



ALIMENTATION COUCHE-TARD INC. MANAGEMENT PROXY CIRCULAR

This proxy circular (the "Circular") is furnished in connection with the solicitation of proxies by the management of Alimentation Couche-Tard Inc. (the "Corporation") for use at the annual general and special meeting of shareholders of the Corporation (and at any adjournment thereof) (the "Meeting") to be held on Tuesday, September 6, 2011 at 1:00 p.m. (local time), at the place and for the purposes set forth in the accompanying notice of the Meeting (the "Notice"). Unless otherwise indicated, the information contained herein is given as of June 30, 2011.

SOLICITATION OF PROXIES

The proxies must be deposited at the office of the transfer agent of the Corporation, Computershare Trust Company of Canada, 100 University Ave., 9th Floor, North Tower, Toronto, Ontario, Canada, M5J 2Y1, before the time fixed for the Meeting. A shareholder executing the enclosed proxy has the power to revoke it at any time prior to its use, in any manner permitted by law, including by instrument in writing executed by the shareholder or by his attorney authorized in writing or, in the case of a corporation, by an officer or attorney authorized in writing. This instrument must be deposited either at the office of the transfer agent of the Corporation at any time up to forty-eight hours preceding the day of the Meeting at which the proxy is to be used, or with the Secretary of the Meeting on the day of the Meeting.

A shareholder has the right to appoint some other person (who need not be a shareholder of the Corporation) to represent him in attendance and to act on his behalf at the Meeting other than the individuals designated by the management of the Corporation and named in the enclosed form of proxy. Such right may be exercised by inserting in the space provided on such form of proxy the name of the other person the shareholder wishes to appoint or by completing another proper form of proxy.

This solicitation of proxies by the management of the Corporation is being carried out by mail. The Corporation may also, upon request, reimburse brokers and other persons holding shares as nominees for their reasonable costs incurred in sending proxy material to beneficial owners of shares of the Corporation. The costs of solicitation will be borne by the Corporation as per the regulation.

INSTRUCTIONS FOR NON-REGISTERED SHAREHOLDERS

Non-registered shareholders may vote shares that are held by their nominees in two ways. Applicable securities laws and regulations require nominees of non-registered shareholders to seek their voting instructions in advance of the Meeting. Non-registered shareholders will receive from their nominees a request for voting instructions for the number of shares held on their behalf. The nominee's voting instructions will contain instructions relating to signature and return of the document and these instructions should be carefully read and followed by non-registered shareholders to ensure that their shares are accordingly voted at the Meeting. Non-registered shareholders who would like their shares to be voted on their behalf must therefore follow the voting instructions provided by their nominees.

Non-registered shareholders who wish to vote their shares in person at the Meeting must insert their own name in the space provided on the request for voting instructions in order to appoint themselves as proxy holders and follow the signature and return instructions provided by their nominees. Non-registered

shareholders should not complete the remainder of the form sent to them by their nominees as their votes will be taken and counted at the Meeting.

VOTING SHARES

The voting shares of the Corporation are its Class A Multiple Voting Shares (the "Multiple Voting Shares") and its Class B Subordinate Voting Shares (the "Subordinate Voting Shares"). As at June 30, 2011, 53,690,112 Multiple Voting Shares and 130,029,401 Subordinate Voting Shares of the Corporation were issued and outstanding. Each Multiple Voting Share carries 10 votes and each Subordinate Voting Share carries one vote with respect to all matters coming before the Meeting. Therefore, the total aggregate voting rights for the Multiple Voting Shares are 80.5% and 19.5% for the Subordinate Voting Shares.

Conversion Rights

Each Multiple Voting Share is convertible at any time at the holder's option into one fully paid and non-assessable Subordinate Voting Share. Upon the earliest to occur of: (i) the day upon which all of the Majority Holders (defined in the Articles of the Corporation as being Messrs. Alain Bouchard, Richard Fortin, Réal Plourde and Jacques D'Amours) will have reached the age of 65, or (ii) the day when the Majority Holders hold, directly or indirectly, collectively less than 50% of the voting rights attaching to all outstanding voting shares of the Corporation, each Subordinate Voting Share shall be automatically converted into one fully paid and non-assessable Multiple Voting Share.

Take-Over Bid Protection

In the event that an offer as defined in the Articles of the Corporation (an "Offer") is made to holders of Multiple Voting Shares, each Subordinate Voting Share shall become convertible at the holder's option into one Multiple Voting Share, for the sole purpose of allowing the holder to accept to sell in accordance with the Offer. The term "Offer" is defined in the Articles of the Corporation as an offer in respect of the Multiple Voting Shares which, if addressed to holders resident in Québec, would constitute a take-over bid, a securities exchange bid or an issuer bid under the *Securities Act* (Québec) (as presently in force or as it may be subsequently amended or readopted), except that an Offer shall not include: (a) an offer which is made at the same time for the same price and on the same terms to all holders of Subordinate Voting Shares; and (b) an offer which, by reason of an exemption or exemptions obtained under the *Securities Act* (Québec), does not have to be made to all holders of Multiple Voting Shares; provided that, if the offer is made by a person other than a Majority Holder or by a Majority Holder to a person other than a Majority Holder, in reliance on the block purchase exemption set forth in section 123 of the *Securities Act* (Québec), the offer price does not exceed 115 % of the lower of the average market price of the Multiple Voting Shares and the average market price of the Subordinate Voting Shares as established with the formula provided by the *Regulation Respecting Securities* (Québec). The conversion right attached to the Subordinate Voting Shares is subject to the condition that if, on the expiry date of an Offer, any of the Subordinate Voting Shares converted into Multiple Voting Shares are not taken up and paid for, such Subordinate Voting Shares shall be deemed never to have been so converted and to have always remained Subordinate Voting Shares. The Articles of the Corporation contain provisions concerning the conversion procedure to be followed in the event of an Offer.

Holders of Multiple Voting Shares and holders of Subordinate Voting Shares listed as shareholders at the close of business on July 15, 2011 ("Record Date") will be entitled to vote at the Meeting in respect of all matters which may properly come before the Meeting. In order to be entitled to vote, a holder of Multiple Voting Shares or of Subordinate Voting Shares who has acquired his shares after this date must, at least ten (10) days before the Meeting, request that the Corporation enter his name on the list of shareholders entitled to vote. If two or more persons are joint holders of shares, those among such holders attending the Meeting may, in the absence of the others, vote such shares. However, if two or more joint holders are present in person or represented by proxy at the Meeting and wish to vote thereat, they may do so only as one and the same person. If more than one joint holder are present or represented by proxy, the vote must be made jointly and in unison.

Following a review of the agreement amongst shareholders of the Corporation intervened in December 1987, binding namely Développements Orano Inc. ("Orano"), having as majority shareholder Mr. Alain Bouchard and the other shareholders being Messrs. Jacques D'Amours, Richard Fortin and Réal Plourde, and Metro Inc ("Metro") and in continuance with their former relationship, they concluded a revised shareholders' agreement on March 8, 2005 with respect to their participation in the Corporation. Following a corporate reorganisation of Orano occurred on October 14, 2008, the shares held by Orano, which shareholders were Messrs. Bouchard, D'Amours, Fortin and Plourde, in the Corporation are now held by Orano and holding companies controlled respectively by Messrs. D'Amours, Fortin and Plourde (the "Holdings"). Following such reorganisation, Metro, Orano and the Holdings have entered into an amended shareholders agreement with respect to their participation in the Corporation. The rights and obligations of the parties under that amended agreement remain mainly the same as the ones in the 2005 agreement which are mainly as follows:

- (i) Metro holds a pre-emptive right to participate in new issues of shares to maintain its then existing equity ownership percentage of the Corporation;
- (ii) Metro holds the right to nominate one person for election to the board of directors of the Corporation as long as it holds at least 5% of all the outstanding shares of the Corporation on a fully diluted basis; the representative currently designated by Metro on the board of directors of the Corporation is Mr. Jean Élie who is not a Metro employee and not related in anyway except for this nomination;
- (iii) Metro, Orano and the Holdings have undertaken not to sale or transfer directly or indirectly the shares of the Corporation held by them without the other party's prior written consent;
- (iv) Metro, Orano and the Holdings hold a reciprocal right of first opportunity on the sale or transfer of shares held by them, subject to certain conditions; and
- (v) Metro, Orano and the Holdings hold a reciprocal right of first refusal on the sale and transfer of the shares of the Corporation held by them, subject to certain exceptions for transfers to permitted assignees (including to any of Messrs. Alain Bouchard, Richard Fortin, Réal Plourde and Jacques D'Amours).

This agreement provides that it will terminate if either Metro or Orano and the Holdings (the latter considered as a whole) holds less than 5% of the issued and outstanding shares of the share-capital of the Corporation on a fully diluted basis.

Following the corporate reorganisation of Orano, the latter and the Holdings as well as Messrs. Bouchard, D'Amours, Fortin and Plourde (the "Persons") have signed a voting agreement whereby the Persons and their respective Holding undertake to exercise their respective direct and indirect voting rights in the Corporation in favour of each Person's election, subject that such Persons hold, directly or indirectly, a minimum of 1,500,000 shares of the Corporation. Should one of the Persons fall under such minimum share holding, the agreement will cease to apply to such Person even if eventually the minimum holding is reached. However, the agreement will continue to apply to the other parties to the agreement.

PRINCIPAL HOLDERS OF SECURITIES

To the knowledge of the officers and directors of the Corporation, the only persons who beneficially own or exercise control or direction over shares carrying more than 10% of the votes attached to each class of voting shares outstanding of the Corporation are:

Name	Number of Multiple Voting Shares beneficially owned, controlled or directed	Percentage of Multiple Voting Shares outstanding	Number of Subordinate Voting Shares beneficially owned, controlled or directed	Percentage of Subordinate Voting Shares outstanding
Alain Bouchard	19,225,474 ⁽¹⁾	35.81 %	1,612,623 ⁽²⁾	1.24 %
Jacques D'Amours	10,786,436 ⁽³⁾	20.09 %	-	-
Richard Fortin	5,464,710 ⁽⁴⁾	10.18 %	152,200	0.12 %
Réal Plourde	2,223,548 ⁽⁵⁾	4.14 %	1,343,600	1.03 %
Metro Inc.	15,018,680	27.97 %	5,723,668	4.40 %
Fidelity ⁽⁷⁾	-	-	13,267,300	10.20 %

(1) Of this number, 17,387,752 shares are held through Développements Orano Inc. ("Orano"), a corporation controlled by Alain Bouchard, President and Chief Executive Officer of the Corporation⁽⁶⁾.

(2) Of this number, 1,245,000 shares are held through Orano⁽⁶⁾.

(3) Of this number, 7,954,626 shares are held through 9201-9686 Québec Inc.⁽⁶⁾, a corporation controlled by Jacques D'Amours, Vice-President, Administration of the Corporation, who is on sabbatical leave.

(4) Of this number, 4,176,798 shares are held through 9201-9702 Québec Inc.⁽⁶⁾, a corporation controlled by Richard Fortin, Chairman of the Board of the Corporation.

(5) Of this number, 1,534,746 shares are held through 9203-1848 Québec Inc.⁽⁶⁾, a corporation controlled by Réal Plourde, Executive Vice-President of the Corporation and who retired from the Corporation in May 2011.

(6) These corporations and their respective controlling shareholders are part to a voting agreement conferring them voting control over more than 10% of the outstanding votes of the Corporation. Therefore, together they own a total of 37,700,168 Multiple Voting Shares and 3,108,423 Subordinate Voting Shares conferring them 57.00% of the voting rights of the shares outstanding.

(7) Comprised of the affiliated Fidelity companies: Fidelity Management & Research Company, Pyramis Global Advisors, LLC, Pyramis Global Advisors Trust Company and FIL Limited.

MANAGEMENT'S REPORT AND FINANCIAL STATEMENTS

The consolidated financial statements of the Corporation for the financial year ended April 24, 2011 and the report of the auditors thereon will be submitted at the Annual General and Special Meeting of Shareholders, but no vote thereon is required or expected. These consolidated financial statements are reproduced in the Corporation's 2011 Annual Report which was sent to shareholders who requested it with this Notice of Annual General and Special Meeting of Shareholders and Management Proxy Circular. The Corporation's 2011 Annual Report is available on SEDAR (www.sedar.com) as well as on the Corporation's website (www.couche-tard.com/corporate).

ELECTION OF DIRECTORS

The Board of Directors must be composed of a minimum of three directors and of a maximum of 20 directors. Pursuant to a resolution of the Board of Directors, 10 persons are to be elected as directors for the current fiscal year, each to hold office until the next annual meeting of shareholders or until such person's successor is elected or appointed. Management proposes the election, at the Meeting, of the following 10 nominees, who are all currently members of the Board of Directors.

Should any of the nominees be unable to serve as a director for any reason prior to the Meeting, the persons named in the enclosed form of proxy reserve the right to vote for another nominee in their discretion unless the shareholder has specified in the proxy that his shares are to be withheld from voting in the election of directors.

Unless otherwise specified by the shareholders, the shares represented by any proxy enclosed herewith will be voted FOR the election of the 10 persons hereinafter named, each of whom will be nominated for election as a director.

Name and Municipality of Residence	Principal Occupation	Director Since	Number of Multiple Voting Shares beneficially owned or over which control or direction is exercised ⁽¹⁾	Number of Subordinate Voting Shares beneficially owned or over which control or direction is exercised ⁽¹⁾	Number of deferred share units ⁽²⁾
Alain Bouchard ⁽³⁾ Lorraine, Québec	President and Chief Executive Officer of the Corporation	1988	19,225,474 ⁽⁴⁾	1,612,623 ⁽⁵⁾⁽¹¹⁾	-
Jacques D'Amours ⁽³⁾ Lorraine, Québec	Vice-President, Administration of the Corporation ⁽⁶⁾	1988	10,786,436 ⁽⁷⁾	- ⁽¹¹⁾	-
Roger Desrosiers, FCA ⁽¹³⁾ Montréal, Québec Chairman of the Audit Committee	Corporate Director	2003	-	10,000	7,908
Jean Élie ⁽¹³⁾ Montréal, Québec	Corporate Director	1999	-	20,000	7,470
Richard Fortin ⁽³⁾ Longueuil, Québec	Chairman of the Board of the Corporation	1988	5,464,710 ⁽⁸⁾	152,200 ⁽¹¹⁾	-
Mélanie Kau ⁽¹²⁾ Montréal, Québec	President, Mobilia Interiors Inc.	2006	-	-	12,892
Roger Longpré ⁽¹²⁾⁽¹³⁾ Brossard, Québec Chairman of the Human Resources and Corporate Governance Committee	President, Mergerac Inc. (consulting firm in mergers and acquisitions)	2001	-	16,000	12,145
Réal Plourde ⁽³⁾ Montréal, Québec	Corporate Director ⁽¹⁵⁾	1988	2,223,548 ⁽⁹⁾	1,343,600 ⁽¹¹⁾	-
Jean-Pierre Sauriol ⁽¹²⁾ Laval, Québec	President and Chief Executive Officer, Dessau inc. (engineering-construction company)	2003	-	4,000	18,484
Jean Turmel ⁽¹⁴⁾ Montréal, Québec	President, Perseus Capital Inc. (Fund management corporation)	2002	-	38,000	21,803

(1) The information as to the shares beneficially owned, controlled or directed, not being within the knowledge of the Corporation, has been furnished by the respective candidates individually.

(2) For more details see section "Deferred Share Unit Plan".

(3) Member of the Executive Committee.

(4) Of this number, 17,387,752 shares are held through Orano.⁽¹⁰⁾

(5) Of this number, 1,245,000 shares are held through Orano.⁽¹⁰⁾

(6) Mr. D'Amours is on a sabbatical leave.

(7) Of this number, 7,954,626 shares are held through 9201-9686 Québec Inc.⁽¹⁰⁾

(8) Of this number, 4,176,798 shares are held through 9201-9702 Québec Inc.⁽¹⁰⁾

(9) Of this number, 1,534,746 shares are held through 9203-1848 Québec Inc.⁽¹⁰⁾

(10) These companies and their respective controlling shareholder are part to a voting agreement conferring them voting control over 57,00% of the outstanding votes of the Corporation.

(11) Messrs. Alain Bouchard, Richard Fortin, Réal Plourde and Jacques D'Amours also hold options granting them the right to purchase 2,300,000, 1,050,000, 1,050,000 and 50,000 Subordinate Voting Shares, respectively.

(12) Member of the Human Resources and Corporate Governance Committee.

(13) Member of the Audit Committee.

(14) Lead director.

(15) Mr. Plourde retired from the Corporation in May 2011.

To the knowledge of the Corporation and based on information provided to it by the nominees, none of these nominees is, as of July 12, 2011, or was, within 10 years before that date, a director or executive officer of a corporation (including the Corporation) which, while the nominee held that position or in the year following the date on which the nominee ceased to hold that position, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, was subject to proceedings instituted by its creditors or instituted proceedings against its creditors, made an arrangement or compromise with its creditors or took steps to make an arrangement or compromise with its creditors, or had a receiver, receiver manager or trustee appointed to hold its assets, with the exception of Roger Desrosiers who was, until June 10, 2009, director and President of the Board of Directors of Aqua-Biokem BSL Inc. and ABK-Gaspésie Inc., following his appointment by Desjardins Capital de risque, their respective majority controlling shareholder, which has requested and obtained on June 16, 2009 the appointment of a receiver to hold their respective assets pursuant to section 47.1 of the *Bankruptcy and Insolvency Act*. Since then, all the assets of these companies have been liquidated.

COMPENSATION OF DIRECTORS

Deferred Share Unit Plan

In order to further align the interest of its directors with those of its shareholders, the Board of Directors of the Corporation has a Director Compensation Policy, which provides namely:

- any director that is an employee of the Corporation or one of its subsidiaries does not receive any director compensation;
- the Corporation no longer grants any stock options to independent directors, but instead grants deferred share units (“DSU”) in accordance with the Corporation’s Deferred Share Unit Plan (the “DSU Plan”);
- at least 50% of the annual retainer fee will be paid in DSU and the director may elect to be paid in either cash or DSU for the remaining 50%;
- independent directors may elect to have up to 100% of their other compensation, including attendance fees, paid in DSU; and
- independent directors must hold at least 5,000 shares or DSU no later than three years of their election to the Board. In addition, following the implementation of shareholding guidelines, the latter shall hold a year worth of total compensation in DSU or shares of the Corporation.

Under the DSU Plan, directors are credited on the basis of the amounts payable to such director divided by the value of a unit. The value of a unit corresponds to the weighted average trading price of the Subordinated Voting Shares on the Toronto Stock Exchange over the five trading days immediately preceding the credited date. The units take the form of a credit to the account of the director. Upon a director ceasing to act as member of the Board of Directors of the Corporation, the director has the right to receive payment of the DSU credited to his account in either (i) in cash, base on the market value of a Subordinated Voting Shares on the date of payment, or (ii) in Subordinated Voting Shares to be acquired on the open market by the Corporation, equal to the number of DSU acquired by the director. The payment date of the DSU is determined by the director, subject to the Human Resources and Corporate Governance Committee approval but no later the first calendar year following the calendar year during which the director has cease to act as member of the Board. Units are not transferable other than through a will or other testamentary instrument or in accordance with succession laws.

DSU entitle holders thereof to dividends which are paid in the form of additional units at the same rate applicable to dividends paid from time to time on Subordinated Voting Shares.

The following table set forth the details of the total annual compensation and attendance fees paid in kind or not, to the directors for the fiscal year ended April 24, 2011.

Name	Compensation (\$)					Share-based awards		Value of Retirement Plan	Total Compensation Paid	Compensation Breakdown	
	Basic Annual Compensation ⁽¹⁾⁽²⁾	Compensation Chairman of Committee ⁽¹⁾	Compensation Committee Member ⁽¹⁾	Attendance Fees ⁽³⁾	Total Compensation	Allotment based on DSU Plan ⁽¹⁾⁽²⁾	Dividends paid in form of DSU			By Cash	BY DSU
	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
Richard Fortin	229,500 ⁽⁴⁾	-	-	-	229,500	-	-	-	229,500	229,500	-
Roger Desrosiers ⁽⁵⁾	23,850	11,295	-	13,770	48,915	23,850	1,355	-	74,120	48,915	25,205
Jean Élie	23,850	-	3,060 ⁽⁶⁾	17,340	44,250	23,850	1,273	-	69,373	42,720	26,653
Mélanie Kau	23,850	-	3,060	15,300	42,210 ⁽⁷⁾	23,850	2,148	-	68,208	-	68,208
Roger Longpré ⁽⁸⁾	23,850 ⁽⁹⁾	5,775	3,060	23,460	56,145	23,850	2,052	-	82,047	32,295	49,752
Jean-Pierre Sauriol	23,850	-	3,060	13,770	40,680 ⁽¹⁰⁾	23,850	3,150	-	67,680	-	67,680
Jean Turmel	52,725 ⁽¹¹⁾	-	-	9,180	61,905 ⁽¹²⁾	23,850	3,693	-	89,448	-	89,448
Total	401,475	17,070	12,240	92,820	523,605	143,100	13,671	-	680,376	353,430	326,946

- (1) The payment of the annual compensation is spread over four instalments.
- (2) In line with the Director Compensation Policy of the Corporation, half of the Directors' basic annual compensation is paid in DSU according to the DSU Plan.
- (3) An amount of \$1,530 is paid for each Board of Directors meeting and Human Resources and Corporate Governance Committee meeting, and \$2,040 for each Audit Committee meeting.
- (4) His mandate as Chairman of the Board of Directors does not qualify him under the DSU plan.
- (5) President of Audit Committee.
- (6) Mr. Élie requested to receive half of this amount in DSU.
- (7) Ms. Kau requested to receive the total of this sum in DSU.
- (8) President of Human Resources and Corporate Governance Committee.
- (9) Mr. Longpré requested to receive the total of this amount in DSU.
- (10) Mr. Sauriol requested to receive the total of this sum in DSU.
- (11) This amount includes a sum of \$28,875 in his capacity as lead director.
- (12) Mr. Turmel requested to receive the total of this sum in DSU.

Outstanding share-based awards and option-based awards

The following table set forth for each independent director details pertaining to all outstanding stock options at the end of the fiscal year ended April 24, 2011.

Name	Option-based Awards				Share-based Awards	
	Number of securities underlying unexercised options ⁽¹⁾	Option exercise price (\$) ⁽¹⁾⁽²⁾	Option expiration date ⁽³⁾	Value of unexercised in-the-money options (\$) ⁽⁴⁾	Number of shares or units of shares that have not vested	Market or payout value of share-based awards that have not vested (\$)
Roger Longpré	20,000	7.3575	March 19, 2012	364,650	-	-
Jean Turmel	20,000	6.24	March 18, 2013	387,000	-	-

- (1) Stock options were granted prior to the change of the Corporation's policy with respect to grants to independent directors as indicated above. Take note that on March 18, 2005, there was a share split on all of the Corporation's issued and outstanding shares on a two for one basis and therefore, the outstanding stock options were adjusted accordingly as to the number and the exercise price.
- (2) The exercise price of a stock option corresponds to the weighted average trading price of the Subordinated Voting Shares on the Toronto Stock Exchange over the five trading days immediately preceding the grant date.
- (3) The stock options expire at the tenth anniversary from grant date.
- (4) Value of unexercised in-the-money options at financial year-end is the difference between the closing price of the Subordinate Voting Shares on the Toronto Stock Exchange at fiscal year-end (\$25.59) and the exercise price. **This gain has not been, and may never be, realized. The options have not been, and may never be, exercised and actual gains, if any, on exercise will depend on the value of the aforesaid shares on the date of exercise.**

Incentive plan awards – value vested or earned during the fiscal year

The following table sets forth, for each independent director, the aggregate dollar value that would have been realized if the DSU had been cashed on the grant date that occurred in fiscal 2011.

Name	Option-based awards – Value vested during the fiscal year(\$)	Share-based awards – Value vested during the fiscal year(\$) ⁽¹⁾	Non-equity incentive plan compensation – Value earned during the year(\$)
Roger Desrosiers	-	25,205	-
Jean Élie	-	26,653	-
Mélanie Kau	-	68,208	-
Roger Longpré	-	49,752	-
Jean-Pierre Sauriol	-	67,680	-
Jean Turmel	-	89,448	-

(1) The DSU are only payable upon a director ceasing to act as member of the Board of Directors of the Corporation. The director has the right to receive payment of the DSU credited to his account in either (i) in cash, base on the market value of a Subordinated Voting Shares on the date of payment, or (ii) in Subordinated Voting Shares to be acquired on the open market by the Corporation, equal to the number of DSU acquired by the director. For more information, refer to section "Director Compensation – Deferred Stock Unit Plan" of this circular.

EXECUTIVE COMPENSATION

Compensation discussion and analysis

The Corporation is committed to a competitive compensation policy that drives short- and long-term business performance. To that effect, the Board of Directors has created a Human Resources and Corporate Governance Committee to assist the Board of Directors in fulfilling its responsibilities relating to matters of human resources and corporate governance, namely compensation, establishing succession plan and development of senior management including Named Executive Officers (as defined under section "Summary Compensation Table"). This Committee has the responsibility for evaluating and making recommendations to the Board regarding the compensation of the Named Executive Officers and the equity-based and incentive compensation plans, policies and programs of the Corporation.

The Corporation's compensation policy focuses on financial performance, both at the corporate and divisional levels, while providing its executive officers the necessary incentives to further the development of the Corporation, in line with its strategy and values. In determining compensation for Named Executive Officers, the Human Resources and Corporate Governance Committee reviews a survey of compensation practices of a peer group of listed Canadian and U.S. companies of similar size in the retail and manufacturing (food) industries, to benchmark compensation against the median (50th percentile) of the peer group.

The peer group is comprised of the following companies:

Canada

- Canadian Tire Corporation Limited
- The Jean Coutu Group (PJC) Inc.
- Maple Leaf Foods, Inc.
- Loblaw Companies Limited
- Metro Inc.
- Rona Inc.
- Saputo Inc.
- Sears Canada Inc.
- Shoppers Drug Mart
- Tim Hortons

United States

- Casey's General Stores Inc.
- The Pantry Inc.
- Smithfield Foods
- Susser Holdings
- Delek Holdings

The compensation of the Named Executive Officers is comprised of the following components:

Compensation Components	Description	Objectives
Base salary	<ul style="list-style-type: none"> ▪ Annual base cash compensation. 	<ul style="list-style-type: none"> ▪ Attract, retain and motivate. ▪ Recognize level of responsibility and individual performance over time.
Annual incentive plan (“AIP”)	<ul style="list-style-type: none"> ▪ Bonus plan ranging from 50% to 100% of base salary which payment is determined by the Corporation financial objectives (75%) and personal objectives (25%). ▪ If the Corporation’s financial objectives are met at less than 90%, no bonus is paid on the Corporation financial objectives component. ▪ If the financial objectives of the Corporation are attained at 90%, bonus shall be 10% on the Corporation financial objectives component and scaled-up by 10% for each additional percentage up to a maximum of 100%. ▪ Should the Corporation financial objectives be surpassed by 130%, the maximum bonus paid on the Corporation financial objectives component may reach 250% of the base salary. 	<ul style="list-style-type: none"> ▪ Motivate to achieve strategic objectives and business priorities of the Corporation. ▪ Make Named Executive Officers accountable for the achievement of financial objectives.
Long-term incentive plan (“LTIP”)	<ul style="list-style-type: none"> ▪ Phantom stock unit plan. ▪ Grants vary according to position held and individual contribution (for more details with respect to this plan, refer to section “Long-term incentive plan – phantom stock unit plan” of this Circular.) 	<ul style="list-style-type: none"> ▪ Motivate to achieve objectives that are aligned with the Corporation’s strategic objectives and align interests of Named Executive Officers with those of the shareholders.
Retirement plan	<ul style="list-style-type: none"> ▪ Defined benefit plan to provide retirement income in the form of a lifetime annuity. ▪ Retirement supplemental plan based on the base salary and part of the AIP paid in some cases. 	<ul style="list-style-type: none"> ▪ Attract, maintain and offer competitive benefits.
Other benefits	<ul style="list-style-type: none"> ▪ Corporation vehicle, health program and financial planning. 	<ul style="list-style-type: none"> ▪ Attract, maintain and offer competitive benefits.

In order to achieve the objectives described in the above table, the various compensation components are established as follows:

- **Base salary** - is targeted at the market median, with adjustments above and below median to reflect specific circumstances such as experience and individual performance;
- **Annual incentive plan** - targets are set at the median of the market for performance that meets objectives, with the possibility of exceeding target incentive payments (up to 250 % of the base

salary) when results exceed objectives and (down to zero (0)) incentive payments when results are below target;

- **Long-term incentive plan** – in fiscal year 2010, upon the Human Resources and Corporate Governance Committee's recommendation, the Board of Directors approved the implementation of a phantom stock unit ("PSU") plan for namely the executive officers. The compensation program under the PSU plan sets forth annual grants in accordance with to predetermined grant levels ranging from 20% to 90% of the base salary considering the position held by the executive officer. The PSU vest three years less a day from the grant date and are payable in cash upon vesting. The PSU payment is subject to two objectives, one time Corporation employment related (35%) and the other the Corporation's performance compared to its competitors (65%). The performance objectives are determined upon the PSU grant and are related to the Corporation's operating performances over a three consecutive year period from the grant date and compared to certain of its competitors over the same period. The PSU grant price and payment price, as established, shall not be less than the weighted average closing price for a board lot of the Subordinate Voting Shares traded on the Toronto Stock Exchange for the five days preceding the date of grant or date of payment, as applicable.

Although stock options do not form part of the total compensation envelope, discretionary grants may occur, from time to time, to executive officers following extraordinary accomplishments as it was the case previously; and

- **Pension and benefits** - are set at market competitive levels.

Shareholding Guidelines

During fiscal 2011, the Board of Directors has adopted guidelines that require minimum levels of share ownership for members of the Board of Directors, Management and Vice-Presidents based on position and base salary. These guidelines have been implemented considering that the Corporation believes that the share ownership of the member of the Board of Directors, Management and Vice-Presidents will better align their interest with the ones of the shareholders. Shares are valued at the greater of the stock price on the date they were acquired, or the market value of the shares when the value is assessed. For the purposes of assessing ownership levels, the Corporation does not include the value of PSU. Shares are valued at the greater of the stock price on the date they were acquired, or the date that share ownership levels are assessed. Vested stock options are valued based on the in-the-money value, if any, on the date that share ownership levels are assessed. The value of unvested PSUs is not included in the assessment of share ownership levels. According to such guidelines, the share ownership level must be attained at the latest at the end of the Corporation's fiscal 2015 or five years following nomination.

The following table sets out the result under such guidelines for the members of the Board of Directors and Management along with their status:

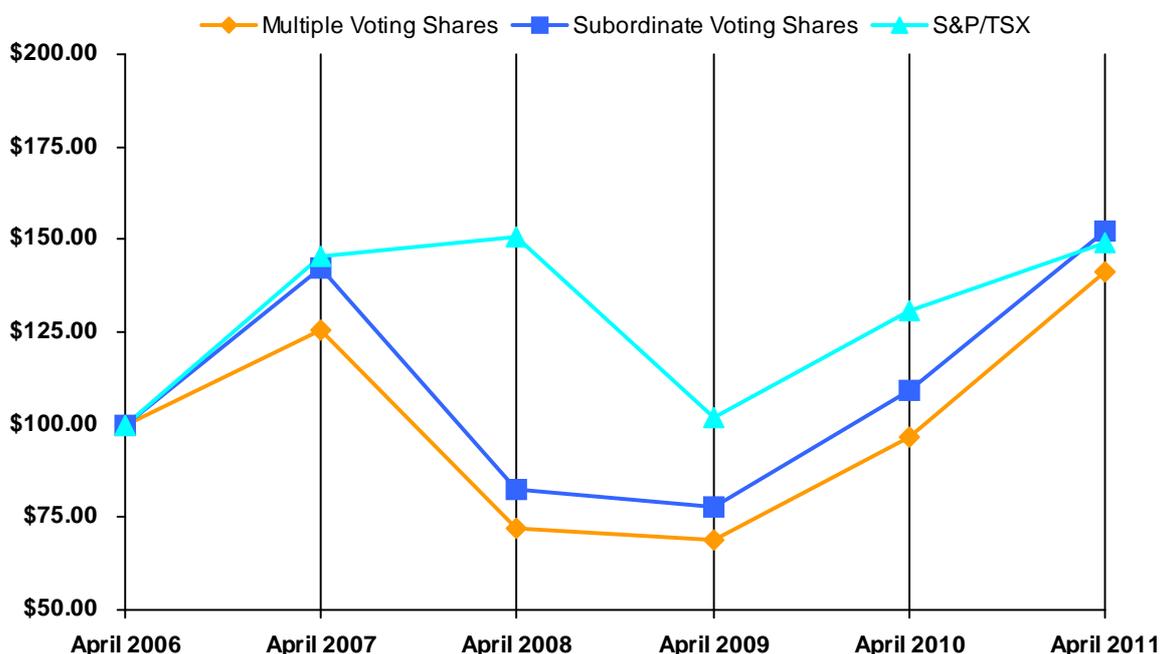
Position ⁽¹⁾	Stock Ownership Guidelines (Multiple of Salary)	Status as at April 24, 2011
President and Chief Executive Officer	3	Exceeds
Chief Financial Officer	1.5	77.3
Chief Operating Officer	1.5	56.8 ⁽²⁾
Senior Vice-President	1.5	54.7
Member of the Board	3	Exceeds ⁽³⁾
Chairman of the Board	10	Exceeds

- (1) Vice-Presidents have been omitted from the list. Their level of ownership equals one time their base salary.
- (2) On May 2, 2011, Mr. Brian Hannasch, Chief Operating Officer, acquired 58,000 shares through the exercise of stock options putting him in an exceeding position.
- (3) All the Board members have an exceed status. The members of the Board of Directors have ownership requirements since 2004 and half of their annual base compensation is paid in DSU. It need to be indicated that the DSU plan allows them to receive all their compensation in PSU, which some do. For more information on DSU ownership and the plan, refer to the table of the nominees under section "Election of Directors" and to section "Compensation of Directors" of this circular.

PERFORMANCE GRAPH

The following graph compares the cumulative total shareholder return on \$ 100 invested at the end of April 2006 in Multiple Voting Shares and Subordinate Voting Shares of the Corporation with the cumulative total shareholder return on the Toronto S&P/TSX Composite Index.

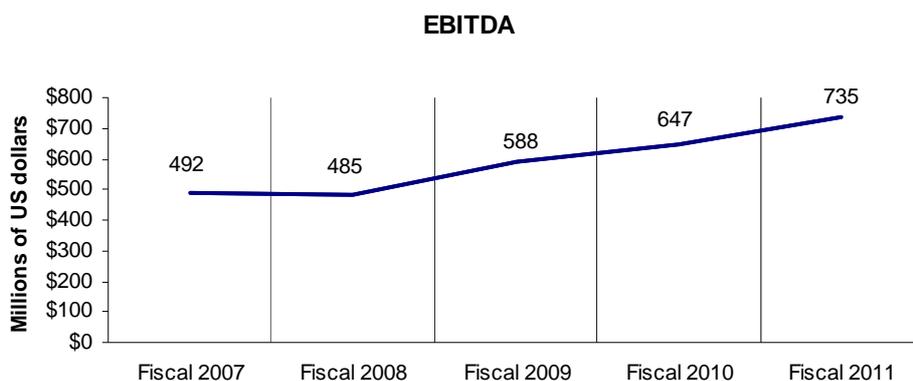
Comparison of the Corporation total return with S&P indices (chart)



Comparison of the Corporation total return with S&P indices (table)

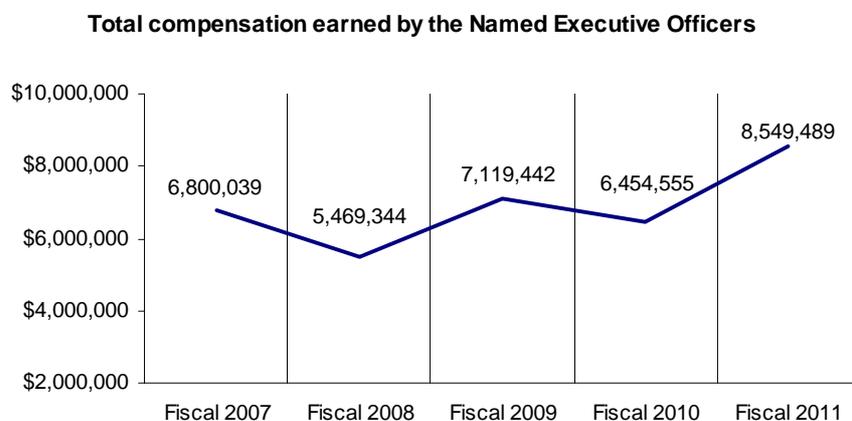
	APRIL 2006	APRIL 2007	APRIL 2008	APRIL 2009	APRIL 2010	APRIL 2011
Alimentation Couche-Tard Inc. Multiple Voting Shares	\$100.00	\$125.77	\$72.00	\$69.04	\$96.86	\$141.15
Alimentation Couche-Tard Inc. Subordinate Voting Shares	\$100.00	\$142.49	\$82.33	\$77.54	\$109.25	\$152.32
S&P/TSX Composite Index	\$100.00	\$145.52	\$150.56	\$101.94	\$130.66	\$149.15

The Corporation determines the Named Executive Officers' compensation according to the policy and procedures described above and not based on the total stock performance on any given stock market namely due to the fact that its stock trading price is affected by external factors beyond the Corporation's control which do not necessarily reflect the Corporation's performance. The following graph illustrates the Corporation's performance during said period by using a performance measure used by especially in financial circles i.e. EBITDA⁽¹⁾, which is a key component of sustained growth.



(1) Meaning Earnings Before Interest, Tax, Depreciation and Amortization. It does not have a standardized meaning prescribed by Canadian GAAP and therefore may not be comparable to similar measures presented by other publicly traded companies.

The following graphs illustrate the total compensation^(*) earned by the Named Executive Officers in each year of the five-year period ending on April 24, 2011. Although the comparison with the Corporation's stock performance may show that there is a trend between the two components, the Named Executive Officers' direct compensation is determined in accordance with the policies and methods indicated above.



* The total compensation includes the base salary, bonus (i.e. the AIP), the value for one year of the portion relating to employment (35%) of the PSU and value of the stock options (i.e. the LTIP) vested during the fiscal year calculated by using the Black & Scholes model which is based on various assumptions. The compensation is in Canadian dollars with the exception of Brian Hannasch's which is calculated in U.S. The value of the stock options have has not been, and may never be, realized. The options have not been, and may never be, exercised and actual gains, if any, on exercise will depend on the value of the aforesaid shares on the date of exercise.

Summary Compensation Table

The following table details compensation information for the fiscal year ended April 24, 2011, for the Chief Executive Officer, the Chief Financial Officer and the three other most highly compensated executive officers of the Corporation (collectively, the “Named Executive Officers”).

Name and principal position	Fiscal year	Salary (\$)	Share-based awards (\$)	Option-based awards (\$) ⁽²⁾	Non-equity incentive plan compensation (\$)		Pension value (\$)	All other compensation (\$) ⁽³⁾	Total compensation (\$)
					Annual incentive plans	Long-term incentive plans ⁽⁷⁾			
Alain Bouchard President and Chief Executive Officer	2011	1,028,480 ⁽¹⁾	-	-	1,658,424 ⁽¹⁾	519,263 ⁽¹⁾	140,607 ⁽¹⁾	-	3,346,774 ⁽¹⁾
	2010	831,861 ⁽¹⁾⁽⁴⁾	-	-	1,345,766 ⁽¹⁾⁽⁶⁾	121,818 ⁽¹⁾	-187,460 ⁽¹⁾	-	2,111,985 ⁽¹⁾
Raymond Paré Vice-President and Chief Financial Officer	2011	380,288 ⁽¹⁾	-	-	510,616 ⁽¹⁾⁽⁸⁾	98,745 ⁽¹⁾	159,101 ⁽¹⁾	-	1,148,750 ⁽¹⁾
	2010	209,160 ⁽¹⁾⁽⁴⁾	-	275,584 ⁽¹⁾	250,207 ⁽¹⁾⁽⁶⁾	20,419 ⁽¹⁾	20,486 ⁽¹⁾	-	775,856 ⁽¹⁾
Réal Plourde Executive Vice-President ⁽⁵⁾	2011	590,723 ⁽¹⁾	-	-	714,406 ⁽¹⁾	198,828 ⁽¹⁾	91,372 ⁽¹⁾	-	1,595,329 ⁽¹⁾
	2010	477,793 ⁽¹⁾⁽⁴⁾	-	-	571,560 ⁽¹⁾⁽⁶⁾	46,645 ⁽¹⁾	-66,015 ⁽¹⁾	-	1,029,983 ⁽¹⁾
Brian Hannasch Chief Operating Officer ⁽⁵⁾	2011	600,000	-	-	775,625 ⁽⁸⁾	138,086 ⁽¹⁾	515,070 ⁽¹⁾	-	2,028,781 ⁽¹⁾
	2010	307,514 ⁽⁴⁾	-	672,855 ⁽¹⁾	297,776 ⁽⁶⁾	33,742 ⁽¹⁾	146,549	-	1,458,436 ⁽¹⁾
Alain Brisebois Senior Vice-President, Operations	2011	284,455 ⁽¹⁾	-	-	270,943 ⁽¹⁾	71,015 ⁽¹⁾	48,232 ⁽¹⁾	-	674,645 ⁽¹⁾
	2010	223,168 ⁽¹⁾	-	107,371 ⁽¹⁾	177,671 ⁽¹⁾⁽⁶⁾	14,339 ⁽¹⁾	32,552 ⁽¹⁾	-	555,101 ⁽¹⁾

- (1) In compliance with regulatory requirements, even though the amounts were paid or credited in Canadian dollars, the amount is in U.S. dollars due to the fact that the Corporation uses such currency in its financial statements. The conversion rate used was 1.0141, which is the average exchange rate for fiscal year 2011.
- (2) The compensation value included herein represents the fair value of the stock options granted on the grant date as determined by using the Black & Scholes model which is based on various assumptions. It does not represent cash received by the Named Executive Officer. The amount is at risk and may even be equal to zero.
- (3) Perquisite benefits are not in excess of \$50,000 or 10% of the total base salary paid to each Named Executive Officers for the fiscal year indicated and thus are not reported.
- (4) In line with proactive measures taken by the Corporation considering the economy, namely by freezing the wages for all the employees of the Corporation, the Named Executive Officers that form part of the Executives have accepted a decrease on their annual base salary of 10% for the 2010 fiscal year.
- (5) Mr. Hannasch was promoted to the position of Chief Operating Officer on May 10, 2010, position held by Mr. Plourde since 1999 and who is retired from the Corporation since May 2011.
- (6) This amount includes a special bonus of 1.5% of the base salary which was paid by the Corporation to all employees.
- (7) Represents the value for one year of the portion relating to employment (35%) of the PSU, the latter to vest in accordance with the PSU plan as described under section “Long-term plan – phantom stock unit plan”. This amount may increase or decrease since a PSU’s value equals to a Subordinate Voting Share of the Corporation and the latter’s value may be different from this year-end value (i.e. \$25.59) upon vesting and payment.
- (8) Includes a special bonus.

INCENTIVE PLAN AWARDS

Long-term incentive plan - stock option plan

The Plan provides that the number of Subordinate Voting Shares issuable pursuant to the Plan is 16,892,000, being 9.2% of the issued and outstanding Multiple Voting Shares and Subordinate Voting Shares as at June 30, 2011. At such date, they are 5,830,864 outstanding stock options representing 3.17% of the issued and outstanding shares. Pursuant to the provisions of the Plan, the Corporation may grant options to purchase Subordinate Voting Shares to full-time employees, officers and directors of the Corporation or of any of its subsidiaries. The aggregate number of Subordinate Voting Shares reserved for issuance at any time to any one optionee shall not exceed 5% of the aggregate number of Multiple Voting Shares and Subordinate Voting Shares outstanding on a non-diluted basis at such time, less the total of all shares reserved for issuance to such optionee pursuant to any other share compensation

arrangement of the Corporation. In addition, the aggregate number of Subordinate Voting Shares which may be issued to any one insider of the Corporation and such insider's associates under the Plan or any other share compensation arrangement of the Corporation, within any one-year period, is limited to five percent (5%) of the outstanding issue. Also, the aggregate number of Subordinate Voting Shares reserved for issuance at any time to insiders of the Corporation under the Plan or any other share compensation arrangement of the Corporation is limited to ten percent (10%) of the outstanding issued. Moreover, the aggregate number of Subordinate Voting Shares which may be issued to insiders under the Plan or any other share compensation arrangement of the Corporation, within any one-year period, is limited to ten percent (10%) of the outstanding issue. Finally, a majority of the aggregate number of Subordinate Voting Shares which may be issued under the Plan or any other share compensation arrangement of the Corporation may be granted to insiders of the Corporation and their associates.

Options may be granted for a term of up to 10 years, which is usually the case, and the terms during which such options may be exercised are determined by the Board of Directors at the time of each grant of options. The conditions of vesting and exercise of the options are established by the Board of Directors when such options are granted and usually the vesting is as follows: 20% upon grant and 20% at each anniversary grant date. The option price, as established by the Board of Directors, shall not be less than the weighted average closing price for a board lot of the Subordinate Voting Shares on the Toronto Stock Exchange for the five days preceding the date of grant.

Options granted under the Plan are personal to the optionees and cannot be assigned or transferred, except by will or by the applicable laws of succession. Upon an optionee's employment with the Corporation being terminated for cause or upon an optionee being removed from office as a director or becoming disqualified from being a director by law, any option or the unexercised portion thereof shall terminate forthwith. If an optionee's employment with the Corporation is terminated otherwise than by reason of death or termination for cause, or if any optionee ceases to be a director other than by reason of death, removal or disqualification by law, any option or the unexercised portion thereof may be exercised by the optionee for that number of shares only which he was entitled to acquire under the option at the time of such termination or cessation, provided that such option shall only be exercisable within 90 days after such termination or cessation or prior to the expiration of the term of the option, whichever occurs earlier. If an optionee dies while employed by the Corporation or while serving as a director, any option or the unexercised portion thereof may be exercised by the person to whom the option is transferred by will or the applicable laws of succession for that number of shares only which the optionee was entitled to acquire under the option at the time of death, provided that such option shall only be exercisable within 180 days following the date of death or prior to the expiration of the term of the option, whichever occurs earlier.

In the event the Corporation proposes to amalgamate, merge or consolidate with or into any other corporation (other than with a wholly-owned subsidiary of the Corporation) or to liquidate, dissolve or wind-up, or in the event an offer to purchase the Subordinate Voting Shares of the Corporation or any part thereof shall be made to all holders of Subordinate Voting Shares of the Corporation, the Corporation shall have the right, upon written notice thereof to each optionee holding options under the Plan, to permit the exercise of all such options within the thirty (30) day period next following the date of such notice and to determine that upon the expiration of such thirty (30) day period, all rights of optionees to such options or to exercise same (to the extent not theretofore exercised) shall ipso facto terminate and cease to have further force or effect whatsoever.

The Board of Directors may, by resolution, but subject to applicable regulatory provisions, advance the date on which any option may be exercised or extend the expiration date of any option, in the manner to be set forth in such resolution, provided that the period during which an option is exercisable does not exceed ten (10) years from the date the option is granted. The Corporation shall not, in the event of any such advancement or extension, be under any obligation to advance or extend the date on or by which any option may be exercised by any other optionee.

The Board of Directors may, by resolution, but subject to applicable regulatory provisions, decide that any of the provisions hereof concerning the effect of termination of the optionee's employment or cessation of the optionee's directorship, shall not apply for any reason acceptable to the Board of Directors.

Long-term incentive plan – phantom stock unit plan

The Corporation implemented a PSU plan allowing the Board of Directors, through its Human Resources and Corporate Governance Committee, to grant PSUs to the executive officers and selected key employees of the Corporation (the “Participants”). A PSU is a nominal unit which value is based on the weighted average reported closing price for a board lot of the Corporation’s Subordinated Voting Shares on the Toronto Stock Exchange for the five trading days immediately preceding the grant date. The PSU provides the Participants with the opportunity to earn a cash award based on the weighted average reported closing price for a board lot of the Corporation’s Subordinated Voting Shares on the Toronto Stock Exchange for the five trading days immediately preceding the vesting date of the PSU. Each PSU initially granted vests no later than one day prior to the third anniversary of the grant date. The PSU payment is subject to two objectives, one time Corporation employment related (35%) (“Employment Portion”) and the other the Corporation’s performance compared to its competitors (65%) (“Performance Portion”). The performance objectives are determined by the Human Resources and Corporate Governance Committee upon the PSU grant and are related to the Corporation’s operating performances over a three consecutive year period from the grant date and compared to certain of its competitors’ operating performance over the same time period.

PSU granted are personal to the holder and cannot be assigned, encumbered, pledged, transferred or alienated in any way, except by will or by the applicable laws of succession. Upon a PSU holder’s employment with the Corporation being terminated or should the PSU holder resign, all PSU are immediately forfeited and cancelled. If a PSU holder dies or if his employment with the Corporation is terminated due to permanent disability or if a PSU holder attains the normal retirement age of 65 (unless such age otherwise determined by the Human Resources and Corporate Governance Committee), any PSU outstanding will be subject to an early vesting on a *pro rata* basis and shall be paid within 50 business days from the early vesting date for the one relating to the Employment Portion and within 20 business days following the approval by the Board of Directors of the Corporation’s annual consolidated financial statements for the third fiscal year previous to vesting date serving as reference for the Performance Portion. Upon the occurrence of transactions that would result in a change of control of the Corporation, all outstanding PSU shall vest as of the date of the change of control and be paid within 50 business days from such event. The PSU confers no rights as a shareholder of the Corporation.

Outstanding share-based awards and option-based awards

The following table provides details, for each Named Executive Officer, of stock option grants outstanding at the end of fiscal year ended April 24, 2011.

Name and principal position	Option-based Awards				Share-based Awards	
	Number of securities underlying unexercised options ⁽¹⁾	Option exercise price(\$) ⁽¹⁾⁽²⁾	Option expiration date ⁽³⁾	Value of unexercised in-the-money options(\$) ⁽⁴⁾	Number of shares or units of shares that have not vested ⁽⁶⁾	Market or payout value of share-based awards that have not vested(\$) ⁽⁷⁾
Alain Bouchard President and Chief Executive Officer	100,000	25.69	Feb. 7, 2017	-	110,265	987,588
	200,000	17.38	May 27, 2015	1,642,000	-	-
	400,000	10.10	Oct. 15, 2013	6,196,000	-	-
	1,600,000	7.3575	March 19, 2012	29,172,000	-	-
Raymond Paré Vice-President and Chief Financial Officer	25,000	18.56	April 23, 2020	175,750	22,349	200,169
	15,000	19.85	Sept. 12, 2019	86,100	-	-
	30,000	14.21	Sept. 12, 2018	341,400	-	-
	25,000	17.91	Nov. 30, 2017	192,000	-	-
	5,000	23.54	May 7, 2017	10,250	-	-
	10,000	25.71	May 5, 2016	-	-	-
	6,000	17.38	May 27, 2015	49,260	-	-

Name and principal position	Option-based Awards				Share-based Awards	
	Number of securities underlying unexercised options ⁽¹⁾	Option exercise price(\$) ⁽¹⁾⁽²⁾	Option expiration date ⁽³⁾	Value of unexercised in-the-money options(\$) ⁽⁴⁾	Number of shares or units of shares that have not vested ⁽⁶⁾	Market or payout value of share-based awards that have not vested(\$) ⁽⁷⁾
	800	11.58	June 9, 2014	11,208	-	-
Réal Plourde Executive Vice- President ⁽⁵⁾	50,000	25.69	Feb. 7, 2017	-	42,221	378,152
	100,000	17.38	May 27, 2015	821,000	-	-
	200,000	10.10	Oct. 15, 2013	3,098,000	-	-
	700,000	7.3575	March 19, 2012	12,762,750	-	-
Brian Hannasch Chief Operating Officer ⁽⁵⁾	100,000	18.56	April 23, 2020	281,200	36,487	326,796
	25,000	13.45	Sept. 29, 2018	182,100	-	-
	25,000	17.30	Jan. 14, 2018	165,800	-	-
	25,000	25.69	Feb. 7, 2017	-	-	-
	25,000	24.27	March 10, 2016	33,000	-	-
	25,000	23.19	Dec. 15, 2015	60,000	-	-
	100,000	16.995	Dec. 15, 2014	859,500	-	-
	80,000	11.13	Nov. 18, 2013	1,156,500	-	-
	30,000	6.995	June 20, 2013	557,850	-	-
	100,000	7.7125	July 3, 2012	1,787,750	-	-
Alain Brisebois Senior Vice- President, operations	15,000	19.85	Sept. 12, 2019	34,440	16,247	145,516
	30,000	14.21	Sept. 12, 2018	204,840	-	-

- (1) Take note that on July 20, 2001, July 19, 2002 and March 18, 2005, there was a share split on all of the Corporation's issued and outstanding shares on a two for one basis and therefore, the outstanding stock options were adjusted accordingly as to the number and the exercise price.
- (2) The option price is equal to the weighted average closing price on the Toronto Stock Exchange for a board lot of the Subordinate Voting Shares for the five days preceding the grant date.
- (3) Options expire on the tenth anniversary from grant date. The options vest by trenches of 20% starting on grant date.
- (4) Value of unexercised in-the-money options at financial year-end is the difference between the closing price of the Subordinate Voting Shares on the Toronto Stock Exchange at fiscal year-end (\$25.59) and the exercise price. **This gain has not been, and may never be, realized. The options have not been, and may never be, exercised and actual gains, if any, on exercise will depend on the value of the aforesaid shares on the date of exercise.**
- (5) Mr. Hannasch was promoted to the position of Chief Operating Officer on May 10, 2010.
- (6) PSU were granted during fiscal 2010 and 2011 but as per the PSU plan, they will vest respectively in fiscal 2013 and 2014 since they have a three year vesting period from the grant date and therefore, no value was acquired during the fiscal year. Their cash payment is subject to namely the Corporation's operating performances criteria as established upon grant. For more information, refer to "Long-term incentive plan – phantom stock units plan" under the Incentive Plan Awards Section and the "Long-term incentive plan" description under "Executive Compensation - Compensation Analysis and Discussion" of this Circular.
- (7) Represents the estimated minimum payout (i.e. 35%) as of year-end considering part of the payment depends on operating performance goals of the Corporation (i.e. 65%). This minimum amount may increase or decrease since a PSU's value equals to a Subordinate Voting Share of the Corporation and the latter's value may be different from this year-end value (i.e. \$25.59) upon vesting and payment.

Incentive plan awards – value vested or earned during the fiscal year

The following table sets forth, for each Named Executive Officer, the aggregate dollar value that would have been realized if the options under the option-based award had been exercised on the vesting date that occurred in fiscal 2011 and the bonus earned for the 2011 fiscal year.

Name and principal position	Option-based awards – Value vested during the fiscal year(\$)	Share-based awards – Value vested during the fiscal year(\$)	Non-equity incentive plan compensation – Value earned during the year(\$)
Alain Bouchard President and Chief Executive Officer	-	-	1,635,365
Raymond Paré Vice-President and Chief Financial Officer	-	-	503,516
Réal Plourde Executive Vice-President	-	-	704,473
Brian Hannasch Chief Operating Officer	-	-	775,625 ⁽¹⁾
Alain Brisebois Senior Vice-President, Operations	-	-	267,176

(1) This amount is in U.S. dollars.

PENSION PLAN BENEFITS

The Canadian Named Executive Officers participate in two non-contributory Canadian defined benefit pension plans. Messrs. Bouchard, Plourde and Paré participate in the Corporation's Canadian basic pension plan ("RPP") and Canadian enhanced supplemental retirement program ("Enhanced SERP"). The purpose of these plans is to offer the Named Executive Officers, upon retirement, income equal to 2% per year of credited service, multiplied by the final average compensation of the Named Executive Officer's three best years (base salary plus 50% of bonus – bonus not to exceed 100% of base salary), with no offset for any payment from the Canada and Québec pension plans. The normal retirement age is 65, with provisions for early retirement from age 55 or after 25 years of services with reduced compensation.

Mr. Brisebois participates in the RPP and the Corporation's Canadian basic supplemental retirement program ("Basic SERP"). The benefit in the Basic SERP is similar to the Enhanced SERP; however it does not include any portion of the bonus as part of the final average compensation of the Named Executive Officer's three best consecutive years. Prior to Mr. Paré's nomination as Chief Financial Officer, he held the position of Vice-President, Finance and Treasurer and therefore was a member of the RPP and the Basic SERP.

Mr. Hannasch participates in the Corporation's U.S. Non-Qualified Deferred Compensation Plan and the U.S. supplemental enhanced retirement program. In the Non-Qualified Deferred Compensation Plan, participants can contribute up to 25% of base salary and up to 100% of their pre-tax annual bonus. The Corporation will match 100% of the first 7% of base salary. Upon electing to defer compensation pursuant to the parameters above, the participant shall indicate if the amounts are to be deposited into his retirement account which will be remitted upon retirement and/or in-service account allowing the participant to retrieve these amounts at the earliest five years after deferral. Notwithstanding the participant's choice, the Corporation's matching portion will be deposited into the retirement account. The amounts deferred into the retirement account will namely be available upon the participant's retirement in a lump sum or annual instalments up to five years and in a lump sum upon employment termination. As for the amounts deferred into the in-service account, they will be available in a lump sum or annual

instalments up to five years. In both cases, the deferred amounts are invested into investment funds made available by the Corporation. As with the Canadian plan, the U.S. supplemental retirement program has no offset for any payments from Social Security benefits. However, the benefit payable is offset by an amount equal to 200% of the estimated annual benefit from the Corporation matching contribution into the Non-Qualified Plan. On April 30, 2010, the U.S. supplemental retirement program was amended to change the offset to 100% of the estimated annual benefit from the Corporation matching contribution into the Non-Qualified Plan instead of 200%. Prior to May 1, 2008, Mr. Hannasch participated in the U.S. basic supplemental retirement program.

The following table sets forth the total pension benefits payable under the defined benefit plans of the Corporation for each Named Executive Officer calculated at the end of fiscal year 2011 by using the same actuary assumptions and methods used in the Corporation's audited financial statements to determine the obligations related to the Corporation's defined benefit retirement plans.

Name and principal position	Number of years credited service		Annual benefits payable (\$) ⁽¹⁾				Accrued obligation at start of fiscal year (\$) ⁽⁵⁾	Compensatory change (\$) ⁽⁵⁾⁽⁶⁾	Non-compensatory change (\$) ⁽⁵⁾⁽⁷⁾	Accrued obligation at fiscal year-end(\$) ⁽⁵⁾
			At year end		At age 65					
	RPP	SERP	RPP ⁽²⁾	SERP ⁽³⁾	RPP ⁽²⁾	SERP ⁽³⁾				
Alain Bouchard President and Chief Executive Officer	11.33	32.25	28,925	922,794	36,156	995,509	11,402,248	138,652	1,009,684	12,550,584
Raymond Paré Vice-President and Chief Financial Officer	3.42	3.42	8,720	13,542	68,272	121,978	138,267	156,889	41,645	336,801
Réal Plourde Executive Vice-President	11.33	27.33	28,925	381,598	40,197	434,996	5,000,297	90,102	458,817	5,549,216
Brian Hannasch⁽⁴⁾ Chief Operating Officer	n/a	9.92	n/a	43,460	n/a	267,038	415,433	515,070	115,603	1,046,106
Alain Brisebois Senior Vice-President, Operations	2.58	2.58	6,593	3,502	38,283	20,331	79,241	47,561	13,797	140,599

- (1) The annual benefit is the lifetime pension payable at the normal retirement age based on the final average base salary of the Named Executive Officer's three best years as at April 30, 2011 (increased by 50% of the target bonus for service in the enhanced SERP) and based on years of credited service at year end or as of age 65.
- (2) The normal form of pension is a 66% joint and survivor annuity with a 5-year guarantee.
- (3) The normal form of pension of the enhanced SERP is an annuity guaranteed during the first 5 years, a 50% joint and survivor annuity for the following 5 years and there is no death protection after the first 10 years. The normal form of pension of the basic SERP is an annuity guaranteed for 5 years.
- (4) The amounts indicated are in U.S. dollars.
- (5) The amounts indicated include pension benefits payable under the RPP and the SERP.
- (6) The compensatory change is the value of the projected pension earned for the period from May 1st, 2010 to April 30, 2011 including any differences between actual and estimated earnings and any plan changes.
- (7) The non-compensatory change is the value of items other than compensatory, such as: interest on the accrued obligation at the start of the fiscal year, changes in assumptions, and other experience gains and losses for the period from May 1st, 2010 to April 30, 2011.

The following table sets forth the pension benefits payable under the defined contribution plans of the Corporation for each Named Executive Officer calculated at the end of fiscal year 2011 by using the same actuary assumptions and methods used in the Corporation's audited financial statements.

Name	Accumulated value at start of fiscal year (\$)	Compensatory (\$)	Non-compensatory (\$)	Accumulated value at year end (\$)
Alain Bouchard	-	-	-	-
Raymond Paré ⁽¹⁾	42,276	-	3,443	45,719
Réal Plourde	-	-	-	-
Brian Hannasch	751,320	26,250	422,934	1,200,504
Alain Brisebois	-	-	-	-

(1) The amounts indicated for Mr. Paré were accumulated while participating to the employees defined contribution plans of the Corporation prior to his nomination as Vice-President, Finance and Treasurer on November 20, 2007.

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The following table sets forth information as at April 24, 2011 with respect to the 1999 Stock Incentive Plan (the "Plan"). The Plan was approved by the Corporation's shareholders at the annual and special meeting held on September 21, 1999 and amendments to the Plan were approved by the Corporation's shareholders at the annual and special meeting held on September 25, 2002.

Equity Compensation Plan Information

	Number of Subordinate Voting Shares to be issued upon exercise of outstanding options	Weighted-average exercise price of outstanding options	Number of Subordinate Voting Shares remaining available for future issuance under the Plan
Equity compensation plan approved by the security holders - 1999 Stock Incentive Plan	5,957,180	\$ 11.25	10,934,820

SHARE REPURCHASE PROGRAM

The Corporation's Board of Directors has approved at its meeting held on July 14, 2009, a share repurchase program authorizing the Corporation to repurchase up to 2,685,335 of the 53,706,712 Multiple Voting Shares (representing 5% of the multiple voting shares issued and outstanding) and up to 11,621,801 of the Subordinate Voting Shares (representing 10% of the 116,218,014 subordinated voting shares of the public float), as determined by the applicable rules as at that date, as at October 20, 2010. The share repurchase program was approved by the Toronto Stock Exchange on October 21, 2010 and is done in accordance with applicable securities laws. The repurchases effected under the share repurchase program reduces the number of Multiple Voting Shares and of the Subordinate Voting Shares issued and outstanding and resulted in an increase on a *pro rata* basis of the proportionate interest of the shareholders in the share capital of the Corporation. The Corporation may repurchase Multiple Voting Shares and Subordinate Voting Shares under the program on the open market through the facilities on which the Corporation's shares are traded including on the Toronto Stock Exchange, from time to time, over the course of twelve months commencing on October 25, 2010 and ending October 24, 2011, the whole in compliance with the approval of the Toronto Stock Exchange. As of June 30, 2011, the Corporation has repurchased under this program a total of 12,000 Multiple Voting Shares and 2,768,300 Subordinate Voting Shares. All shares repurchased under the share repurchase program are cancelled upon repurchase in accordance with the incorporations law of the Corporation.

Security holders may obtain a copy of the notice of intention to make a normal course issuer bid as filed with the Toronto Stock Exchange, without charge, by contacting the Corporate Secretary of the Corporation at the head office located at 4204 Industriel Blvd., Laval, Québec H7L 0E3.

CORPORATE GOVERNANCE

The Corporation complies with the guidelines adopted by the Canadian Securities Administrators and with the standards of other regulatory bodies. A description of the Corporation's governance practices is attached to this proxy circular as Appendix A.

APPOINTMENT AND REMUNERATION OF AUDITORS

At the meeting, or any adjournment thereof, PricewaterhouseCoopers LLP will be proposed for appointment as auditors of the Corporation for the financial year ending April 29, 2012 and for authorizing the Corporation's Board of Directors to fix their compensation. **Unless otherwise specified by the**

shareholders, the shares represented by any proxy enclosed herewith will be voted FOR the appointment of PricewaterhouseCoopers LLP, chartered accountants, as auditors of the Corporation for the 2012 fiscal year, until the next annual general meeting of the shareholders and FOR authorizing the Board of Directors to set their compensation.

AUDIT AND OTHER RELATED FEES

PricewaterhouseCoopers LLP, chartered accountants, have served as the Corporation's auditors since fiscal year 2009. For the fiscal years ended on April 24, 2011 and April 25, 2010, billed fees for audit, audit-related, tax and all other services provided to the Corporation by PricewaterhouseCoopers LLP were as follows:

	<u>2011</u>	<u>2010</u>
Audit Fees ⁽¹⁾	\$ 600,000	\$ 600,000
Audit-Related Fees ⁽²⁾	\$ 109,850	\$ 39,965
Tax Fees ⁽³⁾	\$ 37,797	\$ 78,390
All Other Fees	n/a	n/a
TOTAL	\$ 747,647	\$ 718,355

- (1) Audit services are professional services rendered for the audit of an issuer's annual financial statements and services that are normally provided by the accountant in connection with an engagement to audit the financial statements of an issuer - for example:
- attendance at audit committee meetings at which matters related to the audits or reviews are discussed;
 - consultations on specific audit or accounting matters that arise during or as a result of an audit or review;
 - preparation of a management letter; and
 - services in connection with the issuer's annual and quarterly reports, prospectuses and other filings with Canadian, US or other securities commissions.
- (2) Audit-related services (the Canadian term) are assurance and related services traditionally performed by an independent auditor:
- employee benefit plan audits;
 - assurance engagements that are not required by statute or regulation; and
 - general advice on accounting standards including IFRS.
- (3) This category includes services of tax planning and other tax advices with respect to the Corporation's international corporate structure.

The Corporation has a policy and procedures on the pre-approval of non-audit services by the Corporation's auditors. This policy prohibits the Corporation from engaging the auditors to provide certain non-audit services to the Corporation and its subsidiaries, including bookkeeping or other services related to the accounting records or financial statements, financial information systems design and implementation, appraisal or valuation services, actuarial services, internal audit services, investment banking services, management functions or human resources functions, legal services and expert services unrelated to the audit. The policy allows the Corporation to engage the auditors to provide non-audit services, other than the prohibited services, only if the services have specifically been pre-approved by the Audit Committee.

AMENDMENT TO ARTICLES

On February 14, 2011, the *Companies Act* (Québec) was replaced by the new *Business Corporations Act* (Québec) (the "BCA").

The BCA provides that a corporation may hold shareholder meetings at a place outside of the Province of Québec if the articles so allow. In light of the Corporation's significant operations and shareholder base outside of the Province of Québec, the Board of Directors believes that it would be beneficial both to the Corporation and its shareholders to permit shareholder meetings to be held outside of the Province of Québec.

The BCA further provides that if the articles so allow, the directors of a corporation that is a reporting issuer may appoint one or more additional directors to hold office for a term expiring not later than the close of the annual shareholders meeting following their appointment, provided that the total number of directors so appointed may not exceed one third of the number of directors elected at the annual shareholders meeting preceding their appointment.

In the course of the Board's succession planning process to nominate candidates to join the Board of Directors and develop their knowledge of the Corporation's operations, the Board considered that such an amendment to the Corporation's articles of incorporation would be beneficial to the Corporation and its shareholders in order to support this process and ensure a smooth transition from any retiring directors or otherwise departing directors, including maintaining critical competencies. The Board also believes that it would be beneficial to the Corporation and its shareholders to give the Board flexibility to add directors who possess expertise and knowledge relevant to the Corporation's operations from time to time between two annual shareholder meetings.

Accordingly, the Board of Directors, at its meeting held on July 12, 2011, adopted a resolution to amend the articles of incorporation of the Corporation. In accordance with the BCA, amendments to the Corporation's articles of incorporation must be approved by the shareholders.

The shareholders will be asked to consider and, if deemed advisable, approve the following Special Resolution amending the articles of incorporation of the Corporation at the Meeting:

"BE IT RESOLVED AS A SPECIAL RESOLUTION OF THE SHAREHOLDERS:

1. THAT the articles of incorporation of the Corporation be amended to include provisions to the effect that:
 - (i) the board of directors may, at its discretion, appoint one (1) or more directors, who shall hold office for a term expiring no later than the close of the annual meeting of shareholders following their appointment, but the total number of directors so appointed may not exceed one-third of the number of directors elected at the annual meeting of shareholders preceding their appointment; and
 - (ii) the board of directors may, at its discretion and from time to time, determine the place, whether within or outside of the Province of Québec, where a meeting of shareholders shall be held;
2. THAT any director or officer of the Corporation be, and each of them is hereby authorized and directed, for and in the name of and on behalf of the Corporation, to execute and deliver or cause to be delivered Articles of Amendment under the *Business Corporations Act* (Québec) and to execute and deliver or cause to be delivered all documents and to take any action which, in the opinion of that person, is necessary or desirable to give effect to this special resolution.

The Board of Directors and management believe that the proposed amendments to the articles of incorporation of the Corporation are in the best interests of the Corporation and accordingly, the Board of Directors and management are recommending that the shareholders vote FOR the approval of the Special Resolution, which requires an affirmative vote of not less than two-thirds of the votes cast, in person or by proxy, at the Meeting in order to be adopted. **Unless contrary instructions are indicated on the proxy form or the voting instruction form, the persons designated in the enclosed form of proxy or voting instruction form intend to vote FOR the approval of the Special Resolution.**

NEW BY-LAW

In accordance with the transitional provisions of the BCA, the Corporation has been governed by this Act since the date of its coming into force. The Corporation wishes to update its General By-laws enacted by the Board of Directors on April 17, 1988, which have been amended since and are now known as the "By-laws". To align the Corporation's By-laws with the terminology and principles set out in the BCA, the Board of Directors elected to adopt new By-Laws on July 12, 2011. Appendix B to this Circular includes the new By-laws.

Matters affecting shareholders and the calling and holding of their meetings

- An annual meeting of shareholders must be held not later than 15 months after the last preceding annual meeting;
- Subject to the required amendments to the articles described in this Circular, an annual or special shareholders meeting may be held outside Quebec;
- In accordance with the BCA, a notice of any special shareholders meeting indicates the date, time and place of the meeting and the business to be transacted and contains the text of any special resolution to be submitted to the meeting;
- In accordance with the BCA, a notice of any annual or special shareholders meeting must be given to shareholders entitled to vote at the meeting and to each director not less than 21 days and not more than 60 days before the date of the meeting;
- A notice of any annual or special meeting may contain a provision concerning the closing of the securities register on a date no more than 60 clear days before the date of such meeting, and the record date to determine shareholders entitled to receive notice of or to vote at a meeting is not less than 21 days and not more than 60 days before the date of the meeting;
- The required quorum to hold a shareholders meeting (subject to the provisions of the articles) has been increased to 25% of the issued and outstanding shares carrying the right to vote at the meeting and held by at least two shareholders present in person or represented by proxy holders at the beginning of the meeting;
- In accordance with the BCA, if a shareholders meeting is adjourned for an aggregate of 30 days or more, notice must be given as for an original meeting;
- Any person entitled to attend a shareholders meeting may participate in the meeting by means of any equipment made available to the shareholders by the Corporation, as the case may be, and enabling all participants to communicate directly with one another, and the vote may be entirely held using any equipment made available by the Corporation, as the case may be, enabling all participants to communicate directly with one another, if such equipment also allows votes to be cast in a way that allows them to be verified afterwards and protects the secrecy of the vote; and
- If two or more persons hold shares jointly, one of those shareholders present at a shareholders meeting may, in the absence of the others, exercise the voting right attached to those shares; if two or more of such shareholders are present at the meeting, they must vote as one.

The business of the Board of Directors and the powers of directors

- The minimum and maximum number of directors are those indicated in the articles of the Corporation as amended from time to time;
- Subject to the required amendments to the articles described in this Circular, the By-laws allow the directors to appoint one or more additional directors to hold office for a term expiring not later than the close of the next annual shareholders meeting following their appointment;
- In accordance with the BCA, the powers of the Board of Directors have been restated to provide for the exercise by the Board of Directors of all the powers necessary to manage, or supervise the management of, the business and affairs of the Corporation. Except to the extent provided by the BCA, such powers may be exercised without shareholder approval and may be delegated to a director, an officer or one or more committees of the Board of Directors;

- Without limiting the foregoing, the By-laws confirm that the Board of Directors may, among other things, borrow money, issue, reissue, sell or hypothecate the Corporation's debt obligations, have the Corporation enter into a suretyship to secure performance of an obligation of any person and hypothecate all or any of its property, owned or subsequently acquired, to secure any obligation;
- A director who is not present at a meeting at which a resolution is adopted is deemed to have consented to the resolution unless the director records his or her dissent in accordance with the BCA within 7 days after becoming aware of the resolution; and
- The By-laws confirm that a majority of the directors in office constitutes a quorum at any meeting of the Board of Directors.

Provisions regarding conflicts of interest

The By-laws are now consistent with the BCA in that they state the general principle contained in the legislative provisions dealing with conflicts of interest of directors and referring to the BCA for their implementation, including the manner in which a director must disclose his interest in a contract or a transaction to which the Corporation is party.

Harmonization of provisions regarding the indemnification of directors:

Provisions allowing the Corporation to indemnify directors and officers of the Corporation (or a group in which the Corporation was a shareholder or creditor) have also been amended to be in line with the criteria set out in the BCA.

Other amendments

- The Corporation keeps the records required by the BCA and the Board of Directors may appoint or remove transfer agents or other agents responsible for keeping such records;
- Shares are certificated unless the Board of Directors, by resolution, determines that shares of any class or series or certain shares of a given class or series will be uncertificated. The Board of Directors may also, by resolution, determine that a certificated share will become an uncertificated share as soon as the paper certificate is surrendered to the Corporation, directly or by the intermediary of a transfer agent; and
- The Board of Directors may, from time to time, subject to the laws governing the Corporation, including the Act respecting the transfer of securities and the establishment of security entitlements (R.S.Q. c. T-11.002), regulate, from time to time or generally, the transfer of the securities of the Corporation; the transfer of uncertificated shares, if any, is subject to the conditions prescribed by law. In accordance with the BCA, these amendments are submitted to the shareholders for approval and ratification. At the meeting, the shareholders will be asked to consider and, if deemed advisable, to adopt the following resolution pertaining to the By-laws, in order to ratify the amendments to the By-laws:

“BE IT RESOLVED AS A RESOLUTION OF THE SHAREHOLDERS:

1. THAT the Corporation's By-laws attached to the Proxy Circular dated July 12, 2011, enacted and made by the directors of the Corporation on July 12, 2011, be and is hereby approved and ratified; and
2. THAT any one director or officer be, and each of them is hereby authorized and directed, for and in the name of and on behalf of the Corporation, to execute and deliver or cause to be delivered all such documents, and to take any action which, in the opinion of that person, is necessary or desirable to give effect to this resolution.

The Board of Directors and management believe that the new By-law of the Corporation are in the best interests of the Corporation and, accordingly, the Board of Directors and management are recommending that the shareholders vote FOR the approval of the By-law Resolution, which requires an affirmative vote of not less than a simple majority of the votes cast in person or by proxy at the Meeting in order to be adopted. **Unless contrary instructions are indicated on the proxy form or the voting instruction form, the persons designated in the enclosed form of proxy or voting instruction form intend to vote FOR the approval of the By-law Resolution.**

AMENDMENT TO THE LONG-TERM INCENTIVE PLAN - STOCK OPTION PLAN

In order to update the Plan in accordance with the provisions of the TSX Company Manual, the Board of Directors amended on July 12, 2011, subject to regulatory approvals and shareholders' approval. The proposed amendments are as follows:

- (i) a change to the termination provisions of an option or the Plan which does not entail an extension beyond a term of ten (10) years from the date of grant, subject to a further potential automatic extension of ten (10) business days from the end of a blackout period self-imposed by the Corporation if the ten (10) years term falls within such blackout period;
- (ii) adding provisions to allow option holders to proceed with a cashless exercise of their options an agreement with a broker was put in place to allow them to receive (i) a cash compensation equivalent to the difference between the exercise price of options and the actual sale price of the options' underlying subordinate shares upon exercise of the options, or (ii) a number of subordinate shares equivalent to the difference between the number of underlying subordinate shares upon exercise of the options and the number of subordinate shares required to settle the exercise of the options; and
- (iii) the replacement of the provisions describing the procedures to modify the Plan by the following:

“Under its discretionary power, the Board of Directors may implement, by resolution but subject to applicable regulatory provisions, changes of the following nature, as it deems fit, without prior approval of shareholders. The following include changes that it may do:

1. accounting or administrative modifications, including amendments intended to clarify provisions of the Plan;
2. modifications to the terms and conditions of the stock option plan, including the term of options (insofar as: (i) the exercise period does not exceed 10 years from the award date, subject to an automatic extension of ten (10) business days following a blackout period declared by the Corporation if the option expires during this period or within ten (10) days after this period; and (ii) the option is not held by an insider), acquisition terms and conditions, exercise terms and conditions (if the option is not held by an insider) and the method used to determine the exercise price, transferability and effect of a termination of employment of the participant or position as director;
3. modifications to the category of people who may join the plan, except if this modification increases the level of participation of insiders;
4. granting of financial aid by the Corporation to participants toward helping them purchase shares as part of the plan;
5. modifications to provisions relating to a cashless exercise of options resulting in a cash or share compensation, regardless if the total number of underlying shares will be deducted from the plan's reserve;

The Plan requires shareholders' approval for the following

1. any modification to the provisions of the plan;
2. any increase in the maximum number of shares that can be issues as part of the plan;
3. any modification intended to eliminate or exceed the insider participation limit, including any modification to the limits stated under article 3.1 of the Plan;
4. any reduction in exercise price or extension to the retention period awarded to an insider;
and
5. any other question requiring shareholders' approval as per regulations and TSX policies.”

The amendment procedure further states that no amendment, suspension or termination shall, except with the written consent or the deemed consent of the participants concerned, affect the terms and conditions of any options previously granted under the Plan, to the extent that such options have not then been exercised, unless the rights of the participants shall then have terminated in accordance with the Plan.

Before such Proposed Amendments come into force, a resolution to approve them must be adopted by not less than a majority of votes cast in its favour by the shareholders in person or represented by proxy at the Meeting.

The shareholders will be asked to consider and, if deemed advisable, approve the following Special Resolution amending the articles of incorporation of the Corporation at the Meeting:

“BE IT RESOLVED AS A RESOLUTION OF THE SHAREHOLDERS:

1. THAT the Corporation be and it is hereby authorized to amend its stock option plan (the “**Plan**”) in the manner described in the Proxy Circular of the Corporation dated July 12, 2011;
2. THAT any director or officer of the Corporation be, and each is hereby authorized and directed, for and on behalf of the Corporation, to sign and execute all documents, to conclude any agreements and to do and perform all acts and things deemed necessary or advisable in order to give effect to this resolution, including compliance with all securities laws and regulations; and
3. THAT the Board of Directors of the Corporation be and it is hereby authorized to cause all measures to be taken, such further agreements to be entered into and such further documents to be executed as may be deemed necessary or advisable to give effect to and fully carry out the intent of this resolution.”

The Board of Directors recommends that the shareholders vote in favour of the approval of the resolution pertaining to the Proposed Amendments. **Unless contrary instructions are indicated on the form of proxy or the voting instruction form, the persons designated in the enclosed form of proxy or voting instruction form intend to vote FOR the adoption of the Proposed Amendments.**

SHAREHOLDERS PROPOSALS

The Corporation has reproduced under Appendix C of this Circular the text of the shareholders' proposals and arguments as provided by two shareholders that have submitted such to the Corporation. Said texts have not been modified, except that they were translated considering they were provided only in French. Under such schedule, the Corporation addresses its views to such proposals.

OTHER BUSINESS

Management of the Corporation knows of no amendment or variation to the matters identified in the Notice, nor of any other matter to be discussed other than those identified in the Notice. However, the enclosed form of proxy confers discretionary authority upon the persons named therein to vote on any such amendments or variations or other matters.

ADDITIONAL INFORMATION

Additional information relating to the Corporation is available as well as copies of the Corporation's latest annual information form, financial statements and the management's discussion and analysis (MD&A) filed with the Canadian securities regulators may be obtained on SEDAR at www.sedar.com and on the Corporation's Web site www.couche-tard.com/corporate.

APPROVAL BY DIRECTORS

The Board of Directors of the Corporation has approved the contents of this Management Proxy Circular and its sending to the shareholders of the Corporation.

(s) Sylvain Aubry

Sylvain Aubry
Senior Director, Legal Affairs and
Corporate Secretary

Laval, Québec, July 12, 2011

APPENDIX A

GOVERNANCE PRACTICE

BOARD OF DIRECTORS

The Board of Directors up for election is comprised of 10 directors. The Board of Directors considers six of them to be “independent” to the Corporation. Messrs. Alain Bouchard, Richard Fortin, Réal Plourde and Jacques D’Amours are not independent directors. Mr. Jean Élie was nominated by Metro Inc., a significant shareholder, but is not otherwise related to the Corporation or Metro. The Board does consider Mr. Jean Élie to be an independent director given that the Corporation does not have significant business dealings with Metro and that Metro does not control the Corporation. The five other directors, Messrs. Desrosiers, Longpré, Sauriol and Turmel and Mrs. Kau, are independent directors given that they do not have any business interests or other relationships with the Corporation or its principal shareholders.

The following table indicates the other issuers where directors of the Corporation sit as members of the board of director:

<u>Director</u>	<u>Issuer</u>
Alain Bouchard	- Atrium Innovations Inc.
Richard Fortin	- Rona Inc. (also a member of the Audit Committee and the Human Resources and Compensation Committee) - Transcontinental Inc. (also Chairman of the Audit Committee)
Jean Turmel	- Canam Group Inc.

The Board of Directors holds regularly scheduled meetings of the Board at which non-independent directors and members of management are not in attendance. During the last fiscal year of the Corporation, the independent directors held four meetings.

The Chairman of the Board is not an independent director. Therefore, the Board of Directors has established procedures enabling it to function independently of management, including the appointment of an unrelated director to act as Lead Director. The Lead Director’s responsibilities include the following:

- To ensure that the responsibilities of the Board of Directors are well understood by both the Board of Directors itself and management, and that the boundaries between the responsibilities of each are clearly understood and observed.
- Ensure that the resources available to the Board of Directors (especially up-to-date and relevant information) are adequate and enable it to perform its work.
- Adopt, together with the Chairman of the Board of Directors, procedures and meeting schedules so that the Board of Directors and its committees can effectively and efficiently accomplish their work.
- Ensure that duties assigned to the competent committees are effectively carried out and that the results are communicated to the Board of Directors.

The following tables set forth the attendance of nominees at meetings of the Board of Directors and of the committees thereof, as well as the number of meetings of the Board and of the committees held during the fiscal year ended April 24, 2011.

Directors	Number of Meetings Attended by the Director / Number of Meetings Held		
	Boards	Audit Committee	Human Resources and Corporate Governance
Alain Bouchard	8/8	-	-
Jacques D'Amours	5/8	-	-
Roger Desrosiers	7/8	3/4	-
Jean Élie	8/8	4/4	-
Richard Fortin	8/8	-	-
Mélanie Kau	8/8	-	4/4
Roger Longpré	8/8	4/4	4/4
Réal Plourde	8/8	-	-
Jean-Pierre Sauriol	7/8	-	4/4
Jean Turmel	8/8	-	3/4*

* Attends voluntarily and does not get any attendance fees.

MANDATE OF THE BOARD OF DIRECTORS

The Board of Directors adopted a Board of Directors' Charter in order to identify the specific responsibilities of the Board of Directors which are as follows.

I. Mandate

The Board of Directors oversees the Corporation's management of its commercial activities and internal affairs with a view to increasing the long-term return on shareholder equity. The Board makes major policy decisions and reviews the performance and efficiency of the management team entrusted with the responsibility for administering the Corporation's day-to-day business.

In accordance with the *Business Corporations Act* (Québec) and its By-Laws, the Board of Directors may delegate certain tasks and responsibilities to board committees. However, such delegation does not remove the board's general management responsibilities of the Corporation.

II. Responsibilities

In addition to making decisions that fall within its jurisdiction, in accordance with the law, the main responsibilities of the Board of Directors are as follows:

A. Strategic planning:

1. Revising and approving the Corporation's strategic plan and priorities while taking into account opportunities and risks, the Corporation's financial and tax strategy and its business plan.
2. Revising and discussing the Corporation's strategic plan and priorities during an annual meeting with senior management.
3. Evaluating the Corporation's performance with respect to the strategic plan and business plan and, in particular, assessing the Corporation's operating results based on the established objectives.

B. Human resources:

4. Ensuring that the Chief Executive Officer and other members of senior management create a culture of integrity throughout the Corporation.
5. Determining the size and structure of the Board of Directors and its committees based on the expertise, skills and personal qualities required of the members of the Board in order to ensure adequate decision making.

6. Approving and submitting the list of candidates for the position of director, to be voted on by shareholders, as proposed by the Human Resources and Corporate Governance Committee.
7. Ensuring effective planning regarding the succession of the Corporation's senior managers, including their appointment and compensation.
8. Ensuring that an annual performance evaluation is carried out for the Chief Executive Officer and other members of senior management, while taking into account the Board's expectations and the objectives set by the Human Resources and Corporate Governance Committee.

C. Finance and internal control procedures:

9. Revising the main risks associated with the Corporation's activities, as identified by management, and ensuring that they are managed effectively. The main risks are revised during the quarterly meetings of the Audit Committee and the Board of Directors.
10. Ensuring the integrity of the quality of the Corporation's internal control and management systems.
11. Adopting a communications policy that involves the full disclosure of all important matters related to the Corporation's activities, in particular those dealing with how the Corporation interacts with analysts and the public. The communications policy must also outline measures to take to avoid the selective disclosure of information.

D. Governance:

12. Developing the Corporation's governance policies and practices and revising governance structures and procedures with respect to the governance standards in effect and in accordance with the best practices considered applicable in this instance.
13. Approving the appointment of the Lead Director based on the recommendation of the Human Resources and Corporate Governance Committee.
14. Developing and approving the job descriptions for the Chairman of the Board and committee presidents as well as for the Lead Director.
15. Adopting a written code of conduct and ethics that applies to the Corporation's officers and employees and revising and modifying it where necessary. The Board of Directors is responsible for ensuring that the code is respected. The Board, or a Board committee, may grant dispensations to directors or senior management with regard to the code.
16. Implementing, in co-operation with the Lead Director, a procedure to follow for evaluating the effectiveness and contribution of the Board and its members as well as the Board committees and their members.
17. Assessing and approving the contents of important disclosure documents, namely the Annual Information Form, the Management Proxy Circular, as well as any document that the Corporation must disclose or file with the appropriate regulatory authorities.
18. Ensuring that the appropriate measures are implemented to promote communication with clients, employees, shareholders, investors and the public.

POSITION DESCRIPTIONS

The Board of Directors has developed Charters for the Audit and Human Resources and Corporate Governance committees of the Board, as well as respective position descriptions for the Chair of the Board, for the Lead Director, for the Committee chairs and for the President and Chief Executive Officer to compliment the Board of Directors' Charter.

ORIENTATION AND CONTINUING EDUCATION

The Corporation has developed and updates a director's guide for new members of the Board of Directors as well as for existing members. New members of the Board of Directors receive training in the form of presentations and up-to-date documentation containing basic information on the Corporation and its

industry. Management makes presentations on various aspects of the Corporation's business to the Board of Directors on a regular basis. The Board also has put in place a pre-determined budget for continuing education which process is overseen by the Lead Director.

ETHICAL BUSINESS CONDUCT

The Corporation has in place a written code of ethics and conduct for its officers and employees (the "Code"). The Code may be consulted the Corporation's profile on SEDAR at www.sedar.com or the website www.couche-tard.com/corporate. The Human Resources and Corporate Governance Committee is responsible for the Code implementation within the Corporation. The Code is distributed and signed by each employee of the Corporation upon hire. The Code pertains namely to conflict of interest, the use of the Corporation's assets, fair treatment of the clients, providers, competitors and other Corporation employees. In addition, the Code includes a communication policy whose objective is to ensure that disclosure to the investing public regarding the Corporation is made in a timely manner by the Corporation authorized representatives, in keeping with the facts, accurately and widely, in accordance with the applicable statutory and regulatory requirements. Pursuant to the Code, all employees of the Corporation shall report any activity which seems not to be in line with the Code or laws and regulations.

The Corporation has adopted a code of ethics and conduct for its board members which indicates namely that if a director who finds himself in a conflict of interest during any Board of Directors or Committee meeting must immediately declare their interest and refrain from participating in any discussion about the conflicting issue or from voting thereon.

NOMINATION OF DIRECTORS

The Board of Directors has delegated to the Human Resources and Corporate Governance Committee, the task of evaluating and recommending to the Board of Directors, together with the Chairman of the Board of Directors, new nominees for the position of Director. The Committee determines the skills, abilities and personal attributes required of new directors with a view to creating value for shareholders. The Board of Directors may propose candidates. Occasionally, the services of a recruiting firm may be retained. The potential candidates is interviewed by the Human Resources and Corporate Governance Committee, the Lead Director and the Chairman and, if needed, by the board members. Following this process, the Human Resources and Corporate Governance Committee will make its recommendations to the Board of Directors.

The Human Resources and Corporate Governance Committee is exclusively comprised of independent directors. The members are Messrs. Roger Longpré and Jean-Pierre Sauriol and Mrs. Mélanie Kau.

This Committee, together with the Lead Director and the Chairman of the Board of Directors, is responsible for the review and proposing policies and practices for the compensation of directors to ensure that compensation realistically reflects the responsibilities and risks involved in carrying out their mandate as directors, as well as means for encouraging directors to hold shares in the Corporation. The Committee takes into account, in particular, the work load and comparative figures on the compensation of board members of a group of comparable Canadian companies with North American operations. During the fiscal year 2010, in determining compensation for executive officers, the Committee reviewed a survey of compensation practices of a peer group of Canadian and U.S. companies in the retail and manufacturing (food) industries, to benchmark compensation against the median (50th percentile) of the peer group. Following such review, the Committee recommended a Board compensation policy, which was approved by the Board.

COMPENSATION

The Human Resources and Corporate Governance Committee is established by the Board of Directors to assist the Board in fulfilling its responsibilities relating to matters of human resources and corporate governance, namely compensation, establishing succession plan and development of senior management. The Committee has the responsibility for evaluating and making recommendations to the Board regarding the compensation of the Corporation's executives and the equity-based and incentive

compensation plans, policies and programs of the Corporation. For more details refer to section “Executive Compensation” of this proxy circular.

OTHER BOARD COMMITTEES

Audit Committee

Information relating to the Audit Committee of the Corporation may be found under section “Audit Committee Disclosure” of the 2011 Annual Information Form, which is hereby incorporated by reference.

Executive Committee

The Executive Committee is comprised of Messrs. Alain Bouchard, Richard Fortin, Réal Plourde and Jacques D’Amours.

The Executive Committee has the authority to exercise, from time to time, all the powers of the Board of Directors, except the powers that may not be delegated to a committee pursuant to the laws governing the Corporation and subject to any restrictions imposed by the Board of Directors, within the limits of the mandates and responsibilities of other committees of the Board of Directors in accordance with current corporate governance guidelines. The Executive Committee must also advise the Board of all decisions of a strategic nature.

ASSESSMENTS

The Human Resources and Corporate Governance Committee examines on an annual basis, together with the Chairman of the Board and the Lead Director, the performance and contribution of directors nominated for re-election and ensures that they are still eligible pursuant to applicable laws. The Committee reviews the size of the Board on an annual basis and reports to the Board. In addition, the Lead Director meets with each director on a personal basis to assess the operation of the Board and committees, the participation of individual directors, the adequacy of information given to directors and communication between the Board and Management. Thereafter, the Lead Director reports to the Human Resources and Corporate Governance Committee.

APPENDIX B

ALIMENTATION COUCHE-TARD INC.

BY-LAWS

A. INTERPRETATION

1. DEFINITIONS

The following words and phrases, when used in these By-laws, unless incompatible with the context, have the following meanings:

1.1 “Act” means the *Business Corporations Act* (Québec), as amended from time to time, and also includes any other statute that may take its place;

1.2 “board of directors” means the board of directors of the Corporation;

1.3 “By-laws” means the administrative by-laws of the Corporation, as well as all other administrative by-laws of the Corporation in force from time to time, particularly those referred to in section 726 of the Act upon its coming into force and any amendments which may be made to such bylaws from time to time;

1.4 “Corporation” means “ALIMENTATION COUCHE-TARD INC.”; and

1.5 “directors” means the board of directors of the Corporation.

The words and phrases defined in the Act have the same meaning when used in the By-laws.

2. INTERPRETATION

Headings used in the By-laws are for convenience of reference only and shall not affect the interpretation hereof. Words importing the singular also include the plural and *vice-versa*; words importing the masculine gender also include the feminine; words importing persons include natural and legal persons including firms, associations, companies or corporations.

3. CONFLICT WITH THE ARTICLES

The provisions of the articles shall take precedence over the By-laws and any reference to such precedence in a specific section of the By-laws rather than in another shall in no way limit the precedence of the articles over the By-laws in any respect.

B. HEAD OFFICE, ESTABLISHMENT AND CORPORATE SEAL

4. HEAD OFFICE

The head office of the Corporation is established in the judicial district of Laval until such time as it is relocated.

The Corporation may move its head office to another judicial district by special resolution of the shareholders.

The Corporation may, by a resolution of its board of directors, relocate its head office within the judicial district in which it is located.

5. ESTABLISHMENT

In addition to its head office, the Corporation may establish and maintain other offices, places of business and branches in the Province of Québec or elsewhere, as the board of directors may determine from time to time.

6. SEAL

The Corporation may have a seal in the form approved from time to time by the board of directors.

The chair of the board, any vice-chair of the board, the president, any vice-president, the corporate secretary, the treasurer, any assistant secretary, assistant treasurer or director, or any other officer of the Corporation whom the board of directors may designate and, from time to time, authorize for such purpose, shall each and all have the right to affix the Corporation's corporate seal to any document so requiring.

C. CORPORATE RECORDS

7. RECORDS

The Corporation maintains, at its head office or at any other place designated by the Board of Directors, records containing:

- a) the articles and the By-laws;
- b) minutes of meetings of the shareholders and written resolutions of shareholders;
- c) the names and domicile of the directors, and the dates of the beginning and end of their term of office; and
- d) the securities register.

The secretary keeps such records up-to-date.

The shareholders may examine these records during the Corporation's regular office hours, and obtain, without charge, extracts from them. They may also, on request and without charge, obtain a copy of the articles and By-laws.

8. ACCOUNTING AND BOARD RECORDS

The Corporation also maintains accounting records and books containing the minutes of meetings and written resolutions of the Board of Directors. The Corporation also maintains books for each committee of the Board of Directors. These records and books are kept at the Corporation's head office or at any other place designated by the Board of Directors.

The Corporation is required to retain all accounting records for a period of six years after the end of the fiscal year to which they relate.

Only the directors and the auditors have access to the accounting records and books containing the minutes of the meetings as well as the written resolutions of the Board of Directors and of its committees. However, the shareholders may examine, during the Corporation's regular office hours, any part of the minutes of the deliberations of the Board of Directors or any other document in which a director or an officer makes the disclosure of interest referred to in sections 23 and 48 below.

9. SECURITIES REGISTER

The securities register of the Corporation contains the following information with respect to its shares:

- a) the names and the addresses of present and past shareholders;
- b) the number of shares held by each such shareholder;
- c) the date and details of the issue and transfer of each share; and
- d) any amount due on any share, if any.

The register contains, if applicable, the same information with respect to the Corporation's debentures, bonds and notes, with the necessary modifications. Any person may examine the Corporation's securities register if that person complies with the provisions of the Act in this regard. Any person may, on request and on payment of a reasonable fee established by the Corporation, obtain a copy of the list of the Corporation's shareholders as provided for in the Act.

10. TRANSFER AGENTS AND REGISTRARS

The board of directors may, from time to time, appoint or remove one or more transfer agents and registrars with responsibility in whole or in part for the securities register of the Corporation, for all classes of securities of the Corporation and, subject to the laws governing the Corporation from time to time, including the *Act respecting the transfer of securities and the establishment of security entitlements* (R.S.Q. c. T-11.002), regulate, from time to time or generally, the transfer of the securities of the Corporation. All certificates representing securities of any such class issued after such appointment(s) must be countersigned by such agent during the term of appointment of such agent and shall not be valid unless so countersigned.

D. BOARD OF DIRECTORS

11. FUNCTIONS AND POWERS

The board of directors exercises all the powers necessary to manage, or supervise the management of, the business and affairs of the Corporation. Except to the extent provided by the Act, such powers may be exercised without shareholder approval and may be delegated to a director, an officer or one or more committees of the board of directors.

Thus, without limiting the foregoing provisions of the By-laws, the board of directors may borrow money, issue, reissue, sell or hypothecate debt obligations of the Corporation, cause the Corporation to enter into a suretyship to secure performance of an obligation of any person and hypothecate all or any of its property, owned or subsequently acquired, to secure performance of any obligation.

Any measure undertaken at a meeting of the directors or by any person acting as a director shall, as long as a successor has not been duly elected or appointed, notwithstanding that afterwards it be discovered that there was a defect in the election of the directors or such person acting as a director or that one or more directors were disqualified, be as valid as if the directors or such person, as the case may be, had been duly elected and qualified to act as directors of the Corporation.

12. DELEGATION OF POWERS

The Board of Directors may create one of several committees composed of directors and may delegate certain powers to this or these committees. It can also delegate its powers to a director or an officer. However, the Board of Directors may not delegate its power:

- a) to submit to the shareholders any question or matter requiring their approval;
- b) to fill the vacancies among the directors or in the office of auditor;
- c) to appoint or dismiss the president of the Corporation, the Chair of the Board of Directors, the chief executive officer, the chief operating officer or the chief financial officer regardless of their title, and to determine their remuneration;
- d) to authorize the issue of shares;
- e) to approve the transfer of unpaid shares;
- f) to declare dividends;
- g) to acquire, including by purchase, redemption or exchange, shares issued by the Corporation;
- h) to split, consolidate or convert shares;
- i) to authorize the payment of a commission to a person who purchases shares or other securities of the Corporation, or procures or agrees to procure purchasing services for those shares or securities;
- j) to approve the financial statements presented at the annual meetings of shareholders;
- k) to approve, amend or repeal the By-laws;
- l) to authorize calls for payment;
- m) to authorize the confiscation of shares;
- n) to approve articles of amendment allowing a class of unissued shares to be divided into series, and to determine the designation of and the rights and restrictions attaching to those shares or securities; and
- o) to approve a short-form amalgamation.

13. NUMBER

The board of directors of the Corporation shall be made up of a minimum and a maximum number of directors as indicated in the articles of the Corporation as amended from time to time. The exact number of directors shall be established from time to time by resolution of the board of directors.

14. QUALIFICATIONS

To be elected to this office and to continue to fill it, each director must satisfy the conditions set out in the Act and this By-law. Notwithstanding the subsequent discovery of any irregularity in the

election of the board of directors or in the election or appointment of a director or the absence or loss of eligibility of a director, actions validly performed by such a director shall be as valid and binding upon the Corporation as though the election or appointment had been regularly conducted or each such person was eligible. A director does not have to hold shares in the Corporation's share capital.

15. ELECTION

The directors are elected by the majority of votes cast by holders of voting shares of the Corporation. If a class of shares confers an exclusive voting right to elect a specific number of directors, such number of directors shall be elected by the majority of votes cast by the holders of such class.

16. APPOINTMENT OF ADDITIONAL DIRECTORS

If the articles permit, the board of directors may appoint one or more additional directors to hold office for a term expiring not later than the close of the next annual shareholders meeting following their appointment.

17. TERM OF OFFICE

The term of office of each of the directors shall be one (1) year. It shall begin on the date of the meeting at which the director is elected and end at the close of the annual meeting following his election or such time as his successor is elected. An appointed director only remains in office during the remaining term of the director he replaces or, in the case of an additional director appointed by the board of directors, during the period ending at the close of the annual meeting following his appointment.

18. CESSATION OF OFFICE

A director ceases to hold office when he dies, becomes disqualified from being a director, resigns or is removed from office.

19. RESIGNATION

A director may resign from office at any time by tendering a written notice of resignation to the chair of the board, any vice-chair of the board, the president, the corporate secretary or the assistant secretary of the Corporation or at a meeting of the board of directors. The resignation takes effect as soon as it is tendered to the Corporation or at the time specified in the resignation.

20. REMOVAL

Shareholders may, by ordinary resolution, remove a director at a meeting called for that purpose. If certain shareholders have an exclusive right to elect one or more directors, a director so elected may only be removed by ordinary resolution of those shareholders. The director to be removed must be informed of the place, date and time of the meeting within the period provided to call such meeting; he may attend and be heard or may explain in a written statement read by the chair of the meeting, why he opposes his proposed removal.

A special meeting called to remove a director may only be called upon receipt, by the corporate secretary or assistant secretary of the Corporation, of a request in writing signed by the holders of no less than 25% of the class or classes of shares carrying the right to elect the director in question declaring that the purpose of the requested meeting is to consider and, where deemed appropriate, to propose that one or several directors of the Corporation be removed and one or several directors be elected to replace them. In such case, the board of directors shall immediately for this purpose call a special meeting of shareholders. A vacancy created by the

removal of a director may be filled at the shareholders meeting at which the director is removed or, if it is not, at a subsequent meeting of the board of directors.

21. VACANCY

The office of a director becomes automatically vacant when he becomes disqualified, resigns or is removed from office. Any vacancy among the directors (except in the case of the removal and replacement of a director, as provided in section 20) may be filled by the board of directors. Any director thus elected shall hold office for the remainder of his predecessor's term and until is re-elected, replaced or removed. The directors may continue to act as a board of directors despite any vacancy, providing there is a quorum at such meetings.

22. DUTIES OF DIRECTORS

Subject to the provisions of the Act, the directors are bound by the same obligations as are imposed by the *Civil Code of Québec* on any director of a legal person. Consequently, in the exercise of their functions, the directors are duty-bound toward the Corporation to act with prudence and diligence, honesty and loyalty and in the interest of the Corporation.

More specifically, but without limiting the generality of the foregoing:

- a) no director may mingle the property of the Corporation with his own property nor may he use for his own profit or that of a third person any property of the Corporation or any information he obtains by reason of his duties, unless he is authorized to do so by the shareholders of the Corporation;
- b) unless he has obtained the express consent of the Board of Directors, a director must keep confidential the deliberations of the Board of Directors, any internal document and any other information to which he has access in the performance of his duties which is not publicly known and which has not been publicly disclosed by the Corporation;
- c) a director must avoid placing himself in any situation where his personal interest would be in conflict with his obligations as a director of the Corporation; and
- d) a director must declare to the Corporation any interest he has in an enterprise or association that may place him in a situation of conflict of interest and of any right he may set up against it, indicating their nature and value, where applicable.

23. CONTRACTS OR TRANSACTIONS – DISCLOSURE OF INTEREST

A director must disclose the nature and value of any interest he has in a contract or transaction to which the Corporation is a party. "Interest" means any financial stake in a contract or transaction that may reasonably be considered likely to influence the director's decision-making. Furthermore, a proposed contract or a proposed transaction, including related negotiations, is considered a contract or transaction.

A director must also disclose a contract or transaction to which the Corporation and any of the following are a party:

- a) an associate of the director;
- b) a group of which the director is a director or an officer;
- c) a group in which the director or an associate of the director has an interest.

The director satisfies the requirement if, in a case specified in subparagraph b), he discloses the directorship or office held within the group or, in a case specified in subparagraph c), the nature and value of the interest he or his associate has in the group.

Unless it is recorded in the minutes of the first meeting of the Board of Directors at which the contract or transaction is discussed, the disclosure of an interest, contract or transaction must be made in writing to the Board of Directors as soon as the director becomes aware of the interest, contract or transaction.

The disclosure must be made even in the case of a contract or transaction that does not require approval by the Board of Directors.

24. CONTRACTS OR TRANSACTIONS – VOTING

No director may vote on a resolution to approve, amend or terminate the contract or transaction described in the foregoing section, or be present during deliberations concerning the approval, amendment or termination of such a contract or transaction unless the contract or transaction:

- a) relates primarily to the remuneration of the director or an associate of the director as a director of the Corporation or an affiliate of the Corporation;
- b) relates primarily to the remuneration of the director or an associate of the director as an officer, employee or mandatory of the Corporation or an affiliate of the Corporation, if the Corporation is not a reporting issuer;
- c) is for the indemnification of the directors in certain circumstances or liability insurance taken out by the Corporation; and
- d) is with an affiliate of the Corporation, and the sole interest of the director is as a director or officer of the affiliate.

If no quorum exists for the purpose of voting on a resolution to approve a contract or transaction only because a director is not permitted to be present during deliberations, the other directors present are deemed to constitute a quorum for the purpose of voting on the resolution.

If all the directors are required to abstain from voting, the contract or transaction may be approved solely by the shareholders entitled to vote, by ordinary resolution. The disclosure must be made to the shareholders in a sufficiently clear manner before the contract or transaction is approved.

25. COMPENSATION

Each director shall receive the compensation determined from time to time by the board of directors. The directors shall be entitled to be reimbursed by the Corporation all costs, charges and expenses reasonably incurred in the exercise of their functions, including without being limited thereto, for their attendance at meetings of directors or of committees of the board or at meetings of shareholders or that are incurred in the normal course of the Corporation's business.

Upon request, any director who performs special services for the Corporation may receive additional compensation as determined by the directors.

E. MEETING OF THE BOARD OF DIRECTORS

26. ORDINARY MEETING

Immediately after each annual meeting of shareholders, a meeting of the directors then present shall be held without need for further notice, provided they constitute a quorum, to elect or appoint officers of the Corporation, if required, and to transact such other business as may be brought before them.

27. PLACE

Regular meetings of the board of directors may be held at any location, within the Province of Quebec or elsewhere, on any date and upon any notice, if need be, that the board of directors may, from time to time, determine by resolution. A notice of the location and date of such regular meetings may be sent on a yearly basis to each director and, in such case, no other notice shall be necessary for a regular meeting. However, a notice specifying any matter to be dealt with at such meetings and relating to powers the board of directors may not delegate under the Act must be sent in the manner and within the time prescribed in the following paragraphs of this chapter as if the meeting were a special meeting.

28. SPECIAL MEETING

Any meeting of the board of directors which is not an ordinary meeting convened in accordance with the foregoing provisions of this chapter is a special meeting.

29. NOTICE OF MEETING

Special meetings of the board of directors may be convened, at any time, by the chair of the board, any vice-chair of the board, the president, or two (2) directors. A notice specifying the purpose, place, day and time of such meeting shall be served upon each of the directors or left at his residence or regular place of business or shall be sent by mail, postage pre-paid, to his address (as it appears in the books of the Corporation), by facsimile machine, or by any electronic means, at least forty-eight (48) hours prior to the time and date fixed for the meeting. If the address of any director does not appear in the books of the Corporation, such notice shall then be mailed to the address considered by the person sending it as being the most likely way to promptly reach such director.

30. PLACE AND DATE

Any special meeting thus convened may be held at the head office of the Corporation or at any other location approved by resolution of the board of directors.

Special meetings of the board of directors may be held on any date, at any location and for any purposes, without notice, when all the directors are present or when those present have, in writing, waived the notice of such meeting.

31. WAIVER OF NOTICE

Any director may waive the notice of meeting before or after the holding thereof and the fact that a director attends a meeting of directors constitutes a waiver of notice of such meeting except where a director attends a meeting for the express purpose of objecting to the deliberations on the grounds that such meeting was not duly convened.

32. PARTICIPATION BY ANY MEANS OF COMMUNICATION

A director may, with the consent of all directors, participate in a meeting of the board of directors by any technical means enabling all participants to converse together, namely by telephone or videoconference, and a director who participates in such a manner is deemed to have attended such meeting.

33. QUORUM

A majority of the directors in office constitutes a quorum. Any meeting of the board of directors at which there is a quorum is competent to exercise each and every mandate, power and discretion that the law and the By-laws of the Corporation grant or recognize to the directors. Matters raised at any meeting of directors shall be resolved by the affirmative vote of the simple majority of directors present thereat.

34. MEETING CHAIR AND SECRETARY

The chair of the board or, in his absence, the vice-chair of the board, or if there is more than one vice-chair of the board, the vice-chair of the board designated by the board of directors, shall chair all meetings of the directors. If the chair of the board and the vice-chairs of the board are absent or decline to act, the persons who are present may choose one of their number to act as chair.

The chair of any meeting of the board of directors shall be entitled to vote as director in respect of any business submitted to the vote of the meeting but, in the event of a tie vote, is not entitled to a second or deciding vote.

The Corporate Secretary acts as secretary of the meeting, drafts the minutes of the meeting and co-signs the minutes with the Chair of the meeting.

35. PROCEDURE

The Chair of the Board directs the meeting and ensures that it is conducted in an orderly manner. He submits the business to be discussed to the board. A director may also submit business to be discussed.

36. VOTING

Unless otherwise provided in the articles, the Board of Directors decides any issue by a majority of the votes. Each director is entitled to one vote. Voting by proxy is not permitted.

Voting is by a show of hands or, at the request of the Chair of the Board or a director, by secret ballot. A vote by secret ballot may be requested before or after a vote by a show of hands.

If voting is by secret ballot, the secretary acts as scrutineer and counts the ballots.

37. DISSENT

A director present at a meeting of the board of directors is deemed to have approved any resolution passed during such meeting unless: (i) during the meeting he asks that his dissent be entered in the minutes; or (ii) he informs the secretary of the meeting in writing of his dissent before the meeting is adjourned, or (iii) he delivers a written dissent to the chair of the board, sends it to the chair by any means providing proof of the date of receipt or delivers it to the head office of the Corporation immediately after the meeting is adjourned.

38. DISSENT OF AN ABSENT DIRECTOR

A director who is not present at a meeting at which a resolution is passed is deemed to have consented to the resolution unless the director records his dissent in accordance with the Act within seven (7) days after becoming aware of the resolution.

39. ADJOURNMENT

The Chair of the Board may, with the consent of the majority of the directors present, adjourn a meeting of the Board of Directors to a specified date, time and place without a new notice of meeting being required. The Chair of the Board may also adjourn a meeting *ex officio* if he considers it impossible to conduct it in an orderly manner.

The meeting is validly resumed if it is held on the specified date and at the specified place and if a quorum is present. If a quorum does not exist when the meeting resumes, the initial meeting is deemed to have ended immediately after it was adjourned.

40. WRITTEN RESOLUTION

A resolution in writing, signed by all the directors entitled to vote on the resolution, has the same force as if it had been passed at a meeting of the board or, as the case may be, of a committee of the Board of Directors. These resolutions are kept with the minutes of meetings and the written resolutions of the Board of Directors.

The written resolutions that are signed electronically or by some other means are as legally valid as a written signature.

41. RECORDING OF DELIBERATIONS

Only the secretary may record the deliberations of the Board of Directors, for the purpose of preparing the minutes. The secretary must destroy the recording once the concerned minutes have been approved.

F. OFFICERS

42. GENERAL

The management of the Corporation shall consist of the chair of the board, one or more vice-chairs of the board, if any are elected, a president, one or more vice-presidents, including the chief financial officer, a corporate secretary and any other officer as determined from time to time by the Corporation. To form part of management, one or more assistant secretaries, a treasurer and assistant treasurers may also be appointed.

Unless the board of directors decides otherwise, these officers shall be appointed by the board of directors at its first meeting after each annual meeting of shareholders. Officers may also be appointed at any other meeting, for example, to fill a vacancy, as determined by the board of directors from time to time, or by persons or entities to whom the board of directors delegates this power. The officers of the Corporation shall remain in office until their successors are chosen and appointed in their stead and place.

The officers shall duly perform the duties, in addition to those applicable pursuant to the By-laws, that the board of directors prescribes from time to time. Moreover, the board of directors may from time to time modify the duties of an officer specified in the By-laws, especially where such duties are attributed in whole or in part to one or more other officers. The board of directors may also change the titles of the officers of the Corporation from time to time as it sees fit, create new offices and abolish certain offices. The same person may hold more than one office, provided

however that the offices of president and vice-president are not held by the same person. Officers of the Corporation, except for the chair of the board and any vice-chair of the board, do not have to be directors of the Corporation.

43. QUALIFICATIONS

The officers need not be directors or shareholders of the Corporation except for the Chair of the Board of Directors who must be a director. The same person may hold more than one position as officer.

44. TERM OF OFFICE

Unless the Board of Directors provides otherwise when he is appointed, an officer holds office from his appointment until the first meeting of the Board of Directors following the annual meeting or until a replacement has been named.

45. CESSATION OF OFFICE

An officer may resign at any time. The resignation of an officer takes effect on the date the Corporation receives the written notice he gives or on the later date indicated therein.

The Board of Directors or the president and chief executive officer may remove an officer at any time and the reason for the removal is not required to be given. However, the removal of the president, the Chair of the Board, the chief executive officer, the chief operating officer, or the chief financial officer regardless of their title, as their appointment, is the responsibility of the Board of Directors.

46. VACANCY

The Board of Directors may fill any vacancy in an office at any time.

47. POWERS OF OFFICERS

An officer exercises the powers attached to his position. He also exercises all the powers which the Board of Directors can delegate to him. In the event an officer is unable to act, the powers of such officer are exercised by any other person designated by the Board of Directors.

48. DUTIES OF OFFICERS

The officers are mandatories of the Corporation. In this capacity, in the exercise of their functions, the officers are bound, among other things, toward the Corporation to act with prudence and diligence, honesty and loyalty and in the interest of the Corporation.

An officer must disclose the nature and value of any interest he has in a contract or transaction, in progress or planned, to which the Corporation is a party. An officer must also disclose any contract or transaction to which the Corporation and any of the following are a party:

- a) an associate of the officer;
- b) a group of which the officer is a director or an officer; or
- c) a group in which the officer or an associate of the officer has an interest.

The officer satisfies the requirement if, in a case specified in subparagraph b), he discloses the directorship or office held within the group or, in a case specified in subparagraph c), the nature and value of the interest he or his associate has in the group.

In the case of an officer who is not a director, the disclosure must be made as soon as:

- a) the officer becomes an officer;
- b) the officer becomes aware that the contract or transaction is to be discussed or has been discussed at a meeting of the board; or
- c) the officer or the officer's associate acquires an interest in the contract or transaction, if it was entered into earlier.

The disclosure must be made even in the case of a contract or transaction that does not require approval by the Board of Directors.

49. CHIEF EXECUTIVE OFFICER

The board of directors may appoint an officer as chief executive officer. Generally speaking, the chief executive officer is responsible for monitoring, directing and controlling the activities and business affairs of the Corporation, under the direction of the board of directors.

50. CHIEF OPERATING OFFICER

The board of directors may appoint an officer as chief operating officer. Generally speaking, the chief operating officer is responsible for monitoring, directing and controlling the operations of the Corporation, under the direction of the chief executive officer.

51. CHAIR OF THE BOARD

The chair of the board is chosen from among the directors. He chairs all meetings of shareholders and meetings of the board of directors. He shall have all the powers and duties that the board of directors may determine from time to time.

52. VICE-CHAIR OF THE BOARD

The vice-chair of the board, if any, is chosen from among the directors who may decide to appoint more than one vice-chair of the board. In the absence of the chair of the board, the vice-chair of the board, or if there is more than one vice-chair of the board, the vice-chair of the board designated by the board of directors, shall chair all meetings of shareholders and meetings of the board of directors. The vice-chair of the board shall have all other powers and duties that the board of directors may assign to him from time to time.

53. PRESIDENT

Unless the board of directors decides otherwise pursuant to section 49 of this chapter, the president is the chief executive officer. He shall have all other powers and duties that the board of directors may assign to him from time to time.

54. VICE-PRESIDENT OR VICE-PRESIDENTS

The vice-president or vice-presidents, whether or not chosen from among the directors, have the powers and perform the duties assigned to them from time to time by the board of directors. The board of directors may from time to time determine the exact title of the position held by each vice-president, the seniority status of the vice-presidents, as well as the qualifications associated with the position of vice-president. In the case of absence or inability of the president, any such vice-president may exercise the powers and perform the duties of the president. One of the vice-presidents is the chief financial officer and unless the board of directors decides otherwise, performs the functions described in section 55 of this chapter.

55. CHIEF FINANCIAL OFFICER

The chief financial officer is responsible for monitoring the finances of the Corporation. As such, he shall supervise the treasurer of the Corporation and the assistant treasurers, as the case may be. He deposits money and other valuable effects of the Corporation, in the name and to the credit of the Corporation, with all banks, trust companies or other depositaries the board of directors may designate from time to time by resolution. He shall be responsible for investments the Corporation may make and shall implement the investment practices and policies that the board of directors may determine from time to time. Where required by the board of directors, he shall render an account of the financial situation of the Corporation and all his transactions as chief financial officer; and, as soon as possible after the closing of each fiscal year, he shall prepare and submit a report on the past fiscal year to the board of directors. Where there is no treasurer, he shall be responsible for the safekeeping, deposit and keeping of all account books and other documents which, according to laws governing the Corporation, the Corporation is required to keep. He shall perform all other duties incumbent upon a chief financial officer, along with any other duty the board of directors may assign to him from time to time, subject to the control of the board of directors.

56. TREASURER AND ASSISTANT-TREASURER

The treasurer shall assist the chief financial officer in the performance of his duties, and shall be subject to the monitoring and control of such officer. He is responsible for the care, filing and keeping of all accounting books and other documents which, according to the laws governing the Corporation, the Corporation is required to keep. He shall perform all other duties specific to the office of treasurer, as well as those the board of directors or chief financial officer may assign to him from time to time, subject to the control of said board of directors. The assistant treasurers may perform any duty of the treasurer that the board of directors or the treasurer may from time to time assign to them.

57. CORPORATE SECRETARY AND ASSISTANT SECRETARY

The corporate secretary shall give all notices of the Corporation or have them served and shall draft and keep the minutes of all meetings of shareholders and meetings of the board of directors in one or more books kept for such purpose. He shall act as secretary at meetings of the board of directors, of the audit committee and of the shareholders. He shall also act as secretary of elections unless the board of directors has designated another person to that end. He shall keep in safe custody the corporate seal of the Corporation, if any. He is responsible for the records of the Corporation, including books containing names and addresses of shareholders and members of the board of directors, together with copies of all reports prepared by the Corporation and all other books of documents the board of directors may order or entrust to him. He is responsible for keeping and preparing all books, reports, certificates and other documents, the preparation and keeping of which are required by law. He must perform all other duties pertaining to his office as well as those the board of directors may assign to him from time to time. Assistant secretaries may perform any duty of the corporate secretary that the board of directors or the corporate secretary may, from time to time, assign to them.

58. SECRETARY-TREASURER

Where the corporate secretary also performs the duties of treasurer, he may, at the option of the board of directors, be designated as "secretary-treasurer".

59. REMOVAL

The board of directors may remove and dismiss any officer of the Corporation, including any person who holds the position of president and/or chief executive officer and any officer who reports directly to any such person, at any meeting convened for that purpose, and may appoint

others in their stead and place. Any employee of the Corporation other than an officer appointed directly by the board of directors may also be relieved of his duties and dismissed by the chief executive officer, the chair of the board, the president or any vice-president or any other person with authority to do so.

60. COMPENSATION

The remuneration of all members of management of the Corporation and other officers of the Corporation is determined from time to time by resolution of the board of directors or by persons with authority to do so.

G. COMMITTEES OF THE BOARD OF DIRECTORS

61. CREATION

The Board of Directors may, by resolution, create one or more committees made up of directors. The resolution creating the committee sets out the number of directors making it up.

62. POWERS

A committee of the Board of Directors exercises the powers delegated to it by the Board of Directors. However, the Board of Directors may not delegate the powers which it must exercise exclusively, according to the Act or section 12 of these by-laws.

A committee reports on its activities to the Board of Directors. Subject to the rights of third parties, the Board of Directors may overrule or modify a committee's decisions.

63. CESSATION OF OFFICE

A director may resign from a committee of the Board of Directors at any time. The resignation of a director becomes effective at the time the director's written resignation is received by the Corporation, or at the time specified in the resignation, whichever is later. The reason for the resignation is not required to be given.

The Board of Directors may, by resolution, replace a member of a committee of the board.

64. VACANCY

The Board of Directors may fill any vacancy on a committee of the board.

65. MEETINGS

Meetings of a committee of the board of directors are called in the same manner as meetings of the Board of Directors.

66. QUORUM

Unless otherwise provided in a resolution of the Board of Directors, the majority of the members of a committee of the board of directors constitute a quorum.

67. CHAIR AND SECRETARY

Meetings of a committee of the board of directors are Chaired by the Chair of the committee; in his absence, the members present choose a meeting Chair from among themselves. The secretary of the Corporation acts as secretary of any committee of the board of directors. The members present at a meeting can, if necessary, choose another person as meeting Chair or secretary.

68. PROCEDURE

Meetings of committees of the Board of Directors are held in the same manner as the meetings of the Board of Directors.

69. WRITTEN RESOLUTION

A resolution in writing, signed by all the members of the committee entitled to vote on this resolution has the same force as if it had been passed at a meeting of the committee. The resolutions are kept with the minutes of the meetings and the written resolutions of the committee.

The written resolutions that are signed electronically or by some other mean are as legally valid as a written signature.

70. COMPENSATION

The members of a committee of the board of directors may, as such, receive the compensation set by resolution of the Board of Directors.

H. PROTECTION OF DIRECTORS AND OFFICERS

71. PRESUMPTION

A director is presumed to have fulfilled the obligation to act with prudence and diligence if the director relied, in good faith and based on reasonable grounds, on a report, information or an opinion provided by one of the following persons:

- a) an officer of the Corporation who the director believes to be reliable and competent in the functions performed;
- b) legal counsel, professional accountants or other persons retained by the Corporation as to matters involving skills or expertise the director believes are matters within the particular person's professional or expert competence or as to which the particular person merits confidence; or
- c) a committee of the Board of Directors of which the director is not a member if the director believes the committee merits confidence.

72. RELIEF PROVIDED BY THE ACT

A director cannot be held liable under sections 154, 155, 156, 287 or 392 of the Act if the director acted with a reasonable degree of prudence and diligence in the circumstances. Furthermore, for the purposes of sections 155, 156, 287 and 392 of the Act, the court may, after considering all the circumstances and on the terms the court considers appropriate, relieve a director, either wholly or partly, from the liability the director would otherwise incur if it appears to the court that the director has acted reasonably, honestly and loyally, and ought fairly to be excused.

I. INDEMNIFICATION AND LIABILITY INSURANCE

73. INDEMNIFICATION

Subject to the provisions of the following paragraphs of this chapter, the Corporation must indemnify its directors or officers, its former directors or officers, its other mandatories, or any other person who acts or acted, at the Corporation's request, as a director or officer of another group against all costs, charges and expenses reasonably incurred in the exercise of their

functions, including an amount paid to settle an action or satisfy a judgment, or arising from any investigative or other proceeding in which the person was involved if:

- a) the person acted with honesty and loyalty in the interest of the Corporation or, as the case may be, in the interest of the other group for which the person acted as director or officer or in a similar capacity at the Corporation's request; and
- b) in the case of a proceeding that is enforced by a monetary penalty, the person had reasonable grounds for believing that his conduct was lawful. The Corporation must also advance moneys to such a person for the costs, charges and expenses of a proceeding referred to in the preceding paragraph.

In the event that a court or any other competent authority judges that the conditions set out in subparagraphs a) and b) hereinabove are not fulfilled, the Corporation may not indemnify the person and the person must repay to the Corporation any monies advanced under this section.

The provisions of this section shall not, to the extent permitted by law, operate to affect or otherwise restrict the scope of any indemnification contractually agreed by the Corporation or otherwise applicable under previous provisions of the law or any by-law of the Corporation of which a director or officer may avail himself.

74. ACTIONS BY OR ON BEHALF OF THE CORPORATION

The Corporation may, with the approval of the court, in respect of an action by or on behalf of the Corporation or other group referred to in the preceding section against a person referred to in the preceding section, advance the necessary monies to the person or indemnify the person against all costs, charges and expenses reasonably incurred by the person in connection with the action, if the person fulfills the conditions set out in the preceding section.

75. LIABILITY INSURANCE

The Corporation must purchase and maintain insurance for the benefit of its directors, officers and other mandatories against any liability they may incur as such or in their capacity as directors, officers or mandatories of another group, if they act or acted in that capacity at the Corporation's request.

J. SHAREHOLDERS MEETING

76. ANNUAL MEETING

The annual meeting of shareholders shall be held on the date (at least once in every calendar year) not later than fifteen (15) months after the last preceding annual shareholders meeting.

77. SPECIAL MEETING

A special meeting of shareholders may be called at any time and from time to time at the request of the chair of the board, any vice-chair of the board, the president or the board of directors. Each such request must set out the purpose of calling a meeting. A special meeting of shareholders shall also be called by the board of directors if holders of not less than 25% of the issued shares that carry the right to vote at a shareholders meeting sought to be held requisition the board of directors in writing to call a shareholders meeting for the purposes stated in the requisition. The requisition shall be signed by at least one shareholder and must state the business to be transacted at the meeting. On receiving the requisition, the board of directors calls a shareholders meeting to transact the business stated in the requisition.

If the board of directors does not call the meeting requisitioned by the shareholders, the shareholders themselves may call the meeting in accordance with and subject to the legislative provisions governing the Corporation.

78. PLACE

Meetings of shareholders shall be held within the province of Québec or any other places which the directors may from time to time determine.

79. NOTICE OF MEETING

The notice of special meeting must specify the date, time and place of the meeting as well as the business to be transacted. The notice of meeting must state the business on the agenda in sufficient detail to permit the shareholders to form a reasoned judgment on it, and contain the text of any special resolution to be submitted to the meeting.

The notice shall be communicated to all directors and to all shareholders entitled to vote by leaving it at their residence or regular places of business or sending it by mail, postage pre-paid, to their respective addresses (as such address appears in the books of the Corporation or, otherwise, to any other location where such notice is likely to reach them), by facsimile machine, or by any other means permitted by law, for as long as the Corporation is a reporting issuer, no less than twenty-one (21) days and no more than sixty (60) days before the date fixed for the meeting. The day on which such notice is served or sent, and the day on which such meeting is to be held shall not be counted when determining the notice period.

Should the Corporation cease to be a reporting issuer, any notice of meeting shall be served or sent at least ten (10) clear days prior to the date of meeting for which such notice is required.

80. RECORD DATE

The Board of Directors may fix, in conformity with the applicable requirements of the securities regulations, before any annual shareholders meeting or special shareholders meeting, the record date for the determination of the shareholders entitled to receive notice of any such meeting.

81. RENONCIATION

A shareholder or director may waive notice of a shareholders meeting in writing. A shareholder's or director's attendance at the meeting in person or, in the case of a shareholder, being represented by proxy, is a waiver of notice of the meeting unless he attends the meeting for the sole purpose of objecting to the holding of the meeting on the grounds that it was not lawfully called or held.

Simple irregularities in the notice or in the way in which it is given as well as the unintentional omission to give notice of a meeting to a shareholder or non-receipt of such notice by a shareholder does not invalidate actions taken by or at the meeting in question.

Any notice of an annual or special meeting may contain a provision with respect to the closure of the securities register on a date not more than sixty (60) clear days before the date of such meeting.

82. HOLDING OF OR PARTICIPATION IN MEETING BY ELECTRONIC MEANS

Any person entitled to attend a shareholder's meeting may participate in the meeting by means of any equipment made available to the shareholders by the Corporation, enabling all participants to communicate directly with one another. The vote may be entirely held using any equipment made available by the Corporation, as the case may be, enabling all participants to communicate

directly with one another, if such equipment also allows votes to be cast in a way that allows them to be verified afterwards and protects the secrecy of the vote.

83. QUORUM

Subject to the provisions of the articles, the quorum for an annual meeting of shareholders as well as for a special meeting of shareholders is reached if, at the opening of the meeting, at least two persons who are or who represent holders of at least twenty-five percent (25%) of the outstanding shares carrying voting rights in the share capital of the Corporation are present.

84. CHAIR AND SECRETARY OF THE MEETING

The chair of the board or, in his absence, the vice-chair of the board, or if there is more than one vice-chair of the board, the vice-chair of the board designated by the board of directors, shall chair all meetings of shareholders. If the chair of the board and the vice-chairs are absent or decline to act, the shareholders present may choose one of their number to chair the meeting.

The Corporate Secretary acts as meeting secretary.

85. PROCEDURE

The Chair of the meeting directs the meeting and ensures its orderly conduct. His decisions, including those relating to the validity of proxies, are final and binding on all the shareholders.

The Chair of the Board of a shareholders meeting must allow shareholders to raise and discuss, for a reasonable period of time, any matter the primary purpose of which relates to the business or affairs of the Corporation and which is not to enforce a personal claim or redress a personal grievance against the Corporation or its directors, officers or shareholders.

At a shareholders meeting, unless a vote is demanded, a declaration by the Chair of the Board of the meeting that a resolution of the shareholders has been carried and that an entry to that effect has been made in the minutes of the meeting is, in the absence of any evidence to the contrary, proof of that fact, without it being necessary to prove the number or proportion of the votes recorded for and against the resolution.

86. RIGHT TO VOTE AND PROXY

Any person who holds shares in the share capital of the Corporation carrying voting rights at any meeting of shareholders or at any meeting of any class of shareholders may act and vote thereat through a duly authorized representative who need not be a shareholder.

Any person, whether a shareholder or not, may act as proxy. At all meetings of shareholders, each shareholder present at such meeting and entitled to vote thereat (including the authorized representative of a legal person or a group) shall be entitled to one (1) vote, during a show of hands; and, upon a vote by ballot, each shareholder present or represented by proxy, including the authorized representative of a legal person or a group, shall be entitled to the number of votes attached to each voting share at the meeting registered in his name (or in the name of the legal person or the group in question) in the books of the Corporation.

Any shareholder, including his proxy, may demand (either before or after a vote by show of hands) a vote by ballot on any matter submitted to the vote of the shareholders. The vote shall then be by ballot.

During a shareholders meeting, the shareholders, including a legal person or other group, may, during a vote by ballot, vote by written proxy. The same applies with respect to the authorized

representative of a legal person or other group if he is duly authorized for that purpose by said legal person or group.

The instrument appointing a proxy shall be in writing, signed by the shareholder, the mandator or his attorney duly authorized in writing or, if the mandator is a legal person or other group, by the signature of one of its officers or by the signature of an attorney authorized for this purpose; such proxy may be revoked at all times but lapses after the expiry of a three (3) month period following its date, unless it is for another period which may not exceed one year after the date it is given.

In addition to the date, the proxy must include the name of the proxyholder and, if applicable, revoke any former proxy. A proxy may also contain voting instructions which the proxyholder is required to follow.

A proxy may be filed with the secretary of the Corporation or any authorized person. A proxy mechanically executed or sent by fax or any other means of communication providing proof of the date of receipt is valid.

The directors may, before a meeting of shareholders, determine a date on which all proxies to be used at such meeting or with respect to such meeting and, if the directors so decide, at any adjournment thereof, shall, to be validly used at or with respect to such meeting, be received by the Corporation or any agent the directors may from time to time determine.

Notice of a shareholders meeting shall indicate, as applicable, the date before which the Corporation must receive the proxies of the shareholders who wish to be represented at the meeting. Such date may not exceed 48 hours, excluding Saturdays and holidays, preceding the meeting or the resumption of a meeting after an adjournment.

87. MAJORITY DECISION

Unless provided otherwise by law, such as in the regulations applicable to securities, the articles of the Corporation or the By-laws, all matters submitted to a meeting of shareholders shall be decided by a simple majority of the votes validly cast.

Decisions reached by a majority of votes cast at such meeting are deemed to be decisions of all shareholders except in cases where a number of votes greater than the majority of votes or consent by more than the majority of votes is required or demanded by law, by the articles of the Corporation or by the By-laws. Subject to the foregoing, the vote of holders of the majority of votes cast at any annual meeting is sufficient to validly ratify any previous action by the board of directors and officers of the Corporation.

88. TIE BREAKING VOTE

In the event of a tie vote, the chair of the meeting shall not have a casting vote.

89. VOTING

Voting is conducted by a show of hands, open voice or secret ballot.

90. VOTING BY A SHOW OF HANDS

Voting is conducted by a show of hands unless an open voice vote or a ballot is demanded. In such a case, the shareholders or proxies vote by raising their hand and the number of votes is calculated according to the number of hands raised.

A proxyholder who has conflicting instructions from more than one shareholder may not vote by a show of hands.

91. OPEN VOICE VOTING

The Chair of the meeting, a shareholder or a proxyholder may demand an open voice vote unless a ballot has been demanded. In such a case, each shareholder or proxyholder verbally states his name, that of the shareholder or shareholders whose proxy he holds, the number of votes he holds and the breakdown of such votes.

92. VOTING BY SECRET BALLOT

Voting is conducted by secret ballot if the Chair of the board of the meeting, a shareholder or a proxyholder so requests, in the manner indicated by the Chair of the meeting. Each shareholder or proxyholder gives the scrutineers a ballot indicating his name, that of the shareholder whose proxy he holds, the number of votes he holds and the breakdown of such votes.

A secret ballot may be requested either before or after a vote by show of hands. A demand for a secret ballot may be withdrawn any time before voting begins.

When voting is conducted by secret ballot, the meeting appoints one person to act as scrutineer.

93. VOTING BY A GROUP

A natural person authorized by a resolution of the Board of Directors or of the management of a shareholder who is a group may participate in and vote at a shareholders meeting.

94. VOTING BY THE ADMINISTRATOR OF THE PROPERTY OF OTHERS

A person acting for a shareholder as administrator of the property of others may participate in and vote at a shareholders meeting.

95. VOTING BY JOINT SHAREHOLDERS

If two or more persons hold shares jointly, one of those shareholders present at a shareholders meeting may, in the absence of the others, exercise the voting right attached to those shares. If more than one (1) shareholder are present, they shall vote as one shareholder.

96. SCRUTINEERS

The chair of any meeting of shareholders may appoint one (1) or more persons who need not be shareholders to act as scrutineers at the meeting.

97. SAFEKEEPING OF BALLOTS AND PROXIES

Ballots shall be remitted to the chair of the meeting with the results of the vote count. The Corporation must, for at least three (3) months after a meeting, keep at its head office the ballots cast and the proxies presented at the meeting. Any shareholder or proxyholder who was entitled to vote at the meeting may, without charge, inspect the ballots and proxies kept by the Corporation. Subject to the foregoing, the Corporation may destroy the ballots and proxies that it keeps.

98. ADJOURNMENT

The Chair of the meeting may adjourn any shareholders meeting, with the consent of the shareholders present or represented by proxy. The Chair of the meeting may also adjourn a meeting *ex officio* if he believes it is impossible to conduct it in an orderly manner.

If a shareholders' meeting is adjourned for less than thirty (30) days, it is not necessary to give notice of the adjourned meeting other than by announcement at the original meeting. If a shareholders' meeting is adjourned by one or more adjournments for an aggregate of thirty (30) days or more, notice of the adjourned meeting must be given as for an original meeting.

The meeting is validly resumed if it is held on the date and at the time and place announced and if there is a quorum. In the absence of a quorum at the resumed meeting, the original meeting is deemed to have terminated immediately after its adjournment.

99. WRITTEN RESOLUTION

A resolution in writing signed by all the shareholders entitled to vote on the resolution is as valid as if it had been passed at a shareholders meeting. The resolution must be kept with the minutes of the shareholders meetings and written resolutions.

The written resolutions that are signed electronically or by any other mean are as legally valid as a written signature.

K. SHARES AND CERTIFICATES

100. ISSUANCE OF SHARES

Subject to the existence of a pre-emptive right granted to the shareholders, shares may be issued at the times, to the persons, including the directors or officers of the Corporation, and for the consideration the Board of Directors determines. In exercising this power, the Board of Directors may, by resolution, accept subscriptions, issue the unissued shares of the Corporation's share capital and grant an exchange right, option or right to acquire shares of the Corporation.

101. PAYMENT OF SHARES

The shares of the Corporation may be issued whether or not they are fully paid. However, shares may only be considered paid if consideration equal to the issue price (which may not be less than the par value, if any, of the shares) determined by the Board of Directors has been paid to the Corporation.

Consideration for the shares issued by the Corporation is payable in money, or in property or past services determined by the Board of Directors to be the fair equivalent of the money consideration, considering all the circumstances.

A promissory note or a promise to pay made by a person to whom shares are issued, or a person who does not deal at arm's length, within the meaning of that expression in the *Taxation Act* (R.S.Q., chapter I-3), with a person to whom shares are issued does not constitute consideration for the shares.

102. SHARE CERTIFICATES

Certificates representing the shares in the share capital of the Corporation shall be drawn up in a form approved by the board of directors. These certificates shall be signed by the chair of the board, any vice-chair of the board, the president or any vice-president and the corporate secretary or any assistant secretary of the Corporation, but the signature of the chair of the board, of any vice-chair of the board, the president or vice-president may also be engraved, lithographed or otherwise mechanically reproduced on the certificates and if the Corporation has appointed a transfer agent, the signature of the corporate secretary or assistant secretary may also be engraved, lithographed or otherwise mechanically reproduced on the certificates. All certificates thus signed shall be deemed to have been manually signed by such officers and, for all intents and purposes, are as valid as if they had been manually signed even if the persons whose

signatures are so reproduced have ceased to be officers of the Corporation when the certificates are issued or on the date they bear. Shares are issued as certificated shares unless the board of directors determines, by resolution, that the shares of any class or series of shares or certain shares of a class or series are to be issued as uncertificated shares. The board of directors may also, by resolution, determine that a certificated share becomes an uncertificated share as soon as the paper certificate is surrendered directly to the Corporation or its transfer agent.

103. CERTIFICATED SHARES

In the case of certificated shares, the Corporation must issue to the shareholder, without charge, a certificate in registered form. The Corporation is not required to issue more than one certificate for shares held jointly by two or more persons.

In the absence of any evidence to the contrary, the certificate is proof of the shareholder's title to the shares represented by the certificate.

The seal is not required to be affixed to the share certificate.

104. UNCERTIFICATED SHARES

In the case of uncertificated shares, the Corporation must send the shareholder a written notice containing the information prescribed by the Act.

105. LOST, DESTROYED OR STOLEN CERTIFICATES

The board of directors may, subject to the terms and conditions it deems fair with respect to indemnity or other form of protection, order the issue of a new certificate representing shares in the share capital of the Corporation to replace any certificate previously issued by the Corporation that has been lost, destroyed or stolen. The board of directors may delegate this duty specifically to the corporate secretary of the Corporation or a transfer agent or another agent responsible for maintaining the securities register in whole or in part.

106. UNPAID SHARES

The directors may, from time to time, call for payment by the shareholders of the unpaid amounts on their shares. Each shareholder must pay the amount of the call for payment with respect to his shares, at the time and place fixed by the directors. Interest at the rate provided for by law shall run on the amount of each call for payment, effective from the day fixed for the payment until the day of payment.

107. TRANSFER OF SHARES

Any transfer of shares in the share capital of the Corporation and details related thereto must be recorded in the securities register or in the part of the securities register in which the date and details of transfers of shares are kept, which may be maintained in whole or in part at the head office of the Corporation or elsewhere on the conditions permitted by law. The registration of the transfer constitutes a complete and valid registration. All shares in the share capital of the Corporation shall be transferable on the securities register regardless of the location where the certificate representing the shares to be transferred was issued.

As regards certificated shares, no transfer of shares in the share capital of the Corporation is valid and may be recorded in the securities register unless the certificates representing the shares to be transferred have been surrendered or cancelled. However, should the Corporation's shares be listed on a Canadian or US stock exchange and be entered in the book entry system of a clearing house approved by the securities authorities, share transfers carried out in accordance with the rules and practices of such exchange or clearing house, as the case may be, shall be valid, in

accordance with the conditions permitted by law, despite the fact that no certificate representing the shares transferred shall have been surrendered or cancelled. The transfer of uncertificated shares shall be effected on the conditions prescribed by law. No transfer of shares the amount of which has not been paid in full shall take place without the consent of the board of directors. In no circumstances shall shares be transferred where a call for payment thereon is outstanding.

108. TRANSMISSION OF SHARES

In the event of a transfer of shares by will, the Corporation may consider as entitled to exercise the rights of a deceased shareholder, an heir or personal representative of the heirs or of the succession of that shareholder, upon reception of sufficient proof of their appointment. That person is entitled to become the registered holder of the shares of the deceased or to designate those holders upon delivery to the Corporation of an affidavit or declaration setting out the conditions of the transfer and, as the case may be, of (a) an original of the decision concerning the probate of the will or the notarized minutes of the probate, or a copy of one of the aforementioned documents certified by the Court which rendered the decision or by the notary who prepared the minutes, or by a trust company constituted under provincial or federal legislation or by an attorney or notary acting on behalf of that person, (b) a certified true copy of the notarial will.

L. DIVIDENDS

109. DECLARATION AND PAYMENT OF DIVIDENDS

Subject to the articles, the directors may, from time to time, as they deem advisable, declare and pay dividends to shareholders, from funds available for that purpose, depending on their respective rights and interests in the Corporation.

The directors may deduct from the dividends payable to a shareholder any amount due to the Corporation by the shareholder, on account of calls for payment or otherwise. No amount paid on a share in advance of a call for payment, while bearing interest, shall be considered, for the purposes of these By-laws, as being paid on such share.

Before declaring a dividend or distributing profits, the directors may set aside, out of the surplus of the Corporation or other sums which may be used for that purpose, such sums as they deem expedient as a reserve or reserves which, at the discretion of the directors, shall be used for the purposes for which they may be validly used.

The directors may stipulate that the dividends they may legally declare shall be declared, in whole or in part, in cash, in shares of the share capital of the Corporation or in any other permitted manner and, for that purpose, may authorize the allotment, distribution and issue of shares of the share capital of the Corporation as being fully paid or may credit the amount of such dividend to the payment of shares already allocated, distributed and issued, but not fully paid and, in the latter case, the liability of the holders of such shares shall be reduced by an amount equal to such dividend.

Any dividend payable in cash may be paid by cheque or money order payable to the order of the shareholder or the person entitled thereto and sent by mail to his last address as it appears in the books of the Corporation or, in the case of joint holders, to the person whose name first appears in the books of the Corporation, and the mailing of such cheque or money order constitutes payment unless the cheque or money order is not paid upon presentation.

110. RECORD DATE

The Board of Directors may fix, in advance, in accordance with applicable securities regulations, a record date for the determination of the shareholders entitled to receive dividends.

M. FISCAL YEAR, ACCOUNTS AND AUDIT

111. FISCAL YEAR

The Corporation's fiscal year ends on the last Sunday of April of each year or on any other date fixed from time to time by resolution of the board of directors.

112. ACCOUNTS

The directors shall ensure that proper accounting books are kept with respect to receipts and disbursements by the Corporation as well as the sources of such receipts and disbursements, all sales and all purchases of goods by the Corporation, the assets and liabilities of the Corporation and all other transactions affecting the Corporation's financial position. Account books shall be kept at the Corporation's head office or at any other location which the directors deem proper and the directors may examine them at all reasonable times.

113. AUDIT

The appointment, rights and duties of the auditor or auditors of the Corporation are regulated by the laws governing the Corporation.

N. CONTRACTS, CHEQUES, DRAFTS AND ACCOUNTS

114. CONTRACTS

All deeds, documents, transfers, contracts, covenants, bonds, debentures and other instruments which the Corporation must execute must be signed by the chair of the board or any vice-chair of the board or the president or one of the vice-presidents or a director and countersigned by the corporate secretary or treasurer or an assistant secretary or assistant treasurer or by another director of the Corporation. The board of directors may, from time to time, by resolution, authorize other persons to sign on behalf of the Corporation. Such authorization may be general or limited to a specific case.

115. CHEQUES AND DRAFTS

All cheques, bills of exchange and other money orders, notes or debt securities issued, accepted or endorsed in the name of the Corporation shall be signed by the director(s), officer(s) or representative(s) of the Corporation authorized from time to time by the board of directors or the committee or officer to whom the board has delegated this power. Any such director, officer or representative may alone endorse notes and drafts for collection on behalf of the Corporation through its bankers, and endorse notes and cheques for deposit in the Corporation's bank, to the credit of the Corporation; these commercial instruments may be endorsed "for collection" or "for deposit" to this effect.

Any director, officer or representative appointed for such purpose may settle, pay, audit and certify all books and accounts between the Corporation and its bankers and may receive all cheques paid and all vouchers and sign all the bank's forms pertaining to audit settlement, releases and verification slips.

116. DEPOSITS

The Corporation's funds may be deposited, from time to time, to the credit of the Corporation with such banks or such trust companies or other financial institutions as are approved by the board of directors or by any other person or committee authorized by the board of directors from time to time.

117. DEPOSIT OF SECURITIES FOR SAFEKEEPING

Securities of the Corporation shall be deposited for safekeeping with one or more banks, trust companies or other financial institutions in Canada, the United States of America or elsewhere chosen by the board of directors or approved by any other person or committee authorized by the board of directors. All securities thus deposited may be withdrawn from time to time but only upon the written order of the Corporation, signed by the director(s), officer(s) or representative(s) and as determined, from time to time, by the board of directors or by the person or committee authorized by the board of directors. This authorization may be general or restricted to specific cases.

O. AUTHORIZED REPRESENTATIVES AND ATTORNEYS

118. DECLARATIONS

Any director or officer of the Corporation or any other person designated for that purpose by any director or officer of the Corporation is authorized and empowered (i) for and on behalf and in the name of the Corporation, to declare any answer to writs of attachment by way of garnishment in which the Corporation is garnishee and to deposit any documentation in regard thereto; (ii) to make any affidavits and sworn declarations in connection with any such writs of attachment by way of garnishment or in connection with any legal proceedings to which the Corporation is a party or in which it is an intervener or an impleaded party; (iii) to instruct an attorney to make any request for assignment of property, petition for winding-up order or receiving order or any other similar or related proceeding against any debtor of the Corporation and to attend and vote at all meetings of creditors of the Corporation's debtors and grant proxies in connection therewith; and (iv) in regard to any such action, suit, application, declaration, deposit or other legal proceeding or other act referred to above, to take such steps or do such things as he considers to be in the Corporation's best interest. Any such director, officer or person so designated is authorized to appoint, by general or special power of attorney, any person, including any person other than those directors, officers and persons referred to above, as attorney of the Corporation to do any of the foregoing things.

119. SHARES OR OTHER INTERESTS IN OTHER LEGAL PERSONS OR IN A GROUP

The president, any vice-president, the corporate secretary, the treasurer of the Corporation or any other person appointed for that purpose by resolution of the board of directors has the requisite power and authority to represent the Corporation alone and to act on its behalf at any meeting of shareholders, members or holders of securities of any legal person or any other group whose shares, other interests or securities are held by the Corporation, to attend and vote thereat, to waive any notice of meeting and to sign any document constituting a motion or resolution of shareholders or members or holders of securities and to exercise thereat all rights and privileges attached to the holding of such shares, interests or securities. Any officer or person authorized under the preceding paragraph further has the power to date and execute any instrument appointing one of the aforementioned persons as proxy or attorney of the Corporation to represent it at such meeting.

P. GENERAL BORROWING POWERS

Without limiting the powers of the directors under the Act, the board of directors is authorized at all times and from time to time:

- a) to borrow money and obtain advances upon the credit of the Corporation from any bank, corporation, firm or person, upon such terms, covenants and conditions, at such times, for such amounts, to such extent and in such manner as the board of directors may, at its discretion, deem expedient;
- b) to limit or increase the amounts to be borrowed;
- c) to issue or cause to be issued bonds, debentures, notes or other securities of the Corporation and to give as security or sell same for such sums, upon such terms, covenants and conditions, and at such prices as may be deemed expedient by the board of directors;
- d) to hypothecate or mortgage the immovables or pledge or otherwise encumber the movables of the Corporation or give these various types of guarantees to ensure payment of loans made other than by the issue of bonds or other securities as well as the payment or performance of other debts, contracts, commitments and obligations of the Corporation;
- e) as security for all discounts, overdrafts, loans, credits, advances or other indebtedness or liability of the Corporation to any bank, corporation, firm or person, as well as the interest thereon, to hypothecate, pledge, encumber and convey to any bank, corporation, firm or person, part or all of the property of the Corporation, real or personal or mixed, movable or immovable, present or future, and to give such security thereon as may be accepted by a bank pursuant to the provisions of the *Bank Act* and to renew, alter, vary or substitute such security from time to time with authority to enter into promises to give such securities under the *Bank Act* for all indebtedness contracted or to be contracted by the Corporation toward any bank;
- f) to raise and assist in raising money for and to aid by way of bonuses, loans, promises, endorsements, guarantees or otherwise, any other company with which the Corporation may have business relations or any of whose shares, debentures or other obligations are held by the Corporation and to guarantee the performance or fulfilment of all contracts, covenants or obligations of any such company or of any person with whom or which the Corporation may have business relations and, in particular, to guarantee the payment of the principal of and interest on bonds or other securities, hypothecs and liabilities of such company;
- g) to generally exercise each and every right and power which the Corporation itself may exercise under its articles and the laws governing it; and
- h) to delegate, by resolution or by by-law, to any officer or director, any and all powers hereby conferred by the board of directors. The provisions of this chapter are in addition to any borrowing by-law that forms an integral part of the By-laws pursuant to section 726 of the Act. However, the provisions of any such borrowing by-law do not have the effect of limiting and shall not be construed or applied in such a manner as to limit the powers of the directors pursuant to section 115 of the Act.

Q. NOTICE

120. SHARES REGISTERED IN THE NAME OF MORE THAN ONE PERSON (JOINT SHAREHOLDERS)

Subject to the *Securities Act* and the applicable securities regulations, if two or more persons hold shares jointly, any notice or other document relating to such shares is sent to the first shareholder indicated in the Corporation's securities register. Such notice or other document is deemed to have been sent to all the other shareholders.

121. REGISTERED SHAREHOLDER

Before due presentation for registration of transfer of a certificated share or the receipt of an instruction for registration of transfer of an uncertificated share, the Corporation may treat the shareholder registered in the securities register as the person exclusively entitled to receive notices or other documents.

122. ADDRESS OF SHAREHOLDERS

Each shareholder shall provide the Corporation with an address where any notice may be mailed or served; otherwise, notices may be sent to any address appearing in the Corporation's books. If no address appears in the Corporation's books, then the notice shall be sent to the address where the sender considers the shareholder is most likely to promptly receive such notice.

123. SIGNING OF NOTICES

Notices sent by the Corporation are signed by a director, officer or any other authorized person. Their signature may be affixed by an automatic device or electronic process.

124. CALCULATION OF TIME LIMITS

Unless otherwise provided in these by-laws, in computing any time limit fixed by the articles or these by-laws:

- a) the day which marks the start of the time limit is not counted, but the last day is counted;
- b) non-judicial days within the meaning of the *Code of Civil Procedure* are counted; but when the last day is a non-judicial day, the time limit is extended to the next following judicial day;
- c) Saturday is considered a non-judicial day.

R. OTHER PROVISIONS

125. DECLARATIONS IN THE ENTERPRISE REGISTER

A director, officer or any authorized person signs the declarations which must be sent by the Corporation to the enterprise registrar under the *Act respecting the legal publicity of enterprises*.

126. ENACTMENT, REPEAL AND AMENDMENT OF THE BY-LAWS

The directors may from time to time amend the By-laws, repeal the provisions thereof in whole or in part or add thereto by adopting any other administrative by-law or any other by-law dealing with any other applicable matter. Subject to the applicable provisions of the Act, any such amendment, repeal or addition is effective as of the date of the resolution of the board of directors adopting it. It

must be submitted to the shareholders for approval at the next shareholders meeting, and the shareholders may, by ordinary resolution, ratify, amend or reject it. It ceases to be effective at the close of the meeting if it is rejected by or not submitted to the shareholders. However, By-law amendments relating to procedural matters with respect to shareholders meetings take effect only once they have received shareholder approval.

The board of directors is authorized to make any clerical change to the By-laws to correct typographical errors or to clarify the meaning of a particular provision without requiring the approval of the shareholders.

* * * * *

APPENDIX C

SHAREHOLDERS' PROPOSALS

Mouvement d'éducation et de défense des actionnaires («MÉDAC »)

Proposals no. 1, 2, 3, 4 and 5 below have been submitted to the Management of the Corporation by MÉDAC having offices at 82, Sherbrooke Street West, Montréal (Québec) Canada H2X 1X3.

On the date the MÉDAC submitted its proposals, it was the beneficiary of 200 Class B subordinate voting shares of the Corporation, shares it has acquired on June 21, 2010.

Proposal No. 1- Fairness ratio

The compensation of the most highly compensated executive officer should be justified to the employees who contribute to his success and that of the company. It is proposed that the Board of Directors adopt a policy stipulating the internal equity ratio that it deems "ethically acceptable" and that it justify this in the Management Proxy Circular.

MÉDAC arguments

During the 2010 annual general meetings, we made shareholders aware of the difference between the compensation of the highest executive and the average compensation of an employee. With banks, this difference varied between 28 times, a ratio that we deemed reasonable, and 156 times, an unacceptable ratio.

In their book entitled *Plaidoyer pour un nouveau capitalisme* ("Arguments for a new capitalism") the authors, Yvan Allaire and Mihaela Firsrotu outline that it is important that the "Boards of Directors must fully assume their fiduciary responsibility in this field and set up compensation policies that are in the company's interest in the long-term and not only for the shareholders on the short-term. It is their responsibility to weigh how the community spirit, solidarity, and mutual trust within the company will be supported or weakened by the company's compensation policies. The Boards of Directors must ensure that the types and levels of compensation for executives do not lead to questioning the political and social legitimacy of their company in particular and the free-market economy in general."

On the other hand, we may add that, given that the biggest portion of the Chief Executive Officer's compensation varies based on the short-term objectives and the stock price, and that such type of compensation rewards taking excessive risks and short-term performance, an excessive ratio is disquieting since the future of the company and the shareholders' equity are endangered over time.

During the past year, this inequity aspect of the compensation of the highest executive with respect to that of his employees was brought up in various ways:

- by Senator Céline Hervieux-Payette's filing of a bill proposing that the compensation amount of the President and Chief Executive Officer may not be higher than 20 times the average salary in the industry per year in Canada, calculated by Statistics Canada;
- through the U.S. financial reform in July 2010; from now on, corporations shall have to disclose the average compensation of their employees so that the shareholders may appreciate the merits of the difference from that of the highest executive;
- by publishing the ranking of Canadian companies with respect to socially responsible investment by *Corporate Knights Inc.* in the *Globe and Mail*, which uses the concept of internal equity to evaluate the "social" performance of an organization.

It is urgent that the Board of Directors set a limit on the overall compensation paid to senior executives (salaries, short-term and long-term bonuses, retirement bonuses, etc.) as a multiple of the average compensation of employees.

Corporation's arguments

The Corporation makes every effort to attract skilled workers by treating them fairly and by promoting diversity and inclusiveness, while giving all employees the opportunity to move up the ranks and make a positive contribution that benefits both themselves and the Corporation.

The Corporation's compensation policies and programs are designed to attract employees, including executives, that possess the relevant skills, knowledge and know-how. They promote employee retention and motivation, and reward individual and corporate performance. Each year, the management proxy circular features information on the Corporation's compensation policies and programs, and more specifically as they apply to executives. The Human Resources and Corporate Governance Committee is responsible for examining compensation policies applicable to the Corporation's senior management. For details on these policies and the Committee's assessment, please refer to the "Compensation discussion and analysis" section in this management proxy circular. In addition to the compensation policies and programs outlined in the management proxy circular, all employees are entitled to an equity-based salary proportional to their occupation, their individual performance and the overall corporate performance.

Given the restrictions associated with the proposed ratio and the Corporation's corporate governance practices and performance with respect to employee commitment, we do not believe it is necessary or desirable to adopt the type of policy described in the proposal.

Accordingly, the Board and management recommend voting **AGAINST** this proposal.

Proposal No. 2 - Critical mass of female expertise within the board.

Studies have shown that companies that have a critical mass of women within their Board of Directors do better. Respecting the fact that institutions renew the composition of their Board of Directors over a period varying from 5 to 10 years, it is proposed that the Board of Directors adopt a policy aiming at reaching parity within ten years at the latest.

MÉDAC arguments

Here are a few competitive advantages underlined by many studies on the matter of the presence of women within Boards of Directors. Let us recall that all said studies have proven that advantages increase with the number of women sitting on the Board.

- **better performance during financial crises** especially if they are caused by taking excessive risks. Studies have shown that women's management style is different from men's. In particular, with respect to risk-taking, women would tend to be more reticent and therefore make less risky decisions and take more cautious positions;
- **better governance:** According to a *Conference Board* study, boards with more women directors grant increased importance to monitoring conflicts of interest, risk monitoring, financial control and maintaining good relationships with investors and the other stakeholders in the organization;
- **better decision-making** thanks to discussions allowing different perspectives to be encountered. In this respect, studies have proved that men give more importance to the

short term in their decisions, whereas women favour the long term. This generates points of view that enrich reflection and broaden decision-making;

- **better financial performance:** according to a *McKinsey* study, companies where the Board of Directors includes women have, on average, performance that is superior to their reference index in terms of profitability of owners' equity and operating results;
- **better perception by investors:** it should be noted in this respect that the importance of women within Boards of Directors is part of the criteria used by the *Globe and Mail's Board Games* to assess the performance of organizations, as well as by *Corporate Knights* to appreciate the performance of organizations with respect to social responsibility.

Recognizing that the renewal rate of the composition of the members of Boards of Directors is slow and wishing, as investors, for the selection of women members to be made in compliance with the charter of directors' skills, we propose that a representation parity policy be adopted by the Board of Directors. This result will have to be reached within ten years at the latest.

Corporation's arguments

In this regard, it should be noted that the Board of Directors currently includes one woman among the six independent directors (corresponding to 17%), where the remaining four directors are the founding members of the Corporation. On the other hand, nothing suggests that this proportion will not increase in the next ten years.

Each year, the Human Resources and Corporate Governance Committee carefully examines the composition of the Board, including the number of directors, and seeks to strike a balance between the age, professional skills and business segment of its members. The Committee is responsible for ensuring directors collectively possess the skills, experience and qualities required to address corporate challenges, and form together an independent and solid Board of Directors capable of addressing the long term interests of the Corporation's shareholders. Our commitment to maintain a diversified Board of Directors enables us to attract the most competent candidates available when seeking to fill a position on the Board. Consequently, we feel this proposal should not be adopted and is not in the best interest of the Corporation or its shareholders. However, we undertake to increase the female contingent on the Board when seeking to fill a vacant position, in keeping with the aforementioned criteria and the objective to reach parity.

Accordingly, the Board and management recommend voting **AGAINST** this proposal.

Proposal No. 3 - Multiple voting

It is proposed that the Board of Directors adopt governance rules ensuring that minority shareholders may have a reasonable impact on the corporation's future and on its good governance.

MÉDAC arguments

For the minority shareholders MÉDAC represents, multiple voting shares raise significant issues legally, economically and in terms of good governance. The recent scandal in the Magna case illustrates this.

MÉDAC is quick to acknowledge that shareholding structures with multiple voting shares have been — and continue to be — a positive element in the development of the Canadian and Quebec economy and that of its family-run businesses. As President of The Institute for Governance of Private and Public Organizations (“IGPPO”), Professor Yvan Allaire astutely demonstrated in a study published on November 17, 2006¹ that such structures [Translation] “would foster continuity and long-term commitment of the corporation’s officers and founders and present better financial results than other types of corporations”.

However, MÉDAC would like to ensure that minority shareholders are not just fodder and that they can influence the corporation’s future through their votes. In our opinion, as pointed out by the Canadian Coalition for Good Governance, “Any corporate governance regime is suspect if all the structures, protections and processes can be negated by a voting interest well beyond the economic interest [...]”². One example is the outcome of our proposal on the advisory vote at Bombardier where, although we obtained close to 50% of shareholder votes, management did not act upon it.

In the spirit of the principles put forward by the IGPPO, MÉDAC is proposing the following governance rules:

1. One shareholder (or related shareholders) should not exercise absolute control (more than 50% of the votes) without holding at least 20% of the corporation’s capitalization.
2. Disassociation of the duties of Chairman of the Board and President and CEO, as the Board should be chaired by an independent director.
3. At least one-third of Board members elected by minority shareholders. The Governance Committee should prepare a director’s profile in terms of experience and competence and draw up a list of nominees meeting the independence criteria set by regulatory authorities.
4. A policy stating that a director who does not obtain the majority of votes cast by subordinate shareholders, should immediately submit his resignation to the Chairman of the Board, who shall accept it.
5. Voting equality (one share = one vote) regarding shareholder proposals and the advisory vote on executive compensation.

Corporation’s arguments

The Corporation has had multiple voting shares and majority shareholders since its stock exchange listing in 1988. The capital stock structure complies with applicable provisions of the *Business Corporations Act* (Québec), the *Securities Act* (Québec) (including TSX requirement) and governing documents. Investors who acquire limited voting share understand that the Corporation has issued another category of shares subject to different voting rights. Furthermore, the founders, Messrs. Bouchard, D’Amours, Fortin and Plourde collectively hold 57.00% of voting rights and 22.23% of Corporation shares.

The Board believes the Corporation’s governance practices are effective and suitable to the Corporation’s situation, and that relevant structures and methods have been implemented to safeguard the Board’s independence with regard to senior management, and its ability to address real or potential conflicts of interest between the Corporation and its founders who are majority shareholders.

The author of the proposal acknowledges that a shareholder structure with multiple voting shares has been – and continues to be – a driving factor in the economic development of Quebec and Canada as well

¹ « **Les actions multi-votantes : quelques modestes propositions** » Document de politique #1, Institut sur la gouvernance des organisations privées et publique (« IGOPP »), Novembre 2006 http://www.igopp.ca/IMG/pdf/30_2006-11-16_Allaire-Politique1_-_VF.pdf

² http://www.ccg.ca/site/ccgg/assets/pdf/CBCA_Amendments_from_CCGG.pdf

as family-owned businesses. The Corporation's capital stock structure promotes long term stability and a consistent vision and business strategy, which attracts investors and employees who feel that decisions are made with a view to the long term interests of Corporation and its stakeholders.

Accordingly, the Board and management recommend voting **AGAINST** this proposal.

Proposal No. 4 - Additional information on the comparison with peers' compensation.

It is proposed that the Compensation Committee give shareholders more information with respect to the reference group used to compare the degree of competitiveness of the compensation of its senior executives and to the importance of such comparison in how compensation is established.

MÉDAC arguments

Studies have proved that disclosing compensation had the perverse effect of feeding a constant increase in the compensation of senior executives. More specifically, a recent study has shown that 50% of increases in the compensation of Presidents and Chief Executive Officers in the U.S. from 1992 to 2006 were caused by the increase created by the benchmarking system. Other researchers have shown that companies tend to use comparison groups where the compensation of senior executives is often higher than the compensation of their senior executives.

This way of doing things is bad for the healthy relationship that must exist between compensation and performance of the organization. In this respect, we would like to paraphrase the Canadian Coalition for Good Governance, which warned against using this mechanism too much for setting the compensation of senior executives: "However that may be, one must be careful not to exaggerate the importance of comparison with the reference group to tailor the compensation structure".

Currently, the shareholder has little information on choosing the comparison universe or on the company positioning with respect to its peers:

- ranking of the company among the companies identified as comparable by the Compensation Committee with respect to each compensation component and total compensation for the main five executives;
- ranking of the company among its peers based on various financial performance indices.

The shareholder also has little information with respect to the importance given by the Compensation Committee to such data in the process of establishing compensation: choice of comparison universe (national or international), targeted percentile ranking and for what compensation components.

Therefore, we consider it essential that such information be a part of the information provided with the compensation policy. As a well-known compensation advisor recently pointed out, "companies that make up the comparison group will influence your compensation policy more than any other data. It is therefore essential to make the necessary effort to choose the good comparison group."

MÉDAC believes it is crucial to know the effects of such an assessment tool in establishing the compensation of senior executives and that its guidelines are to be set by resorting to an ethically and socially acceptable internal equity ratio.

Corporation's arguments

The Corporation's compensation policies for executive officers is designed to attract, retain and motivate executive officers who possess the required skills, knowledge and know-how, and to ensure their compensation reflects Corporation performance and shareholder expectations. The Human Resources and Corporate Governance Committee, comprised solely of independent directors, is responsible for making recommendations to the Board regarding the compensation of Executive Officers. As outlined herein, the compensation of named executive officers is compared to that of peer groups operating in the same industry as the Corporation or a related industry. This benchmark group is relatively stable and has remained unchanged for many years. Given the comprehensive description herein of executive officer compensation which includes details on the peer group (including benchmark groups used by the Corporation to establish performance criteria and how this information helps the Corporation determine individual incentives and the overall amount of incentives), we believe the information disclosed regarding this matter is adequate.

Accordingly, the Board and management recommend voting **AGAINST** this proposal.

Proposal No. 5 - Advisory shareholder vote on the executive compensation policy

It is proposed that the Board of Directors adopt a rule of governance stipulating that the executive compensation policy be subject to an advisory vote by shareholders.

MÉDAC arguments

Since 2010, many shareholders in Québec and Canada have the opportunity to express their opinion regarding the compensation policy of executive officers and invite them to moderate their salary demands while treating employees fairly since they also contribute to the company's success.

According to a recent study, companies who have adopted best practices in governance and consultation have typically brought about changes designed to:

- better align interests of executive officers with those of shareholders;
- grant compensation based on the fulfillment of financial and extra financial objectives;
- include risk managers in the compensation process;
- provide recovery provisions in case of fraud, breach of ethics or restatement of financial results;
- undertake preliminary consultations with small shareholders and their representatives, thereby allowing them to voice their comments and recommendations regarding compensation.

Members of our Movement and many citizens strongly object to the steady and exponential increase in compensation of executive officers, while the average worker's compensation barely keeps up with inflation. In early 2010, the Canadian Centre for Policy Alternatives reported that Canada's top 100 CEOs from publicly-listed companies earned 155 times more than the average

Canadian wage, a gap which is ethically and socially unacceptable. Nothing justifies such a stark contrast and pressure has been building in recent years to reverse this trend.

We acknowledge that it is the duty of the Board of Directors to determine the compensation of executive officers. Yet, we also feel shareholders have the right to express their opinion on the breadth and composition of compensations which foster excessive risk-taking and are not intended to reward exceptional performance, as the level of compensation often suggests. For this reason, we are in favour of an advisory vote ("Say on Pay") that will give the Board of Directors a better feel of shareholders' position on the policy.

Corporation's arguments

Upon electing the Corporation's Board members annually, shareholders specifically assign them the task of supervising the management of retail and internal activities. One of the key responsibilities of the Board is to supervise the Corporation's executive officer compensation policy. The policy is designed to reward value creation for shareholders by striking a balance between the Corporation's short and long term performance. Another key responsibility is to assess the performance of executive officers and determine their individual compensation, in keeping with the executive officer compensation policy.

The Board of Directors delegates these responsibilities to the Human Resources and Corporate Governance Committee. The Committee is aware of the Corporation's short and long term objectives and we believe that it is in a better position to assess the relevant compensation compared to shareholders who may have different objectives. The Committee is comprised of three members, all independent directors, who meet regularly during the year. We believe this policy is unnecessary.

Accordingly, the Board and management recommend voting **AGAINST** this proposal.

SHAREHOLDERS PROPOSAL

Régime de retraite de la confédération des syndicats nationaux (« RRCSN »)

Proposals no. 6, 7 and 8 below have been submitted to the Management of the Corporation by RRCSN having offices at 1601 de Lorimier, Montréal (Québec) Canada H2K 4M5.

On the date RRCSN submitted its proposals, it was the beneficiary of 14,100 Class B subordinate voting shares of the Corporation, shares it has acquired from July 27, 2010 to May 12, 2011.

Proposal No. 6

It is proposed that Alimentation Couche-Tard adopt a policy promoting respect of freedom of association and collective bargaining as described under the following International Labour Organization conventions:

- *Convention concerning Freedom of Association and Protection of the Right to Organise (n° 87)*
- *Convention concerning the Application of the Principles of the Right to Organise and to Bargain Collectively (n° 98)*

RRCSN arguments

WHEREAS

- Under n° 87 (Article 2): "Workers and employers, without distinction whatsoever, shall have the right to establish and, subject only to the rules of the organisation concerned, to join organisations of their own choosing without previous authorisation "
- Under n° 98 (Article 1): "Workers shall enjoy adequate protection against acts of anti-union discrimination in respect of their employment. Such protection shall apply more particularly in respect of acts calculated to a) make the employment of a worker subject to the condition that he shall not join a union or shall relinquish trade union membership; and (b) cause the dismissal of or otherwise prejudice a worker by reason of union membership or because of participation in union activities outside working hours or, with the consent of the employer, within working hours ".
- These conventions have been sanctioned by 150 and 160 countries, respectively, including Canada.
- Over 4,700 companies across 130 countries have undertaken to respect freedom of association and collective bargaining under the United Nations Global Compact. The G8 and G20 have also recognized the Global Compact.
- A corporation's whose practices do not comply with fundamental labour rights could compromise its reputation and expose itself to legal actions leading to a potential loss of current or future clients and to significant costs.
- Good labour conditions and relations foster quality customer service while attracting quality workers and increasing personnel retention.
- Claims that Alimentation Couche-Tard has actually or allegedly hindered these rights are detrimental to its reputation and financial performance. In the best interest of its shareholders, the Company must clearly assert its commitment to the aforementioned international conventions.

Corporation's arguments

Any Quebec-based corporation must comply with the Charter of Rights and Freedoms (Québec) and the Canadian Charter of Rights and Freedoms, both of which protect these rights. Because these obligations are public order, akin to all other laws and regulations which the Company must observe, there is no reason or interest in adopting a policy providing guidelines and obligations that are already governed by law.

Accordingly, the Board and management recommend voting **AGAINST** this proposal.

Proposal No. 7

It is proposed that Alimentation Couche-Tard prepare a sustainable development report with a view to eventually comply with the Global Reporting Initiative guidelines. This report must be produced at a reasonable cost and avoid disclosure of confidential information.

RRCSN arguments

WHEREAS

- Alimentation Couche-Tard's activities have a social and environmental impact. Climate changes, freight, soil contamination, overpackaging, working conditions and community relations are all issues that influence the Company's profitability and growth.
- A thorough assessment of environmental and social issues as part of this report would give Alimentation Couche-Tard the opportunity to devise a long-term extra financial risk management strategy. For example, it would be an opportunity to stand out from the competition in the retail industry with regard to social stewardship, to reduce operating expenses, to maintain good relations with its employees and the local community, to tap into the growing organic fair trade market and, overall, build client loyalty.
- In 2010, over 1,800 companies worldwide issued a sustainable development report under the Global Reporting Initiative (GRI) guidelines, 45 of which operated in the retail industry. The GRI is the most comprehensive and recognized method of disclosure with respect to environmental and social accountability.
- A report of this nature would allow investors to better evaluate the overall risks of acquiring Company shares and assess management's strategy to mitigate risks and pursue business opportunities.

Corporation Arguments

The Corporation is concerned about climate change and is strongly committed to upholding environmental laws. In addition, the Corporation actively searches for means to mitigate the impact of its activities on the environment and adopt sustainable practices.

In 2008, the Corporation pursued its efforts to reduce its ecological footprint by measuring and reducing its greenhouse gas emissions. The Corporation took part in the "*Carbon Disclosure Project*" supported by the *Conference Board of Canada*.

Furthermore, the Corporation ranked among the top 15 companies listed in the TSX "*Climate Disclosure Leadership Index*" which helps investors get a better grasp of long-term risk management.

The Energy Committee founded several years ago is aiming for more efficient network-wide energy production and consumption, which includes the use of compact fluorescent lights and computer-controlled HVAC and refrigeration systems.

All operational levels of the Corporation offer an active contribution.

- Plastic bags are given way to recycled paper bags or fabric bags available for sale.
- In some regions, new containers have been installed to sort recyclable materials.
- Energy efficiency is considered when building new sites.
- Business trips have decreased in favour of videoconferencing.

We intend to pursue our efforts in this area and do not believe it is necessary to produce such a report in order to uphold our sustainable development responsibilities.

Accordingly, the Board and management recommend voting **AGAINST** this proposal.

Proposition No. 8

It is proposed that Alimentation Couche-Tard's Board of Directors adopt a policy to increase female representation on the Board by considering a female candidate for every two vacancies.

RRCSN arguments

WHEREAS

- In 2010, 166 women sat on the board of the 100 largest public Canadian companies, representing 14.43% of the 1,150 board members, according to the Institute for Governance of Private and Public Organizations (IGOPP).
- During 2010, 87 new members were elected on the board of these companies, which corresponds to approximately 7% of total board members. One in five new members was a woman.
- According to IGOPP, "based on an annual turnover rate of 7%, a policy of appointing one woman for every two vacancies will lead to women representing 40% of board members in 10 years" (*Le Devoir*, April 12, 2011). This method of increasing the participation of women on boards has the advantage of considering the need for continuity while being effective.
- In January 2011, the French government enacted a law compelling companies to meet a quota of 20% of women on their board by 2014 and 40% by 2017. In Great Britain, a government report (*Women on Board*) recommended that FSTE-100 companies set a firm target of 25% of women on their boards by 2015. In Norway and Sweden, representation reaches 32% and 27% respectively.
- According to the *Conference Board of Canada*, boards having two or more women are more likely to exercise sound governance practices (*Women on Boards, Not Just the Right Thing . . . But the "Bright" Thing*, 2002).
- According to a survey by McKinsey & Company, 62% of male executive officers (and 90% of female executives) believe that companies with a significant number of female executives demonstrate superior financial performance (*Women Matter 2010*).
- Although one woman sits on Alimentation Couche-Tard's Board of directors, there are no female executive officers. Having more women on the board could also bring about more women in upper management.
- The Canadian Coalition for Good Governance (which includes several major Canadian institutional investors) acknowledges the need for more diversity in terms of gender and experience among directors of Canadian publicly-listed companies.

Corporation arguments

In this regard, it should be noted that the Board of Directors currently includes one woman among the six independent directors (corresponding to 17 %), where the remaining four directors are the founding members of the Company. On the other hand, nothing suggests that this proportion will not increase in the next ten years.

Each year, the Human Resources and Corporate Governance Committee carefully examines the composition of the Board, including the number of directors, and seeks to strike a balance between the age, professional skills and business segment of its members. The Committee is responsible for ensuring directors collectively possess the skills, experience and qualities required to address corporate

challenges, and form together an independent and solid Board of Directors capable of addressing the long term interests of the Corporation's shareholders. Our commitment to maintain a diversified Board of Directors enables us to attract the most competent candidates available when seeking to fill a position on the Board. Consequently, we feel this proposal should not be adopted and is not in the best interest of the Corporation or its shareholders. However, we undertake to increase the female contingent on the Board when seeking to fill a vacant position, in keeping with the aforementioned criteria and the objective to reach parity.

Accordingly, the Board and management recommend voting **AGAINST** this proposal.

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