the benefits under the basic plan, the Senior Executives registered plan and the supplemental plan.

The annual benefits payable under the defined benefit plans are based on the member's final average earnings at year end and on projected credited service; it is assumed, for purposes of determining the annual benefits payable at year end, that the member will satisfy the vesting conditions under the supplemental plan (i.e. the Senior Executives will have attained at least age 55 and completed at least 5 years of credited service at the time of his retirement). The assumptions used in preparing the information presented in the table at section 7.7 are identical to those used for purposes of calculating the accrued obligation as at December 31, 2012 reflected in the audited financial statements for the year ending as at that date; these assumptions include a projected annual salary increase of 3.50% per annum and a discount rate of 4.40% per annum.

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

The registered defined contributions plan was approved by the Board on July 1, 2012 and additional pension benefits will accrue to designated Senior Executives of Uni-Select USA, Inc. under a defined contribution non-qualified program providing for annual Company contributions equal to 10% of base salary, inclusive of any contributions made by the Company to any other Company-sponsored pension arrangements.

To this effect, an additional layer was added to the Uni-Select USA, Inc. Deferred Compensation Plan (the "**Deferred Compensation Plan**"), with the following main provisions:

- As soon as practicable after the end of the plan year, a special Corporation contribution (the "**SERP Contribution**") will be made to the second layer of the Deferred Compensation Plan on behalf of each covered executive. Such SERP Contribution will be equal to 10% of the senior executive's base salary for the plan year, less any Corporation contributions made on behalf of the executive during such period, under either the Uni-Select USA, Inc. 401(k) plan and the first (current) layer of the Deferred Compensation Plan.
- As it is the case for any other Corporation contributions to the Deferred Compensation Plan, SERP Contributions will be credited to an hypothetical account established in the name of the executive and the account will be credited with investment earnings based on one or more of the hypothetical investment options available under the Plan, as selected by the executive from time to time.
- Within 30 days of becoming eligible to participate in the SERP segment of the Plan, the executive may make an election select the form of payment of the benefits to be paid upon retirement; the options offered will be a lump sum payment or the payment of the accumulated value of the SERP Contributions over a fixed period (five years or ten years).
- Upon attainment of age 55, the accumulation of SERP Contributions will become fully vested; no vesting will be provided upon termination of employment before age 55, unless the termination is initiated by the Corporation.
- In the event of death prior to full distribution of the vested benefit, the vested accumulation of SERP Contributions with investment earnings is payable in a lump sum to the designated beneficiary.
- Upon a change of control of the Corporation, the accumulation of SERP Contributions with investment earnings becomes immediately vested to the executive.

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

As the Corporation's other employees, the Senior Executives benefit from personal insurance (medical, dental, long-term disability insurance, life insurance, annual executive physical exam), privileges to purchase parts distributed by the Corporation for personal use and other benefits offered by the Corporation to its employees.

## **6.5 PERFORMANCE ASSESSMENTS**

The Committee makes recommendations to the Board of Directors on the compensation for the executive officers of Uni-Select, submits to the Board the short-term and long-term incentive plan objectives, both financial and specific, and approves the evaluation submitted for the performance of each NEO. The Board is the final authority on compensation matters for the NEOs of Uni-Select and on policy changes related to compensation.

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

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

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

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

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

## **6.7 COMPENSATION AND RISK**

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

We believe the following measures impose appropriate limits to avoid excessive or inappropriate risk-taking or payments:

- Compensation payments are capped to provide upper payout boundaries.
- Milestones achieved must be maintained over a period of time prior to being paid or awarded. This achievement through vesting provisions built into a long-term incentive plan.
- Annual review of our long-term incentive plans' targets and milestones to ensure continued relevance and applicability.
- Evaluation of variable compensation plan metrics to confirm balance of objectives between plan thereby mitigating by design excessive risk-taking.
- Policies which limit the authority on expenditures. The Board has in place policies that limit the expenditures which can be made at different levels of the organization.

## **6.8 COMMITTEE REPORT**

Following the Executive Compensation Structure Review achieved in 2012, the Committee submits that the compensation of the NEOs is appropriate given Uni-Select's size, the range of its activities and the return on shareholders' equity. The Committee is satisfied that the current executive compensation policies, programs and levels of compensation are correctly aligned with the Corporation's performance, shareholders' interests, and respects competitive market practices.

# **7. SUMMARY COMPENSATION TABLE**

## **7.1 2012 HIGHLIGHTS**

In 2012, the Corporation has:

- Realized sales of US\$1.821B an increase of US\$40.6M;
- Implemented a distribution network rationalization and consolidation plan which generated a cost reduction of US\$8M;

- Reduced the debt by US\$42M and reduced the inventory by US\$33.0M;
- Purchased the remaining non-controlling interests of Uni-Select Pacific Inc.
- Acquired 9 stores in Canada and in the United-States; and
- Continued the developpement and the deployment of the enterprise resource planning system.

## 7.2 SUMMARY COMPENSATION TABLE

The following table details the annual compensation to each of the NEOs with regards to 2010, 2011 and 2012. Information on compensation paid in previous years and other information filed with the Canadian provincial securities commissions on SEDAR may be reviewed on [www.sedar.com](http://www.sedar.com).

Name and principal position	Year	Salary (\$)	Share-based awards <sup>6</sup> (\$)	Option-based awards <sup>4</sup> (\$)	Non-equity Incentive Plan Compensation (\$)		Pension Value (\$)	All other Compensation <sup>5</sup> (\$)	Total Compensation (\$)
					Short-term Annual Incentive Plans (paid in cash)	Long-term Incentive Plan			
<b>Richard G. Roy</b> President and Chief Executive Officer	2012	530,846.00	28,782.00		115,128.00	380,000.00	208,500.00	31,977.00	1,295,233.00
	2011	518,269.00			262,500.00	400,000.00	165,800.00	14,400.00	1,360,969.00
	2010	493,269.00			379,493.00	320,000.00	149,200.00	14,400.00	1,356,362.00
<b>Denis Mathieu</b> Executive Vice President, Corporate Services and Chief Financial Officer	2012	301,346.15	11,340.00		45,360.00	102,000.00	94,500.00	15,888.85	570,435.00
	2011	291,154.00			119,625.00	117,500.00	73,100.00	55,563.00	656,942.00
	2010	280,807.00		70,100.00	136,020.00	86,000.00	59,300.00	11,974.00	644,201.00
<b>Gary O'Connor</b> President and Chief Operating Officer, Canadian Automotive Group	2012	287,923.00	10,404.00		41,616.00	110,000.00	105,700.00	12,485.00	568,128.00
	2011	280,769.00			92,625.00	106,500.00	85,200.00	32,063.00	597,157.00
	2010	279,382.00			83,875.00	82,400.00	45,400.00	11,974.00	503,031.00
<b>William E. Alexander</b> <sup>1</sup> President and Chief Operating Officer, United States Automotive Group	2012	292,239.39	11,337.96		45,351.84	95,982.72	31,494.33	11,997.84	488,404.07 <sup>3</sup>
	2011	257,355.91			24,727.50		18,695.97	25,469.33	326,248.70 <sup>3</sup>
	2010	247,296.00			96,569.09		3,424.02	12,364.80	359,653.91 <sup>3</sup>
<b>Pierre Chesnay</b> <sup>7</sup> Vice President, Legal Affairs and Secretary	2012	197,192.00			29,700.00	117,700.00 <sup>2</sup>	75,200.00	12,485.00	432,277.00
	2011	192,825.00			65,325.00	64,875.00	63,500.00	12,063.00	398,588.00
	2010	186,577.00			61,803.00	48,000.00	60,200.00	42,054.00	398,634.00

<sup>1</sup> William E. Alexander is a participant of the US SERP Pension Plan  
<sup>2</sup> The vesting of the Performance units accelerated, on a prorata basis, upon retirement.  
<sup>3</sup> USD converted into CAD using the exchange rate of 2012-0.99982, 2011-0.9891, 2010-1.0304  
<sup>4</sup> The fair value of the options granted was estimated at the award date in order to determine compensation expenses for the options by using the Black & Scholes pricing model according to the following hypotheses for the 2012 year:  
Expected dividend rate 1.41% Risk-free interest rate 2.37%  
Expected volatility 25.51% Expected duration in years 7  
<sup>5</sup> Including payment of unused vacation over 2 weeks as per our Corporation Policy.  
<sup>6</sup> The amounts included in this column represent the portion of the short-term bonus attributable to 2012, that are granted as DSUs at the time of the approval of such bonuses according to the DSU Plan and the Share Ownership Guidelines of the Corporation. Refer to section 6.4.1 for a detailed description of the DSU Plan  
<sup>7</sup> Retired as of February 28, 2013.

### 7.3 SHORT-TERM BONUS RELATED TO FINANCIAL OBJECTIVES TABLE

In order for a short-term bonus to be granted, Uni-Select's Board of Directors establishes a minimum threshold to be reached. For 2012, the minimum was to increase last year's Earning Per Share by 3.5%. Unfortunately, for the period ending on December 31, 2012, the NEOs did not reach the minimum for a bonus to be paid.

Name	Target Bonus %		Maximum Bonus %	Target Bonus (\$)	Maximum Bonus (\$)	PAYMENT (\$)
	Financial Objective	Specific Objective				
Richard G. Roy	80%	10%	150%	426,400	799,500	Ø
Denis Mathieu	50%	10%	100%	157,500	315,000	Ø
Gary O'Connor	50%	10%	100%	144,500	289,000	Ø
William E. Alexander	50%	10%	100%	157,472	314,943	Ø
Pierre Chesnay	40%	10%	85%	79,200	168,300	Ø

#### *Table of short-term bonuses related to specific objectives*

Notwithstanding the 2012 achievement of specific objectives, no bonuses were paid in due to the unreached financial minimum threshold described above. The specific objectives set for the NEO at the beginning of 2012 were tied to the achievement of certain strategic and priority activities to the development of the Corporation. The objectives and weight attached are re-evaluated on an annual basis by the Human Resources and Compensation Committee. These objectives could include operational, functional or HR objectives. Achievement of the specific objectives presents a meaningful challenge for the Corporation's senior management since the Corporation consistently sets ambitious goals.

The following is a summary of the 2012 operational, functional and HR specific objectives:

- **Operational Objectives:** Execute SAP deployment, increase synergies among business units and monitor progress, implement a cost reduction plan, improve organic sales and gross margin;
- **Functional Objectives:** Implementation of 1<sup>st</sup> year initiatives of the strategic plan, Merger and Acquisition support and revised risk management model; and
- **Human Resources Objectives:** Implementation of the revised organizational structure and development plan for succession candidates.

#### *Discretionary bonuses awarded by the board of directors*

When it became obvious in 2012 that financial targets would not be met, the Board of directors asked Management to prepare a cost reduction plan to alleviate the consequences on the Corporation's results given the poor market conditions and set an incentive plan on that basis where management would receive an incentive based on the progress accomplished in reducing costs over and above those already included in the plan.

The Board of Directors, making use of its discretionary powers, agreed to pay a discretionary bonus based on the cost reduction results achieved during the course of the year<sup>15</sup>, which represents 30% of each NEO respective target bonus.

Name	Special Discretionary Bonus Payment (\$)
Richard G. Roy	143,910
Denis Mathieu	56,700
Gary O'Connor	52,020
William E. Alexander	56,690
Pierre Chesnay	29,700

<sup>15</sup> Except for Mr. Chesnay that retired as of February 28, 2013, 20% of the special discretionary bonus paid to the NEOs was paid in DSUs.

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

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

Name	Number of units awarded in 2008	Number of units awarded in 2009	Number of units awarded in 2010	AROE reached for payment			Level achieved in 2010	Level achieved in 2011	Level achieved in 2012	2010 Payment (\$)	2011 Payment (\$)	2012 Payment (\$)
				2010	2011	2012						
Richard G. Roy	4,000	4,000	4,750	11.97%	12.37%	11.17%	\$80	\$100	\$80	320,000	400,000	380,000
Denis Mathieu	1,075	1,175	1,275	11.97%	12.37%	11.17%	\$80	\$100	\$80	86,000	117,500	102,000
Gary O'Connor	1,030	1,065	1,375	11.97%	12.37%	11.17%	\$80	\$100	\$80	82,400	106,500	110,000
William E. Alexander <sup>1</sup>	N/A	N/A	1,200	11.97%	12.37%	11.17%	\$80	\$100	\$80			95,983
Pierre Chesnay <sup>2</sup>	600	649	1,471	11.97%	12.37%	11.17%	\$80	\$100	\$80	48,000	64,875	117,700

<sup>1</sup> USD converted into CAD using the exchange rate of 0.99982

<sup>2</sup> The vesting of the DUP units accelerated, on a prorata basis, upon retirement effective as of February 28, 2013.

## 7.5 EQUITY COMPENSATION PLAN INFORMATION

The following table sets forth the compensation plan under which equity securities of the Corporation are authorized for issuance, being the Corporation's current purchase option plan, as at December 31, 2012:

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights (a)	Weighted-average exercise price of outstanding options, warrants and rights (b)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column (a)) (c)
Equity compensation plans approved by security holders	60,000	\$30.63	1,638,231
Equity compensation plans not approved by security holders	N/A	N/A	N/A
<b>Total</b>	60,000	\$30.63	1,638,231

The following table shows all awards outstanding for each NEO for the year ending December 31, 2012, notably those awarded before the end of the last period.

Name	Option-Based Awards				Share-Based Awards		
	Number of securities underlying unexercised options (#) <sup>1</sup>	Option exercise price (\$)	Option expiration date	Value of unexercised in-the-money options (\$) <sup>3</sup>	Number of shares or units of shares that have not vested (#) <sup>2</sup>	Market or payout value of share-based awards that have not vested (\$) <sup>3</sup>	Market or payout value of vested share-based awards not paid out or distributed (\$)
Richard G. Roy	50,000	\$31.42	Jan. 1, 2018	Ø	1,205.68	28,782.00	Ø
Denis Mathieu	10,000	\$26.70	Dec. 12, 2020	Ø	475.03	11,340.00	Ø
Gary O'Connor	Ø	Ø	Ø	Ø	435.82	10,404.00	Ø
William E. Alexander	Ø	Ø	Ø	Ø	487.01	11,626.00	Ø
Pierre Chesnay	Ø	Ø	Ø	Ø	Ø	Ø	Ø

<sup>1</sup> Stock options held as at December 31, 2012

<sup>2</sup> Deferred Stock Units held as at December 31, 2012

<sup>3</sup> Based on the closing price of the Shares as at December 31, 2012

## 7.6 INCENTIVE PLAN AWARDS – VALUE VESTED OR EARNED DURING THE YEAR

Name	Option-based awards – value vested during the year (\$)	Share-based awards – value vested during th year (\$)	Non-equity incentive plan compensation – value earned during the year (\$)
Richard G. Roy	Ø	Ø	Ø
Denis Mathieu	Ø	Ø	Ø
Gary O'Connor	Ø	Ø	Ø
William E. Alexander	Ø	Ø	Ø
Pierre Chesnay	Ø	Ø	Ø

## 7.7 TABLE OF VALUE OF THE PENSION PLAN

The Corporation offers pension benefits to its Canadian employees through a basic registered pension plan, a registered pension plan for Senior Executives and a non-registered supplemental pension plan for certain Senior Executives. The basic registered pension plan is a defined benefit pension plan. The registered pension plan for Senior Executives and the non-registered supplemental pension plan for certain Senior Executives are defined benefit pension plans for Senior Executives who joined prior to July 1, 2012; any Senior Executives who joined the plans on or after July 1, 2012, or those who will join in the future, will be eligible to a registered defined contribution plan and a non-registered defined contribution plan.

Under the defined benefit pension plans applicable to Senior Executives who joined prior to July 1, 2012, each NEO may receive full pension benefits, without actuarial reduction, upon reaching the age of 60. Pension benefits presented in the following table include the aggregate of the benefits under the basic plan, the Senior Executives registered plan and the supplemental plan.

The annual benefits payable under the defined benefit plans are based on the member's final average earnings at year end and on projected credited service; it is assumed, for purposes of determining the annual benefits payable at year end, that the member will satisfy the vesting conditions under the supplemental plan (i.e. the member will have attained at least age 55 and completed at least 5 years of credited service at the time of his retirement). The assumptions used in preparing the information presented in the following table are identical to those used for purposes of calculating the accrued obligation as at December 31, 2012 reflected in the audited financial statements for the year ending as at that date; these assumptions include a projected annual salary increase of 3.50% per annum and a discount rate of 4.40% per annum.

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

Registered defined contributions plan was approved by the Board on July 1, 2012 in additional pension benefits will accrue to designated Senior Executives of Uni-Select USA, Inc. under a defined contribution non-qualified program providing for annual Company contributions equal to 10% of base salary, inclusive of any contributions made by the Company to any other Company-sponsored pension arrangements.

The table below illustrates the costs and benefits payable at retirement for each NEO:

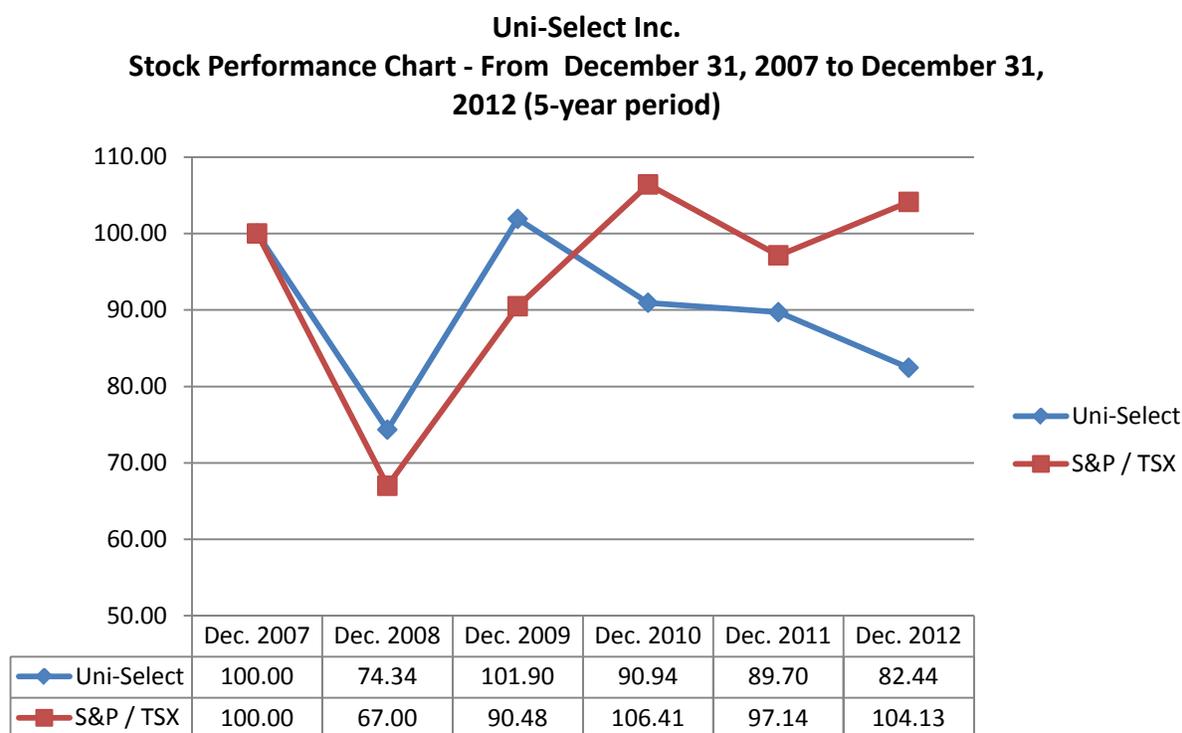
Name	Number of years of credited service as at December 31, 2012		Annual benefits payable <sup>1</sup> (\$)		Opening present value of defined benefit obligation	Compensatory change	Non-compensatory change	Closing present value of defined benefit obligation
	Registered Plans	Supplemental Plan	At year end	At age 65	(\$)	(\$)	(\$)	(\$)
Richard G. Roy	14.00	12.41	176,400	227,200	2,410,400	208,500	204,000	2,822,900
Denis Mathieu	5.83	5.83	39,600	125,400	447,300	94,500	34,600	576,400
Gary O'Connor	7.00	7.00	45,700	97,600	625,800	105,700	47,300	778,800
William E. Alexander	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Pierre Chesnay	16.00	13.00	71,900	86,000	1,111,100	75,200	64,400	1,250,700

<sup>1</sup> As at December 21, 2012

## 8. PERFORMANCE GRAPH

The graph below illustrates the annual percentage change in the Corporation's cumulative return on shareholders' equity on the stock of the Corporation in relation to the cumulative return of the S&P/TSX Index over a five-year period ended December 31, 2012.

The year-end valuation of each investment is based on the increase in share value, adjusted for cash dividends reinvested as at the date on which they were paid. These calculations do not account for brokerage fees or taxes. The total return on shareholders' equity for each investment, whether measured in dollars or as a percentage, may be calculated from the year-end values shown on the graph below.



The trend shown by the above performance graph is a significant decrease in 2008 when the recession, which began in the second half of the year, affected the securities market as a whole. As at December 31, 2009, Uni-Select's share price had recovered and had increased by 37.12% compared to its value as at December 31, 2008. The trend in the Corporation's compensation to the NEOs has generally followed the trend in the performance graph save for the 2008 financial year where total compensation of the NEOs increased even though the share price decreased. Throughout the 2010 financial year, there was a marked difference between Uni-Select's share price and the value of the reference index;

whereas the index continued to make strong gains, Uni-Select's share value continued to decrease until December 31, 2010. During 2011, the reference index decreased whereas Uni-Select's share price was stable, thus out-performing the market. The base salary of the NEOs has increased by 3.9% in the course of 2011, an increase in compensation justified by the share performance which has maintained its value since the beginning of 2011 when compared with the reference index that has declined significantly. The total compensation of the NEOs has increased by 0.4% in the course of 2012, mainly due to (i) payment made to William Alexander for DPUs granted in 2010, his first year of eligibility under the DPU Program (described in Section 6.4.1) and (ii) salary adjustments for William Alexander and Denis Mathieu derived by enhanced responsibilities granted to these individuals in 2012. Except for these two elements, the 2012 total compensation paid to the NEOs would have been lower than in 2011.

## **9. ADDITIONAL INFORMATION**

Unless otherwise indicated, the information contained herein is provided as at March 8, 2013. The Corporation is not aware of any matters that could be submitted at the Meeting other than those indicated in the Notice of Meeting. Should any unknown matters be properly submitted at the Meeting, the persons named in the form of proxy will vote on such matters according to their best judgment.

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

Uni-Select is a reporting issuer and is subject to securities legislation; accordingly, it must file its annual financial statements and information circular. Uni-Select must also file an annual information form with the securities commissions. Financial information is provided in the Corporation's comparative annual financial statements and Management report for its most recently completed financial year. Copies of this Information Circular, as well as the Corporation's latest Annual Information Form, Annual Report and Management Report for the year ended December 31, 2012, and its Quarterly Financial Statements produced after the latest Annual Financial Statements may be obtained from the Corporation's website, at no charge, at [www.uniselect.com](http://www.uniselect.com) or by mail from the Secretary at 170 Industriel Blvd., Boucherville, Québec, J4B 2X3.

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

### **9.2 SHAREHOLDER PROPOSALS FOR THE 2013 ANNUAL MEETING**

Shareholder proposals for the meeting held for the purposes of receiving the 2013 year-end financial statements and other matters must be received by December 26, 2013.

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

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

The Vice-President, Legal Affairs and Secretary,



M<sup>c</sup> Louis Juneau  
March 26, 2013  
Boucherville, Québec



## SCHEDULE “A” - INFORMATION CONCERNING GOVERNANCE

### BOARD OF DIRECTORS

The Board of Directors is comprised of 9 directors until the annual meeting: Robert Chevrier, the Chair of the Board, James E. Buzzard, Pierre Desjardins, Jean Dulac, Jean Guénette, John A. Hanna, Jacques L. Maltais, Hubert Marleau and Richard G. Roy. The Board of Directors estimates that a number of directors between nine and twelve allows the Board to adequately carry out its obligations.

The Board of Directors regularly schedules meetings of the Board at which non-independent directors and members of Management are not in attendance. In 2012, the independent Directors held ten (10) meetings in the absence of non-independent Directors and members of Management.

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

### BOARD MANDATE

The Board of Directors adopted a Board of Directors’ Charter in order to identify the specific responsibilities of the Board of Directors and thereby to enhance coordination and communication between the Board and Management. A copy of the mandate of the Board is attached hereto as Schedule “B”.

### POSITION DESCRIPTIONS

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

### ORIENTATION AND CONTINUING EDUCATION

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

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

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

### ETHICAL BUSINESS CONDUCT

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

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

## **HUMAN RESOURCES AND COMPENSATION COMMITTEE**

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

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

## **AUDIT COMMITTEE**

Information regarding the Corporation's Audit Committee is provided in Item 12 of the Corporation's Annual Information Form for 2012, which is incorporated herein by reference. A copy of the Annual Information Form is available, at no cost, on SEDAR at [www.sedar.com](http://www.sedar.com) or, upon request to the Secretary of Uni-Select.

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

## **CORPORATE GOVERNANCE COMMITTEE**

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

The Corporate Governance Committee is composed Robert Chevrier (Chair), James E. Buzzard, Pierre Desjardins and John Hanna.

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



## **SCHEDULE “B” - BOARD OF DIRECTORS’ CHARTER**

### **INTRODUCTION**

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

### **PART I. BOARD STRUCTURE**

#### **1. COMPOSITION OF THE BOARD**

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

#### **2. ELECTION AND APPOINTMENT OF DIRECTORS**

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

### **PART II. BOARD OPERATIONS**

#### **1. CHAIR OF THE BOARD**

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

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

#### **2. SECRETARY OF COMMITTEE**

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

#### **3. REGULAR MEETINGS**

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

#### **4. SPECIAL MEETINGS**

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

#### **5. QUORUM**

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

#### **6. AGENDA**

The Chair shall develop and set the Board’s agenda in consultation with the other directors and the Secretary. The agenda and information concerning the business to be conducted at the Board meetings shall, to the extent practical, be

communicated to the directors sufficiently in advance of each meeting to permit meaningful review. Each Board meeting agenda shall include a period of discussion between directors in the absence of management and non-independent directors.

## **7. DELEGATION**

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

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

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

# **PART III. DUTIES AND RESPONSIBILITIES**

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

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

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

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

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

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

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

- a) together with the Board Chair, monitor the size and composition of the Board and its committees to ensure effective decision-making;
- b) consider the appropriate skills and competencies required of the Board as a whole, taking into consideration the Board's short-term needs and long-term succession plans and assess what competencies and skills each existing director possesses; and

- c) develop, and annually update, a long-term plan for the Board's composition that takes into consideration the characteristics of independence, age, skills, experience and availability of service to the Corporation of its members, as well as the opportunities, risks and strategic direction of the Corporation.

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

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

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

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

#### **5. STRATEGY AND PLANS**

The Board has the responsibility to:

- a) adopt a strategic planning process and participate with Management in the development of, and ultimately approve on at least an annual basis, the Corporation's strategic plan which takes into account, among other things, the future trends, opportunities and risks of the business over a three to seven-year horizon;

- b) approve annual capital and operating budgets that support the Corporation's ability to meet its strategic objectives and operating plans;
- c) approve the entering into, or withdrawing from, lines of business that are, or are likely to be, material to the Corporation;
- d) approve financial and operating objectives used in determining compensation if they are different from the strategic, capital or operating plans referred to above;
- e) approve material divestitures and acquisitions;
- f) monitor the Corporation's progress towards its strategic objectives, and revise and alter its direction through management in light of changing circumstances; and
- g) review recent developments that may affect the Corporation's strategy, and advise Management on emerging trends and issues.

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

The Board has the responsibility to:

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

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

The Board has the responsibility to:

- a) identify the principal risks of the Corporation's business and ensure that Management implements appropriate systems to manage these risks;
- b) review coverage, deductibles and key issues regarding corporate insurance policies;
- c) review compliance with legislative and regulatory requirements, and adopting and monitoring compliance with the Code of Business and Workplace Ethics; and
- d) understand the principal risks associated with the Corporation's business and review whether the Corporation achieves a proper balance between risk and returns.

## **8. POLICIES AND PROCEDURES**

The Board has the responsibility to:

- a) develop the Corporation's system of an overall approach to corporate governance. The Board may delegate to the Corporate Governance Committee responsibility to review and make recommendations to the Board regarding the content and implementation of corporate governance guidelines and other related governance matters and processes;

- b) review compliance with the significant policies and procedures by which the Corporation is operated and approve any waivers of the practice for officers and directors;
- c) ensure that Management operates at all times within applicable laws and regulations; and
- d) review significant new corporate policies or material amendments to existing policies (including, for example, policies regarding business conduct and conflicts of interest).

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

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

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

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

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

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

The Board has the responsibility to:

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

## **11. PENSION FUNDS MATTERS**

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

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

## **12. GENERAL LEGAL OBLIGATIONS**

A. The Board has the responsibility to:

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

B. The following are legal requirements of the Board:

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

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

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

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

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

### *Fiduciary Duty and Confidentiality*

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

### *Standard of Care*

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

### *Position Qualifications*

Each director must:

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

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

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

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

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

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

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

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

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