



2013

Notice of Annual Meeting of Shareholders
and Management Proxy Circular

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Notice of Annual Meeting of Shareholders

To the Holders of Common Shares:

NOTICE IS HEREBY GIVEN that the annual meeting of shareholders (the “**Meeting**”) of RONA inc. (the “**Corporation**”) will be held at the Corporation’s head office located at 220 chemin du Tremblay, Boucherville, Quebec, on Tuesday, May 14, 2013 at 11:00 a.m. (local time) for the purposes of:

- (a) receiving the financial statements of the Corporation for the year ended December 30, 2012, together with the auditors’ report thereon;
- (b) electing fourteen (14) directors for the ensuing year;
- (c) appointing auditors for the ensuing year and authorizing the directors to fix their compensation;
- (d) considering and, if deemed advisable, adopting a non-binding advisory resolution (the full text of which is reproduced on page 63 of this Management Proxy Circular) on the Corporation’s approach to executive compensation; and
- (e) transacting such other business as may properly come before the Meeting.

Boucherville, Quebec, March 20, 2013

By order of the Board of Directors,

(signed)

France Charlebois
Corporate Secretary and Chief Legal Officer

Shareholders may exercise their rights by attending the Meeting or by completing a form of proxy. If you are unable to attend the Meeting in person, please complete, date and sign the enclosed form of proxy and return it in the envelope provided for that purpose.

Proxies must be received by Computershare Investor Services Inc. (9th Floor, 100 University Avenue, Toronto, Ontario M5J 2Y1) no later than 5:00 p.m. (local time) on Friday, May 10, 2013. Your shares will be voted in accordance with your instructions as indicated on the form of proxy or, if no instructions are given on the form of proxy, the proxy holder will vote “FOR” each of the matters indicated at items (b), (c) and (d) of this Notice of Annual Meeting of Shareholders. If you are a non-registered shareholder, reference is made to the section entitled “How do non-registered shareholders vote?” on page 5 of the accompanying Management Proxy Circular.

Voting and Proxies

This Management Proxy Circular (the “**Circular**”) is furnished in connection with the solicitation of proxies for use at the annual meeting of shareholders of RONA inc. (the “**Corporation**” or “**RONA**”) to be held on Tuesday, May 14, 2013 at the place and time and for the purposes set forth in the accompanying notice of meeting, and at any adjournments thereof (the “**Meeting**”). Except as otherwise indicated, the information contained herein is given as of March 20, 2013, and all dollar amounts set forth herein are expressed in Canadian dollars.

Questions and Answers

The following questions and answers provide guidance on how to vote shares.

Who is soliciting proxies?

The enclosed proxy is being solicited by the management of the Corporation. The solicitation is being made primarily by mail, but proxies may also be solicited by telephone, fax or other personal contact by directors, officers or other employees of the Corporation. The Corporation has appointed Kingsdale Shareholder Services Inc. (“**Kingsdale**”) as its soliciting agent, at an estimated cost of \$75,000 for this service. The entire cost of the solicitation will be borne by the Corporation.

How can the transfer agent be contacted?

Shareholders can contact the transfer agent either by mail at Computershare Investor Services Inc., 9th Floor, 100 University Avenue, Toronto, Ontario M5J 2Y1, by telephone at 1-800-564-6253, by fax at 1-888-453-0330 or by email at service@computershare.com.

Who can vote?

Holders of common shares of RONA (the “**Common Shares**”) have voting rights at the Meeting. As at March 20, 2013, 121,852,115 Common Shares were issued and outstanding. Each Common Share entitles the holder thereof to one vote at any meeting of shareholders of the Corporation.

To the knowledge of the directors and officers of the Corporation, no person beneficially owns, or exercises control or direction over, directly or indirectly, voting securities carrying 10% or more of the voting rights attached to any class of voting securities of the Corporation, except for Caisse de dépôt et placement du Québec (“**Caisse**”), which controls approximately 18,231,600 Common Shares, or approximately 15% of the issued and outstanding Common Shares and Invesco Trimark Ltd. (“**Invesco**”), which controls approximately 12,349,473 Common Shares, or approximately 10.1% of the issued and outstanding Common Shares.

Holders of Common Shares whose names are registered on the list of shareholders of the Corporation as at the close of business (local time) on March 20, 2013, being the date set by the Corporation for the determination of the registered holders of Common Shares who are entitled to receive the notice of Meeting (the “**Record Date**”), will be entitled to exercise the voting rights attaching to the Common Shares in respect of which they are so registered at the Meeting, or any adjournment thereof, if present or represented by proxy thereat.

Who is Rona’s Proxy Solicitation Agent?

Kingsdale is acting as Rona’s proxy solicitation agent. Shareholders can contact Kingsdale either by mail at Kingsdale Shareholder Services Inc., The Exchange Tower, 130 King Street West, Suite 2950, P.O. Box 361, Toronto, Ontario M5X 1E2, by toll-free telephone in North America at 1-866-851-2743 or call collect outside North America at 416-867-2272 or by email at contactus@kingsdaleshareholder.com.

How do shareholders vote?

Shareholders eligible to vote whose Common Shares are registered in their name can vote their Common Shares in person at the Meeting or by proxy, as explained below. Shareholders whose Common Shares are held in the name of a nominee should follow the instructions below under “How do non-registered shareholders vote?”

What will shareholders be voting on?

Shareholders will be voting in respect of the matters identified as items (b), (c) and (d) of the attached notice of Meeting. The Board of Directors and management of the Corporation are recommending that shareholders vote **IN FAVOUR** of these matters.

How will these matters be decided at the Meeting?

A simple majority of the votes cast, in person or by proxy, will constitute approval of these matters at the Meeting.

How do registered shareholders vote?

1. VOTING BY PROXY

Shareholders whose name appears on their share certificate are registered shareholders. Registered shareholders may appoint someone else to vote for them as their proxy holder by using the enclosed form of proxy.

How to appoint a proxy?

The persons named as proxy holders in the enclosed form of proxy are directors and/or officers of the Corporation. Each shareholder is entitled to appoint a person, who need not be a shareholder, other than the persons designated in the enclosed form of proxy, to represent him or her at the Meeting. In order to appoint such other person, the shareholder should insert such person’s name in the blank space provided on the form of proxy and delete the names printed thereon or complete another proper form of proxy and, in either case, deliver the completed form of proxy to Computershare Investor Services Inc. (9th Floor, 100 University Avenue, Toronto, Ontario M5J 2Y1) no later than 5:00 p.m. (local time) on Friday, May 10, 2013. A proxy need not be a shareholder.

What is the deadline for receiving forms of proxy?

The deadline for receiving duly completed forms of proxy is 5:00 p.m. (local time) on Friday, May 10, 2013, or if the Meeting is adjourned, by no later than 5:00 p.m. (local time) on the business day prior to the day fixed for the adjourned meeting.

How to revoke a proxy?

A shareholder who executes and returns the accompanying form of proxy may revoke the same: (a) by instrument in writing executed by the shareholder, or by his or her attorney authorized in writing, and deposited either (i) at the offices of the Corporation, to the attention of the Corporate Secretary and Chief Legal Officer of the Corporation, at 220 chemin du Tremblay, Boucherville, Quebec, Canada J4B 8H7, at any time up to and including 5:00 p.m. (local time) on Friday, May 10, 2013, or (ii) with the chairman of the Meeting on the day of the Meeting or any adjournment thereof; or (b) in any other manner permitted by law. If the shareholder is a legal person, any such instrument of revocation shall be executed by a duly authorized officer or attorney thereof.

How will Common Shares for which a proxy is given be voted?

The persons named as proxies will vote or withhold from voting the shares in respect of which they are appointed, or will vote for or against any particular matter in accordance with the instructions of the shareholders appointing them. In the absence of such instructions, such shares will be voted IN FAVOUR of the matters identified as items (b), (c) and (d) of the attached notice of Meeting. The enclosed form of proxy confers discretionary authority upon the persons named therein with respect to amendments or variations to matters identified in the notice of Meeting, and with respect to other business which may properly come before the Meeting or any adjournment thereof. As of the date hereof, management of the Corporation knows of no such amendment, variation or other business to come before the Meeting. If any such amendment or other business properly comes before the Meeting or any adjournment thereof, the persons named in the enclosed form of proxy will vote on such matters in accordance with their best judgment.

2. VOTING IN PERSON

Shareholders who wish to vote in person may present themselves to a representative of Computershare Investor Services Inc. at the registration table. Their vote will be taken and counted at the Meeting. Shareholders who wish to vote in person at the Meeting should not complete or return the form of proxy.

How do non-registered shareholders vote?

The information set forth in this section should be reviewed carefully by non-registered shareholders of the Corporation. Shareholders who do not hold their shares in their own name (the “**Beneficial Shareholders**”) should note that only proxies deposited by shareholders who appear on the records maintained by the Corporation’s registrar and transfer agent as registered holders of shares will be recognized and acted upon at the Meeting. If shares are listed in an account statement provided to a shareholder by a broker, those shares are, in all likelihood, *not* registered in the shareholder’s name. Such shares are more likely registered under the name of the shareholder’s broker or an agent of that broker. In Canada, the vast majority of such shares are registered under the name of CDS & Co. (the registration name for CDS Clearing and Depository Services Inc., which acts as nominee for many Canadian brokerage firms). Shares held by brokers (or their agents or nominees) on behalf of a broker’s client can only be voted at the direction of the Beneficial Shareholder. Without specific instructions, brokers and their agents and nominees are prohibited from voting shares for the broker’s clients. Therefore, each Beneficial Shareholder should ensure that voting instructions are communicated to the appropriate person well in advance of the Meeting.

All references to shareholders in this Circular and the accompanying form of proxy and notice of Meeting are to registered shareholders unless specifically stated otherwise.

Beneficial Shareholders are either “objecting beneficial owners” or “OBOs”, who object to the disclosure by intermediaries of information about their ownership in the Corporation, or “non-objecting beneficial owners” or “NOBOs”, who do not object to such disclosure. The Corporation is sending proxy-related materials directly to NOBOs and intends to pay for proximate intermediaries to send the proxy-related materials to OBOs.

1. GIVING VOTING INSTRUCTIONS

National Instrument 54-101 of the Canadian Securities Administrators requires brokers and other intermediaries to seek voting instructions from Beneficial Shareholders in advance of shareholders’ meetings. The various brokers and other intermediaries have their own mailing procedures and provide their own return instructions to clients, which should be carefully followed by Beneficial Shareholders in order to ensure that their shares are voted at the Meeting. If you have any questions respecting the voting of shares held through a broker or other intermediary, please contact that broker or other intermediary for assistance.

2. VOTING IN PERSON

Although a Beneficial Shareholder may not be recognized directly at the Meeting for the purposes of voting shares registered in the name of his or her broker (or an agent of such broker), a Beneficial Shareholder may attend the Meeting as proxy holder for the registered shareholder and vote the shares in that capacity. Beneficial Shareholders who wish to attend the Meeting and indirectly vote their shares as proxy holder for the registered shareholder should enter their own names in the blank space on the proxy form provided to them by their broker (or the broker's agent) and return the same to their broker (or the broker's agent) in accordance with the instructions provided by such broker (or the broker's agent).

Election of Directors

The Articles and By-laws of the Corporation provide that the Board of Directors of the Corporation (the “**Board of Directors**” or the “**Board**”) shall be made up of a minimum of three (3) and a maximum of twenty (20) directors as determined from time to time by resolution of the Board of Directors.

The Board of Directors has fixed at fourteen (14) the number of directors to be elected for the current year. The provisions of the By-laws provide that the tenure of directors will be of one year and will end on the date of the annual meeting following their election or when their successors are elected.

On January 20, 2013, RONA announced that it had entered into an agreement (the “**Agreement**”) with two of its largest shareholders, Caisse and Invesco, providing for, among other things, several changes to its Board of Directors. Specifically, Mr. Robert Chevrier joined the Board of Directors as Executive Chairman on January 20, 2013, replacing Mr. Robert Paré, who stepped down as Chairman but continues to serve as a Board member. The Agreement further provided that the following individuals joined the Board on January 20, 2013: Messrs. Bernard Dorval, Guy Dufresne, Barry Gilbertson and Wesley Voorheis. Messrs. Alain Michel and Patrick Palerme resigned from the Board, effective January 20, 2013, as part of these board changes.

In addition, pursuant to the Agreement, two other candidates for election as directors, Mr. Steven P. Richardson and Mr. Eric Claus, are being proposed for election at the Meeting, and Mr. Jean-Roch Vachon and Mr. Geoff Molson are not standing for re-election at the Meeting. The Agreement also provided that the new President and Chief Executive Officer would also join the Board. Under the Agreement, Caisse and Invesco have indicated to RONA that they will support the election of the Corporation’s full slate of director nominees at the Meeting.

Under the Agreement, RONA has agreed to create an ad hoc strategic review committee (the “**SRC**”) consisting of five directors, namely Messrs. Chevrier, Voorheis, Dufresne, Fortin and Paré, with Messrs. Chevrier and Voorheis as co-chairs. The mandate of the SRC is to identify and recommend to the Board the strategic initiatives that the SRC believes should be pursued by RONA to improve its operating and financial performance and to enhance value for the benefit of all RONA stakeholders and to work jointly with the Board’s ad hoc Selection and New CEO Committee (as hereinafter defined) which recommended to the Board Mr. Robert Sawyer as the new President and Chief Executive Officer of RONA. On March 19, 2013, RONA announced the appointment of Mr. Sawyer as President and Chief Executive Officer of RONA, effective in April 2013. Mr. Sawyer is being proposed for election as director at the Meeting, and Mrs. Louise Caya is not standing for re-election at the Meeting. Having completed its mandate, the ad hoc Selection and New CEO Committee was abolished on March 20, 2013.

The Agreement also provides that without the prior written consent of RONA, neither Invesco nor Caisse will, directly or indirectly, until January 20, 2014: (i) participate in any solicitation of proxies with respect to the voting of any shares of RONA; (ii) deposit any shares of RONA in any voting trust or similar arrangement; (iii) requisition a meeting of shareholders of RONA to propose the nomination of any candidate for election as a director; or (iv) submit, or induce any person to submit, any shareholder proposal relating to the nomination of a director.

A copy of the Agreement entered into with Caisse and Invesco is available on SEDAR at www.sedar.com.

Information relating to Mrs. Louise Caya and Messrs. Michel, Molson, Palerme and Vachon does not appear below along with the information regarding the fourteen (14) proposed nominees for election as directors of the Corporation. Nevertheless, because Mrs. Caya and Messrs. Molson and Vachon acted as directors up to the Meeting, and Messrs. Michel and Palerme acted as directors up to January 20, 2013, information concerning them appears in the other sections of this Circular that pertain to the members of the Board.

The Board proposes the fourteen (14) persons named hereinafter as nominees for election as directors. Except for Messrs. Sawyer, Claus and Richardson, all of the nominees for election as directors of the Corporation are current directors.

The following table sets forth the name, age, province or state and country of residence, position with the Corporation or principal occupation of each of the nominees for election as directors at the Meeting. The table also indicates the date at which a person became a director of the Corporation, as well as the number of Common Shares and Deferred Share Units of the Corporation (“DSUs”) beneficially owned, directly or indirectly, or over which control or direction is exercised by each such person. Finally, it describes the level of attendance of directors to Board and standing committee meetings and the value of total compensation received by each individual to act as director of the Corporation.

Except where authority to vote with respect to the election of directors is withheld, the persons named in the enclosed form of proxy or voting instruction form intend to vote FOR the election of the nominees whose names are hereinafter set forth. If prior to the Meeting, any nominee is unable or, for any reason, becomes unwilling to serve as a director, it is intended that the discretionary power granted by the form of proxy or voting instruction form shall be used to vote for any other person or persons as directors. The Board of Directors and the management of the Corporation have no reason to believe that any of the said nominees will be unable or unwilling to serve, for any reason, if elected to office.

As you will note from the enclosed form of proxy or voting instruction form, shareholders may vote for each director individually.

Description of Nominees

Suzanne Blanchet

Mrs. Blanchet started with Cascades Inc. (papermaker) in 1977 and currently serves as President and Chief Executive Officer of Cascades Tissue Group (papermaker) since 1997.

She is also a member of the executive committee of Cascades Inc., a member of the board of directors and chair of the audit committee of Éco Entreprises Québec (private non-profit organization) since June 2006, a member of the board of directors of the FCPC (Food & Consumer Products of Canada) (food and consumer products industry association) since September 2004, a member of the board of directors of Innovassur, Assurances générales Inc. (insurance company) since February 2000, a member of the board of directors of CTAC (Conseil de la transformation agroalimentaire et des produits de consommation) since June 2008, and a member of the board of directors of Best Diamond Packaging, LLC (supplier of napkin dispensers) since 2006.



Suzanne Blanchet

Age 55⁽¹⁾
Quebec, Canada
Director Since: May 10, 2011
Independent

- (1) Age as of the date of the Meeting.
- (2) For further details, please see "Compensation of Directors", on pages 20 to 22 of this Circular.
- (3) As at December 30, 2012 or December 25, 2011, as the case may be.
- (4) Under the Directors' Shareholding Guidelines, each non-employee director is required to acquire Common Shares and/or DSUs having a combined value of at least four (4) times his or her director annual cash retainer. For further details, please see "Compensation of Directors-Director Shareholding Guidelines", on page 21 of this Circular.
- (5) Mrs. Blanchet has until May 10, 2016 to meet the Directors' Shareholding Guidelines.

Board/Committee Membership:		Attendance:		Value of Total Compensation Received as Director ⁽²⁾ :		
Member of:				Year	Value (\$)	
• Board of Directors	15/16	94%	2012	76,959		
• Human Resources and Compensation Committee	5/6	83%	2011	48,750		
Securities Held ⁽³⁾ :						
Year	Common Shares (#) ⁽³⁾	DSUs (#)	Total Common Shares and DSUs (#) ⁽³⁾	Total Market Value of Common Shares and DSUs (\$) ⁽³⁾	Total Market Value of Common Shares and DSUs as a Multiple of Annual Retainer	Minimum Required (within 5 years) (\$) ⁽⁴⁾⁽⁵⁾
2012	1,000	12,385	13,385	139,873	2.64	212,000
2011	–	4,830	4,830	46,948		

Réal Brunet

Mr. Brunet is a guest member of the board of directors and audit committee of Agropur cooperative (dairy company) since 2012 and a member of the board of directors of Ivanhoe Cambridge Inc. (real estate company) since 2013.

He was an audit partner and senior advisory partner at Ernst & Young (professional services organization) from 1983 to 2010, a professor at the Collège des administrateurs de sociétés from 2005 to 2010, and was a member of the Americas Executive Board, the body responsible for managing Ernst & Young's Americas practice, from 2005 to 2008. Mr. Brunet was also a member of the board of directors of the Montreal section of The Institute of Internal Auditors from 2007 to 2010, and member of the Agriculture and Agri Food Canada audit committee from 2011 to 2012.



Réal Brunet

Age 63⁽¹⁾
Quebec, Canada
Director Since: December 6, 2010
Independent

- (1) Age as of the date of the Meeting.
- (2) For further details, please see "Compensation of Directors", on pages 20 to 22 of this Circular.
- (3) As at December 30, 2012 or December 25, 2011, as the case may be.
- (4) Under the Directors' Shareholding Guidelines, each non-employee director is required to acquire Common Shares and/or DSUs having a combined value of at least four (4) times his or her director annual cash retainer. For further details, please see "Compensation of Directors-Director Shareholding Guidelines", on page 21 of this Circular.

Board/Committee Membership:		Attendance:		Value of Total Compensation Received as Director ⁽²⁾ :		
Member of:				Year	Value (\$)	
• Board of Directors	16/16	100%	2012	88,792		
• Audit Committee (Chair)	5/5	100%	2011	86,243		
Securities Held ⁽³⁾ :						
Year	Common Shares (#) ⁽³⁾	DSUs (#)	Total Common Shares and DSUs (#) ⁽³⁾	Total Market Value of Common Shares and DSUs (\$) ⁽³⁾	Total Market Value of Common Shares and DSUs (as a Multiple of Annual Retainer)	Minimum Required (within 5 years) (\$) ⁽⁴⁾⁽⁵⁾
2012	3,700	17,083	20,783	217,182	4.10	212,000
2011	3,700	8,369	12,069	117,311		

Robert Chevrier

Mr. Chevrier currently serves as chairman and director of Uni-Sélect Inc., a network of independently owned auto parts dealers in North America, since 2012, and is President of Société de Gestion Roche Inc. (personal holding and investment company) since April 2001. Mr. Chevrier is also the lead director and chair of the audit committee of Cascades Inc. (papermaker) since 2003; and director and chair of the human resources committee of CGI Group Inc. (information technology and business process services firm) since 2003. Mr. Chevrier was chairman and director of Richelieu Hardware Ltd., a North American distributor, importer and manufacturer of specialty hardware and complementary products, from March 2004 until January 2013, and previously served as the Chief Executive Officer and chairman of Rexel Canada Inc. (formerly Westburne Inc.) from November 1993 to January 2001.



Robert Chevrier

Age 69⁽¹⁾
Quebec, Canada
Director Since: January 20, 2013
Independent

- (1) Age as of the date of the Meeting.
- (2) Mr. Chevrier was appointed as director and Executive Chairman of the Board of Directors and is a member of the Nominating and Governance Committee since January 20, 2013.
- (3) For further details, please see "Compensation of Directors", on pages 20 to 22 of this Circular.
- (4) As at December 30, 2012 or December 26, 2011, as the case may be.
- (5) Under the Directors' Shareholding Guidelines, each non-employee director is required to acquire Common Shares and/or DSUs having a combined value of at least four (4) times his or her director annual cash retainer. For further details, please see "Compensation of Directors-Director Shareholding Guidelines", on page 21 of this Circular.
- (6) Mr. Chevrier has until January 20, 2018 to meet the Directors' Shareholding Guidelines.

Board/Committee Membership:		Attendance ⁽²⁾ :		Value of Total Compensation Received as Director ⁽²⁾⁽³⁾ :		
Member of:		Year		Year	Value (\$)	
• Board of Directors (Executive Chairman)	–	–%	2012	–		
• Nominating and Governance Committee	–	–%	2011	–		
Securities Held ⁽⁴⁾ :						
Year	Common Shares (#) ⁽⁴⁾	DSUs (#)	Total Common Shares and DSUs (#) ⁽⁴⁾	Total Market Value of Common Shares and DSUs (\$) ⁽⁴⁾	Total Market Value of Common Shares and DSUs (as a Multiple of Annual Retainer)	Minimum Required (within 5 years) (\$) ⁽⁵⁾⁽⁶⁾
2012	–	–	–	–	–	
2011	–	–	–	–	–	2,000,000

Eric Claus

Currently Mr. Claus represents private equity firms as executive chairman overseeing the restructuring of under-performing assets. Prior to that, he served as President and Chief Executive Officer of The Great Atlantic and Pacific Tea Company ("A&P") from 2005 to 2009. Mr. Claus joined A&P in 2002 where he served as President and Chief Executive Officer of its Canadian division until he moved to the U.S. in 2005 to become President and Chief Executive Officer of a parent company of A&P. Prior to joining A&P, Mr. Claus served as Chief Executive Officer of Co-op Atlantic (Eastern Canadian retailer, processor and holding group).



Eric Claus

Age 56⁽¹⁾
Nova Scotia, Canada
Director Since: -
Independent

- (1) Age as of the date of the Meeting.
- (2) Mr. Claus is a new candidate proposed for election as a director of the Corporation.
- (3) For further details, please see "Compensation of Directors", on pages 20 to 22 of this Circular.
- (4) As at December 30, 2012 or December 26, 2011, as the case may be.
- (5) Under the Directors' Shareholding Guidelines, each non-employee director is required to acquire Common Shares and/or DSUs having a combined value of at least four (4) times his or her director annual cash retainer. For further details, please see "Compensation of Directors-Director Shareholding Guidelines", on page 21 of this Circular.
- (6) If elected at the Meeting, Mr. Claus will have until May 14, 2018 to meet the Directors' Shareholding Guidelines.
- (7) Please see "Additional Disclosure Relating to Directors", on pages 16 to 17 of this Circular.

Board/Committee Membership:		Attendance ⁽²⁾ :		Value of Total Compensation Received as Director ⁽²⁾⁽³⁾ :		
Member of:		Year		Year	Value (\$)	
–	–	–%	2012	–		
			2011	–		
Securities Held ⁽⁴⁾ :						
Year	Common Shares (#) ⁽⁴⁾	DSUs (#)	Total Common Shares and DSUs (#) ⁽⁴⁾	Total Market Value of Common Shares and DSUs (\$) ⁽⁴⁾	Total Market Value of Common Shares and DSUs (as a Multiple of Annual Retainer)	Minimum Required (within 5 years) (\$) ⁽⁵⁾⁽⁶⁾
2012	–	–	–	–	–	
2011	–	–	–	–	–	212,000

Bernard Dorval

Mr. Dorval is currently chairman of the board of TD Insurance (Canada) (insurance services) since 2005 (he acts as non-executive chairman since 2012) as well as chairman of the retirement investment committee of the TD Bank Group (financial products and services) since 2010. At TD Bank Financial Group, Mr. Dorval served as Group Head of Insurance and Global Development from 2008 to 2010 and Group Head or Executive Vice President of Business Banking and Insurance between 2003 and 2008 while also acting as the Deputy Chair of TD Canada Trust and Head of Strategic Development for Quebec from 2003 until his retirement in 2012. Before that, he was the Executive Vice President of Retail Products for TD Canada Trust between 2000 and 2002 and the executive in charge of Insurance and, at different points in time, of various other divisions of Canada Trust including Small Business, Personal Lending, Investments and Trusts between 1995 and 2000. Prior to joining Canada Trust in 1995, Mr. Dorval held a variety of progressively senior roles during his 21 years at the Laurentian Group, including acting successively as the Chief Operating Officer and the Chief Executive Officer of Laurentian Financial (life and health insurance, pensions, investments and mutual funds) between 1992 and 1994.

Board/Committee Membership:			Attendance ⁽²⁾ :				Value of Total Compensation Received as Director ⁽²⁾⁽³⁾ :		
Member of:			Year		Value (\$)				
• Board of Directors			–	–%	2012	–			
• Audit Committee			–	–%	2011	–			

Securities Held ⁽⁴⁾ :						
Year	Common Shares (#) ⁽⁴⁾	DSUs (#)	Total Common Shares and DSUs (#) ⁽⁴⁾	Total Market Value of Common Shares and DSUs (\$) ⁽⁴⁾	Total Market Value of Common Shares and DSUs (as a Multiple of Annual Retainer)	Minimum Required (within 5 years) (\$) ⁽⁵⁾⁽⁶⁾
2012	–	–	–	–	–	212,000
2011	–	–	–	–	–	212,000



Bernard Dorval

Age 60⁽¹⁾
Ontario, Canada
Director Since: January 20, 2013
Independent

- (1) Age as of the date of the Meeting.
- (2) Mr. Dorval was appointed as director of the Corporation and is a member of the Audit Committee since January 20, 2013.
- (3) For further details, please see "Compensation of Directors", on pages 20 to 22 of this Circular.
- (4) As at December 30, 2012 or December 26, 2011, as the case may be.
- (5) Under the Directors' Shareholding Guidelines, each non-employee director is required to acquire Common Shares and/or DSUs having a combined value of at least four (4) times his or her director annual cash retainer. For further details, please see "Compensation of Directors-Director Shareholding Guidelines", on page 21 of this Circular.
- (6) Mr. Dorval has until January 20, 2018 to meet the Directors' Shareholding Guidelines.

Guy G. Dufresne

Mr. Dufresne currently serves as a member of the board of directors, audit and finance committee and environmental, health and safety committee of Iamgold Corporation (gold producer) since 2006 and as chairman of the board of directors and member of the audit committee of The Canadian Union Insurance Company (insurance company), an affiliate of Royal & Sun Alliance Insurance Company of Canada, since 2012. Mr. Dufresne is also a member of the board of directors, member of the audit committee and chairman of the investment and pension committee of Royal & Sun Alliance Canada (insurance company) since 2004. From 1992 to 2006, he was President and Chief Executive Officer of ArcelorMittal Mines Canada Inc. (formerly Québec Cartier Mining Company), and for 25 years prior to 1992, he held progressive senior positions within the forest product industry, including President and Chief Operating Officer of Kruger Inc.

Board/Committee Membership:			Attendance ⁽²⁾ :				Value of Total Compensation Received as Director ⁽²⁾⁽³⁾ :		
Member of:			Year		Value (\$)				
• Board of Directors			–	–%	2012	–			
					2011	–			

Securities Held ⁽⁴⁾ :						
Year	Common Shares (#) ⁽⁴⁾	DSUs (#)	Total Common Shares and DSUs (#) ⁽⁴⁾	Total Market Value of Common Shares and DSUs (\$) ⁽⁴⁾	Total Market Value of Common Shares and DSUs (as a Multiple of Annual Retainer)	Minimum Required (within 5 years) (\$) ⁽⁵⁾⁽⁶⁾
2012	–	–	–	–	–	212,000
2011	–	–	–	–	–	212,000



Guy G. Dufresne

Age 71⁽¹⁾
Quebec, Canada
Director Since: January 20, 2013
Independent

- (1) Age as of the date of the Meeting.
- (2) Mr. Dufresne was appointed as director of the Corporation on January 20, 2013.
- (3) For further details, please see "Compensation of Directors", on pages 20 to 22 of this Circular.
- (4) As at December 30, 2012 or December 26, 2011, as the case may be.
- (5) Under the Directors' Shareholding Guidelines, each non-employee director is required to acquire Common Shares and/or DSUs having a combined value of at least four (4) times his or her director annual cash retainer. For further details, please see "Compensation of Directors-Director Shareholding Guidelines", on page 21 of this Circular.
- (6) Mr. Dufresne has until January 20, 2018 to meet the Directors' Shareholding Guidelines.

Richard Fortin

Mr. Fortin is a member of the board of directors of Alimentation Couche-Tard Inc. (convenience stores) and was chairman of its board of directors from September 2008 until September 2011, where he had been Executive Vice President and Chief Financial Officer since 1999. Mr. Fortin is also a member of the board of directors of Transcontinental Inc. (printing and media company) since 2004 and currently serves as its lead director and chair of its audit committee. He is also a member of the board of directors of National Bank Life Insurance Company (life insurance company) since 2005 and currently serves as chair of its audit committee. He worked for more than 13 years in the banking industry, holding various management positions, namely as Vice President, Quebec for the Société Générale (Canada).



Richard Fortin

Age 64⁽¹⁾
Quebec, Canada
Director Since: April 2009
Independent

- (1) Age as of the date of the Meeting.
- (2) For further details, please see "Compensation of Directors", on pages 20 to 22 of this Circular.
- (3) As at December 30, 2012 or December 25, 2011, as the case may be.
- (4) Under the Directors' Shareholding Guidelines, each non-employee director is required to acquire Common Shares and/or DSUs having a combined value of at least four (4) times his or her director annual cash retainer. For further details, please see "Compensation of Directors-Director Shareholding Guidelines", on page 21 of this Circular.

Board/Committee Membership:		Attendance:		Value of Total Compensation Received as Director ⁽²⁾ :		
Member of:				Year	Value (\$)	
• Board of Directors	15/16	94%		2012	162,823	
• Audit Committee	5/5	100%		2011	89,755	
• Human Resources and Compensation Committee	5/6	83%				
Securities Held ⁽³⁾ :						
Year	Common Shares (#) ⁽³⁾	DSUs (#)	Total Common Shares and DSUs (#) ⁽³⁾	Total Market Value of Common Shares and DSUs (\$) ⁽³⁾	Total Market Value of Common Shares and DSUs (as a Multiple of Annual Retainer)	Minimum Required (within 5 years) (\$) ⁽⁴⁾
2012	10,000	33,700	43,700	456,665	8.62	212,000
2011	10,000	17,946	27,946	271,635		

Barry Gilbertson

Mr. Gilbertson is a principal with Barry Gilbertson Consultancy (strategic business and real estate advisory firm), providing strategic advisory services to organizations where real estate is material to their business since April 2011. Mr. Gilbertson is also a member of the board of directors and audit committee, compensation committee and chair of the real estate investment committee of Granite Real Estate Inc. and Granite REIT (global real estate operating companies) since July 2011. Mr. Gilbertson was previously a partner at PricewaterhouseCoopers LLP ("PwC") (accounting and consultancy firm) from 1996 until retirement in April 2011, where he specialized in business recovery, turnaround and work-outs, and held a variety of progressively senior roles at PwC from 1992 to 1996. Mr. Gilbertson was the global President of The Royal Institution of Chartered Surveyors from 2004 to 2005, and has been a member of the Institute of Directors, in the UK, since 1986.



Barry Gilbertson

Age 61⁽¹⁾
London, United Kingdom
Director Since: January 20, 2013
Independent

- (1) Age as of the date of the Meeting.
- (2) Mr. Gilbertson was appointed as director of the Corporation and is a member of the Human Resources and Compensation Committee since January 20, 2013.
- (3) For further details, please see "Compensation of Directors", on pages 20 to 22 of this Circular.
- (4) As at December 30, 2012 or December 26, 2011, as the case may be.
- (5) Under the Directors' Shareholding Guidelines, each non-employee director is required to acquire Common Shares and/or DSUs having a combined value of at least four (4) times his or her director annual cash retainer. For further details, please see "Compensation of Directors-Director Shareholding Guidelines", on page 21 of this Circular.
- (6) Mr. Gilbertson has until January 20, 2018 to meet the Directors' Shareholding Guidelines.

Board/Committee Membership:		Attendance ⁽²⁾ :		Value of Total Compensation Received as Director ⁽²⁾⁽³⁾ :		
Member of:				Year	Value (\$)	
• Board of Directors	–	–%		2012	–	
• Human Resources and Compensation Committee	–	–%		2011	–	
Securities Held ⁽⁴⁾ :						
Year	Common Shares (#) ⁽⁴⁾	DSUs (#)	Total Common Shares and DSUs (#) ⁽⁴⁾	Total Market Value of Common Shares and DSUs (\$) ⁽⁴⁾	Total Market Value of Common Shares and DSUs (as a Multiple of Annual Retainer)	Minimum Required (within 5 years) (\$) ⁽⁵⁾⁽⁶⁾
2012	–	–	–	–	–	212,000
2011	–	–	–	–	–	

Jean-Guy Hébert

Mr. Hébert is a member of the board of directors and President of several companies, including Maximat inc. (holding company), Maximat Granby inc. (holding company), Horizon Devcow inc. (real estate), and 9060-4976 Québec inc. (operating a store under the RONA L'entrepôt banner (Granby)). He is also Vice President of 9066-7403 Québec inc. (operating a store under the RONA l'entrepôt St-Hyacinthe) and Rocvale Produits de Béton inc. (concrete products).



Jean-Guy Hébert

Age 67⁽¹⁾
Quebec, Canada
Director Since: May 2002⁽²⁾
Not Independent

- (1) Age as of the date of the Meeting.
- (2) Mr. Hébert was also a director of the Corporation from 1986 to 2001.
- (3) For further details, please see "Compensation of Directors", on pages 20 to 22 of this Circular.
- (4) As at December 30, 2012 or December 25, 2011, as the case may be.
- (5) Mr. Hébert also held indirectly 168,496 Common Shares through his interest in Maximat Inc., and has interests in certain companies which held an additional number of 222,777 Common Shares (168,965 Common Shares through 9060-4976 Québec inc., of which he holds 42.5% of the issued and outstanding shares, and 56,810 Common Shares through 9066-7403 Québec inc., of which he holds 50% of the issued and outstanding shares) as at December 30, 2012.
- (6) Under the Directors' Shareholding Guidelines, each non-employee director is required to acquire Common Shares and/or DSUs having a combined value of at least four (4) times his or her director annual cash retainer. For further details, please see "Compensation of Directors-Director Shareholding Guidelines", on page 21 of this Circular.
- (7) The Development Committee was abolished on January 20, 2013.
- (8) Please see "Additional Disclosure Relating to Directors", on pages 16 to 17 of this Circular.

Board/Committee Membership:			Attendance:		Value of Total Compensation Received as Director ⁽³⁾ :	
Member of:			Year		Value (\$)	
• Board of Directors	16/16	100%	2012		75,376	
• Development Committee ⁽⁷⁾	-	-	2011		70,745	
Securities Held ⁽⁴⁾ :						
Year	Common Shares (#) ⁽⁴⁾⁽⁵⁾	DSUs (#)	Total Common Shares and DSUs (#) ⁽⁴⁾⁽⁵⁾	Total Market Value of Common Shares and DSUs (\$) ⁽⁴⁾⁽⁵⁾	Total Market Value of Common Shares and DSUs (as a Multiple of Annual Retainer)	Minimum Required (within 5 years) (\$) ⁽⁶⁾
2012	68,200	22,462	90,662	947,418	17.88	212,000
2011	68,200	15,074	83,274	809,423		

James Pantelidis

Mr. Pantelidis is chairman of the board of directors of EnerCare Inc. (energy heating) since 2002, chairman of the board of directors and a member of the audit committee and supply committee (chair) of Parkland Fuel Corporation (energy downstream) since 1999, a member of the board of directors, human resources and compensation committee and investment committee (chair) of Industrial Alliance Insurance and Financial Services Inc. (financial services) since 2002, and a member of the board of directors and audit committee of Intertape Polymer Group (development and manufacture of polyolefin plastic and paper packaging products) since 2011.

Mr. Pantelidis was a member of the board of directors of Equinox Minerals Limited (mining) from 2008 to 2011. From 2002 to 2006, Mr. Pantelidis was a member of the Board of Directors of Fishercast Global Corporation (die casting) after having served as chairman and Chief Executive Officer of that company from 2004 to 2006. From 2002 to 2003, he was President and Chief Executive Officer of J.P. Associates (private equity and strategic consulting). Between 1999 and 2001, he was chairman and Chief Executive Officer of Bata Ltd. (retail and shoes manufacturing) and from 1996 to 1998 he was Executive Vice President at Petro-Canada (energy).



James Pantelidis

Age 67⁽¹⁾
Ontario, Canada
Director Since: May 2004
Independent

- (1) Age as of the date of the Meeting.
- (2) For further details, please see "Compensation of Directors", on pages 20 to 22 of this Circular.
- (3) As at December 30, 2012 or December 25, 2011, as the case may be.
- (4) In addition, Mr. Pantelidis' daughter and son each hold an additional number of 100 Common Shares.
- (5) Under the Directors' Shareholding Guidelines, each non-employee director is required to acquire Common Shares and/or DSUs having a combined value of at least four (4) times his or her director annual cash retainer. For further details, please see "Compensation of Directors-Director Shareholding Guidelines", on page 21 of this Circular.
- (6) The Development Committee was abolished on January 20, 2013.
- (7) Please see "Additional Disclosure Relating to Directors", on pages 16 to 17 of this Circular.

Board/Committee Membership:			Attendance:		Value of Total Compensation Received as Director ⁽²⁾⁽³⁾ :	
Member of:			Year		Value (\$)	
• Board of Directors	15/16	94%	2012		92,333	
• Human Resources and Compensation Committee (Chair)	6/6	100%	2011		83,209	
• Development Committee ⁽⁶⁾	-	-				
Securities Held ⁽⁴⁾ :						
Year	Common Shares (#) ⁽³⁾⁽⁴⁾	DSUs (#)	Total Common Shares and DSUs (#) ⁽³⁾⁽⁴⁾	Total Market Value of Common Shares and DSUs (\$) ⁽³⁾⁽⁴⁾	Total Market Value of Common Shares and DSUs (as a Multiple of Annual Retainer)	Minimum Required (within 5 years) (\$) ⁽⁵⁾
2012	6,000	37,008	43,008	449,434	8.48	212,000
2011	5,000	27,930	32,930	320,080		

Robert Paré

Mr. Paré is a corporate lawyer and partner at Fasken Martineau Dumoulin LLP (law firm), a member of the board of directors and investment committee of Groupe BMTC inc. (furniture and appliances) since 1989, a member of the board of directors and of the compensation, nominating and corporate governance committee of Group ADF inc. (design, engineering, fabrication and installation of complex steel superstructures) since 2009 and a member of the board of directors of Essilor Canada Ltd. (ophthalmic optical products) since 1995. Mr. Paré is also a member of the board of directors of the Institute of Corporate Directors – Quebec Chapter.



Robert Paré

Age 58⁽¹⁾
Quebec, Canada
Director Since: April 2009
Independent

- (1) Age as of the date of the Meeting.
- (2) For further details, please see "Compensation of Directors", on pages 20 to 22 of this Circular.
- (3) As at December 30, 2012 or December 25, 2011, as the case may be.
- (4) Under the Directors' Shareholding Guidelines, each non-employee director is required to acquire Common Shares and/or DSUs having a combined value of at least four (4) times his or her director annual cash retainer. For further details, please see "Compensation of Directors-Director Shareholding Guidelines", on page 21 of this Circular.
- (5) Mr. Paré was Chairman of the Board of Directors from May 9, 2012 to January 20, 2013.

Board/Committee Membership:			Attendance:		Value of Total Compensation Received as Director ⁽²⁾ :		
Member of:			Year		Value (\$)		
• Board of Directors ⁽⁵⁾	16/16	100%	2012		309,695		
• Human Resources and Compensation Committee	6/6	100%	2011		85,029		
• Nominating and Governance Committee (Chair)	4/4	100%					
Securities Held ⁽³⁾ :							
Year	Common Shares (#) ⁽³⁾	DSUs (#)	Total Common Shares and DSUs (#) ⁽³⁾	Total Market Value of Common Shares and DSUs (\$) ⁽³⁾	Total Market Value of Common Shares and DSUs (as a Multiple of Annual Retainer)	Minimum Required (within 5 years) (\$) ⁽⁴⁾	
2012	30,000	45,941	75,941	793,583			
2011	30,000	16,140	46,140	448,481	14.97	212,000	

Steven P. Richardson

Mr. Richardson is a corporate director. Mr. Richardson was a member of the board of directors, chair of the corporate governance and compensation committee and member of the audit committee of Sterling Shoes Inc. (footwear stores) from 2010 to 2013, and a director of easyhome Ltd. from June 2011 to December 2011 (and co-chair of its compensation committee; chair of its special committee and member of its audit committee). Between 2003 and 2009, Mr. Richardson acted in various senior executive roles at Hudson's Bay Company (department stores) (including Chief Financial Officer between 2006 and 2009). Prior to joining Hudson's Bay Company in 2003, he was the Chief Financial Officer of Wells Fargo Financial Corporation Canada and Chief Financial Officer and a director of Associates Financial Services of Canada and Beneficial Canada Inc. He began his career at Imperial Oil Limited, with various positions in the corporate finance and controller's departments.



Steven P. Richardson

Age 53⁽¹⁾
Ontario, Canada
Director Since: -
Independent

- (1) Age as of the date of the Meeting.
- (2) Mr. Richardson is a new candidate proposed for election as a director of the Corporation.
- (3) For further details, please see "Compensation of Directors", on pages 20 to 22 of this Circular.
- (4) As at December 30, 2012 or December 26, 2011, as the case may be.
- (5) Under the Directors' Shareholding Guidelines, each non-employee director is required to acquire Common Shares and/or DSUs having a combined value of at least four (4) times his or her director annual cash retainer. For further details, please see "Compensation of Directors-Director Shareholding Guidelines", on page 21 of this Circular.
- (6) If elected at the Meeting, Mr. Richardson will have until May 14, 2018 to meet the Directors' Shareholding Guidelines.

Board/Committee Membership:			Attendance ⁽²⁾ :		Value of Total Compensation Received as Director ⁽²⁾⁽³⁾ :		
Member of:			Year		Value (\$)		
–	–	–%	2012		–		
			2011		–		
Securities Held ⁽⁴⁾ :							
Year	Common Shares (#) ⁽⁴⁾	DSUs (#)	Total Common Shares and DSUs (#) ⁽⁴⁾	Total Market Value of Common Shares and DSUs (\$) ⁽⁴⁾	Total Market Value of Common Shares and DSUs (as a Multiple of Annual Retainer)	Minimum Required (within 5 years) (\$) ⁽⁵⁾⁽⁶⁾	
2012	–	–	–	–			
2011	–	–	–	–	–	212,000	

Robert Sawyer

On March 19, 2013, RONA announced the appointment of Mr. Sawyer as President and Chief Executive Officer of RONA, effective in April 2013. Before joining RONA, Mr. Sawyer was Executive Vice President and Chief Operating Officer of Metro Inc. (Canadian food company) since 2009. Mr. Sawyer joined Metro Inc. in 1979, where he held various executive positions in retail operations and distribution over the past 30 years, including Senior Vice-President, Ontario Division from 2007 to 2009, Senior Vice-President, Quebec Division from 2005 to 2007, and Senior Vice-President – Retail for the Metro and Marché Richelieu banners from 1997 to 2005. He received the Man of the Year recognition in the produce industry in 1993, the 2007 Lifetime Achievement Award from the Canadian Produce Marketing Association (CPMA), and is the 2010 recipient of the Quebec Produce Marketing Association (QPMA)'s *Pilier de l'industrie* award.



Robert Sawyer

Age 59⁽¹⁾
 Québec, Canada
 Director Since: -
 Not Independent

- (1) Age as of the date of the Meeting.
- (2) Mr. Sawyer is a new candidate proposed for election as a director of the Corporation.
- (3) As President and Chief Executive Officer of the Corporation, Mr. Sawyer will not receive any compensation for acting as a director of the Corporation.
- (4) As at December 30, 2012 or December 26, 2011, as the case may be.
- (5) Under Management Share Ownership Guidelines, the new President and Chief Executive Officer of the Corporation will be required to hold Common Shares, exercisable options, RSUs (as defined below) or PSUs (as defined below) having a combined value of at least three (3) times his salary. For further details, please see "Share Ownership Requirements", on page 34 of this Circular. As President and Chief Executive Officer of RONA, Mr. Sawyer will receive stock options, RSUs and PSUs.

Board/Committee Membership:		Attendance ⁽²⁾ :		Value of Total Compensation Received as Director ⁽²⁾⁽³⁾ :		
Member of:				Year	Value (\$)	
• Board of Directors		-	-%	2012	-	
				2011	-	
Securities Held ⁽⁴⁾ :						
Year	Common Shares (#) ⁽⁴⁾	Options Exercisable (#)	Total Market Value of Common Shares (\$) ⁽⁴⁾	Total Market Value of Common Shares, Options Exercisable, RSUs and 50% of PSUs (\$) ⁽⁴⁾	Total Market Value of Common Shares, Options Exercisable, RSUs and 50% of PSUs (as a Multiple of Salary)	Minimum Required (within 5 years) (\$) ⁽⁵⁾
2012	-	-	-	-	-	-
2011	-	-	-	-	-	-

Wesley Voorheis

Since 1995, Mr. Voorheis has been a partner of Voorheis & Co. LLP and Managing Director of VC & Co. Incorporated, which act as strategic advisors to institutional and other shareholders. He is the Chairman of the boards and chairman of the corporate governance and nominating committees of Granite Real Estate Inc. (global real estate operating company) since July 2011 and HudBay Minerals Inc. (base metals mining) since March 2009 and has been a director of David's Tea Inc. (private specialty tea retailer) since February 2013. Mr. Voorheis has been a director of a number of other public companies including Coventree Inc. from April 2008 to February 2012 and easyhome Ltd. from April 2010 to December 2011. Prior to the establishment of Voorheis & Co. LLP, Mr. Voorheis was a partner in a major Toronto law firm.



Wesley Voorheis

Age 59⁽¹⁾
 Ontario, Canada
 Director Since: January 20, 2013
 Independent

- (1) Age as of the date of the Meeting.
- (2) Mr. Voorheis was appointed as director of the Corporation and is a member of the Nominating and Governance Committee since January 20, 2013.
- (3) For further details, please see "Compensation of Directors", on pages 20 to 22 of this Circular.
- (4) As at December 30, 2012 or December 26, 2011, as the case may be.
- (5) Under the Directors' Shareholding Guidelines, each non-employee director is required to acquire Common Shares and/or DSUs having a combined value of at least four (4) times his or her director annual cash retainer. For further details, please see "Compensation of Directors-Director Shareholding Guidelines", on page 21 of this Circular.
- (6) Mr. Voorheis has until January 20, 2018 to meet the Directors' Shareholding Guidelines.
- (7) Please see "Additional Disclosure Relating to Directors", on pages 16 to 17 of this Circular.

Board/Committee Membership:		Attendance ⁽²⁾ :		Value of Total Compensation Received as Director ⁽²⁾⁽³⁾ :		
Member of:				Year	Value (\$)	
• Board of Directors		-	-%	2012	-	
• Nominating and Governance Committee		-	-%	2011	-	
Securities Held ⁽⁴⁾ :						
Year	Common Shares (#) ⁽⁴⁾	DSUs (#)	Total Common Shares and DSUs (#) ⁽⁴⁾	Total Market Value of Common Shares and DSUs (\$) ⁽⁴⁾	Total Market Value of Common Shares and DSUs (as a Multiple of Annual Retainer)	Minimum Required (within 5 years) (\$) ⁽⁵⁾⁽⁶⁾
2012	-	-	-	-	-	212,000
2011	-	-	-	-	-	-

Additional Disclosure Relating to Directors

To the knowledge of RONA, except as set out below, none of the nominees for election to the Board of Directors:

- (a) is, or within ten years prior to the date hereof has been, a director, chief executive officer or chief financial officer of any company that was subject to a cease trade order, an order similar to a cease trade order or an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days:
 - (i) that was issued while the nominee was acting in the capacity as director, chief executive officer or chief financial officer; or
 - (ii) that was issued after the nominee ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer;
- (b) is, as at the date of this Circular or within ten years before the date of this Circular has been, a director or executive officer of any company that, while that person was acting in that capacity or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets;
- (c) has, within 10 years prior to the date of this Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the nominee; or
- (d) has been subject to:
 - (i) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or
 - (ii) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

Mr. Pantelidis made a private equity investment in Tattoo Footwear Inc. and joined the board of that company in 2003. In the 12-month period following the sale of his shares and departure from the board, the company went into receivership.

From on or about September 18, 2003 until June 24, 2004, Mr. Voorheis was a director of Atlas Cold Storage Holdings Inc. (“**Atlas**”), the entity through which Atlas Cold Storage Income Trust (“**Atlas Income Trust**”) carried on its business. The Ontario Securities Commission (the “**OSC**”) issued a management cease trade order relating to any trading in securities of Atlas Income Trust as a result of Atlas Income Trust not having filed its 2003 third quarter financial statements by the required deadline. The order was made against the trustees of Atlas Income Trust, certain members of the board of directors of Atlas and certain officers and former officers of Atlas. The cease trade order related to conduct that occurred before Mr. Voorheis became a member of the board of directors of Atlas. The cease trade order remained in effect until May 11, 2004, following the remediation of the filing default.

Mr. Voorheis was a director of Hollinger Inc. (“**Hollinger**”) from May 2006 to June 2008 and its chief executive officer from April 2007 to June 2008. Mr. Voorheis agreed to join the Hollinger board at the request of a shareholder to deal with alleged management misconduct. Prior to Mr. Voorheis’ involvement in Hollinger (on May 18, 2004), the OSC issued a temporary cease trade order that prohibited certain directors, officers and insiders of Hollinger from trading in securities of Hollinger, subject to certain exceptions, as a result of Hollinger’s failure to file financial statements on a timely basis as required under Ontario securities laws. On June 1, 2004, the OSC issued a

management cease trade order (the “MCTO”) (later varied on March 8, 2005, August 10, 2005 and April 28, 2006). The April 28, 2006 variation added the then current directors and officers of Hollinger to the list of persons subject to the MCTO. The MCTO was later revoked on April 10, 2007 by an OSC order, after remediation by Hollinger of its historical continuous disclosure record on March 7, 2007. Related cease trade orders were also issued by securities regulatory authorities in British Columbia on May 31, 2004 and Alberta on June 10, 2004 but were revoked, or expired, following the revocation of the MCTO by the OSC.

On August 1, 2007, Hollinger obtained an initial order for creditor protection from the court under the *Companies’ Creditors Arrangement Act* (Canada) (“CCAA”) and made a concurrent application for a companion order under Chapter 15 of the United States Bankruptcy Code. These proceedings included Hollinger and its wholly-owned subsidiaries, Sugra Limited and 4322525 Canada Inc. The initial order and the U.S. proceedings provided for an initial stay period of 30 days, and were subsequently extended. On May 26, 2008, the Court approved an agreement (announced by Hollinger on May 14, 2008) between Hollinger and its two principal creditors addressing matters in dispute among those parties and which stated that Mr. Voorheis would be resigning as an officer and director of Hollinger. On June 17, 2008, Mr. Voorheis resigned as a director and officer of Hollinger. Hollinger’s Series II preference shares and the common shares are subject to a cease trader order issued by the OSC on July 23, 2008. Hollinger has stated that the cease trade order was issued as a result of Hollinger’s determination, in the interests of reducing its costs for the benefit of its stakeholders, not to prepare and file annual audited financial statements and other annual disclosure documents in respect of Hollinger’s financial year ended March 31, 2008. Consequently, following June 30, 2008, Hollinger has been in default of its continuous disclosure filing requirements under Canadian securities laws.

Mr. Voorheis was a director of Sun Times Media Group, Inc. (“Sun Times”) from August 2007 to June 2008. Mr. Voorheis agreed to join the Sun Times board at the request of a Hollinger shareholder to deal with alleged management misconduct. On March 31, 2009, Sun Times and its domestic subsidiaries filed voluntary petitions under Chapter 11 of the United States Bankruptcy Code.

Mr. Voorheis was appointed director of Coventree Inc. (“Coventree”) in April 2008. On December 7, 2009, the OSC commenced proceedings against Coventree and certain of its officers in connection to events which occurred prior to Mr. Voorheis’ involvement with Coventree. The proceedings relate to whether Coventree complied with its disclosure obligations in its prospectus relating to the initial public offering of its shares, and its timely disclosure obligations in 2007 prior to the market for certain asset-backed commercial paper freezing up on August 13, 2007 (collectively, the “Coventree Proceedings”). On November 8, 2011, the OSC issued orders in connection with the Coventree Proceedings which included an order that until its winding up is completed, trading in any securities by Coventree cease and that any Ontario securities law exemptions not apply to Coventree, provided that this order will not prevent the winding up of Coventree or trades in securities reasonably related to that winding up. Coventree appealed the OSC order at the Ontario Divisional Court in late 2012 and is awaiting the Divisional Court’s decision on the matter.

On June 30, 2010, the shareholders of Coventree approved a special resolution authorizing the winding up of Coventree and the distribution of its remaining assets, if any, to shareholders pursuant to the plan of liquidation and distribution (the “Liquidation Plan”). The Liquidation Plan commenced on February 15, 2012, when a liquidator was appointed for the purposes of winding up the Coventree’s affairs and Mr. Voorheis resigned as director and became an inspector of the company’s liquidation on that date.

Mr. Hébert is Vice-President of RocVale Concrete Products Inc., which filed a notice of intention to make a proposal to its creditors on December 3, 2012.

Mr. Claus is the executive chairman of TBS Acquireco Inc. On February 26, 2013, TBS Acquireco Inc., The Bargain! Shop Holdings Inc., and TBS Stores Inc. (collectively “The Bargain Shop”) obtained an initial order from the Ontario Superior Court of Justice (the “OC”) under the CCAA, granting The Bargain Shop protection under the CCAA for an initial period expiring on March 28, 2013, to be extended as required and approved by the OC.

Mr. Richardson was a member of the board of directors of Sterling Shoes Inc. from June 2010 to January 2013. Pursuant to orders of the Supreme Court of British Columbia, including an initial order dated October 21, 2011, Sterling Shoes Inc. and each of its subsidiaries obtained creditor protection under the CCAA.

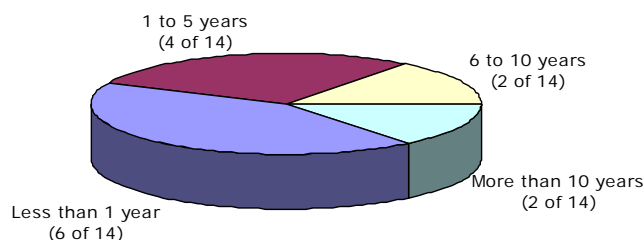
Policy regarding Continuous Improvement and Exchange in Matters of Governance and Compensation

In 2010, the Board of Directors adopted a policy regarding continuous improvement and exchange in matters of governance and compensation, with the goal of continuously improving its governance and compensation practices and meeting the expectations of the Corporation's shareholders. The policy was last amended in December 2012. Principles set forth in the policy include the following:

- In accordance with RONA's mandates and governance policies, the Nominating and Governance Committee recommends to the Board of Directors each year a slate of nominees for election as directors. These recommendations take into account the needs of the Corporation, the qualities, experience and performance of the proposed nominees, and the importance of ensuring continuity and implementation of the long-term business strategy. Shareholders can vote for each of the nominees individually. The Board of Directors takes the outcome of this vote into consideration and may suggest to certain directors, if they receive more votes withheld than votes for their nomination, that they submit their resignation or not apply for the position of director the following year. Those principles constitute RONA's majority voting policy.
- The Human Resources and Compensation Committee periodically makes recommendations to the Board of Directors with respect to executive compensation policies and plans. These recommendations take into account the Corporation's strategic objectives, executives' qualities and experience and the potential risks associated with the various compensation methods. In the course of developing such recommendations, the Human Resources and Compensation Committee may avail itself of the services of compensation consultants and takes into consideration proposals by groups representing shareholders and other stakeholders.
- The Board of Directors of the Corporation has adopted a policy on the Corporation's approach to executive compensation (*say on pay*). Pursuant to that policy, the Board of Directors has full discretion, to the extent that it considers it in the Corporation's best interests to do so, to provide for a non-binding advisory vote on the approach to executive compensation disclosed in the Corporation's management proxy circular, to be held at the Corporation's annual meeting. As this is an advisory vote, the results will not be binding on the Board of Directors. However, the Board of Directors will take the results of the vote into account, along with any further comments it receives from the shareholders in the course of engaging with them, when determining its approach to compensation for subsequent financial years. Board members will also take the results into account when considering the principles, policies, program or arrangements relating to executive compensation to be adopted by the Corporation in the future.
- The Board of Directors, through the Corporate Secretary's office, ensures that it is promptly informed of proposals, recommendations and best practices in matters of governance and compensation that originate from the Canadian Securities Administrators or from groups representing shareholders or other stakeholders. After reviewing these proposals, the Nominating and Governance Committee and the Human Resources and Compensation Committee will, where appropriate, make recommendations to the Board of Directors with a view to improving RONA's governance policies and practices and compensation plans on an ongoing basis.
- RONA publishes its governance and compensation policies, plans and practices on its website. This approach allows the Board of Directors to proactively communicate to stakeholders any significant changes that are made to such policies, plans and practices.
- Shareholders are invited, on RONA's website, to submit to the Board of Directors any recommendations or suggestions for improvements to RONA's governance and compensation practices.

Director Tenure

The following chart indicates the number of years the current directors have dedicated to the Corporation's Board as of March 20, 2013:



The Corporation's average Board tenure is 3.647 years.

Skills Matrix

The following table identifies some of the current skills and other factors considered as part of the skills matrix used by the Nominating and Governance Committee, along with identification of each current member of the Board of Directors and each nominee for election to the Board of Directors possessing each skill:

NOMINEES	SKILL REQUIREMENTS (EXPERIENCE/EXPERTISE)														REPRESENTATIVENESS			
	Finance				Accounting	Legal	Strategy	Human Resources	Environment	Knowledge of Certain Industries				Experience on Boards other than RONA's	Other	Geographic	As of May 14, 2013	Gender (M/F)
	Risk Management	Transactions	Financial Products and Derivatives	Financial Audit						Hardware/Retail	Advertising	Real Estate	Information Technology					
Suzanne Blanchet	X	X			X		X	X	X		X			X	Independent	QC	55	F
Réal Brunet	X	X	X	X	X		X	X						X	Independent	QC	63	M
Robert Chevrier	X	X	X	X	X		X	X		X			X	X	Independent	QC	69	M
Eric Claus		X					X	X		X	X	X		X	Independent	NS	56	M
Bernard Dorval	X	X	X	X	X		X	X		X				X	Independent	ON	60	M
Guy G. Dufresne	X			X			X	X	X				X	X	Independent	QC	71	M
Richard Fortin	X	X			X		X	X	X					X	Independent	QC	64	M
Barry Gilbertson	X	X		X			X	X	X	X				X	Independent	UK	61	M
Jean-Guy Hébert	X	X	X	X	X		X	X	X	X		X		Non-Independent	QC	67	M	
James Pantelidis	X	X			X		X	X		X		X	X	Independent	ON	67	M	
Robert Paré	X	X				X	X			X				X	Independent	QC	58	M
Steven P. Richardson	X	X	X	X	X		X			X				X	Independent	ON	53	M
Robert Sawyer	X	X					X	X		X	X	X	X	Non-Independent	QC	59	M	
Wesley Voorheis	X	X				X	X							X	Independent	ON	59	M

Compensation of Directors

Compensation Policy

The Directors Compensation Program is designed to attract and retain the most qualified people to serve on the Corporation's Board and committees, taking into account the risks and responsibilities of being an effective director. The Executive Chairman of the Board (the "Executive Chairman") is entitled to an annual compensation of \$500,000, plus the reimbursement of travel costs and any other expenses reasonably incurred in connection with his mandate, and is not entitled to receive any other fees. The former (non-executive) Chairman of the Board was entitled to an annual compensation of \$250,000, plus the reimbursement of travel costs and any other expenses reasonably incurred in connection with his mandate, and was not entitled to receive any other fees (except in respect of his participation as a member or chair of ad hoc committees of the Corporation, as applicable). The Corporation's policy is to pay each director who is not an employee of the Corporation (except the Executive Chairman or the Chairman, as applicable) an annual retainer of \$40,000 in cash or DSUs and \$13,000 in DSUs and attendance fees of \$1,500 per meeting of the Board of Directors and standing Board committees (\$750 in the case of participation by telephone). Each chair of a standing committee of the Board of Directors is also entitled to an additional annual retainer of \$5,000, except for the Chair of the Audit Committee, who is entitled to an additional annual retainer of \$10,000 and each committee member is entitled to an additional annual retainer of \$2,500 per year, except Audit Committee members who are entitled to an additional annual retainer of \$4,000 per year.

The following table discloses the total dollar value of all cash and non-cash compensation provided to each director during the last fiscal year (since the President and CEO (as defined below) does not receive director fees and that none of Messrs. Chevrier, Claus, Dorval, Dufresne, Gilbertson, Richardson or Voorheis acted as director for any part of the most recently completed fiscal year, they are not included in the table below):

Name of Director ⁽¹⁾	Fees earned			Dividends	Total			Paid in cash
	Director and Board Chair Retainer ⁽²⁾	Committee Chair Retainer	Director Meeting Fees		Received in DSUs			
	(\$)	(\$)	(\$)	(\$)	(#) ⁽³⁾	(\$)	(%)	(\$)
Suzanne Blanchet	55,500	-	20,250	1,209	7,555	76,959	100	-
Réal Brunet	53,000	10,000	24,000	1,792	8,714	88,792	100	-
Louise Caya	55,500	-	16,500 ⁽⁶⁾	3,906	7,448	75,906	100	-
Richard Fortin	122,500 ⁽⁴⁾	-	36,750 ⁽⁵⁾⁽¹⁷⁾	3,573	15,754	162,823	100	-
Jean Gaulin ⁽⁶⁾	74,725	-	-	-	-	-	-	74,725 ⁽⁷⁾
Jean-Guy Hébert	55,500	-	17,250 ⁽¹⁷⁾	2,626	7,388	75,376	100	-
Alain Michel ⁽⁸⁾	121,000 ⁽⁴⁾	-	42,000 ⁽⁵⁾	5,432	16,328	168,432	100	-
Geoff Molson ⁽⁹⁾	34,916	-	12,750 ⁽¹⁰⁾	169	4,480	47,835	100	-
Patrick Palerme ⁽¹¹⁾	117,000 ⁽⁴⁾	-	35,250 ⁽⁵⁾	1,677	14,885	153,927	100	-

Name of Director ⁽¹⁾	Fees earned			Dividends	Total			
	Director and Board Chair Retainer ⁽²⁾	Committee Chair Retainer	Director Meeting Fees		Received in DSUs			Paid in cash
James Pantelidis	63,344	5,000 ⁽¹⁰⁾⁽¹⁷⁾	19,500	4,489	9,078	92,333	100	-
Robert Paré ⁽¹²⁾	197,335	86,500 ⁽¹³⁾	21,750 ⁽⁵⁾	4,110	29,801	309,695	100	-
Jocelyn Tremblay ⁽¹⁴⁾	21,670	-	8,250	2,248	3,434	32,168	100	-
Jean-Roch Vachon	57,000	5,000 ⁽¹⁵⁾	22,500 ⁽¹⁶⁾⁽¹⁰⁾⁽¹⁷⁾	4,777	8,765	89,277	100	-
TOTAL	932,595	106,500	268,500	33,760	130,196	1,341,355	100	-

- (1) Mr. Dutton stepped down as President and CEO and as a director of the Corporation on November 8, 2012; he did not receive any compensation to act as director of the Corporation. The disclosure of his compensation as former President and CEO is included in the Summary Compensation Table on page 59 of this Circular.
- (2) \$40,000 in DSUs, and \$13,000 in DSUs, except for Mr. Robert Paré who was paid \$197,335 in DSUs and Mr. Jean Gaulin who was paid \$74,725 in cash. This column also includes committee member annual retainers.
- (3) Number of DSUs is determined quarterly by dividing total fees earned in the quarter by the average closing price of the Common Shares traded on the TSX during the five (5) trading days immediately preceding the last day of each quarter.
- (4) Includes an all-inclusive amount of \$75,000 for acting as member of the Corporation's ad hoc special committee, which was established in January 2012 and abolished in January 2013, and was charged with reviewing various strategic alternatives for the Corporation (the "Special Committee"), less the amount of attendance fees received until July 20, 2012 for participation in meetings of the Corporation's Special Committee.
- (5) Includes attendance fees received until July 20, 2012 for participation in meetings of the Corporation's Special Committee (\$1,500 per meeting).
- (6) Mr. Gaulin acted as director and Chairman of the Board of Directors until May 9, 2012. From December 26, 2011 until he retired as Chairman of the Board effective on May 9, 2012, he was entitled to an annual compensation of \$250,000 in his capacity as Chairman of the Board of Directors, and was not entitled to receive any other fees.
- (7) Mr. Gaulin, as a US resident, could not benefit from the tax advantages of the DSU plan. Furthermore, he had reached the required holding applicable to the Chairman of the Board.
- (8) Mr. Michel resigned from the Board effective January 20, 2013.
- (9) Mr. Molson was elected as director and is a member of the Nominating and Governance Committee since May 9, 2012.
- (10) In addition, a lump sum amount of \$25,000 (\$50,000 for Mr. Pantelidis as chair) will be paid in 2013 for acting as member of the Corporation's ad hoc committee which was established in November 2012, and abolished in March 2013 and was charged with the selection of a new President and CEO (the "Selection and New CEO Committee").
- (11) Mr. Palerme resigned from the Board effective January 20, 2013.
- (12) Mr. Paré was appointed Chairman of the Board effective on May 9, 2012. From May 9, 2012 until he stepped down as Chairman of the Board on January 20, 2013, he was entitled to an annual compensation of \$250,000 in his capacity as Chairman of the Board of Directors, and was not entitled to receive any other fees.
- (13) Represents an all-inclusive amount of \$100,000 for acting as chair of the Corporation's Special Committee, less the amount of attendance fees received until July 20, 2012 for participation in meetings of the Corporation's Special Committee.
- (14) Mr. Tremblay acted as director until May 9, 2012.
- (15) Represents the Development Committee's chair cash retainer, which committee was abolished on January 20, 2013.
- (16) Includes attendance fees received for participation in meetings of the Corporation's Development Committee, which was abolished on January 20, 2013.
- (17) In addition, a lump sum amount of \$25,000 (\$50,000 for Mr. Pantelidis as chair) will be paid in 2013 for acting as member of the Corporation's ad hoc operational monitoring committee which was established in November 2012, and abolished in January 2013, in order to support Mr. Boies in the exercise of his functions while acting as Chief Executive Officer on an interim basis (the "Operational Committee").

Director Shareholding Guidelines

The Board believes it is important that directors demonstrate their commitment to the Corporation's growth through equity ownership. In 2006, the Board adopted shareholding guidelines pursuant to which each non-employee director of the Corporation, including the Executive Chairman, is required, within the latest of five (5) years of (i) his or her election to the Board or (ii) the adoption of the shareholding guidelines, to acquire Common Shares of the Corporation and/or DSUs having a combined value of at least four (4) times his or her director annual retainer (excluding committee chair retainers and director meeting fees). Each non-employee director is required to continue to hold such value in Common Shares and/or DSUs throughout the remainder of his or her tenure as a director. Shares or units held by directors cannot be the object of monetization procedures or other hedging procedures to reduce the exposure related to such holdings. Details on the Common Shares and DSUs held by each director are provided in the biographies starting on p. 9 of this Circular.

Details on the deferred share unit plan of the Corporation (the "DSU Plan"), pursuant to which DSUs are issued to directors, are provided in the Schedule "D" of this Circular.

Outstanding Share-Based Awards

The following table shows the numbers and value of DSUs held by each director as at December 30, 2012 (since none of Messrs. Chevrier, Claus, Dorval, Dufresne, Gilbertson, Richardson or Voorheis acted as director for any part of the most recently completed fiscal year, they are not included in the table below):

Name of Director	Number of DSUs ⁽¹⁾ (#)	Value of DSUs ⁽¹⁾ (\$)
Suzanne Blanchet	12,385	129,423
Réal Brunet	17,083	178,517
Louise Caya	31,662	330,868
Richard Fortin	33,700	352,165
Jean-Guy Hébert	22,462	234,728
Alain Michel ⁽³⁾	47,216	493,407
Geoff Molson ⁽⁴⁾	4,480	46,816
Patrick Palerme ⁽⁵⁾	19,647	205,311
James Pantelidis	37,008	386,734
Robert Paré	45,941	480,083
Jean-Roch Vachon	38,544	402,785

- (1) Shows information regarding units held by directors under the DSU Plan as of December 30, 2012. Please see "Election of Directors" for more information on their equity holdings. Number of DSUs is determined quarterly by dividing total fees earned in the quarter by the average closing price of the Common Shares traded on the TSX during the five (5) trading days immediately preceding the last day of each quarter. Value of DSUs at financial year-end is calculated based on the closing price of the Common Shares on the TSX on December 30, 2012 (\$10.45) multiplied by the number of DSUs.
- (2) Mr. Dutton stepped down as President and CEO and as a director of the Corporation on November 8, 2012; he did not receive any compensation to act as director of the Corporation. The disclosure of his compensation as former President and CEO is included in the Summary Compensation Table on page 59 of this Circular.
- (3) Mr. Michel resigned from the Board effective January 20, 2013.
- (4) Mr. Molson was elected as director on May 9, 2012.
- (5) Mr. Palerme resigned from the Board effective January 20, 2013.

Mandate of the Board of Directors

The Board of Directors is responsible for the supervision of the management of the Corporation's business and affairs, with the objective of maximizing long-term corporate value. The Board approves all matters required by the *Business Corporations Act* (Quebec) and other applicable legislation and the Corporation's Articles and By-laws. The Board may *inter alia* assign to Board committees the prior review of any issues it is responsible for. In that case, Board committee recommendations are subject to Board approval. In addition, to the extent permitted by the *Business Corporations Act* (Quebec), the Board may delegate the exercise of its powers to any director, officer or Board committee. Board members are expected to attend all meetings of the Board and to review all meeting materials in advance. Board members are also expected to take an active role in Board decision-making. The responsibilities of the Board of Directors are described in the charter of the Board of Directors, attached as Schedule "C" to this Circular.

Committees of the Board of Directors

The Board of Directors has three (3) standing committees: the Audit Committee, the Human Resources and Compensation Committee and the Nominating and Governance Committee. The responsibilities and composition of the standing committees of the Board of Directors can be summarized as follows:

The Audit Committee

The **Audit Committee** is responsible for assisting the Board of Directors in its oversight of (i) the production of reliable financial information, (ii) the identification of the principal financial risks associated with the Corporation's activities and the implementation of appropriate systems to mitigate these risks, (iii) the internal control and management information systems of the Corporation, (iv) the Corporation's financial compliance with the various authorities and legislation, (v) the competencies, independence and work of the external and internal auditors, and (vi) the performance of the other responsibilities set out in the committee's mandate as well as those delegated to the committee by the Board of Directors. The responsibilities of the Audit Committee are described in detail in the committee's charter attached as a schedule to the Corporation's Annual Information Form available on the SEDAR website at www.sedar.com.

The Audit Committee is currently chaired by Mr. Réal Brunet and consists of four (4) outside directors, all of whom are independent and financially literate. Other than Mr. Brunet, the other members of the committee are currently Messrs. Richard Fortin, Bernard Dorval and Jean-Roch Vachon. Mr. Vachon will not seek re-election as director at the Meeting, after serving on the Board of Directors since May 2006.

All the members of the Audit Committee have acquired relevant experience through their education, as members of other boards of directors and also as executive officers of various companies. Moreover, a number of them are or have been members of the audit committees of other public companies. More specifically, (i) Réal Brunet has a Bachelor's degree in Commerce, was an audit partner and senior advisory partner at Ernst & Young since 1983, is a guest member of the board of directors and audit committee of Agropur cooperative since 2012 and was a

member of the board of directors of the Montreal section of The Institute of Internal Auditors from 2007 to 2010; (ii) Richard Fortin is a member of the board of directors of Alimentation Couche-Tard Inc. and was chairman of its board of directors from September 2008 until September 2011, where he had been Executive Vice President and Chief Financial Officer since 1999. He worked for more than 13 years in the banking industry, holding various management positions, namely as Vice President, Quebec for the Société Générale (Canada). Mr. Fortin currently serves as lead director on the board of directors of Transcontinental Inc. and as chair of its audit committee, and is a member of the board of directors and serves as chair of the audit committee of the National Bank Life Insurance Company; (iii) Bernard Dorval obtained a B.Sc. in 1973 and became a Fellow Actuary in 1979. He served successively as a Group Head of Business Banking and Insurance, and of Insurance and Global Development, for TD Bank Financial Group, between 2003 and 2010; as well as Deputy Chair of TD Canada Trust between 2003 and 2012. He is a member of the audit committee of Oncozyme Pharma Inc. since 2012 and was a member of the audit committee of TD Insurance Meloche-Monnex from 1997 to 2007; and (iv) Jean-Roch Vachon has served on the board of directors and audit committee of several private and public companies since 1982, and was Chairman of Cantrex Group Inc. from 1996 to 1999.

The Human Resources and Compensation Committee

The **Human Resources and Compensation Committee** is responsible for assisting the Board of Directors in discharging its responsibilities regarding recruitment, evaluation, compensation and succession planning for the Corporation's executive officers and other employees. The responsibilities of the Human Resources and Compensation Committee include, among other things, (i) recommending to the Board of Directors the principles and rules regarding the recruitment, hiring and evaluation of the President and CEO and executive officers reporting to the latter, (ii) recommending to the Board of Directors all compensation plans or policies applicable to senior management executives and other key employees of the Corporation, (iii) recommending to the Board of Directors a development and succession plan for senior management and ensuring its implementation, (iv) recommending to the Board of Directors the hiring, position description and conditions of employment of the President and CEO and other senior management, (v) at the start of each year, assessing the objectives of the President and CEO for compensation purposes and proposing such objectives to the Board for approval and, at the end of each year or at the start of the following year, assessing the extent to which such objectives have been attained and recommending to the Board the President and CEO's compensation based on this assessment, (vi) recommending to the Board of Directors any material change to the Corporation's organizational structure, (vii) ensuring the implementation of all human resources policies and ensuring that the Corporation complies with applicable legislation and regulations, (viii) approving the annual report on executive compensation which appears in the Circular, (ix) overseeing risk identification and management in relation to compensation policies and practices and reviewing disclosure in this respect, (x) overseeing the selection of a benchmark group for the purposes of determining compensation or any element of compensation and reviewing disclosure in this respect, (xi) reviewing the structure of the Corporation's and its subsidiaries' incentive plans and pension plans, and (xii) together with management, assessing and, if needed, initiating the review of the Corporation's pension plans, in particular, with respect to their positioning as a benefit for purposes of compensation of employees assessed by the Human Resources and Compensation Committee, and examining the structure and governance of such plans.

The Human Resources and Compensation Committee is currently chaired by Mr. James Pantelidis and consists of five (5) outside directors, all of whom are independent. Other than Mr. Pantelidis, the members of the committee are currently Mrs. Suzanne Blanchet, Mr. Richard Fortin, Mr. Robert Paré and Mr. Barry Gilbertson.

The Board of Directors believes that the members of the Human Resources and Compensation Committee collectively have the knowledge, experience and background required to fulfill their mandate:

Mr. James Pantelidis (Chair) - Mr. Pantelidis is chairman of the board of directors of EnerCare Ltd., a member of the board of directors, human resources and compensation committee and investment committee (chair) of Industrial Alliance Insurance and Financial Services Inc., chairman of the board of directors and a member of the audit committee and supply committee (chair) of Parkland Fuel Corporation, and a member of the board of directors and audit committee of Intertape Polymer Group. From 2008 to 2011, he was a member of the board of directors and chair of the human resources and compensation committee of Equinox Minerals Limited. From 2002 to 2006, Mr. Pantelidis was

a member of the board of directors of Fishercast Global Corporation and served as chairman and Chief Executive Officer from 2004 to 2006. From 2002 to 2003, he was President and Chief Executive Officer of J.P. Associates. Between 1999 and 2001, he was chairman and Chief Executive Officer of Bata Ltd. and from 1996 to 1998 he was Executive Vice President at Petro-Canada. Mr. Pantelidis acquired experience in numerous fields related to human resources and compensation matters through his vast experience as a board member sitting on various human resources/compensation committees. In addition, as part of his extensive senior management experience, Mr. Pantelidis actively supervised human resources departments and oversaw performance with respect to human resources and executive compensation policies and practices.

Mrs. Suzanne Blanchet - Mrs. Blanchet is President and Chief Executive Officer of Cascades Tissue Group since 1997, and is a member of the board of directors of the FCPC (Food & Consumer Products of Canada) since September 2004, a member of the board of directors of Innovassur, Assurances générales inc. since February 2000, a member of the board of directors of CTAC (Conseil de la transformation agroalimentaire et des produits de consommation) since June 2008, a member of the board of directors of Éco Entreprises Québec since June 2006, and a member of the board of directors of Best Diamond Packaging, LLC since 2006. Mrs. Suzanne Blanchet actively supervises human resources departments and oversees performance with respect to human resources and executive compensation policies and practices through her executive responsibilities at Cascades Tissue Group. She also acquired experience in several fields related to human resources and compensation matters through her experience as a board member.

Mr. Richard Fortin - Mr. Fortin is a member of the board of directors of Alimentation Couche-Tard Inc. and was chairman of its board of directors from September 2008 until September 2011, where he had been Executive Vice President and Chief Financial Officer since 1999. He worked for more than 13 years in the banking industry, holding various management positions, namely as Vice President, Quebec for the Société Générale (Canada). Mr. Fortin currently serves as lead director on the board of directors of Transcontinental Inc. and as chair of its audit committee, and is a member of the board of directors and serves as chair of the audit committee of the National Bank Life Insurance Company. Through the various management positions which he held over the years, including at Alimentation Couche-Tard Inc., Mr. Fortin actively supervised human resources departments and oversaw performance with respect to human resources and executive compensation policies and practices, and acquired experience in several fields related to human resources and compensation matters through his experience as a board member.

Mr. Robert Paré - Mr. Paré is a corporate lawyer and partner at Fasken Martineau Dumoulin LLP, a member of the board of directors and investment committee of Groupe BMTC Inc., a member of the board of directors and of the compensation, nominating and corporate governance committee of Group ADF inc. and a member of the board of directors of Essilor Canada Ltd. Mr. Paré has vast experience advising clients in all legal aspects of transactions in the field of mergers and acquisitions, which allowed him to acquire experience in numerous fields related to human resources and compensation matters. He also oversaw performance with respect to human resources and executive compensation policies and practices through his experience as a board member of various entities.

Mr. Barry Gilbertson - Mr. Gilbertson is a principal with Barry Gilbertson Consultancy. Mr. Gilbertson was previously a partner at PwC from 1996 until retirement in April 2011, where he acquired experience in several fields related to human resources and compensation matters through his executive responsibilities, together with the work-out and turnaround of an extensive list of publicly-quoted and privately owned businesses, corporations and organizations. As President, chairman or a director of various companies, not-for-profit organizations and professional bodies throughout his career, Mr. Gilbertson has also acquired further experience in human resources and compensation matters. Mr. Gilbertson is a member of the board of directors and of the compensation committee of Granite Real Estate Inc. and Granite REIT.

The Nominating and Governance Committee

The **Nominating and Governance Committee** is responsible for assisting the Board of Directors in the development of the Corporation's approach to matters of governance, selection of new director nominees, directors' compensation and for assessing the effectiveness of the Board of Directors and its committees, their respective chairs and each director. The responsibilities of the Nominating and Governance Committee include, among other things, (i) recommending and obtaining the Board of Directors' approval for governance policies and guidelines in compliance with laws and regulations and ensuring their implementation within the Corporation, (ii) recommending to the Board

of Directors and periodically reviewing a code of conduct for directors, officers and employees, and ensuring its implementation within the Corporation, (iii) reviewing the size of the Board of Directors to ensure optimal decision-making and effectiveness and, as required, making appropriate recommendations to the Board of Directors, (iv) recommending a process for assessing the performance of the Board of Directors as a whole, the committees of the Board of Directors, the Chairman of the Board and the committee chairs and the contribution of individual directors, and seeing to its implementation, (v) assisting the Board in determining Board committee composition, as well as the appropriate mandate of each committee, (vi) recommending the competencies, skills and personal qualities required on the Board in order to create added value, taking into account the opportunities and risks faced by the Corporation and subsequently identifying and recommending to the Board new director nominees, (vii) implementing an orientation and continuing education policy for directors, (viii) recommending and obtaining the Board of Directors' approval for directors' compensation, (ix) ensuring that a statement of governance practices is disclosed and that such statement is in conformity with applicable laws and regulations and (x) advising the management of the Corporation on matters relating to the conduct of annual and special meetings of shareholders.

The Nominating and Governance Committee is currently chaired by Mr. Robert Paré and consists of four (4) outside directors, all of whom are independent. Other than Mr. Paré, the members of the committee are currently Mr. Chevrier, Mr. Molson and Mr. Voorheis. Mr. Molson will not seek re-election as director at the Meeting, after serving on the Board of Directors since May 2012.

Compensation Discussion and Analysis

A Few Words from Jim Pantelidis Chair, Human Resources and Compensation Committee

Dear RONA shareholders:

On behalf of the Board, I present the Compensation Discussion and Analysis (CD&A), which describes our executive compensation program at RONA and shows how the Board reaches its decisions about executive pay plans and awards. Through the CD&A, we hope to engage shareholders, shareholder advisory groups, and industry analysts by disclosing in clear terms how our executive compensation aligns with RONA's strategic business plan, corporate and individual performance, and shareholder interests.

To this end, RONA has decided it is time to take further steps toward shareholder engagement by seeking shareholder approval on a nonbinding or advisory basis of the Corporation's executive pay program (a "**say-on-pay**"). Although this is not yet mandatory in Canada, RONA is interested in shareholder feedback and will consider shareholder input in its ongoing review of its compensation program. Our decision responds to shareholders, who have indicated that they place great importance on say-on-pay as a means for engaging with the Corporation on matters relating to executive pay.

During 2012, we also conducted a formal risk assessment of our executive compensation program and we continue to actively focus on ensuring that compensation structure and levels align with shareholder returns, as explained below.

As you know, 2012 was a challenging year for RONA: we continue to operate in an uncertain business environment in which the market is slowing for housing and home renovation. As we focus on our strategic priorities and strive to increase shareholder return, we are re-examining certain aspects of our executive compensation program in line with the current market environment and industry best practices.

RONA did not meet its corporate financial performance goals for 2012. This means that actual executive compensation is once again significantly below target payouts:

- Short-term incentive plan ("**STIP**") payouts for 2012 are well below target.
- The long-term incentive plan ("**LTIP**") will be negatively impacted due to RONA's performance relative to its peers. This will affect the vesting of the performance share units ("**PSUs**") granted under the Share Unit Plan in 2010 and 2011.
- Although the stock price has fluctuated throughout the year, the value of stock options has not recovered and most grants made since 2003 currently have no value.

Our executive compensation philosophy and practices are described in detail in the appropriate sections of the CD&A. The key principles that we apply at RONA can be summarized as follows:

We align executive pay practices with shareholders' interests: We link executive pay to company performance by ensuring that compensation depends on the achievement of corporate, business sector and individual performance objectives.

A significant proportion of executive pay is at-risk: In 2012, 50% of our Named Executive Officers' (NEOs') target compensation was at-risk.

We assess and manage compensation risk: Our compensation program is designed to discourage executives from excessively risky behaviour. During the year, we engaged Mercer, an outside compensation consultant, to review our executive compensation program. Their findings confirmed that we continue to adequately mitigate against excessive risk through the combination of a balanced pay mix and meaningful links to performance measures. Our program offers a mix between cash and equity and between annual and long-term incentive compensation. In addition, performance-based pay is linked to a balance of qualitative and quantitative goals including internal financial and operational measures and performance relative to our peer group.

We follow best pay practices: Severance arrangements and perquisites are not excessive; bonus amounts are capped and paid out only on meeting performance objectives set at the beginning of the year; share ownership guidelines require a minimum level of stock ownership and no stock ownership by executives may be monetized or subject to hedging. STIP and LTIP payouts are subject to a clawback policy in the event of any financial restatement.

We refine our executive compensation in line with business strategy: In 2012, we updated the composition of the peer group we use to benchmark executive compensation. More importantly, we modified the other peer group we use to assess relative corporate performance in order to strengthen the pay-for-performance linkage in the Share Unit Plan by selecting business peers that face similar business challenges and weather the same economic cycles as RONA.

As RONA emerges from the challenges that 2012 presented, we are rededicating the Corporation toward short- and long-term value creation by leveraging the strengths of our core businesses. To do this, we will focus on our areas of traditional expertise and intend to develop more compelling value propositions for our in-store, dealer, and online customer segments, with the goal of unlocking our profit potential through simplifying our business model, realignments, standardizing processes, and disposing of non-core assets.

We hope you will continue to follow our executive management team as they take on the challenges of achieving RONA's long-term strategic priorities of leveraging the strengths of the Corporation's core businesses, growing key customer segments through a more compelling value proposition, and unlocking the profit potential of a simplified business model.

Yours sincerely,

(signed)

Jim Pantelidis
Chair, Human Resources and Compensation Committee, RONA

Our Executive Pay Program

Our Named Executive Officers

The Compensation Discussion and Analysis section explains the pay program for the financial year ended December 30, 2012 for our “named executive officers” (“NEOs”), which include our former President and CEO, our Executive Vice President and Chief Financial Officer (and acting Chief Executive Officer), and our three other most highly compensated executive officers (and two others who were no longer executive officers of the Corporation as of December 30, 2012), as follows:

Dominique Boies

Executive Vice President and Chief Financial Officer and acting Chief Executive Officer

Karim Salabi

Executive Vice President, Marketing and Customer Innovations

Luc Rodier

Executive Vice President, Retail

Christian Proulx

Senior Vice President, People and Culture and Social Responsibility

Normand Dumont

Vice President, Sustainable Development

Robert Dutton

Former President and CEO

Michael Storfer

Former Vice President, Commercial and Professional Market and President of Noble



Dominique Boies
Executive Vice President
and Chief Financial Officer
and acting Chief Executive
Officer



Karim Salabi
Executive Vice President,
Marketing and Customer
Innovations



Luc Rodier
Executive Vice
President, Retail



Christian Proulx
Senior Vice President,
People and Culture and
Social Responsibility

On November 8, 2012, Mr. Robert Dutton stepped down as President and CEO and as a director of the Corporation. Since November 9, 2012 and until Mr. Sawyer’s appointment as President and Chief Executive Officer effective in April, 2013, Mr. Dominique Boies, Executive Vice President and Chief Financial Officer, assumes the role of Chief Executive Officer of the Corporation on an interim basis. Mr. Dumont was appointed as Vice President, Sustainable Development of the Corporation on September 1, 2012. Prior to that, he was Executive Vice President, Merchandising of the Corporation. Mr. Michael Storfer, former Vice President, Commercial and Professional Market and President of Noble, left the Corporation as of June 20, 2012.

Executive Compensation Philosophy and Policy

Executive compensation at RONA is aligned in several ways with our strategic business plan. Our key long-term objective is to motivate executives to achieve targets that are aligned with the Corporation’s strategic goals and that are expected to enhance shareholder value over the long term. Our shorter-term corporate goals, business unit objectives, and individual contributions to business success are reflected in the annual incentive plan. A significant portion of the executive pay program consists of “at-risk” pay, meaning that compensation is dependent on achieving corporate, business sector and individual performance objectives both in the short and long term.

RONA's executive pay program is also designed to attract and retain experienced executives who have the skills required to help the Corporation achieve its strategic and organizational goals. RONA is committed to providing compensation plans that are consistent with best practices in corporate governance.

The Corporation's executive compensation policy is to provide total compensation that is generally competitive with the median of its compensation peer group, taking into consideration additional Corporation-specific issues such as the achievement of financial and operational objectives, and the specific roles and responsibilities of different executive positions. Total compensation plans are structured to provide compensation that is above market median when results exceed the Corporation's business objectives and below market median when results are below target.

Executive Compensation Components

General Description

The following table describes the different compensation components, which together provide compensation packages that meet the objectives of RONA's compensation philosophy. The table provides a description of each component's key features and objectives:

Compensation Elements, Key Features and Objectives

Compensation Element	Key Features	Objectives
Base Salary	Market-competitive fixed rate of pay	<ul style="list-style-type: none"> Attract and retain executives with experience and skills required to achieve strategic and organizational goals Recognize executives' experience, level of responsibility and individual performance
Annual Short-term Incentive Plan "STIP"	<p>Annual cash bonus with target awards established for each NEO as a percentage of base salary</p> <p>Payments can be higher or lower than target (down to zero), based on total Corporation annual results, business unit results and/or individual achievements</p>	<ul style="list-style-type: none"> Motivate executives to drive superior short-term performance through Corporation, business sector and individual objectives Reward achievement of overall corporate performance goals defined as earnings before income taxes (EBT) and after-tax earnings before interest and income taxes, excluding unusual and non-recurring items divided by the average capital (return on capital, or ROC) Reward achievement of business unit level performance goals defined as financial objectives (for example, sales, margin, profit, customer satisfaction or inventory reduction) or achievement of annual business plan Recognize individual contributions to specific initiatives, projects or other qualitative and quantitative measures
Long-term Incentive Plans "LTIP"	<p>Long-term incentives tied to growth in stock price through stock option and share unit grants. Grant levels vary to reflect individual contributions</p>	<ul style="list-style-type: none"> Promote retention and encourage executives to pursue opportunities that will increase shareholder value over the long term
Restricted Share Units (RSUs)	RSUs vest at the end of 3 years based on the executive's continued employment with the Corporation	<ul style="list-style-type: none"> Motivate executives to pursue objectives that are aligned with RONA's long-term strategic and financial objectives
Performance Share Units (PSUs)	PSUs vest at the end of 3 years based on the Corporation's improvement in return on capital relative to a performance peer group of companies	<ul style="list-style-type: none"> Motivate executives to achieve strong financial performance relative to peers by maximizing the profit generated using the invested capital
Stock Options	<p>Option grant levels are based on individual performance and options are time-vested rateably over 4 years with a 10-year term</p>	

Compensation Element	Key Features	Objectives
Pension Plans		
Defined Contribution Plans (NEOs excluding Former President and CEO)	Annual contribution based on salary up to the Canada Revenue Agency (CRA) limit Supplemental plan with annual contribution over the basic plan based on salary and paid annual short-term incentive	Attract and retain highly qualified executives by providing market competitive benefits for income security in retirement
Defined Benefit Plans (Former President and CEO only)	Annual contribution required to provide retirement income in the form of a lifetime annuity Supplemental plan with annual contribution over the basic plan based on salary and paid annual short-term incentive	Provide former CEO with income in the form of a lifetime annuity
Health and Other Benefits and Perquisites	Health, dental, life and disability insurance plans Automobile allocation, medical exam, financial planning	Attract and maintain healthy, engaged, high-performing executives by providing market competitive benefits and perquisites

Compensation Positioning

To achieve the objectives described in the table above, each element of pay is targeted at the market median of the compensation peer group (as defined below) with adjustments based on meeting specific performance goals as follows:

- Base salary is generally aligned with the median but may be above or below median to reflect specific circumstances such as experience, individual performance and changes in responsibility;
- STIP payouts may exceed market median target levels when results exceed objectives and may be below median levels (down to zero) when results are below targets;
- LTIP grants of share units and stock options can be adjusted from 0% to 200% of target levels based on each individual's performance and contribution to the Corporation's overall results;
- PSU grants include performance vesting criteria to ensure that awards vest only when the Corporation's performance exceeds a pre-established minimum threshold. Based on RONA's performance at the end of the vesting period, from 0% to 200% of the PSUs may vest; and
- Pension and benefits are set at market competitive levels.

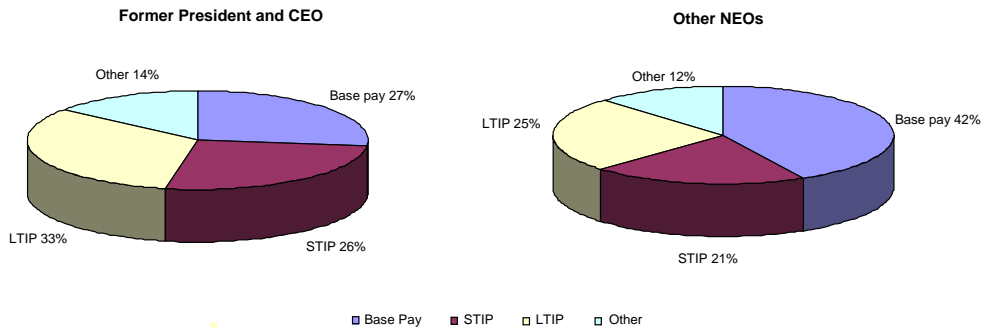
Pay Mix

The compensation program is comprised of a mix of base salary, short- and long-term incentive compensation and pension and other benefits. The relative emphasis of these elements in the compensation program indicates the amount of compensation that is "at-risk", that is, based on meeting corporate, business sector and individual performance goals.

As illustrated in the following charts, which show the mix of pay elements for the former President and CEO and for the other NEOs, a significant portion of each NEO's compensation is performance-based. In total, 59% of the target total compensation for the former President and CEO and 46% of the other NEOs' target total compensation was performance-based and aligned with the interests of shareholders for the year ended December 30, 2012.

Mix of Pay Elements

The figures in the charts are based on target pay mix for the year ended December 30, 2012.



Summary of Performance Measures

Each year, the Human Resources and Compensation Committee approves performance targets for the STIP that reflect the Corporation's short-term business objectives. The STIP considers a balanced mix of performance measures:

- *Corporate earnings targets*, which reward achieving or exceeding earnings before income taxes (“**EBT**”) targets.
- *Corporate return on capital targets*, which reward improvements in after-tax earnings before interest and income taxes, excluding unusual and non-recurring items divided by the average capital (“**ROC**”), a financial measure of value creation that quantifies how well a company generates cash flow relative to the capital it has invested in its business (please refer to the most recent management's discussion and analysis of RONA available on Sedar at www.sedar.com for a more detailed description).
- *Business unit or sector objectives*, which reward achievement of various performance objectives such as sales results, margin, division profit, inventory, customer satisfaction, synergies, growth projects or annual priorities.
- *Individual objectives*, which vary for each NEO and consist of key initiatives and projects aligned with the sector's annual business plan, measured either using quantitative measures (for example, compliance with project deadlines and budgets) or qualitative goals (for example, implementation of new programs, effectiveness of new processes or structures).

The LTIP is also driven by corporate performance as follows:

- PSUs vest at the end of three years if the Corporation achieves target levels for improvement in return on capital relative to a specified performance peer group. This “performance peer group” is detailed on page 36.
- Stock options vest evenly over four years and provide value to executives only if the Corporation's stock price increases above the exercise price before the end of the 10-year term; in other words, the stock option plan includes an implicit absolute share price improvement performance measure.

Our Executive Compensation Practices

Recent Changes to Executive Compensation

- During 2012, the Human Resources and Compensation Committee recommended the following changes to executive compensation:
 - Modified incentive plan performance measures to reflect the increased emphasis on return on capital in both operational and financial decisions, and further improve alignment with shareholder interests. Return on capital was added as a performance

measure in the STIP, representing between 10% and 15% of the target incentive. Improvement in return on capital relative to the performance of a peer group of companies will be the sole vesting criterion for PSUs granted in 2012.

- Modified the long-term incentive mix in 2012 to include time-vesting RSUs, for executives other than the former President and CEO, in order to secure retention of key executives through a period of significant change in the organization.
 - Updated the compensation peer group using standard selection criteria including industry (i.e., retailers and distributors in the consumer discretionary and consumer staples sectors) and organization size as represented by revenue, assets and market capitalization (please refer to page 36).
 - Modified the performance peer group (as defined below) to strengthen the pay-for-performance linkage by assessing corporate performance against a group of business peers that share a similar economic cycle and respond similarly to general market factors (please refer to page 37).
- In addition, in 2012, the Nominating and Governance Committee oversaw RONA’s decision to submit its executive compensation program as set forth in this Circular to a non-binding shareholder advisory vote (a say-on-pay vote), with input from the Human Resources and Compensation Committee. It is the Board’s intention that this shareholder advisory vote will form an important part of the ongoing process of engagement between shareholders and the Board on executive compensation.

Best Pay Practices

Our compensation program is designed to reward executives for achieving short- and long-term business goals. RONA is committed to using best pay practices to ensure executives are properly motivated and to discourage executives from making excessively risky business decisions. RONA’s best pay practices include:

- Employment agreements are aligned with the compensation peer group practices. They do not include multi-year guarantees.
- Most employment agreements require both a change of control and termination of employment or constructive dismissal by the Corporation (a so-called “double-trigger”) for payment of termination benefits.
- Severance arrangements are not excessive (please refer to pages 47 to 50 for a detailed description).
- Bonus payouts are made only upon meeting performance objectives that are set at the beginning of the year. Bonus payouts are also subject to caps.
- Pension plan benefits for NEOs (other than the former President and CEO) are based on actual bonus (not target), are capped (at target), and exclude performance-based equity awards; the former President and CEO’s pension plan has a service cap, excludes performance-based equity awards, and does not allow for crediting additional years of service.
- Perquisites do not exceed the greater of \$50,000 or 10% of the total base salary annually for each NEO. The Corporation does not provide executive loans.
- Annual equity grants are always approved at the first Human Resources and Compensation Committee meeting of each fiscal year. The timing of equity grants is not based on the release of material non-public information.
- Share ownership guidelines require a minimum level of stock ownership to align executives’ interests with those of shareholders.

Risk Assessment of Pay Program

The Board has overall responsibility for the oversight of our risk management plans, policies and practices. The Human Resources and Compensation Committee is responsible for overseeing our compensation policies and practices to ensure they do not encourage executives to take risks that would be reasonably likely to have a material adverse effect on RONA. The Committee’s charter has been revised to reflect these risk oversight responsibilities. In addition, management undertook a formal compensation risk assessment in 2012, in consultation with Mercer, the outside compensation consultant retained by the Human Resources and Compensation Committee. As part of this process, Mercer evaluated the risk exposures related to compensation of the Board of Directors, executives, management, and the broader employee population, with a focus on the Corporation’s incentive plans. Based on Mercer’s 2012 assessment, the Board did not identify any risks arising from RONA’s compensation policies and practices that are reasonably likely to have a material adverse effect on the Corporation. Management will report annually to the Human Resources and Compensation Committee on the steps taken to identify, monitor and control compensation risk exposures.

Our pay program is designed to motivate and reward executives who take appropriate business risks to help the Corporation achieve its goals without encouraging risk-taking behaviours which may have a material adverse effect on the Corporation. The following characteristics of our pay program are designed with this in mind:

- Pay mix is balanced to include sufficient fixed compensation as well as annual and long-term incentive compensation that together represent a mix of cash and equity.
- Bonus amounts are capped and paid out only on meeting performance objectives set at the beginning of the year.
- Base salary is fixed to provide steady income regardless of share price and therefore does not encourage excessive risk-taking.
- Performance compensation is provided as a mix of cash and equity, based on the achievement of short- and long-term financial measures that represent internal and external performance. Measures include aggressive but attainable financial targets, a variety of qualitative and quantitative business sector and individual goals, and measures relative to the performance of RONA's performance peer group of companies.
- Target LTIP grants in 2012 were provided 25% in RSUs, 50% in PSUs and 25% in stock options (except for the former President and CEO for whom the mix was 75% PSUs and 25% stock options). PSUs vest only if and when RONA's ambitious three-year performance criteria are achieved and stock options have value only if RONA's share price increases before the end of their ten-year term.
- Equity awards vest over an extended period: three years for share units and four years for stock options. This helps to ensure that performance aligns with shareholders' interests.
- Share ownership guidelines require a minimum level of ownership, which more closely aligns the interests of senior executives with those of shareholders. Shares cannot be monetized or subject to other hedging procedures.
- STIP and LTIP payouts are subject to a clawback policy in the event of any financial restatement.
- Pension benefit calculations for NEOs (other than the former President and CEO) use actual bonuses (capped at target) while the former President and CEO's pension plan has a service cap.
- The Human Resources and Compensation Committee oversees the Corporation's pay program and policies in consultation with Mercer and periodically stress-tests the executive compensation plans under various performance scenarios.

Stress Testing

To ensure that the Corporation's total compensation is aligned with the Corporation's compensation objectives, the Human Resources and Compensation Committee periodically works with Mercer to stress-test the executive compensation plans under various performance scenarios. These scenarios illustrate the impact of various corporate performance outcomes relative to the incentive awards that would be earned by executives. Stress testing helps determine whether the incentive plans would pay out as anticipated and remain consistent with RONA's pay-for-performance philosophy, while avoiding the creation of excessive risks that could threaten the Corporation's value.

The various scenarios contemplate corporate performance ranging from 'weak' to 'extraordinary' and calculate incentive plan payouts based on these results to ensure an appropriate pay-for-performance linkage. In light of this analysis, the committee believes that the relationship between pay and performance is appropriate and that the objectives of the Corporation's performance-based compensation program are achieved.

Share Ownership Requirements

The interests of the management team are further aligned with shareholders' interests through share ownership requirements. The Board has adopted guidelines that require minimum levels of share ownership (or options or share units), based on each executive's position and salary. NEOs are required to achieve and maintain share ownership levels that meet or exceed the guidelines.

Shares acquired through the exercise of stock options, or through the vesting of share units awards under the long-term incentive plans, must be held until the guidelines are met. For the purposes of assessing ownership levels, RONA includes the value of shares and vested stock options, as well as one hundred percent (100%) of the value of unvested RSUs and fifty percent (50%) of the value of unvested PSUs. 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. Share units are valued using the share price on the date that share ownership levels are assessed, assuming performance criteria, if any, are fully met.

Share units, stock options, or other RONA securities held by NEOs cannot be the object of monetization or other hedging procedures to reduce the exposure related to the holdings.

The following table provides information about the stock-based holdings of RONA's NEOs, as at December 30, 2012. For further details, please refer to pages 51 to 58.

Share Ownership Guidelines⁽¹⁾

Executive Position ⁽¹⁾	Share Ownership Guidelines: Multiple of Salary	Status as at December 30, 2012
Dominique Boies Executive Vice President and Chief Financial Officer and acting Chief Executive Officer	1.0	Guideline is met ⁽²⁾
Karim Salabi⁽³⁾ Executive Vice President, Marketing and Customer Innovations	1.0	Guideline partially met
Luc Rodier⁽⁴⁾ Executive Vice President, Retail	1.0	Guideline partially met
Christian Proulx Senior Vice President, People and Culture and Social Responsibility	1.0	Guideline partially met
Normand Dumont⁽⁵⁾ Vice President, Sustainable Development	1.0	Guideline was met while acting as Executive Vice President, Merchandising
Robert Dutton Former President and CEO	3.0	Guideline was exceeded up to date of departure from RONA

- (1) As a Vice President, Mr. Storfer was not subject to the share ownership guidelines.
 (2) Based on share ownership guideline applicable as Executive Vice President and Chief Financial Officer.
 (3) Mr. Salabi was appointed in 2012 and is gradually acquiring ownership.
 (4) Mr. Rodier was appointed in December 2011 and is gradually acquiring ownership.
 (5) In his new role as Vice President, Sustainable Development, Normand Dumont is no longer subject to the share ownership guidelines.

Executive Compensation Clawback

The Corporation has an executive compensation clawback policy relating to awards made under the Corporation's STIP and LTIP. Under the policy, the Board may, in certain circumstances and in its sole discretion, require reimbursement of all or a portion of annual and long-term incentive compensation received by an executive officer as well as any profit realized from the exercise of stock options granted following a restatement of all or a portion of the Corporation's financial statements.

Benchmarking

RONA uses two different peer groups: the first group (the "**compensation peer group**") is used to benchmark executive compensation and to ensure the Corporation's ability to attract and retain executives with the experience and skills required to achieve strategic and organizational goals; the second group (the "**performance peer group**") is used only to benchmark corporate performance for the purposes of determining the portion of PSUs that will vest. Please refer to page 36 for a detailed description of the performance peer group used for PSU vesting.

Benchmarking of Executive Compensation

In 2012, the Human Resources and Compensation Committee retained Mercer to assess the competitiveness of target compensation of the Corporation's NEOs, including base salary, target short-term incentives, target long-term incentives, pension and other benefits and perquisites. Target total compensation for the Corporation's NEOs is generally positioned between the 25th percentile and the median of the compensation peer group. Base salaries are generally aligned with the median of the compensation peer group. Target short-term and long-term incentives are generally below median and will be reviewed in 2013. Non-cash compensation (including pension, benefits and perquisites) is between the 50th and 75th percentiles of the compensation peer group, given that RONA's supplemental defined contribution pension plan is based on salary and short-term incentive, whereas many plans in the compensation peer group are based on salary only.

Compensation Peer Group

The compensation peer group was reviewed and updated in 2012. The compensation peer group is primarily composed of major Canadian retail companies, as well as other companies in the consumer discretionary and consumer staples industry sectors with which RONA competes for executive talent. When selecting peers, we included only companies with annual revenues and/or total assets within a range of one-third to three times RONA's size. Relative to the compensation peer group (shown below), RONA is positioned at the 57th percentile in terms of annual revenues and the 49th percentile in terms of total assets.

NEO Compensation Peer Group	
<ul style="list-style-type: none"> Alimentation Couche-Tard Canadian Tire Dollarama Empire Company Jean Coutu Group Maple Leaf Foods Metro Molson Coors Canada 	<ul style="list-style-type: none"> North West Company Saputo Inc. Sears Canada Shoppers Drug Mart Tim Hortons Transat AT Inc. Uni-Select

NEO Compensation Peer Group	\$ Millions ⁽¹⁾		
	Most Recent Annual Revenues	Most Recent Total Assets	Market Value
75 th percentile	\$11,031	\$7,074	\$6,754
Median	\$4,369	\$3,108	\$1,960
25 th percentile	\$2,858	\$1,379	\$1,156
RONA	\$4,858	\$3,024	\$1,246
RONA Percentile Rank	57 th percentile	49 th percentile	30 th percentile

(1) Revenues are for the most recently available 12 months and assets are for the most recently available quarter for each company; market value is as of October 31, 2012. Market value is based on the month-end close price multiplied by the Common Shares outstanding for all actively traded securities.

Benchmarking of Corporate Performance

In 2012, RONA reviewed the performance peer group it uses to benchmark corporate performance to determine vesting of PSUs under the LTIP. RONA selected companies in the Canadian consumer discretionary and consumer staples industry sectors, as well as companies in its specific industry sector (Home Improvement Retail and Trading & Distribution), irrespective of geographic location, as these organizations share a similar economic cycle with RONA and respond to general market factors in a similar manner. RONA selected companies that are similar in size and is positioned near the median of the performance peer group in terms of revenues, total assets and market capitalization. This peer group is composed of business peers that analysts consider relevant for purposes of assessing RONA's relative performance.

The performance peer group, for 2012 PSU awards, is shown in the following table:

Performance Peer Group

Category	Performance Peer Company	
Canadian Consumer Discretionary Companies	<ul style="list-style-type: none"> • BMTC Group • Canadian Tire⁽¹⁾ • Dorel Industries Inc. • Indigo Books & Music Inc. 	<ul style="list-style-type: none"> • Leons Furniture • Reitmans (Canada)⁽¹⁾ • Sears Canada Inc.⁽¹⁾ • Uni-Select⁽¹⁾
Canadian Consumer Staples Companies	<ul style="list-style-type: none"> • Jean Coutu Group⁽¹⁾ 	<ul style="list-style-type: none"> • Shoppers Drug Mart Corp.⁽¹⁾
Other Business Peers Home Improvement Retail and Trading Companies & Distributors	<ul style="list-style-type: none"> • Bed Bath & Beyond (US) • CanWel Building Materials (Canada) • Fastenal Co. (US) • Home Depot (US) • Interline Brands Inc. (US) 	<ul style="list-style-type: none"> • Kingfisher PLC (UK) • Lowe's Companies Inc. (US) • Wesco International Inc. (US) • Wolseley PLC (UK)

(1) Also part of the compensation peer group used to benchmark all pay elements.

Performance Peer Group	\$ Millions ⁽¹⁾		
	Most Recent Annual Revenues	Most Recent Total Assets	Market Value
75th percentile	\$11,031	\$9,255	\$12,133
Median	\$3,074	\$2,178	\$2,187
25th percentile	\$1,138	\$826	\$802
RONA	\$4,858	\$3,024	\$1,246
RONA Percentile Rank	57 th percentile	58 th percentile	42 nd percentile

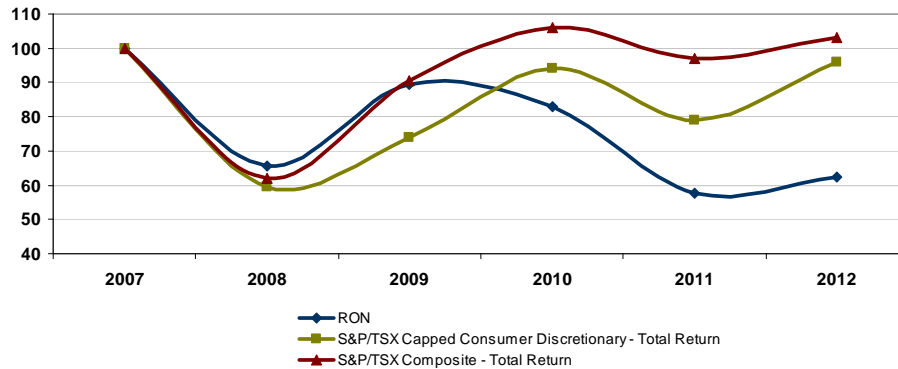
(1) Revenue, total assets and market value data is as of October 31, 2012. Revenues are for the most recently available 12 months and assets are for the most recently available quarter for each company. Market value is based on the month-end close price multiplied by the Common Shares outstanding for all actively traded securities.

How RONA Ties Executive Pay to Performance

Stock Performance: 2008 to 2012

The following graph compares the cumulative total shareholder return (“TSR”) on \$100 invested in Common Shares of RONA from December 30, 2007 through December 30, 2012 with the cumulative TSR for the same period of the TSX Capped Consumer Discretionary Index and the TSX Composite Index.

Comparison of RONA Total Return with S&P Indices



Comparison of RONA Total Return with S&P Indices

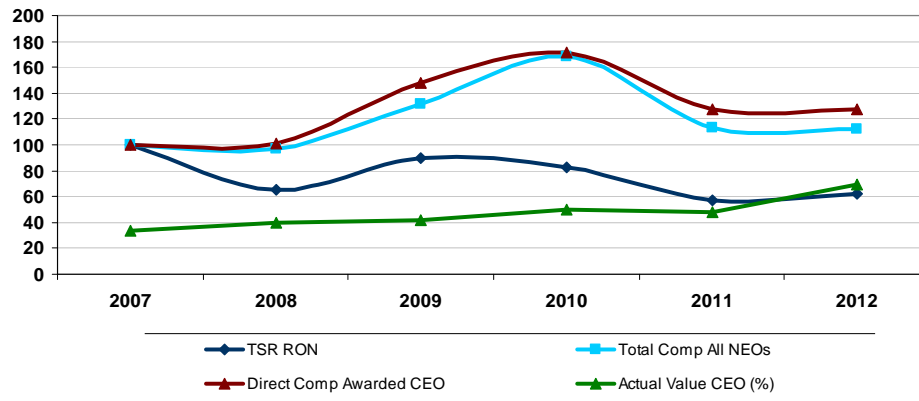
	Financial Year Ended					
	Dec. 30, 2007	Dec. 28, 2008	Dec. 27, 2009	Dec. 26, 2010	Dec. 25, 2011	Dec. 30, 2012
The Corporation	\$100.00	\$65.72	\$89.52	\$83.00	\$57.56	\$62.46
S&P/TSX Capped Consumer Discretionary – Total Return	\$100.00	\$59.40	\$73.87	\$94.10	\$78.84	\$95.84
S&P/TSX Composite – Total Return	\$100.00	\$61.90	\$90.51	\$105.90	\$96.86	\$103.23

Compensation, Corporate Performance and Stock Performance: 2008 to 2012

Each year, the Board considers RONA's overall performance in making executive pay decisions to ensure that our compensation program, compensation level, annual STIP payouts as well as LTIP award levels are aligned with shareholder interests.

The chart and table below illustrate variation and trends in TSR on \$100 invested in Common Shares of RONA from December 30, 2007 through December 30, 2012 and total compensation to NEOs (as reported in the Summary Compensation Table), the value of direct compensation awarded to the former President and CEO as at the grant dates (which includes base salary, STIP target and LTIP awards), and the percentage variation in actual (or realized) value of direct compensation to the former President and CEO as at December 30, 2012, as if he was still employed by the Corporation (which includes base salary, STIP payouts and LTIP value).

Trends in Compensation 2008 to 2012



Trends in Compensation 2008 to 2012

Year	2008	2009	2010	2011	2012
Corporation performance TSR					
Variation in TSR over previous year	-34.3%	36.2%	-7.3%	-30.7%	8.5%
Compensation all NEOs⁽¹⁾⁽²⁾⁽³⁾⁽⁴⁾					
Cash compensation (base salary + STIP award)	\$2,263,984	\$2,335,680	\$3,568,538	\$2,364,291	\$2,150,478
Variation over previous year	18.7%	3.2%	52.8%	-33.7%	-9.0%
Total compensation ⁽¹⁾	\$4,461,131	\$6,064,153	\$7,796,503	\$5,231,318	\$5,194,707
Variation over previous year	-3.4%	35.9%	28.6%	-32.9%	-0.7%
Compensation of the former CEO⁽⁵⁾					
Value of direct compensation awarded (base salary + STIP target + LTIP awards) as at grant dates	\$2,325,000	\$3,400,000	\$3,937,500	\$2,926,625	\$2,926,625
STIP payout as a percentage of target bonus	20%	20%	84%	10%	10%
Actual (or realized) value of direct compensation ⁽⁶⁾⁽⁷⁾ (base salary + STIP payout + LTIP value) as at December 30, 2012	\$930,000	\$1,406,099	\$1,974,625	\$1,399,174	\$2,037,383
Variation in actual (or realized) value of direct compensation as at December 30, 2012 vs. value of direct compensation as at grant dates	-60%	-59%	-50%	-52%	-30%

(1) As disclosed in the Summary Compensation Table of the applicable year's information circular.

(2) For purposes of this table, compensation values do not include compensation paid to Mr. Dandoy in 2010.

(3) For purposes of this table, compensation values do not include compensation paid to Ms. Lalonde in 2011, nor the termination benefits paid to Mr. Guévin upon his departure from RONA on June 3, 2011.

(4) For purposes of this table, 2012 compensation values do not include compensation paid to Mr. Boies in his capacity as interim CEO, nor the termination benefits paid to Mr. Dutton upon his departure on November 8, 2012, nor compensation paid to Messrs. Dumont and Storfer.

(5) 2012 compensation for Mr. Dutton has been estimated as if he was still employed by the Corporation as at December 30, 2012 (and excludes, for greater certainty, the severance package paid to Mr. Dutton in connection with his departure on November 8, 2012).

(6) Actual value of stock options is calculated based on the difference between the closing price of the Common Shares on the TSX on December 30, 2012 (\$10.45) and the exercise price of the outstanding options, multiplied by the number of outstanding options. For greater certainty, this value does not include any value which may have been realized by Mr. Dutton from the exercise of options.

(7) Actual value of PSUs is determined by multiplying the number of PSUs held as at December 30, 2012, as if Mr. Dutton was still employed by the Corporation, by the closing price of the Common Shares on the TSX on December 30, 2012 (\$10.45), based on the actual level of achievement for the completed portion of each of the 3-year vesting cycles and assuming full acquisition for the remaining portions.

During the five-year period, TSR variation over the previous year was negative three times out of five, with an overall 37.5% decrease while overall NEO's total compensation increased by 16.4% over the same period.

The following observations can be drawn from looking at the Corporation's STIP's and LTIP's respective designs as well as from the significant variations between actual (or realized) and grant date values of direct compensation to the former President and CEO during the relevant five-year period:

- RONA's performance measures under the STIP and LTIP (for PSUs) are not directly linked to the Corporation's TSR; however, the choice of performance measures generates a similar outcome in terms of actual payouts. STIP awards are heavily weighted toward the achievement of earnings before income taxes (EBT), and after-tax earnings before interest and income taxes, excluding unusual and non-recurring items divided by the average capital (return on capital, or ROC);
- Aggressive performance targets in combination with difficult market conditions resulted in significant variability in annual and long-term incentive awards in recent years, which had a significant impact on actual payouts;
- All LTIP awards have been impacted by decreases in the stock price;
- All STIP payouts have been below target levels over the relevant 5-year period;
- As shown in the "Outstanding Awards" section on pages 60 and 61, only stock options awarded in 2012 carry some value, and will vest evenly over four years. Other grants have no value as at December 30, 2012 since the exercise price is above market price;
- PSUs granted in 2007 and 2008 did not vest at the end of their three-year cycle, and therefore have no value. Only one-third of PSUs granted in 2009 vested as the target performance level was achieved in the first year of the three-year cycle. As a consequence, PSUs granted in 2010 and 2011 might only vest partially; and
- In each year of the relevant five-year period, the actual (or realized) value of direct compensation to the former President and CEO is below the grant date value.

Based on the foregoing analysis, RONA is of the view that the actual (or realized) value of variable compensation granted to NEOs over the relevant 5-year period, which represents a significant portion of total compensation, demonstrates alignment between executive compensation and shareholder interests over the short and long term.

Note that recent changes in the group of NEOs, in 2010, 2011 and 2012 as well as ongoing changes to the STIP and LTIP designs in order to remain market competitive should also be considered when looking at the pay-for-performance trends over the relevant 5-year period.

Description of Compensation Elements

Base Salary

Each year, the Human Resources and Compensation Committee reviews the individual salaries of the NEOs and makes adjustments when required to ensure that compensation remains market competitive and reflects individual performance, responsibility and experience. Individual performance includes, but is not limited to, each officer's contribution, business unit results, leadership, quality of management, and sponsorship of corporate values.

The annual budget for salary increases is usually set at the average for the Canadian market based on general market surveys. However, increases in base salary over the last year were primarily driven by market adjustment to maintain compensation at the median of the compensation peer group and/or to reflect increased responsibilities.

Base Salary Comparison: 2011/2012

	2011	2012 ⁽¹⁾	% Change
All NEOs	\$2,697,500	\$2,842,760	5.4%

(1) Salary for NEOs in place at the time of the salary increase.

Please refer to pages 51 to 58 for a detailed explanation of the NEOs individual base salary compensation.

Annual Short-Term Incentive Plan

RONA believes short-term incentive awards should be paid to senior executives for their contribution to the overall performance of RONA and for meeting objectives in their respective business units.

The Corporation has chosen to reward achievement of overall corporate performance goals defined as earnings before income taxes (EBT). The Corporation believes that EBT is a key indicator of the operational and financial performance of the business.

In 2012, return on capital, which is after-tax earnings before interest and income taxes, excluding unusual and non-recurring items divided by the average capital (ROC), was added as a corporate measure in the short-term incentive plan because the Corporation believes that ROC is a key indicator of value creation that quantifies how well a company generates cash flow relative to the capital it has invested in its business.

The President and CEO's STIP awards are more heavily weighted toward overall corporate performance (EBT) since he has a greater ability to influence corporate-wide performance. The other NEOs also have a sector component to their objectives.

The following table describes the performance measure weightings for the former President and CEO and the other NEOs.

2012 Performance Measure Weightings

Position	Corporate objective EBT	Corporate objective ROC	Sector objectives	Individual objectives
Executive Vice President and CFO and acting CEO Mr. Boies ⁽¹⁾	55%	15%	20%	10%
Executive Vice Presidents Mr. Salabi, Mr. Rodier and Mr. Dumont ⁽²⁾	45%	15%	30%	10%
Senior Vice President, People and Culture and Social Responsibility Mr. Proulx	55%	15%	20%	10%
Vice President, Sustainable Development Mr. Dumont ⁽²⁾	40%	10%	40%	10%
Former President and CEO Mr. Dutton	75%	15%	-	10%
Former Vice President, Commercial and Professional Market and President of Noble Mr. Storfer	5%	10%	75%	10%

(1) Since November 9, 2012 and until Mr. Sawyer's appointment as President and Chief Executive Officer effective in April, 2013, Mr. Dominique Boies, Executive Vice President and Chief Financial Officer, assumes the role of Chief Executive Officer of the Corporation on an interim basis.

(2) Mr. Dumont's performance measure weightings were adjusted when he was appointed as Vice President, Sustainable Development of the Corporation on September 1, 2012.

The Human Resources and Compensation Committee sets the STIP target levels as a percentage of base salary. Current targets reflect the President and CEO's greater accountability for the Corporation's success while providing a competitive opportunity for other NEOs. The following table describes the range of annual payouts under the STIP:

**2012 Annual Incentive Targets
(% of base salary)**

Position	Minimum	Target	Maximum
Executive Vice President and CFO and acting CEO⁽¹⁾ Mr. Boies	0%	50%	85%
Executive Vice Presidents Mr. Salabi, Mr. Rodier and Mr. Dumont ⁽²⁾	0%	45%	75%
Senior Vice President, People and Culture and Social Responsibility Mr. Proulx	0%	35%	60%
Vice President, Sustainable Development Mr. Dumont ⁽²⁾	0%	30%	45%
Former President and CEO Mr. Dutton	0%	100%	190%
Former Vice President, Commercial and Professional Market and President of Noble Mr. Storfer	0%	60%	114%

- (1) Since November 9, 2012 and until Mr. Sawyer's appointment as President and Chief Executive Officer effective in April, 2013, Mr. Dominique Boies, Executive Vice President and Chief Financial Officer, assumes the role of Chief Executive Officer of the Corporation on an interim basis.
- (2) Mr. Dumont's annual incentive target was adjusted when he was appointed as Vice President, Sustainable Development of the Corporation on September 1, 2012.

The following table describes the potential payouts at various thresholds for each performance measure under the STIP:

Payout Matrix Assigned to Each Performance Measure

Performance Measure	Purpose	Below Threshold		At Threshold		At Target		At Maximum	
		Performance level	Payout	Performance level	Payout	Performance level	Payout	Performance level	Payout
EBT (Earnings before income taxes)	To align with and reward achievement of corporate results.	Less than 80% of target	Zero	80% of target \$126,906,400	20%	Target ⁽¹⁾ \$158,633,000	100%	Target + 15% \$182,427,950	200%
ROC (After-tax earnings before interest and income taxes, excluding unusual and non-recurring items divided by the average capital)	To align with and reward achievement of corporate results.	Less than prior year ROC	Zero	5.0%	0%	Target ⁽¹⁾ 5.5%	100%	10%	200%
Sector objectives	To reward contribution of the specific business unit to the overall Corporation results and foster teamwork.	Not achieved	Zero	Per objective ⁽²⁾	0-100% ⁽²⁾	Fully achieved	100%	Surpassed	125% ⁽³⁾
Individual objectives	To reward achievement of specific priority objectives.	Not achieved	Zero	Per objective ⁽²⁾	0-100% ⁽²⁾	Fully achieved	100%	n/a	n/a

- (1) Each year, the EBT and ROC targets are recommended by the President and CEO and approved by the Board of Directors. Please refer to pages 51 to 58 for further details on targets set for the year ended December 30, 2012.

- (2) *Depending on the nature of the objective approved by the President and CEO, the achievement threshold may differ for each objective and may include qualitative or quantitative measures; methodology to assess the level of achievement is defined for each objective at the beginning of the year.*
- (3) *Maximum payout on sector objectives is 100% for Messrs. Proulx, Boies and Dumont. Before Mr. Storfer's departure on June 20, 2012, his maximum potential payout on sector objectives was 200%.*

Each year, the Human Resources and Compensation Committee recommends to the Board the level of attainment of the performance objectives set at the beginning of the previous year for all NEOs as well as the performance objectives of the President and CEO for the upcoming year. These recommendations are based on the performance achieved in the previous year and the Corporation's corporate objectives for the coming year, as well as the difficulty of achieving them. Each year, objectives (corporate, sector and/or individual) are set at an aggressive but attainable level as illustrated by the level of achievement of these objectives over the past years.

For 2012, there was no payout in respect of the corporate objective of the STIP, as the minimum performance thresholds in respect of EBT and ROC were not achieved.

The sector performance portion of the bonus is paid based on meeting a sector's financial or key operational objectives (in terms of sales, margin, profit or customer satisfaction) or the annual business plan (approved at the beginning of the year and aligned with the overall Corporation's business plan). For 2012, sector objectives were partially reached for NEOs who have this measure; the level of achievement ranged from 37% to 90%.

The individual objectives portion of the STIP usually consists of specific projects to be completed or other financial targets to be achieved during the year, in addition to the position's core responsibilities and based on the sector's key priorities. Individual objectives for the NEOs are measured using both quantitative and qualitative indicators. For 2012, all individual objectives were fully met.

Please refer to pages 51 to 58 for a specific enumeration of the objectives set in 2012 for each of the NEOs and their respective level of achievement.

Specific information on some of these business sector and individual objectives (such as, for 2012: margin targets or customer satisfaction) can be deemed confidential and sensitive, as disclosure could allow competitors to gain access to strategic information about the Corporation or impact customer perception and buying decisions. For these reasons, detailed information on some of the business sector and individual objectives, including their target and threshold performance levels where applicable, is not fully disclosed. The portion of compensation linked to such undisclosed information, including both sector and individual achievements, represented 3.9% of the total compensation of all NEOs in 2012. As mentioned above, these objectives (sector and/or individual) were set at an aggressive but attainable level.

Long-Term Incentive Plans

The Corporation administers two stock option plans: the share option plan which was established prior to RONA's initial public offering ("IPO") (the "**Initial Plan**"), and the stock option plan which was established for all grants subsequent to the IPO (the "**2002 Plan**"). Although all current stock option grants are made under the 2002 Plan and there are no more stock options outstanding under the Initial Plan, certain options granted under the Initial Plan have been exercised by Mr. Dutton during the year ended December 31, 2012. In addition, a share unit plan was adopted in 2007 (the "**Share Unit Plan**"). The details of these plans are provided in Schedule "D" to this Circular.

Executive compensation is aligned with shareholders' long-term interests through grants of stock options and share units with (PSUs) and without (RSUs) performance-based criteria. Performance-based share units only vest when RONA's ambitious three-year performance-based criteria are achieved, while RSUs vest at the end of their three-year term based on the executive's continued employment. Furthermore, the value of earned share units (RSUs and PSUs) as well as vested stock options fluctuates with the value of RONA's stock.

The purpose and characteristics of each type of grant are summarized in the following table.

Types of Equity Awards

Type of grant	Purpose of grant	Vesting	Payment characteristics
RSUs	<ul style="list-style-type: none"> To encourage executives to pursue opportunities aligned with RONA's strategic objectives To promote executive retention over the long term 	<ul style="list-style-type: none"> Time vesting: at the end of 3 years based on continued employment 	<ul style="list-style-type: none"> Vested awards can be settled in cash, or in shares purchased on the open market, at RONA's discretion
PSUs	<ul style="list-style-type: none"> To encourage executives to pursue opportunities aligned with RONA's strategic objectives To ensure that LTIP payouts to executives are directly linked to corporate performance 	<ul style="list-style-type: none"> Performance vesting: at the end of 3 years based on the Corporation's relative improvement in return on capital performance 	<ul style="list-style-type: none"> Based on RONA's performance at the end of the vesting period, anywhere from 0% to 200% of the PSUs may vest Vested awards can be settled in cash, or in shares purchased on the open market, at RONA's discretion
Stock options	<ul style="list-style-type: none"> To encourage executives to pursue opportunities that will increase shareholder value over the long term To promote executive retention over the long term 	<ul style="list-style-type: none"> Time vesting: over 4 years from the date of grant at a rate of 25% per year Stock options will expire after a 10-year term 	<ul style="list-style-type: none"> Stock options are issued with an exercise price equal to or above the weighted average price of Common Shares traded on the TSX, calculated by aggregating the value of each transaction during the 5 trading days immediately preceding the date of grant, divided by the total number of Common Shares traded during such period Stock options provide value to executives only if the stock price increases above the exercise price before the end of the term

Each year, the Human Resources and Compensation Committee recommends, for approval by the Board, grants to the NEOs under the Corporation's long-term incentive plans. The number of stock options, RSUs and PSUs granted is based on long-term incentive target award levels for each position expressed as a percentage of base salary. These targets are set at the market median of the compensation peer group consistent with the Corporation's compensation strategy.

In 2012, RONA's LTIP mix for eligible NEOs, other than the former President and CEO, was 25% stock options (issued under the 2002 Plan), 25% RSUs and 50% PSUs (issued under the Share Unit Plan). Actual awards can be adjusted from 0% to 200% of target levels and may vary based on each individual's performance and contribution to the Corporation's overall results. In addition, long-term incentive grants may be made in specific situations such as promotions or new executive hires.

2012 Long-Term Incentive Mix

Position	Target as % of Base Salary	2012 LTI Mix
Executive Vice President and CFO and acting CEO Mr. Boies ⁽¹⁾	75%	25% options, 25% RSUs, 50% PSUs
Executive Vice Presidents Mr. Salabi, Mr. Rodier and Mr. Dumont ⁽²⁾	65%	
Senior Vice President, People and Culture and Social Responsibility Mr. Proulx	50%	
Former Vice President, Commercial and Professional Market and President of Noble Mr. Storfer	50%	
Former President and CEO Mr. Dutton	125%	25% options and 75% PSUs

(1) Since November 9, 2012 and until Mr. Sawyer's appointment as President and Chief Executive Officer effective in April, 2013, Mr. Dominique Boies, Executive Vice President and Chief Financial Officer, assumes the role of Chief Executive Officer of the Corporation on an interim basis.

(2) Mr. Dumont's 2012 long-term incentive grant was made to him in his former capacity as Executive Vice President, Merchandising.

When making decisions regarding actual awards of share units and stock options, the Human Resources and Compensation Committee also considers additional factors such as the number of share units and stock options currently outstanding from previous awards, the retention value that those awards provide, individual contribution to performance, corporate performance relative to RONA's performance peer group at that time, and the degree to which previous years' awards continue to motivate executives to achieve the Corporation's long-term objectives. Based on these factors, the actual LTIP awards for 2012 were granted at 100% of the target level for the former President and CEO and at a range of between 100% and 200% of the target level for the other NEOs.

Upon their appointment as Executive Vice Presidents, Messrs. Rodier and Salabi each received a special grant of 25,000 stock options with an expected value of \$71,500 and \$90,500 respectively. Upon his appointment as acting CEO, Mr. Boies received a special retention grant of 128,435 stock options and 35,481 RSUs, with a total expected value of \$836,110. This award was intended to provide continued stability while the Corporation conducted its search for a new President and CEO and throughout the subsequent transition period (please refer to pages 51 and 52 for a complete description of the compensation received by Mr. Boies while acting CEO during the financial year ended December 30, 2012).

In 2012, the NEOs received 422,235 stock options, with an expected value of \$1,293,621 (based on the Black-Scholes-Merton ("BSM") model value of the options), 82,481 RSUs with a value of \$843,385 based on the stock price on the date of grant and 178,900 PSUs with a value of \$1,678,082 based on the stock price on the date of grant. The fair market value on the grant date of RSUs, PSUs and stock options granted to each of RONA's NEOs in 2012 is described in the "Compensation of the Named Executive Officers-Summary Compensation Table" section on page 59.

The vesting of PSUs granted prior to 2012 is based solely on return on net asset performance measured relative to a peer group. One-third of the 2009 PSU awards vested in fiscal 2012 given that the performance criteria were met in only one year of the three-year performance cycle. Specifically, RONA achieved a return on net assets that was positioned at the 50th percentile relative to such peer group in fiscal 2009.

The vesting of PSUs granted in 2012 will be based on improvement in return on capital measured relative to the performance peer group described on p. 36. The vesting matrix for 2012 PSU awards remains unchanged from the previous years and is presented in the following table.

2012 PSU Vesting Matrix

	% of PSU Award that Vests				
	0%	50%	100%	150%	200%
Relative Improvement in Return on Capital Performance	25th percentile and below	26th – 40th percentile	41st – 60th percentile	61st – 75th percentile	76th percentile and above

Pension and Other Benefits

Pension Plans

Former CEO Defined Benefit Plans

The former President and CEO participates in a basic defined benefit registered pension plan and a supplemental plan (which is also a defined benefit plan). Mr. Dutton's total retirement benefit under these plans, which is intended to be at market median, equals income in the form of a lifetime annuity equal to 2% per year of service (maximum 35 years, with no additional years of service allowed to be credited) multiplied by the final average compensation, with no offset for any payment from the Canada and Quebec pension plans.

The final average compensation is defined as the average of the best three years of annual compensation (annual compensation in a given year being equal to the salary paid in this specific year, plus the bonus related to this specific year). However, for the determination of benefits

related to years of service prior to January 1, 2000 (22.5 years), final average compensation is limited to \$350,000, and for the years of service between January 1, 2000 and December 31, 2001 (2 years), final average compensation is limited to \$700,000, subject to the new reassessment calculation formula mentioned below. Such maximum amount is not applicable for subsequent years. Accordingly, the former President and CEO does not benefit from a full final average 2% plan for all his years of credited service.

In 2011, following a review of the CEO's pension arrangements competitiveness, the Human Resources and Compensation Committee decided to reassess the calculation formula for the years of service capped by a limit in final average compensation. According to the new reassessment calculation formula, the final average compensation limits for years of service prior to 2002 will be exceeded in order to recognise years of service over the 35-year limit. In accordance with Mr. Dutton's employment agreement, contributions to the defined benefit plans following Mr. Dutton's departure from RONA as part of his severance package will be counted as years of service for purposes only of this new reassessment calculation formula, increasing the final average compensation caps for years of service prior to 2002.

As of November 8, 2012, the date of his departure from RONA, the former President and CEO had accrued a total of 35 years of credited service and had already reached the right to receive an unreduced pension (55 years of age). Since November 2012, Mr. Dutton is eligible to start receiving an annual pension of \$508,000, which corresponds to a replacement ratio of 35% of his final average compensation. This amount excludes the value of the buy back pension associated with voluntary employee contributions made over the years.

The portion of the pension benefits payable from the registered plan is indexed annually after retirement according to the Consumer Price Index (CPI) increase. The portion of the pension benefits payable from the supplemental plan once calculated is not indexed. The normal form of pension provided to the former President and CEO is a joint and 66 $\frac{2}{3}$ % survivor pension with a 5-year guarantee if he has a spouse at retirement or a 15-year guarantee pension if he does not have a spouse at retirement.

The following table shows the entitlement of the former President and CEO under the defined benefit plans. All figures were calculated using the accounting methods and assumptions disclosed in the annual financial statements of RONA available on SEDAR at www.sedar.com and take into account Mr. Dutton's departure on November 8, 2012:

Former CEO Defined Benefit Plans

Name	Number of years of service credited (#)	Annual benefits payable		Accrued obligation at start of year (\$)	Compensatory change ⁽¹⁾⁽²⁾⁽³⁾ (\$)	Non-compensatory change ⁽¹⁾⁽³⁾⁽⁴⁾ (\$)	Accrued obligation at year end ⁽¹⁾⁽³⁾⁽⁵⁾ (\$)
		At year end ⁽¹⁾ (\$)	At age 65 ⁽¹⁾ (\$)				
Robert Dutton	35.00	508,000	508,000	8,299,000	304,000	913,000	9,516,000

- (1) As of November 8, 2012 when Mr. Dutton stepped down as President and CEO and as a director of the Corporation.
- (2) Compensatory change includes service cost net of voluntary employee contributions and differences between actual and estimated earnings.
- (3) When taking into consideration Mr. Dutton's severance package, compensatory changes are \$2,052,000, non-compensatory changes are \$1,063,000 and accrued obligation at year end is \$11,414,000. Please see "Severance and Other Termination Benefits" section at page 47 for more details.
- (4) Non-compensatory change includes all items that are not compensatory such as changes in assumptions. The non-compensatory change of \$913,000 for 2012 mostly comes from the change in the discount rate assumption.
- (5) The difference between the value of the buy back pension associated with all voluntary employee contributions made over the years and the accrued value of those contributions (accrued with the net return on asset of the pension fund) is included in the accrued obligation amount.

Other NEO Defined Contribution Plans

The pension plan for the other NEOs is made up of a basic defined contribution registered plan and a supplemental plan which is also a defined contribution plan. Participation in these plans is determined by the level of the position held and must be approved by the Human Resources and Compensation Committee.

The purpose of the basic registered plan is to accumulate, on an annual basis beginning on January 1, 2000, the maximum amount allowed by the tax authorities (\$23,820 in 2012). The purpose of the supplemental plan, when combined with the basic registered plan, is to provide officers, upon retirement, with pension income from the accumulation, on an annual basis beginning on January 1, 2000, of 18% of the annual compensation paid to the officer during a given year, together with the annual return thereon. Annual compensation is defined as the sum of the salary and bonus paid, up to the target bonus, in a specific year.

The annual return credited on the registered pension plan contributions is equal to the rate of net return on the assets invested in the registered plan fund. The annual return credited on the supplemental plan notional contributions is equal to 7.5%. The supplemental plan includes vesting criteria over a 10-year period for the employer's contribution and restrictions relating to non-competition clauses which state that the retirement benefit will be suspended if the plan member transgresses the non-competition clauses.

In 2011, a benchmarking study confirmed the competitiveness of the current design. It was determined that the Corporation's defined contribution plan, combined with a guaranteed rate of return, provides a level of pension income which is competitive with that of peer companies, most of which offer defined benefit plans.

The following table presents the entitlement under the defined contribution plans for each of the NEOs (other than the former President and CEO) as of the beginning and end of the Corporation's financial year ending on December 30, 2012. All figures were calculated using the accounting methods and assumptions disclosed in the annual financial statements of RONA available on SEDAR at www.sedar.com:

Defined Contribution Plans

Name ⁽⁴⁾	Accumulated value at start of year ⁽¹⁾⁽²⁾ (\$)	Compensatory ⁽¹⁾⁽³⁾ (\$)	Accumulated value at year end ⁽¹⁾ (\$)
Dominique Boies	20,600	77,400	102,100
Karim Salabi	22,700	45,500	71,200
Luc Rodier	84,300	57,000	148,600
Christian Proulx	197,900	50,100	263,300
Normand Dumont	815,900	48,800	957,000

(1) These amounts are net of the impact of all accrued additional voluntary contributions.

(2) Revised amounts (versus last year's management proxy circular) following the production of pension plan financial statements.

(3) Compensatory change includes service costs (employer contribution).

(4) Before he left the Corporation as of June 20, 2012, Mr. Storfer did not benefit from any pension plan.

Other Benefits

The aggregate value of perquisites that were provided to each NEO (and that are not generally available to all employees) for the financial year ended on December 30, 2012 did not exceed the lesser of \$50,000 or 10% of the NEO's base salary annually. Perquisites consist of car allowance, medical exam and financial planning. From time to time, the value of these benefits is benchmarked against the Corporation's compensation peer group. Benefits offered are designed to remain at (or below) market average.

Severance and Other Termination Benefits

The Corporation has employment agreements in place with each of Messrs. Boies, Rodier, Salabi, Proulx and Dumont.

In the event of termination of employment, the employment agreements of Messrs. Boies, Rodier, Salabi and Proulx provide for severance that varies with years of service, up to a maximum of 24 months (after 20 years of service) of base salary, health and dental insurance coverage, contributions to the applicable pension plans and car benefits, plus payment of the relevant year's bonus (prorated to the number of months worked and according to the level of achievement of the applicable performance measures).

Following a change of control of the Corporation and employment being terminated by the Corporation (including by way of constructive dismissal) within the first twelve (12) months following the change of control, Mr. Boies' employment agreement provides for severance corresponding to 24 months of base salary, annual target bonus, health and dental insurance coverage, contributions to the applicable pension plans and car benefits, plus payment of the current year's annual target bonus (prorated to the number of months worked) as well as any outstanding deferred payments.

Following a change of control of the Corporation and employment being terminated by the Corporation (including by way of constructive dismissal) within the first twelve (12) months following the change of control, the employment agreements of Messrs. Rodier, Salabi and Proulx provide for severance that varies with years of service, up to a maximum of 24 months (after 15 years of service) of base salary, annual target bonus, health and dental insurance coverage, contributions to the applicable pension plans and car benefits, plus payment of the current year's annual target bonus (prorated to the number of months worked).

In the event of termination of employment, Mr. Dumont's employment agreement (as Vice President, Sustainable Development) provides for severance corresponding to eighteen (18) months of base salary. Following a change of control of the Corporation, Mr. Dumont's employment agreement also provides for severance corresponding to twenty-four (24) months of base salary plus target bonus upon employment being terminated (either by the Corporation or by Mr. Dumont) within the first eight (8) months.

No payments are to be expected in the case of termination by the Corporation for cause, or voluntary termination by the NEO.

Should a change of control occur at the Corporation, the employment agreements further allow for the immediate vesting of any outstanding and unvested awards granted under the Corporation's share unit and stock option plans as well as immediate vesting of the employer contributions under the supplemental defined contribution pension plan.

All employment agreements also include non-compete and non-solicitation clauses that remain in force for the duration of the NEO's employment with the Corporation and for twelve (12) months thereafter, in addition to customary confidentiality clauses for all NEOs.

Conditions set under these employment agreements are, from time to time, compared to and aligned with practices in the Corporation's compensation peer group and best practices in corporate governance. They are approved by the Human Resources and Compensation Committee.

The following table provides the total value of all severance, incremental payments, payables and any other termination benefits that would have been paid to each NEO, had employment been terminated at the end of the most recently completed financial year under various termination scenarios.

Termination and Change of Control Benefits

Name	Retirement ⁽¹⁾	Change of Control ⁽¹⁾	Voluntary Termination	Termination Not for Cause ⁽¹⁾	Termination For Cause
	(\$)	(\$)	(\$)	(\$)	(\$)
Dominique Boies					
Base		834,000		278,000	
Target bonus		417,000		—	
Other ⁽²⁾	—	<u>268,380</u>	—	<u>89,460</u>	—
Total		1,519,380		367,460	
Karim Salabi					
Base		280,000		186,667	
Target bonus		126,000		—	
Other ⁽²⁾	—	<u>94,680</u>	—	<u>63,120</u>	—
Total		500,680		249,787	
Luc Rodier					
Base		450,000		350,000	
Target bonus		202,500		—	
Other ⁽²⁾	—	<u>149,850</u>	—	<u>116,550</u>	—
Total		802,350		466,550	
Christian Proulx					
Base		397,890		309,470	
Target bonus		139,262		—	
Other ⁽²⁾	—	<u>120,087</u>	—	<u>93,401</u>	—
Total		657,239		402,871	
Normand Dumont					
Base		670,000		502,500	
Target bonus		268,000		—	
Other ⁽²⁾	—	—	—	—	—
Total		938,000		502,500	

(1) In addition, the bonus earned during the reference year (prorated to the number of months worked) is payable (except for Mr. Dumont whose bonus earned during the reference year (prorated to the number of months worked) is only payable in the event of retirement).

(2) Represents estimated pension and car benefits. Mr. Dumont's employment agreement does not provide for payment of these benefits upon termination or change of control of the Corporation.

Mr. Dutton's termination of employment as an executive officer of RONA occurred on November 8, 2012. The severance package below complies with the terms of his employment agreement with the Corporation as well as the terms of the Corporation's various compensation plans. Mr. Dutton received the following payments and benefits which have a total value of \$4,518,538:

- a cash severance in the amount of \$1,801,000, corresponding to twenty-four (24) months of base salary;
- an amount of \$144,080 in lieu of all other benefits (such as health and dental insurance coverage, car, health check-up and financial planning services);
- an amount of \$825,458 corresponding to Mr. Dutton's annual target bonus (prorated to the number of months worked during the year) in accordance with the terms of his employment agreement;
- contributions to the basic defined benefit registered pension plan and the supplemental defined benefit plan for a period of twenty-four (24) months following his departure (impact of \$123,170 on total retirement benefit under these plans and a compensatory value of \$1,748,000); and
- the Board exercised its discretion as permitted under the terms of the Corporation's 2002 Plan to approve the immediate vesting of outstanding unvested options as of Mr. Dutton's departure date for a total of 224,275 unvested options granted since 2009 with an exercise price between \$9.38 and \$15.44. The Board has decided to exercise this discretion to recognize Mr. Dutton's 35 years of service with RONA and his 20 years as President and CEO. All vested options were exercisable until March 20, 2013. As the closing price of RONA's Common Shares on the TSX on November 8, 2012 was \$9.35, such immediate vesting of outstanding options carried no present value at the time when this decision was made. On March 18, 2013, Mr. Dutton exercised 36,650 such stock options with an exercise price of 10.62\$ and 98,400 such stock options with an exercise price of \$9.38.

In addition, the Corporation retained the services of Mr. Dutton as a consultant to assist with the transition for a three-month period from November 8, 2012 to February 8, 2013 at a rate of \$75,000 per month.

Mr. Storfer voluntarily left on June 20, 2012 and as such was not entitled to any form of termination benefit upon his departure from RONA. In accordance with the terms of the 2002 Plan, vested options expired thirty (30) days following his departure while all unvested RSUs, PSUs and stock options were forfeited upon his departure.

Role of the Human Resources and Compensation Committee

Determining compensation for the executive team and setting performance targets to be achieved in the years ahead is one of the Board's most important responsibilities, exercised through the Human Resources and Compensation Committee. The Human Resources and Compensation Committee reviews and recommends to the Board the compensation of the President and CEO and of the members of senior management reporting directly to the President and CEO, including the other NEOs. The Human Resources and Compensation Committee also determines if the executive compensation program is aligned with shareholder interests and the Corporation's business objectives and ensures that risks are properly considered and mitigated.

The Human Resources and Compensation Committee is also responsible for assisting the Board in discharging its responsibilities regarding recruitment, evaluation, and compensation for the Corporation's executive officers and other employees.

Finally, the Human Resources and Compensation Committee closely monitors the succession planning process for the CEO, other NEOs as well as other members of the senior management team. As part of this process, the Human Resources and Compensation Committee discusses each year the evolving skills and expertise required for the senior management team, and the competencies and development considerations for potential successor candidates in order to assess whether there is a readiness to fill potential vacancies with qualified executives. In 2011 and again in 2012, the Human Resources and Compensation Committee reviewed the profile of future leaders of the Corporation and a broad range of strategies aimed at developing, nurturing and retaining talent at all levels of the organization (both corporate and affiliated stores network).

The Human Resources and Compensation Committee meets three to four times per year and may hold special meetings as needed.

The Human Resources and Compensation Committee works closely with RONA's People and Culture Department to ensure that executive compensation policies and decisions are appropriate relative to compensation policies and decisions applicable to all RONA employees.

Compensation Consultant

The Human Resources and Compensation Committee retained Mercer (Canada) Limited ("**Mercer**"), a wholly-owned subsidiary of Marsh & McLennan Companies, Inc. beginning in 2005 to assist the Human Resources and Compensation Committee in determining compensation for the Corporation's executive officers.

In 2012, the Human Resources and Compensation Committee engaged Mercer to provide executive compensation analysis and advice on an ongoing basis throughout the year to ensure that the executive compensation program aligns with shareholder interests and the Corporation's business objectives. The analysis and advice by Mercer includes (without being limited to) executive compensation policy, pay-for-performance analysis, incentive plan review, and performance calibration. Mercer has also been mandated to assist the Corporation in continuously improving its disclosure strategy and communication to shareholders on compensation matters.

In reaching its decisions, the Human Resources and Compensation Committee has considered Mercer's analysis and advice as well as any other Corporation-specific factors the committee considers appropriate. However, decisions related to executive compensation are the responsibility of the Human Resources and Compensation Committee and the Board, and may reflect factors and considerations other than the information and recommendations provided by Mercer.

In fiscal 2012, Mercer billed the Corporation an amount totalling \$150,660 in executive compensation-related fees, compared with an amount of \$105,020 in fiscal 2011. The Corporation did not engage Mercer to provide any services other than, or in addition to, executive compensation services during fiscal 2012 or 2011. In any event, the pre-approval of the Human Resources and Compensation Committee would be required prior to engaging Mercer to provide any other services.

Compensation of the Executive Officers

Dominique Boies

Executive Vice President and Chief Financial Officer and acting Chief Executive Officer

Mr. Dominique Boies holds a master of science degree (specializing in finance) from the Université du Québec à Montréal, which in 2002 awarded him a Prix Performance, one of five awarded each year by the École des Sciences de la Gestion to alumni who have distinguished themselves in their field. After graduating, Mr. Boies worked for 11 years at the Royal Bank of Canada, where he held several high-ranking positions, including Vice President of Strategic Planning and Managing Director within the Capital Markets Group. After that, he filled various positions during a five-year period at the Caisse de dépôt et placement du Québec, including Senior Vice President Investments, Corporate Debt and Investment Funds groups within the Private Equity team. He was also accountable for the strategic management of the private equity portfolio.

Mr. Boies joined RONA in September 2011 as Executive Vice President and Chief Financial Officer. He is responsible for the Corporation's financial orientation and oversees investor relations, accounting, financing, treasury, corporate development, information technologies and legal affairs.

Since November 9, 2012 and until Mr. Sawyer's appointment as President and Chief Executive Officer effective in April, 2013, Mr. Boies assumes the role of Chief Executive Officer of the Corporation on an interim basis.

Upon his appointment as acting CEO, Mr. Boies received a special retention grant of 128,435 stock options and 35,481 RSUs, with a total expected value of \$836,110 at the time of grant. This award was intended to provide continued stability while the Corporation conducted its search for a new CEO and throughout the subsequent transition period. While he is acting CEO, Mr. Boies also receives, in addition to his base salary, a quarterly payment in the amount of \$118,750 to recognize and reward his additional responsibilities.



Dominique Boies
Executive Vice President and Chief Financial Officer and acting Chief Executive Officer

Share Ownership Guideline

Guideline	Value of Equity at Risk ⁽¹⁾	Multiple of Salary	Met or Not
One time annual salary	\$929,820	2.2	Met ⁽²⁾

- (1) Includes shares and vested stock options, 100% of the value of unvested RSUs and 50% of the value of unvested PSUs, valued as described under "Share Ownership Requirements" on page 34 as assessed on December 30, 2012. Total amount of equity at risk (shares, RSUs, PSUs and options) as at December 30, 2012 is \$1,050,090.
- (2) Based on share ownership guideline applicable as Executive Vice President and Chief Financial Officer.

Base Salary Comparison: 2011/2012

2011	2012	% Change
\$400,000	\$417,000	4.3

2012 Annual Short-term Incentive Plan Payout

Performance Measure	Bonus earned as a % of base salary when results meet the objectives	Performance Threshold	Results	Payout (\$)	Bonus earned as a % of base salary
Corporate objective EBT (Relative weight of 55%)	27.5% ⁽¹⁾	Target: \$158,633,000 Minimum: \$126,906,400	\$101,506,000 ⁽²⁾	0	0%
Corporate objective ROC (Relative weight of 15%)	7.5% ⁽¹⁾	Target: 5.5 Minimum: 5.0	4.2	0	0%
Sector objectives (Relative weight of 20%)	10% ⁽¹⁾		Achieved 90%	37,119	9%
<ul style="list-style-type: none"> Ensure organization's alignment on financial priorities Co-lead "New realities – New solutions" plan and ensure realisation of financial benefits Ensure Return on capital implementation of metric in the entire organization 					
Individual objective (Relative weight of 10%)	5% ⁽¹⁾		Fully achieved	20,621	5%
<ul style="list-style-type: none"> Strengthen the quality of the ties and relations with the financial community 					
TOTAL	50%			57,740	14%

(1) Result of relative weight multiplied by the target bonus of 50%.

(2) Excluding unusual and non-recurring items.

Three-Year Look-Back

	3-Year Total	2012	2011	2010
	(\$)		(\$)	(\$)
Base Salary	527,815	412,430	115,385	--
Annual Cash Incentive	75,048	57,740	17,308	--
Share-based Awards	921,258	721,858	199,400	--
Option-based Awards	733,155	540,535	192,620	--
Total Direct Compensation	2,257,276	1,732,563	524,713	--
All other Compensation	134,312	99,612	34,700	--
Pension Value	98,200	77,400	20,800	--
Total Compensation	2,489,788	1,909,575	580,213	--

Karim Salabi

Executive Vice President, Marketing and Customer Innovations

Since June 2012, Mr. Karim Salabi has been appointed Executive Vice President, Marketing and Customer Innovations for all of RONA banners. He joined RONA in early 2011 as Vice President, Marketing, Image and Sponsorships and managed all aspects relating to the RONA brand and mass advertising, sponsorships, web marketing, private label marketing as well as sustainable development.

Prior to joining RONA, he was Vice President of Marketing at Autodesk Media & Entertainment (M&E) where he managed M&E Industry and Product Marketing activities in the film, games, tv/broadcast and web/multimedia industries. Before that, he spent close to eight years in the Wireless Telecommunications industry as Vice President of Marketing (Fido brand) for Rogers Wireless Inc. He also evolved as Director of Consulting's Strategy practice for Deloitte where he guided numerous leading team in reaching their growth plan.



Karim Salabi
Executive Vice President,
Marketing and Customer
Innovations

He holds his Bachelor of Arts degree in Economics and a MBA degree, both from McGill University.

Share Ownership Guideline

Guideline	Value of Equity at Risk ⁽¹⁾	Multiple of Salary	Met or Not
One time annual salary	\$229,583	0.82	Partially Met ⁽²⁾

- (1) Includes shares and vested stock options, 100% of the value of unvested RSUs and 50% of the value of unvested PSUs, valued as described under "Share Ownership Requirements" on page 34 as assessed on December 30, 2012.
- (2) Mr. Salabi was appointed in 2012 and is gradually acquiring ownership.

Base Salary Comparison: 2011/2012⁽¹⁾

2011	2012	% Change
\$225,000	\$225,000	0%

- (1) As of April 1st, 2012. At that date, Mr. Salabi was Vice President Marketing, Image and Sponsorships. His current salary as Executive Vice President Marketing and Customer Innovations is \$280,000.

2012 Annual Short-term Incentive Plan Payout

Performance Measure	Bonus earned as a % of base salary when results meet the objectives	Performance Threshold	Results	Payout ⁽¹⁾ (\$)	Bonus earned as a % of base salary ⁽¹⁾
Corporate objective EBT (Relative weight of 45%)	20.25% ⁽²⁾	Target: \$158,633,000 Minimum: \$126,906,400	\$101,506,000 ⁽³⁾	0	0%
Corporate objective ROC (Relative weight of 15%)	6.75% ⁽²⁾	Target: 5.5 Minimum: 5.0	4.2	0	0%
Sector objectives (Relative weight of 30%)	13.5% ⁽²⁾		Achieved 37%	14,486	5.7%
<ul style="list-style-type: none"> Reach sales target Achieve customer satisfaction target Maintain a variation in number of transactions superior to sales variation 					
Individual objectives (Relative weight of 10%)	4.5% ⁽²⁾		Fully achieved	9,675	3.8%
<ul style="list-style-type: none"> Launch the new rona.ca platform and deliver additional sales objectives Improve Rona's recognition factor outside Quebec 					
TOTAL	45%			24,161	9.5%

(1) Payout has been prorated to take into consideration the two positions occupied by Mr. Salabi in 2012.

(2) Result of relative weight multiplied by the target bonus of 45%.

(3) Excluding unusual and non-recurring items.

Three-Year Look-Back

	3-Year Total	2012	2011	2010
	(\$)	(\$)	(\$)	(\$)
Base Salary	437,707	252,506	185,201	--
Annual Cash Incentive	52,552	24,161	28,391	--
Share-based Awards	284,744	111,209	173,535	--
Option-based Awards	164,780	119,395	45,385	--
Total Direct Compensation	939,783	507,271	432,512	--
All other Compensation	44,900	23,507	21,393	--
Pension Value	68,500	45,500	23,000	--
Total Compensation	1,053,183	576,278	476,905	--

Luc Rodier

Executive Vice President, Retail

Mr. Rodier was appointed Executive Vice President, Retail in December 2011. In this role he leads RONA's overall retail activities by region for RONA's affiliated dealers and corporate and franchise stores across Canada. His responsibilities include RONA's regional retail teams along with sales and support, customer satisfaction and market development for contractor and professional sales.

Luc Rodier joined RONA in 2005 as Quebec District Manager for RONA and Réno-Dépôt stores and, in 2008; he became Senior Director – Retail Operations. In 2010, Mr. Rodier was appointed Vice President Retail for the Ontario region and in 2011, he moved to Western Canada also in the capacity of Vice President Retail. Before joining RONA, he worked over eight years as Director of sales development – Canada, Europe and Asia for one of RONA's main suppliers.

Mr. Rodier has a bachelor's degree from the School of Management of Université du Québec à Montréal.



Luc Rodier
Executive Vice
President, Retail

Share Ownership Guideline

Guideline	Value of Equity at Risk ⁽¹⁾	Multiple of Salary	Met or Not
One time annual salary	\$258,747	0.86	Partially Met ⁽²⁾

(1) Includes shares and vested stock options, 100% of the value of invested RSUs and 50% of the value of unvested PSUs, valued as described under "Share Ownership Requirements" on page 34 as assessed on December 30, 2012.

(2) Mr. Rodier was appointed in December 2011 and is gradually acquiring ownership.

Base Salary Comparison: 2011/2012

2011	2012	% Change
\$300,000	\$300,000	0%

2012 Annual Short-term Incentive Plan Payout

Performance Measure	Bonus earned as a % of base salary when results meet the objectives	Performance Threshold	Results	Payout (\$)	Bonus earned as a % of base salary
Corporate objective EBT (Relative weight of 45%)	20.25% ⁽¹⁾	Target: \$158,633,000 Minimum: \$126,906,400	\$101,506,000 ⁽²⁾	0	0%
Corporate objective ROC (Relative weight of 15%)	6.75% ⁽¹⁾	Target: 5.5 Minimum: 5.0	4.2	0	0%
Sector objectives (Relative weight of 30%)	13.5% ⁽¹⁾		Achieved 37%	14,985	5.0%
<ul style="list-style-type: none"> Reach sales target Achieve customer satisfaction target Corporate stores' financial performance (EBT) 					
Individual objectives (Relative weight of 10%)	4.5% ⁽¹⁾		Fully achieved	13,500	4.5%
<ul style="list-style-type: none"> Ensure the development and opening of the new proximity store concept Deliver the financial undertakings of the "New realities – New solutions" plan Complete the integration and development of the new Retail structure 					
TOTAL	45%			28,485	9.5%

(1) Result of relative weight multiplied by the target bonus of 45%.

(2) Excluding unusual and non-recurring items.

Three-Year Look-Back

	3-Year Total	2012	2011	2010
	(\$)	(\$)	(\$)	(\$)
Base Salary	697,698	300,000	221,689	176,009
Annual Cash Incentive	83,711	28,485	16,627	38,599
Share-based Awards	427,324	225,120	120,372	81,832
Option-based Awards	214,194	146,765	40,342	27,087
Total Direct Compensation	1,422,927	700,370	399,030	323,527
All other Compensation	50,489	23,252	15,433	11,804
Pension Value	104,500	57,000	25,000	22,500
Total Compensation	1,577,916	780,622	439,463	357,831

Christian Proulx

Senior Vice President, People and Culture and Social Responsibility

Mr. Christian Proulx joined RONA in 2007 as Senior Vice President, People and Culture and is responsible for all activities related to this sector. Since 2012, corporate social responsibility also falls under his responsibility.

Before joining RONA, Mr. Proulx held key positions in human resources across Canada and abroad including Vice President, Human Resources, at TELUS Québec and TELUS Partner Solutions. Prior to that, he worked primarily as Vice President, Human Resources, for companies including BioChem Pharma, Shire Pharmaceuticals Group plc, ID Biomedical and GlaxoSmithkline. As a human resources generalist, he has successfully taken up the challenges involved in mergers and acquisitions, change management, organizational development, executive compensation, international recruiting and labour relations over the course of his career. Mr. Proulx started his career as a union advisor for the Union des employés de service at Télé-Métropole and then at Vidéotron as Director, Work Force Planning and Compensation.



Christian Proulx
Senior Vice President,
People and Culture and
Social Responsibility

Christian Proulx has a Bachelor's degree in industrial relations from Université de Montréal.

Share Ownership Guideline

Guideline	Value of Equity at Risk ⁽¹⁾	Multiple of Salary	Met or Not
One time annual salary	\$240,414	0.91	Partially Met

(1) Includes shares and vested stock options, 100% of the value of unvested RSUs and 50% of the value of unvested PSUs, valued as described under "Share Ownership Requirements" on page 34 as assessed on December 30, 2012.

Base Salary Comparison: 2011/2012

2011	2012	% Change
\$237,000	\$265,260	11.9

2012 Annual Short-term Incentive Plan Payout

Performance Measure	Bonus earned as a % of base salary when results meet the objectives	Performance Threshold	Results	Payout (\$)	Bonus earned as a % of base salary
Corporate objective EBT (Relative weight of 55%)	19.25% ⁽¹⁾	Target: \$158,633,000 Minimum: \$126,906,400	\$101,506,000 ⁽²⁾	0	0%
Corporate objective ROC (Relative weight of 15%)	5.25% ⁽¹⁾	Target: 5.5 Minimum: 5.0	4.2	0	0%
Sector objectives (Relative weight of 20%)	7% ⁽¹⁾		Achieved 85%	15,331	6.0%
<ul style="list-style-type: none"> Support the execution of "New realities – New solutions" plan and the implementation of the new HR model for proximity stores Develop retail pipeline talent Improve People and Culture efficiency and productivity 					
Individual objectives (Relative weight of 10%)	3.5% ⁽¹⁾		Fully Achieved	9,018	3.5%
<ul style="list-style-type: none"> Support the integration of the new management team Ensure the development of a business culture that is closely aligned with sales and the customer satisfaction Deliver indicators for internal promotion and talent development 					
TOTAL	35%			24,349	9.5%

(1) Result of relative weight multiplied by the target bonus of 35%.

(2) Excluding unusual and non-recurring items.

Three-Year Look-Back

	3-Year Total	2012	2011	2010
	(\$)	(\$)	(\$)	(\$)
Base Salary	708,778	257,666	228,988	222,124
Annual Cash Incentive	108,530	24,349	20,431	63,750
Share-based Awards	499,377	151,956	179,125	168,296
Option-based Awards	166,330	50,638	59,392	56,300
Total Direct Compensation	1,483,015	484,609	487,936	510,470
All other Compensation	8,557	5,841	2,716	--
Pension Value	146,500	50,100	52,700	43,700
Total Compensation	1,638,072	540,550	543,352	554,170

Summary Compensation Table

The following table sets forth, for the financial years ended December 30, 2012, December 25, 2011 and December 26, 2010, the aggregate compensation earned by the Named Executive Officers during such financial years.

Name and Principal Position	Year	Salary (\$)	Share-based awards ⁽¹⁾ (\$)	Option-based awards ⁽²⁾ (\$)	Non-equity incentive plan compensation (\$)		Pension value ⁽³⁾ (\$)	All other compensation ⁽⁴⁾ (\$)	Total compensation (\$)
					Annual incentive plans	Long-term incentive plans			
Dominique Boies Executive Vice President and CFO and acting CEO ⁽⁵⁾	2012	412,430	721,858	540,535	57,740	--	77,400	99,612	1,909,575
	2011	115,385	199,400	192,620	17,308	--	20,800	34,700	580,213
Karim Salabi Executive Vice President, Marketing and Customer Innovations ⁽⁶⁾	2012	252,506	111,209	119,395	24,161	--	45,500	23,507	576,278
	2011	185,201	173,535	45,385	28,391	--	23,000	21,393	476,905
Luc Rodier Executive Vice President, Retail ⁽⁷⁾	2012	300,000	225,120	146,765	28,485	--	57,000	23,252	780,622
	2011	221,689	120,372	40,342	16,627	--	25,000	15,433	439,463
	2010	176,009	81,832	27,087	38,599	--	22,500	11,804	357,831
Christian Proulx Senior Vice President, People and Culture and Social Responsibility	2012	257,666	151,956	50,638	24,349	--	50,100	5,841	540,550
	2011	228,988	179,125	59,392	20,431	--	52,700	2,716	543,352
	2010	222,124	168,296	56,300	63,750	--	43,700	--	554,170
Normand Dumont Vice President, Sustainable Development ⁽⁸⁾	2012	335,010	165,088	54,643	38,725 ⁽⁹⁾	--	48,800	8,240	650,506
	2011	325,908	252,208	84,045	46,784	--	58,700	4,435	772,080
	2010	316,927	318,064	105,696	121,938	--	63,500	--	926,125
Robert Dutton Former President and CEO ⁽¹⁰⁾	2012	793,141	845,138	281,513	--	--	304,000	4,648,538 ⁽¹¹⁾	6,872,330
	2011	876,413	845,470	281,832	87,641	--	(89,000)	--	2,002,356
	2010	868,270	1,641,272	547,070	729,347	--	202,000	--	3,987,959
Michael Storfer Former Vice President, Commercial and Professional Market and President of Noble ⁽¹²⁾	2012	151,730	301,098	100,132	--	--	--	--	552,960
	2011	294,346	180,558	60,513	14,128	--	--	--	549,545
	2010	286,944	168,296	56,300	279,558	--	--	--	791,098

- (1) Share-based awards have been valued using a stock price of \$9.38 in 2012 (except grants to Messrs. Salabi and Boies in November 2012 which were based on a stock price \$9.59 and \$11.33 respectively), \$14.33 in 2011 (except for share-based awards granted to Messrs. Salabi and Boies, which have been valued using a stock price of \$9.97 and \$14.96, respectively) and \$15.44 in 2010. See Schedule "D" to this Circular for more details on PSUs.
- (2) Options were issued pursuant to the 2002 Plan. See Schedule "D" to this Circular for more details on the 2002 Plan. Option-based awards have been valued using the BSM model, an established options valuation methodology using stock price on grant date, exercise price as per the plan's rules, option term, historical stock price volatility, dividend yield and risk-free rate as key assumptions, resulting in a value of \$2.86 for option-based awards granted in 2012 (except grants to Messrs. Salabi and Boies in November 2012 which resulted in a value of \$3.62 and \$3.38 respectively), \$5.60 for option-based awards granted in 2011 (except for option-based awards granted to Mr. Boies, which result in a value of \$3.21), and \$5.31 for option-based awards granted in 2010.
- (3) For the former President and CEO, pension value includes service costs net of voluntary employee contributions and differences between actual and estimated earnings. Please refer to pages 45 and 46 of this Circular for a detailed explanation.
- (4) Perquisites are not in excess of \$50,000 or 10% of the total base salary paid to each of the NEOs for the years indicated and thus are not reported. Except for Messrs. Dutton and Storfer, this column includes the value of additional RSUs and PSUs in respect of notional dividends on the RSUs and PSUs, assuming payout at 100% and using year end closing prices of the Common Shares on the TSX of \$10.45 for 2012 and \$9.72 for 2011.
- (5) Since November 9, 2012 and until Mr. Sawyer's appointment as President and Chief Executive Officer effective in April, 2013, Mr. Dominique Boies, Executive Vice President and Chief Financial Officer, assumes the role of Chief Executive Officer of the Corporation on an interim basis.
- (6) Mr. Salabi was appointed as Executive Vice President, Marketing and Customer Innovations on June 30, 2012.
- (7) Mr. Rodier was appointed as Executive Vice President, Retail on December 5, 2011.
- (8) Mr. Dumont was appointed as Vice President, Sustainable Development of the Corporation on September 1, 2012. Prior to that, he was Executive Vice President, Merchandising of the Corporation.
- (9) In 2012, Mr. Dumont's payout was prorated to take into consideration the two positions which he occupied in 2012. As Vice President, Sustainable development, his target bonus was equal to 30% of his base salary, of which 50% was based on corporate objectives (40% EBT and 10% ROC – there was no payout under the corporate objectives), 40% on a sector objective (develop guidelines in order to meet the Corporation's sustainable development objectives – fully met) and 10% on an individual objective (create the appropriate positioning for his new role of Vice President, Sustainable Development – fully met). As Executive Vice President, his target bonus was equal to 45% of his base salary, of which 60% was based on corporate objectives (45% EBT and 15% ROC – there was no payout under the corporate objectives), 30% on sector objectives (reach sales target, achieve customer satisfaction target and achieve margin target – met at 37%) and 10% on an individual objective (facilitate the transition over to the new Executive Vice President – fully met).
- (10) Mr. Dutton stepped down as President and CEO and as a director of the Corporation on November 8, 2012.
- (11) The Corporation retained the services of Mr. Dutton as a consultant to assist with the transition for a three-month period from November 8, 2012 to February 8, 2013 at a rate of \$75,000 per month. Please refer to page 49 for more details with regards to Mr. Dutton's termination agreement.
- (12) Mr. Storfer left the Corporation on June 20, 2012 and was not entitled to any form of termination benefits upon his departure.

Outstanding Awards

The following table shows all awards outstanding to each Named Executive Officer as at December 30, 2012.

Name	Date of Grant	Option-Based Awards				Share-Based Awards	
		Number of Securities Underlying Unexercised Options	Option Exercise Price	Option Expiration Date	Value of Unexercised In-The-Money Options ⁽¹⁾	Number of Share Units that have not Vested	Market or Payout Value of Share-Based Awards that have not Vested ⁽²⁾
Dominique Boies Executive Vice President and Chief Financial Officer and acting Chief Executive Officer ⁽³⁾	Nov 20, 2012	128,435	11.33	Nov 2022	0	35,481	370,776
	Mar 05, 2012	37,200	9.38	Mar 2022	39,804	34,578	241,070
	Sep 21, 2011	60,000	9.97	Sep 2021	<u>28,800</u>	20,423	<u>213,419</u>
					68,604		825,265
Karim Salabi Executive Vice President, Marketing and Customer Innovations	Nov 19, 2012	25,000	11.15	Nov 2022	0	-	-
	Mar 05, 2012	10,100	9.38	Mar 2022	10,807	9,430	65,698
	Jan 03, 2012	-	-	Jan 2022	-	2,535	26,491
	Mar 07, 2011	8,100	14.33	Mar 2021	0	9,748	50,934
	Feb 22, 2011	-	-	Feb 2021	-	2,565	<u>26,808</u>
				10,807		169,931	
Luc Rodier Executive Vice President, Retail	Mar 05, 2012	51,300	9.38	Mar 2022	54,891	24,336	169,544
	Mar 07, 2011	7,200	14.33	Mar 2021	0	8,619	45,037
	Mar 09, 2010	5,100	15.44	Mar 2020	0	5,438	28,416
	Mar 11, 2009	5,500	10.62	Mar 2019	<u>0</u>	-	-
				54,891		242,997	
Christian Proulx Senior Vice President, People and Culture and Social Responsibility	Mar 05, 2012	17,700	9.38	Mar 2022	18,939	16,427	114,442
	Mar 07, 2011	10,600	14.33	Mar 2021	0	12,827	67,019
	Mar 09, 2010	10,600	15.44	Mar 2020	0	11,185	58,441
	Mar 11, 2009	13,100	10.62	Mar 2019	0	-	-
	Feb 29, 2008	6,300	14.18	Feb 2018	<u>0</u>	-	-
				18,939		239,902	
Normand Dumont Vice President, Sustainable Development ⁽⁴⁾	Mar 05, 2012	19,100	9.38	Mar 2022	20,437	17,847	124,509
	Mar 07, 2011	15,000	14.33	Mar 2021	0	18,060	94,363
	Mar 09, 2010	19,900	15.44	Mar 2020	0	21,138	110,447
	Mar 11, 2009	22,900	10.62	Mar 2019	0	-	-
	Feb 29, 2008	9,700	14.18	Feb 2018	0	-	-
	Mar 08, 2007	10,000	23.58	Mar 2017	0	-	-
	Feb 24, 2006	0	21.21	Feb 2016	0	-	-
	Dec 22, 2004	5,000	20.27	Dec 2014	0	-	-
	Dec 16, 2003	18,400	14.29	Dec 2013	0	-	-
	Jan 24, 2002	0	3.47	Jan 2012	<u>0</u>	-	-
					20,437		329,319
	Robert Dutton Former President and CEO ⁽⁵⁾	Mar 05, 2012	98,400	9.38	Mar 2022	105,288	-
Mar 07, 2011		50,300	14.33	Mar 2021	0	-	-
Mar 09, 2010		103,000	15.44	Mar 2020	0	-	-
Mar 11, 2009		146,600	10.62	Mar 2019	0	-	-
Feb 29, 2008		65,400	14.18	Feb 2018	0	-	-
Mar 08, 2007		54,200	23.58	Mar 2017	0	-	-
Feb 24, 2006		0	21.21	Feb 2016	0	-	-
Dec 22, 2004		50,000	20.27	Dec 2014	0	-	-
Dec 16, 2003		240,000	14.29	Dec 2013	0	-	-
Jan 24, 2002		0	3.47	Jan 2012	<u>0</u>	-	-
				105,288		0	
Michael Storfer Former Vice President, Commercial and Professional Market and President of Noble ⁽⁶⁾	Mar 05, 2012	0	9.38	Mar 2022	0	-	-
	Mar 07, 2011	0	14.33	Mar 2021	0	-	-
	Mar 09, 2010	0	15.44	Mar 2020	0	-	-
	Mar 11, 2009	0	10.62	Mar 2019	0	-	-
	Feb 29, 2008	0	14.18	Feb 2018	<u>0</u>	-	-
				0		0	

- (1) "Value of the unexercised in-the-money options" at financial year-end is calculated based on the difference between the closing price of the Common Shares on the TSX on December 30, 2012 (\$10.45) and the exercise price of the options, multiplied by the number of unexercised options.
- (2) The value of share unit awards at financial year-end is determined by multiplying the number of units held as of December 30, 2012, by the closing price of the Common Shares on the TSX on December 30, 2012 (\$10.45) and assuming that performance measures will be met at 50% (please refer to page 45 for more details on the vesting matrix of PSUs).
- (3) Since November 9, 2012 and until Mr. Sawyer's appointment as President and Chief Executive Officer effective in April, 2013, Mr. Dominique Boies, Executive Vice President and Chief Financial Officer, assumes the role of Chief Executive Officer of the Corporation on an interim basis.
- (4) Mr. Dumont was appointed as Vice President, Sustainable Development of the Corporation on September 1, 2012. Prior to that, he was Executive Vice President, Merchandising of the Corporation.
- (5) Mr. Dutton stepped down as President and CEO and as a director of the Corporation on November 8, 2012 and had until March 20, 2013 to exercise his outstanding options. All his share unit awards were forfeited upon his departure.
- (6) Mr. Storfer left the Corporation on June 20, 2012. He had 30 days following this date to exercise his vested options, following which they expired. All share unit awards and unvested options were forfeited upon his departure.

There are no vested share-based awards that have not yet been paid out or distributed.

The following table describes the value of awards vested or earned during the financial year ending on December 30, 2012.

**Incentive Plan Awards –
Value Vested or Earned During the Year**

Name	Option-Based Awards - Value Vested During the Year ⁽¹⁾	Option-Based Awards - Gains Realized Upon Exercise During the Year ⁽²⁾	Share-Based Awards - Value Vested During the Year ⁽³⁾	Non-Equity Incentive Plan Compensation - Value Earned During the Year ⁽⁴⁾
	(\$)	(\$)	(\$)	(\$)
Dominique Boies Executive Vice President and Chief Financial Officer and acting Chief Executive Officer ⁽⁵⁾	-	-	-	57,740
Karim Salabi Executive Vice President, Marketing and Customer Innovations	-	-	-	24,161
Luc Rodier Executive Vice President, Retail	-	-	14,594	28,485
Christian Proulx Senior Vice President, People and Culture and Social Responsibility	-	-	34,581	24,349
Normand Dumont Vice President, Sustainable Development ⁽⁶⁾	-	-	60,596	38,725
Robert Dutton Former President and CEO ⁽⁷⁾	-(8)	5,692,800	386,099	-
Michael Storfer Former Vice President, Commercial and Professional Market and President of Noble ⁽⁹⁾	-	-	36,167	-

(1) The amount represents the aggregate dollar value that would have been realized if the options had been exercised on the vesting date, based on the difference between the closing price of the Common Shares on the TSX and the exercise price on such vesting date.

(2) The amount represents the aggregate dollar value realized upon exercise, based on the difference between the closing price of the Common Shares on the TSX on the exercise date and the exercise price.

(3) The amount represents the aggregate dollar value realized upon vesting of the PSUs granted in 2009.

(4) Annual incentive plan payouts.

(5) Since November 9, 2012 and until Mr. Sawyer's appointment as President and Chief Executive Officer effective in April, 2013, Mr. Dominique Boies, Executive Vice President and Chief Financial Officer, assumes the role of Chief Executive Officer of the Corporation on an interim basis.

(6) Mr. Dumont was appointed as Vice President, Sustainable Development of the Corporation on September 1, 2012. Prior to that, he was Executive Vice President, Merchandising of the Corporation.

(7) Mr. Dutton stepped down as President and CEO and as a director of the Corporation on November 8, 2012.

(8) All options held by Mr. Dutton vested when he stepped down as President and CEO and as a director of the Corporation on November 8, 2012, as part of his severance package, and were exercisable until March 20, 2013.

(9) Mr. Storfer left the Corporation on June 20, 2012.

Securities Authorized for Issuance Under Equity Compensation Plans

The table below provides, as at December 30, 2012, additional information with respect to the Corporation's long-term incentive plans.

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights	Weighted-average exercise price of outstanding options, warrants and rights (\$)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in the first column)
Equity compensation plans approved by security holders	1,993,210	13.19	4,419,740
Equity compensation plans not approved by security holders	-	-	-
Total	1,993,210	13.19	4,419,740

Appointment of Auditors

Raymond Chabot Grant Thornton, Chartered Accountants ("Raymond Chabot"), are the auditors of the Corporation.

The Corporation paid \$1,110,000 as audit fees⁽¹⁾ to Raymond Chabot, during the financial year ended December 30, 2012. During the same year, the Corporation also paid to Raymond Chabot, the amounts of \$5,000 in audit-related fees⁽²⁾, \$0 in tax fees⁽³⁾ and \$7,000 in other fees⁽⁴⁾.

For the year ended December 25, 2011, the Corporation paid to Raymond Chabot \$1,181,000 in audit fees⁽¹⁾, \$143,000 in audit-related fees⁽²⁾, \$0 in tax fees⁽³⁾ and \$100,000 in other fees⁽⁴⁾.

(1) *Audit fees. These fees include the fees and disbursements for audit services and for the review of the interim financial statements.*

(2) *Audit-related fees. These fees include the fees and disbursements for services reasonably related to the performance of the audit or review of the Corporation's financial statements that are not reported under "Audit Fees".*

(3) *Tax fees. These fees include the fees and disbursements for services related to tax compliance, tax advice, and tax planning.*

(4) *Other fees. These fees include fees and disbursements for services other than those described under "Audit Fees", "Audit-related Fees" and "Tax Fees", and relate mainly to due diligence mandates.*

The Board of Directors recommends that shareholders of the Corporation reappoint Raymond Chabot as auditors of the Corporation. Except where authorization to vote with respect to the appointment of auditors is withheld, the persons named in the enclosed form of proxy or voting instruction form intend to vote FOR the reappointment of Raymond Chabot, as auditors of the Corporation, to hold office until the close of the next annual meeting of shareholders at such compensation as may be fixed by the directors.

Nonbinding Advisory Vote on Executive Compensation

RONA values feedback from shareholders on matters including executive compensation. To solicit shareholder input on executive pay issues, the Board decided during its December 2012 meeting, to submit the Corporation's executive pay approach to a shareholder advisory vote (a so-called Say on Pay). The Board recommends shareholders vote to approve RONA's approach to executive compensation, which is to maximize the overall performance of the Corporation through the appropriate individual performance of its executives. The goals of the pay program are to attract, retain and motivate executives to increase business performance and enhance shareholder value which supports the pay-for-performance commitment of RONA.

As discussed in the CD&A beginning on page 27, RONA's executive compensation program focuses on total compensation: base salary, short- and long-term incentives, pension and other benefits. The Corporation's executive compensation policy is to provide total compensation that is generally competitive with the median of its compensation peer group, considering additional Corporation-specific goals such as the achievement of financial and operational objectives, and the specific roles and responsibilities of different executive positions. Total compensation plans are structured to provide pay that is above market median when results exceed the Corporation's business objectives and below market median when results are below target.

In light of the Board's decision to implement a nonbinding shareholder vote on executive compensation in respect of the year 2012, shareholders will be asked at the Meeting to consider the following resolution:

“Resolved, on an advisory basis and not to diminish the role and responsibilities of the board of directors of RONA inc., that the shareholders accept the approach to executive compensation disclosed in RONA inc.’s management information circular delivered in advance of the 2013 annual meeting of shareholders of RONA inc.”.

As this is an advisory resolution, the results of the vote on the resolution will not be binding on the Board of Directors. However, the Board of Directors will consider these results, along with any comments it receives through shareholder engagement, when determining its approach to compensation for subsequent financial years.

The results of the vote will be included as part of the report on voting results to be posted on SEDAR at www.sedar.com, following the Meeting.

The Board of Directors recommends that shareholders of the Corporation vote IN FAVOUR of the adoption of this non-binding advisory resolution on RONA's approach to executive compensation. Unless otherwise instructed, the persons named in the enclosed form of proxy or voting instruction form intend to vote FOR the non-binding advisory resolution on RONA's approach to executive compensation.

General Business Information

Indebtedness

As at March 20, 2013, there is no indebtedness outstanding to the Corporation or any of its subsidiaries of any executive officers, directors, employees and former executive officers, directors and employees of the Corporation or any of its subsidiaries.

Statement of Corporate Governance Practices

The Board of Directors is of the view that maintaining effective corporate governance practices is an important factor which contributes to the general success of the Corporation. The Corporation complies with the applicable Canadian legislation and regulations such as National Instrument 58-101 (the “**Corporate Governance Disclosure Instrument**”), National Instrument 52-110 (the “**CSA Audit Committee Rules**”) and National Policy 58-201 of the Canadian Securities Administrators (collectively the “**Canadian Corporate Governance Standards**”). The Corporation’s disclosure addressing each of the guidelines set forth in the Corporate Governance Disclosure Instrument is set out in Schedule “B” to this Circular.

Interest of Management and Others in Material Transactions

To the Corporation’s knowledge, except as otherwise specified below or elsewhere in this Circular, no material transactions involving the Corporation or any of its subsidiaries have been entered into since the beginning of the last financial year of the Corporation, or are proposed to be entered into, in which any director, proposed director or member of management of the Corporation, or any subsidiary, insider, nominee or person or company that beneficially owns, controls or directs, directly or indirectly, over 10% of the voting shares of the Corporation, or any of their associates or affiliates has had or expects to have a material interest.

VC & Co. Incorporated (“**VC&Co.**”), which is controlled by our newly appointed director and candidate for election to the Board of Directors, Mr. G. Wesley Voorheis, has in place an agreement with Invesco which exercises control or direction over 12,349,473 Common Shares as manager or portfolio advisor of certain funds and managed accounts, which provides for the payment to VC&Co. of a sum of \$3,000,000 together with disbursements and applicable taxes, as consideration for services rendered by VC&Co. and for the reimbursement of legal fees incurred by VC&Co. Half of this aggregate amount of approximately \$3,666,000 (including applicable taxes) has been paid to VC&Co. in February 2013 and the balance will be paid by Invesco as soon as practicable following the sale by Invesco from time to time of the Common Shares owned or controlled by Invesco.

Additional Information

The Corporation is a reporting issuer under the securities laws of all provinces of Canada and is required to file various documents, including an annual information form, financial statements and management’s discussion and analysis of results of operations and financial position (**MD&A**) with the securities commissions in such provinces. Financial information is provided in the Corporation’s comparative financial statements and MD&A for its most recently completed financial year. Copies of these documents and additional information relating to the Corporation are available to the public free of charge on SEDAR at www.sedar.com, or may be obtained on request by mail addressed to the

Corporate Secretary and Chief Legal Officer of the Corporation at 220 chemin du Tremblay, Boucherville, Quebec J4B 8H7, by phone at (514) 599-5900, or by e-mail at france.charlebois@rona.ca. The Corporation may require the payment of a reasonable charge when the request is made by a person other than a holder of securities of the Corporation.

Shareholder Proposals for 2014 Annual Meeting

Proposals for any matters that persons entitled to vote at the next annual shareholders' meeting propose to raise at the said meeting must be received by the Corporation at the latest on December 20, 2013.

Approval of Circular

The contents and sending of this Circular have been approved by the Board of Directors of the Corporation.

Boucherville, Quebec, March 20, 2013.

By order of the Board of Directors,

(signed)

France Charlebois
Corporate Secretary and Chief Legal Officer

Schedule "A"

Record of Attendance by Directors For the 12-month period ended December 30, 2012

Director	Number and % of meetings attended									Overall Attendance
	Board	Audit Committee	Human Resources and Compensation Committee	Nominating and Governance Committee	Development Committee ⁽¹⁾	Operational Committee (ad hoc)	Special Committee (ad hoc)	Selection and New CEO Committee (ad hoc)	Committees (total)	
Suzanne Blanchet	15/16 (94%)	-	5/6 (83%)	-	-	-	-	-	5/6 (83%)	20/22 (91%)
Réal Brunet	16/16 (100%)	5/5 (100%)	-	-	-	-	-	-	5/5 (100%)	21/21 (100%)
Louise Caya ⁽²⁾	16/16 (100%)	-	-	-	-	-	-	-	-	16/16 (100%)
Robert Dutton ⁽³⁾	12/12 (100%)	-	-	-	-	-	26/26 (100%)	-	26/26 (100%)	38/38 (100%)
Richard Fortin	15/16 (94%)	5/5 (100%)	5/6 (83%)	-	-	1/2 (50%)	26/30 (87%)	-	37/43 (86%)	52/59 (88%)
Jean Gaulin ⁽⁴⁾	4/4 (100%)	-	-	1/1 (100%)	-	-	-	-	1/1 (100%)	5/5 (100%)
Jean-Guy Hébert	16/16 (100%)	-	-	-	-	2/2 (100%)	-	-	2/2 (100%)	18/18 (100%)
Alain Michel ⁽⁵⁾	16/16 (100%)	5/5 (100%)	-	4/4 (100%)	-	-	26/30 (87%)	-	35/39 (90%)	51/55 (93%)
Geoff Molson ⁽⁶⁾	11/12 (92%)	-	-	3/3 (100%)	-	-	-	4/9 (44%)	7/12 (58%)	18/24 (71%)
Patrick Palerme ⁽⁷⁾	16/16 (100%)	-	-	4/4 (100%)	-	-	30/30 (100%)	-	34/34 (100%)	50/50 (100%)
James Pantelidis	15/16 (94%)	-	6/6 (100%)	-	-	2/2 (100%)	2/2 (100%)	9/9 (100%)	19/19 (100%)	34/35 (97%)
Robert Paré ⁽⁸⁾	16/16 (100%)	-	6/6 (100%)	4/4 (100%)	-	-	30/30 (100%)	-	40/40 (100%)	56/56 (100%)
Jocelyn Tremblay ⁽⁹⁾	4/4 (100%)	-	-	1/1 (100%)	-	-	-	-	1/1 (100%)	5/5 (100%)
Jean-Roch Vachon ⁽¹⁰⁾	15/16 (94%)	5/5 (100%)	-	-	-	2/2 (100%)	-	6/9 (67%)	13/16 (81%)	28/32 (88%)

(1) The Development Committee was abolished on January 20, 2013.

(2) Mrs. Caya will not seek re-election as director at the Meeting.

(3) Mr. Dutton stepped down as President and CEO and as a director of the Corporation on November 8, 2012. He attended all Board committee meetings (except in camera meetings) held between December 26, 2011 and November 8, 2012.

(4) Mr. Gaulin acted as director and Chairman of the Board until May 9, 2012.

(5) Mr. Michel resigned from the Board effective on January 20, 2013.

(6) Mr. Molson was elected as director and is a member of the Nominating and Governance Committee since May 9, 2012. Mr. Molson will not seek re-election as director at the Meeting.

(7) Mr. Palerme resigned from the Board effective January 20, 2013.

(8) For the 12-month period ended December 30, 2012, the then current Chairman of the Board was authorized to attend all of the Board's standing committee meetings but did not receive attendance fees for his presence at such meetings. From May 9, 2012 until December 30, 2012, Mr. Paré attended all Board committee meetings (except in camera meetings of the Audit Committee and Human Resources and Compensation Committee but including, for greater certainty, in camera meetings of the Nominating and Governance Committee, of which he is the Chair).

(9) Mr. Tremblay acted as director until May 9, 2012.

(10) Mr. Vachon will not seek re-election as director at the Meeting.

Board and Board Committee Meetings	Number of meetings held
Board (7 regular, each of which were followed by in camera meetings; 9 special, 3 of which were followed by in camera meetings)	16
Audit Committee (5 regular; 0 special) (each of which were followed by in camera meetings)	5
Human Resources and Compensation Committee (4 regular; 2 special) (each of which were followed by in camera meetings)	6
Nominating and Governance Committee (3 regular, each of which were followed by in camera meetings; 1 special)	4
Development Committee (0 regular; 0 special)	0
Special Committee (0 regular; 30 special)	30
Selection and New CEO Committee (0 regular; 9 special)	9
Operational Committee (0 regular; 2 special)	2

Schedule "B"

Statement of Corporate Governance Practices

CORPORATE GOVERNANCE GUIDELINES	CORPORATE GOVERNANCE PRACTICES AT THE CORPORATION																																																											
1. BOARD OF DIRECTORS																																																												
(A) Disclose the identity of directors who are independent.	<p>Independence – of the current fourteen (14) members of the Board, twelve (12) directors are “independent” within the meaning of the Corporate Governance Disclosure Instrument. They are Messrs. Réal Brunet, Robert Chevrier, Bernard Dorval, Guy G. Dufresne, Richard Fortin, Barry Gilbertson, Geoff Molson, James Pantelidis, Robert Paré, Jean-Roch Vachon, Wesley Voorheis and Ms. Suzanne Blanchet. Eleven (11) of the fourteen (14) Board nominees proposed in the Circular are independent, Mr. Robert Sawyer being the President and Chief Executive Officer effective in April 2013.</p>																																																											
(B) Disclose the identity of directors who are not independent, and describe the basis for that determination.	<p>Two (2) directors of the Corporation do not qualify as “independent” within the meaning of the Corporate Governance Disclosure Instrument. They are Mrs. Louise Caya and Mr. Jean-Guy Hébert.</p>																																																											
	<table border="1"> <thead> <tr> <th colspan="3" data-bbox="987 1083 1360 1108">Independence Status of Current Directors</th> <th data-bbox="1365 1108 1503 1171" rowspan="2">Reason for Non-Independent Status</th> </tr> <tr> <th data-bbox="997 1150 1101 1171">Management</th> <th data-bbox="1117 1150 1214 1171">Independent</th> <th data-bbox="1230 1129 1344 1171">Not Independent</th> </tr> </thead> <tbody> <tr> <td data-bbox="846 1192 984 1220">Suzanne Blanchet</td> <td data-bbox="1159 1192 1175 1213">√</td> <td></td> <td data-bbox="1373 1234 1487 1276" rowspan="3">Mrs. Caya is a dealer-owner</td> </tr> <tr> <td data-bbox="846 1220 938 1241">Réal Brunet</td> <td data-bbox="1159 1220 1175 1241">√</td> <td></td> </tr> <tr> <td data-bbox="846 1241 943 1262">Louise Caya</td> <td></td> <td data-bbox="1279 1241 1295 1262">√</td> </tr> <tr> <td data-bbox="846 1283 971 1304">Robert Chevrier</td> <td data-bbox="1159 1283 1175 1304">√</td> <td></td> <td data-bbox="1373 1388 1487 1430" rowspan="3">Mr. Hébert is a dealer-owner</td> </tr> <tr> <td data-bbox="846 1304 964 1325">Bernard Dorval</td> <td data-bbox="1159 1304 1175 1325">√</td> <td></td> </tr> <tr> <td data-bbox="846 1325 976 1346">Guy G. Dufresne</td> <td data-bbox="1159 1325 1175 1346">√</td> <td></td> </tr> <tr> <td data-bbox="846 1346 971 1367">Richard Fortin</td> <td data-bbox="1159 1346 1175 1367">√</td> <td></td> <td></td> </tr> <tr> <td data-bbox="846 1367 976 1388">Barry Gilbertson</td> <td data-bbox="1159 1367 1175 1388">√</td> <td></td> <td></td> </tr> <tr> <td data-bbox="846 1388 976 1409">Jean-Guy Hébert</td> <td></td> <td data-bbox="1279 1388 1295 1409">√</td> <td></td> </tr> <tr> <td data-bbox="846 1430 959 1451">Geoff Molson</td> <td data-bbox="1159 1430 1175 1451">√</td> <td></td> <td></td> </tr> <tr> <td data-bbox="846 1451 976 1472">James Pantelidis</td> <td data-bbox="1159 1451 1175 1472">√</td> <td></td> <td></td> </tr> <tr> <td data-bbox="846 1472 938 1493">Robert Paré</td> <td data-bbox="1159 1472 1175 1493">√</td> <td></td> <td></td> </tr> <tr> <td data-bbox="846 1493 987 1514">Jean-Roch Vachon</td> <td data-bbox="1159 1493 1175 1514">√</td> <td></td> <td></td> </tr> <tr> <td data-bbox="846 1514 976 1535">Wesley Voorheis</td> <td data-bbox="1159 1514 1175 1535">√</td> <td></td> <td></td> </tr> </tbody> </table>	Independence Status of Current Directors			Reason for Non-Independent Status	Management	Independent	Not Independent	Suzanne Blanchet	√		Mrs. Caya is a dealer-owner	Réal Brunet	√		Louise Caya		√	Robert Chevrier	√		Mr. Hébert is a dealer-owner	Bernard Dorval	√		Guy G. Dufresne	√		Richard Fortin	√			Barry Gilbertson	√			Jean-Guy Hébert		√		Geoff Molson	√			James Pantelidis	√			Robert Paré	√			Jean-Roch Vachon	√			Wesley Voorheis	√		
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(C) Disclose whether or not a majority of directors are independent. If a majority of directors are not independent, describe what the Board of Directors does to facilitate its exercise of independent judgment in carrying out its responsibilities.	<p>Majority of independent directors – twelve (12) of our fourteen (14) current directors are independent. Eleven (11) of the fourteen (14) Board nominees proposed in the Circular are independent, Mr. Robert Sawyer being the President and Chief Executive Officer effective in April 2013.</p>																																																											

CORPORATE GOVERNANCE GUIDELINES	CORPORATE GOVERNANCE PRACTICES AT THE CORPORATION
<p>(D) If a director is presently a director of any other issuer that is a reporting issuer (or the equivalent) in a jurisdiction or a foreign jurisdiction, identify both the director and the other issuer.</p>	<p>Outside directorships – the directorships of all director nominees are described on pages 9 to 15 of this Circular. Regarding Board interlocks, Messrs. Voorheis and Gilbertson both serve on the board of directors of Granite Real Estate Inc.</p>
<p>(E) Disclose whether or not the independent directors hold regularly scheduled meetings at which non-independent directors and members of management are not in attendance. If the independent directors hold such meetings, disclose the number of meetings held since the beginning of the issuer’s most recently completed financial year. If the independent directors do not hold such meetings, describe what the Board does to facilitate open and candid discussion among its independent directors.</p>	<p>In camera sessions – meetings of directors without the presence of non-independent directors and management have taken place after each of the regular in-person meetings and special in-person meetings of the Board of Directors (including after each such meeting where compensation questions were discussed). Such meetings are chaired by Mr. Robert Chevrier, the independent Executive Chairman of the Board.</p> <p>The respective independent members of the Audit Committee, Human Resources and Compensation Committee, Development Committee (until it was abolished on January 20, 2013) and Nominating and Governance Committee, also generally meet at each regularly-scheduled committee meeting without management present. See Schedule “A” for disclosure on such meetings.</p>
<p>(F) Disclose whether or not the Chair of the Board is an independent director. If the board has a chair or lead director who is an independent director, disclose the identity of the independent chair or lead director, and describe his or her role and responsibilities. If the Board has neither a chair that is independent nor a lead director that is independent, describe what the Board does to provide leadership for its independent directors.</p>	<p>Independent Executive Chairman of the Board – Mr. Robert Chevrier is the Executive Chairman of the Board of the Corporation. He is independent within the meaning of the Corporate Governance Disclosure Instrument. The mandate of the Executive Chairman of the Board states that, in addition to the responsibilities and expectations of a chairman according to applicable law, his responsibilities include, among others, to ensure that the members of the Board work as a team, efficiently and productively, ensure that the Board of Directors has the necessary administrative support to perform its work, ensure that the directors obtain appropriate information to perform their duties, oversee the Board of Directors’ performance of its mandate, and participate in the Corporation’s strategic development. The Executive Chairman of the Board chairs all Board meetings and regular meetings of the independent directors and can attend meetings of committees of the Board if he deems it appropriate (and make his comments and advice known to the members of such committees as required). He takes reasonable measures to ensure that the meetings of the Board are conducted efficiently and productively and that appropriate time is allowed for the review and consideration of every item on the agenda. The mandate of the Executive Chairman of the Board also states that he shall act as an advisor to the President and CEO and to the other executive officers of the Corporation on any matter relating to the management or interests of the Corporation, and shall foster good relations between the Board of Directors and the Corporation’s executive officers and, jointly with the President and CEO, between the Corporation and its key partners, including investors, shareholders, the industry as a whole and the community.</p>
<p>(G) Disclose the attendance record of each director for all Board meetings held since the beginning of the issuer’s most recently completed financial year.</p>	<p>Record of attendance – the record of attendance of directors to Board and Committee meetings is set forth as Schedule “A” of this Circular.</p> <p>More information about each director can be found on pages 9 to 15 of this Circular.</p>

CORPORATE GOVERNANCE GUIDELINES	CORPORATE GOVERNANCE PRACTICES AT THE CORPORATION
<p>2. Board mandate – disclose the text of the Board’s written mandate. If the Board does not have a written mandate, describe how the Board delineates its role and responsibilities.</p>	<p>The Board has adopted a formal Board charter, which is attached hereto as Schedule “C”.</p> <p>The mandate of the Board states that the Board is responsible for the supervision of the management of the Corporation’s business and affairs, with the objective of maximizing long-term corporate value.</p>
<p>3. POSITION DESCRIPTIONS</p>	
<p>(A) Disclose whether or not the Board has developed written position descriptions for the chair and the chair of each Board Committee. If the Board has not developed written position descriptions for the chair and/or the chair of each board committee, briefly describe how the board delineates the role and responsibilities of each such position.</p>	<p>Mandate of the Executive Chairman of the Board – the Board has adopted formal mandates for the Executive Chairman of the Board, Chairman of the Board (if any), Vice Chairman of the Board (if any) and Board Committee chairs. The mandate of the Executive Chairman of the Board is described above under “Independent Executive Chairman of the Board”.</p> <p>Mandate of Committee Chairs – the mandate of Committee Chairs provides that each Committee Chair takes reasonable measures to ensure that the Committee carries out its duties effectively and fully discharges its mandate. The responsibilities of the Committee Chairs include taking reasonable measures to ensure that the Committee’s work runs smoothly, providing essential leadership to that effect and ensuring that Committee members receive all the necessary information to perform their role fully.</p>
<p>(B) Disclose whether or not the Board and President and CEO have developed a written position description for the President and CEO. If the Board and President and CEO have not developed such a position description, briefly describe how the Board delineates the role and responsibilities of the President and CEO.</p>	<p>Mandate of the President and CEO – the Board has adopted a formal mandate for the President and CEO.</p> <p>The President and CEO is responsible for the management of the Corporation’s strategic and operational plan and for the execution of the resolutions and policies of the Board.</p> <p>The Human Resources and Compensation Committee, together with the President and CEO, develops each year objectives that the President and CEO is responsible for meeting. The Human Resources and Compensation Committee evaluates the President and CEO’s performance in light of such objectives and any other criterion deemed relevant and recommends the President and CEO’s compensation based on this evaluation.</p>
<p>4. ORIENTATION AND CONTINUING EDUCATION</p>	
<p>(A) Briefly describe what measures the Board takes to orient new directors regarding</p> <ol style="list-style-type: none"> i. The role of the Board, its Committees and its directors; and ii. The nature and operation of the issuer’s business. 	<p>Orientation program – the Nominating and Governance Committee is responsible for implementing an orientation and continuing education policy for directors.</p> <p>New directors are provided with an extensive information package on the Corporation’s business, its strategic and operational business plans, its operating performance, its governance system and its financial position. Also, new directors are invited to meet individually with the Executive Chairman of the Board, the President and CEO and other senior executives, if necessary, to discuss these matters.</p> <p>The Board ensures that prospective candidates fully understand the role</p>

CORPORATE GOVERNANCE GUIDELINES	CORPORATE GOVERNANCE PRACTICES AT THE CORPORATION
	of the Board and its Committees and the contribution that individual directors are expected to make, including, in particular, the personal commitment that the Corporation expects of its directors.
<p>(B) Briefly describe what measures, if any, the Board takes to provide continuing education for its directors. If the Board does not provide continuing education, describe how the Board ensures that its directors maintain the skill and knowledge necessary to meet their obligations as directors.</p>	<p>Continuing education – the Nominating and Governance Committee monitors and reviews the Corporation’s continuing education programs for directors. Senior management makes regular presentations to the Board on the main areas and specialized aspects of the Corporation’s business.</p> <p>Ongoing site visits by the directors of the Corporation’s facilities and operations is also used as an efficient educational tool for the directors.</p> <p>In addition, a monthly newsletter is sent to all directors in order to ensure that they are up to date at all times on the latest trends and developments in the industry in which the Corporation operates.</p>
<p>5. ETHICAL BUSINESS CONDUCT</p>	
<p>(A) Disclose whether or not the Board has adopted a written code for the directors, officers and employees. If the Board has adopted a written code:</p>	<p>Code of ethics – the Corporation adopted a new code of conduct on February 23, 2011 (the “Code of Conduct”).</p>
<p>i. Disclose how a person or company may obtain a copy of the Code;</p>	<p>The Code of Conduct is accessible on the Corporation’s web site at www.rona.ca and on the SEDAR web site at www.sedar.com. A paper copy is also available, on request, from the Corporate Secretary and Chief Legal Officer of the Corporation.</p>
<p>ii. Describe how the Board monitors compliance with its Code, or if the Board does not monitor compliance, explain whether and how the Board satisfies itself regarding compliance with its Code; and</p>	<p>The Nominating and Governance Committee is responsible for ensuring the implementation of the Code of Conduct within the Corporation. The Code of Conduct is distributed to and signed by each of the Corporation’s employees when he or she is hired. Under the Code, all employees of the Corporation must report any activity which appears to be in breach of the Code of Conduct or laws and regulations in force.</p>
<p>iii. Provide a cross-reference to any material change report filed since the beginning of the issuer’s most recently completed financial year that pertains to any conduct of a director or executive officer that constitutes a departure from the Code.</p>	<p>No such material change report has ever been filed by the Corporation.</p>
<p>(B) Describe any steps the Board takes to ensure directors exercise independent judgment in considering transactions and agreements in respect of which a director or executive officer has a material interest.</p>	<p>Process for dealing with conflicts of interests – in accordance with applicable law, when a conflict of interest arises, a director is requested to disclose his or her interest and abstain from voting on the matter. If considered appropriate, the Executive Chairman of the Board may invite the director to leave the room during any discussion concerning such matter.</p>

CORPORATE GOVERNANCE GUIDELINES	CORPORATE GOVERNANCE PRACTICES AT THE CORPORATION
(C) Describe any other steps the Board takes to encourage and promote a culture of ethical business conduct.	Reporting process – the Board has adopted various corporate policies to encourage and promote a culture of ethical business conduct, including the policy on complaints regarding accounting, internal accounting controls or auditing matters available on the Corporation’s web site at www.rona.ca.
6. NOMINATION OF DIRECTORS	
(A) Describe the process by which the Board identifies new candidates for Board nomination.	<p>General – the Nominating and Governance Committee is responsible for recommending and obtaining the approval of the Board on the competencies, skills and personal qualities required on the Board in order to create added value, taking into account opportunities and risks faced by the Corporation. In doing so, the Committee uses a skill matrix. The Committee identifies, with the Executive Chairman of the Board, candidates qualified to become Board members and recommends that the Board selects director nominees for the next annual meeting of shareholders. It also assesses and reviews annually the performance and effectiveness of the Board, Board Committees, the Board and Committee Chairs and individual directors.</p> <p>The skill matrix described on page 19 of this Circular identifies some of the current skills and other factors considered by the Nominating and Governance Committee, along with identification of each nominee for election to the Board of Directors possessing each skill.</p>
(B) Disclose whether or not the Board has a Nominating Committee composed entirely of independent directors. If the Board does not have a Nominating Committee composed entirely of independent directors, describe what steps the Board takes to encourage an objective nomination process.	Composition of the Nominating and Corporate Governance Committee – the Nominating and Governance Committee is composed exclusively of outside directors, all of whom are “independent” within the meaning of the Corporate Governance Disclosure Instrument.
(C) If the Board has a Nominating Committee, describe the responsibilities, powers and operation of the Nominating Committee.	<p>Responsibilities of the Nominating and Governance Committee – the Board has adopted a formal mandate for the Nominating and Governance Committee.</p> <p>The responsibilities of the Committee are described on pages 25 to 26 of this Circular. The majority of its members constitute a quorum at meetings of the Committee. The Committee reports to the Board periodically on its meetings and its recommendations. In certain circumstances, the Committee may retain independent advisors to assist it in carrying out its duties.</p>

CORPORATE GOVERNANCE GUIDELINES	CORPORATE GOVERNANCE PRACTICES AT THE CORPORATION
7. COMPENSATION	
(A) Describe the process by which the Board determines the compensation for the issuer’s directors and officers.	<p>General – the compensation of the directors and senior managers is determined regularly by the Board based on the reviews and recommendations of its Nominating and Governance Committee and its Human Resources and Compensation Committee, respectively. The Board has determined that such compensation realistically reflects the responsibility and risks undertaken by the Corporation’s directors and senior managers and serves to align the interests of the directors and senior managers with the interests of the shareholders of the Corporation. Please refer to pages 20 to 22 of this Circular for information about the compensation received by directors and pages 27 to 62 for information about the compensation received by named executive officers.</p>
(B) Disclose whether or not the Board has a Compensation Committee composed entirely of independent directors. If the Board does not have a Compensation Committee composed entirely of independent directors, describe what steps the Board takes to ensure an objective process for determining such compensation.	<p>Composition of the Human Resources Committee – the Human Resources and Compensation Committee is composed exclusively of outside directors, all of whom are “independent” within the meaning of the Corporate Governance Disclosure Instrument.</p>
(C) If the Board has a Compensation Committee, describe the responsibilities, powers and operation of the Compensation Committee.	<p>Responsibilities of the Human Resources and Compensation Committee – the Board has adopted a formal mandate for the Human Resources and Compensation Committee.</p> <p>The responsibilities of the Committee are described on pages 24 and 25 of this Circular. The majority of its members constitute a quorum at meetings of the Committee. The Committee reports to the Board periodically on its meetings and its recommendations. As the need arises, the Committee may engage independent advisors to assist it in carrying out its duties, set the fees and other conditions of their engagement and obtain the necessary funds from the Corporation to pay such fees. The Committee or its Chair shall pre-approve all compensation and non-compensation services provided by such independent advisors.</p>
(D) If a compensation consultant or advisor has, at any time since the beginning of the issuer’s most recently completed financial year, been retained to assist in determining compensation for any of the issuer’s directors and officers, disclose the identity of the consultant or advisor and briefly summarize the mandate for which they have been retained. If the consultant or advisor has been retained to perform any other work for the issuer, state that fact and briefly describe the nature of the work.	<p>Compensation Consultant – during financial year 2012 and with respect to 2011, the Committee has retained the services of Mercer to provide advice on the competitiveness and appropriateness of compensation program for the President and CEO and top executive officers, and to conduct a market review of the Corporation’s directors compensation program (please see “Compensation Consultant” on page 50 of this Circular). Mercer has also been mandated to assist the Corporation in continuously improving its disclosure strategy and communication to shareholders on compensation matters. During those periods, Mercer has not been retained to perform any other work for the Corporation.</p>

CORPORATE GOVERNANCE GUIDELINES	CORPORATE GOVERNANCE PRACTICES AT THE CORPORATION
<p>8. Other Board Committees – if the Board has standing committees other than the Audit, Compensation and Nominating Committees identify the committees and describe their function.</p>	<p>The Board of Directors has no standing committee other than the Audit Committee, Human Resources and Compensation Committee and Nominating Committee.</p>
<p>9. Assessments – disclose whether or not the Board, its Committees and individual directors are regularly assessed with respect to their effectiveness and contribution. If assessments are regularly conducted, describe the process used for the assessments. If assessments are not regularly conducted, describe how the Board satisfies itself that the Board, its Committees, and its individual directors are performing effectively.</p>	<p>Assessment process – regularly, the Nominating and Governance Committee of the Board assesses the performance and effectiveness of the Board as a whole, the Board Committees, the Executive Chairman of the Board, Board Committee Chairs and individual directors. Questionnaires are distributed to each director for the purpose of evaluating the Board’s responsibilities and functions and the performance of the Board’s Committees. The results of the questionnaires are compiled on a confidential basis to encourage full and frank commentary and are discussed at the next regular meeting of the Nominating and Governance Committee. The Nominating and Governance Committee Chair then presents the Committee’s findings and recommendations to the Board.</p> <p>The Executive Chairman meets regularly with each director to discuss such director’s performance and such director’s assessment of the Board Committees and other directors’ performance.</p>
<p>The CSA Audit Committee Rules state that the Audit Committee must be composed of a minimum of three (3) members, who must be “independent” directors (as defined in those rules).</p>	<p>Composition of the Audit Committee – the Audit Committee consists exclusively of outside directors, who are “independent” as contemplated under the CSA Audit Committee Rules.</p>
<p>The CSA Audit Committee Rules state that each Audit Committee member must be financially literate.</p>	<p>Financial literacy of Audit Committee members – the Board has adopted the following definition of “financial literacy”: “the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Corporation’s financial statements”. All four (4) directors who constitute the Audit Committee are “financially literate” within the meaning of such definition.</p>
<p>The CSA Audit Committee Rules state that the Audit Committee must have a written charter that sets out its mandate and responsibilities.</p>	<p>Responsibilities of the Audit Committee – the mandate of the Audit Committee, attached to the Annual Information Form of the Corporation available on SEDAR, at www.sedar.com, describes explicitly the role and oversight responsibilities of the Committee.</p>
<p>The CSA Audit Committee Rules state that the Audit Committee must recommend to the Board of Directors: (a) the external auditor to be nominated for the purposes of preparing or issuing an auditors’ report or performing other audit, review or attest services for the issuer; and (b) the compensation of the external auditor.</p>	<p>Appointment of external auditors – the mandate of the Audit Committee states that the Committee is responsible for recommending to the Board the appointment or discharge of the external auditors as well as their compensation.</p>

CORPORATE GOVERNANCE GUIDELINES	CORPORATE GOVERNANCE PRACTICES AT THE CORPORATION
<p>The CSA Audit Committee Rules state that the Audit Committee must be directly responsible for overseeing the work of the external auditor engaged for the purpose of preparing or issuing an auditors report or performing other audit, review or attest services for the issuer, including the resolution of disagreements between management and the external auditor regarding financial reporting.</p>	<p>Relations with external auditors – the mandate of the Audit Committee provides that the Committee is directly responsible for overseeing the work of the external auditors and discussing with them the quality and not just the acceptability of the Corporation’s accounting principles, including any written communications between the Corporation’s management and the external auditors and management’s actions following the recommendations of the external auditors. The Committee also oversees the resolution of disagreements between management and the external auditors regarding financial reporting.</p>
<p>The CSA Audit Committee Rules state that the Audit Committee must pre-approve all non-audit services to be provided to the issuer or its subsidiary entities by the issuer’s external auditor.</p>	<p>Pre-approval of non-audit services – the mandate of the Audit Committee states that the Committee has sole authority to pre-approve all non-audit services that management intends to entrust to the external auditors.</p>
<p>The CSA Audit Committee Rules state that the Audit Committee must review the issuer’s financial statements, MD&A and annual and interim earnings press releases before the issuer publicly discloses this information. These Rules also mention that the Audit Committee must be satisfied that adequate procedures are in place for the review of the issuer’s public disclosure of financial information extracted or derived from the issuer’s financial statements, other than the public disclosure referred to in the preceding sentence, and must periodically assess the adequacy of those procedures.</p>	<p>Review of financial information documents – the mandate of the Audit Committee provides that the Committee is responsible for reviewing the annual and interim financial statements of the Corporation as well as external auditors’ report, MD&A and press releases related thereto. The Committee also reviews the procedures in place for the review of financial information extracted or derived from the financial statements and periodically assessing the adequacy of those procedures.</p>
<p>The CSA Audit Committee Rules state that an Audit Committee must establish procedures for: (a) the receipt, retention and treatment of complaints received by the issuer regarding accounting, internal accounting controls, or auditing matters; and (b) the confidential, anonymous submission by employees of the issuer of concerns regarding questionable accounting or auditing matters.</p>	<p>Complaints on accounting or other matters – the mandate of the Audit Committee provides that the Committee must establish procedures for the receipt, retention and treatment of complaints received by the Corporation regarding accounting, internal accounting controls or auditing matters, and the confidential, anonymous submission of concerns by employees of the Corporation regarding accounting or auditing matters. Please refer to the policy on complaints regarding accounting, internal accounting controls or auditing matters available on the Corporation’s web site at www.rona.ca. The Corporation has also adopted a similar policy for its employees.</p>
<p>The CSA Audit Committee Rules state that the Audit Committee must review and approve the issuer’s hiring policies regarding partners, employees and former partners and employees of the present and former external auditor of the issuer.</p>	<p>External auditors hiring policy – the mandate of the Audit Committee provides that the Committee is responsible for reviewing hiring policies regarding partners, employees and former partners and employees of the present and former external auditors.</p>
<p>The CSA Audit Committee rules state that the Audit Committee must have the authority: (a) to engage independent counsel and other advisors as it determines necessary to carry out its duties; (b) to set and pay the compensation for any advisors employed by the Audit Committee; and (c) to communicate directly with the internal and external auditors.</p>	<p>Engagement of independent counsel – according to the mandate of the Audit Committee, the Committee may, as the need arises, engage any outside advisors to assist it in carrying out its duties, set the fees and other conditions of their engagement and obtain the necessary funds from the Corporation to pay such fees.</p>

Schedule “C”

Board of Directors Charter

The Board of Directors (the “**Board**”) is responsible for the supervision of the management of the Corporation’s business and affairs, with the objective of maximising long-term corporate value.

The Board approves all matters expressly required herein, under the *Business Corporations Act* (Quebec) and other applicable legislation and the Corporation’s articles and by-laws. The Board may *inter alia* assign to board committees the prior review of any issues it is responsible for. In that case, Board committee recommendations are subject to Board approval. In addition, to the extent permitted by law, the Board may delegated the exercise of its powers to any director, officer or Board committee. The Board has delegated the approval of certain matters to management pursuant to its Schedule of Authority, as amended from time to time.

In spite of the fact that directors may be elected by the shareholders to bring a special expertise or point of view to Board deliberations, they are not chosen to represent a particular constituency. All decisions of each Board member must be made in the best interest of the Corporation.

The Board expects directors to be present at all meetings of the Board and to review meeting materials in advance. The Board also expects directors to take an active role in Board decision-making.

Mandate

The responsibilities of the Board include:

With respect to strategic planning

- Adopting a strategic planning process and approving, on at least an annual basis, a strategic plan which takes into account, among other matters, the opportunities and risks of the business.

With respect to human resources and performance assessment

- Appointing the President and Chief Executive Officer (“**President and CEO**”) and, upon his recommendation, appointing the other executive officers reporting to the President and CEO.
- Assessing the performance of the President and CEO and ensuring that processes are implemented by the President and CEO to assess the other executive officers.
- Approving the compensation of executive officers (particularly the President and CEO) and the compensation plans or policies which apply to them and to the other key employees of the Corporation, taking into consideration expectations and objectives fixed by the Board.
- Taking reasonable measures to satisfy itself as to the integrity of the President and CEO and the other executive officers and that the President and CEO and other executive officers create a culture of integrity throughout the Corporation.
- Monitoring the succession planning process for executive officers and the Board of Directors.
- Reviewing the size and composition of the Board and its committees taking into account competencies, skills and personal qualities of each member of the Board of Directors.
- Approving the list of Board nominees for election by shareholders.
- Appointing the Chairman of the Board.

With respect to financial matters, risk management and internal control

- Approving the Corporation's financial statements and ensuring the appropriateness of their disclosure.
- Reviewing the general content of, and the Audit Committee's report on the financial aspects of, the Corporation's Annual Information Form, Annual Report, Management Proxy Circular, Management's Discussion and Analysis, prospectuses, and any other document required to be disclosed or filed by the Corporation before its public disclosure or filing with regulatory authorities in Canada.
- Approving operating and capital budgets, the issue of securities and, subject to the Schedule of Authority of the Corporation, any significant transaction out of the ordinary course of business, including proposals on mergers, acquisitions or other major investments or divestitures.
- Determining dividend policies and procedures and declaring dividends if the Board thinks it appropriate.
- Identifying the principal risks of the Corporation's business and ensuring the implementation of appropriate systems to manage these risks.
- Monitoring the Corporation's internal control and management information systems.
- Monitoring the Corporation's compliance with applicable legal and regulatory requirements.
- Recommending to the Corporation's shareholders the external auditors to be appointed at the annual shareholders meeting and filling any vacancy that occurs during year.
- Reviewing at least annually the Corporation's communications policy and monitoring the Corporation's communications with analysts, investors and the public.

With respect to governance matters

- Taking reasonable measures to ensure the competent and ethical operation of the Corporation.
- Developing the Corporation's approach with respect to governance, including developing a set of governance principles and guidelines that are specifically applicable to the Corporation.
- Adopting and periodically reviewing the Corporation's code of conduct and taking reasonable steps to see to it that this code is respected.
- Ensuring the annual performance assessment of the Board, Board committees, Board and committee chairs and individual directors.
- Adopting and periodically reviewing the policy for orientation and continuing education of directors.
- Adopting and periodically reviewing a policy for receiving feedback or comments concerning the Corporation from stakeholders.
- Submitting to the Corporation's shareholders any matter which requires their approval.
- Filling the vacancies on the Board of Directors or appointing additional directors, if the Board thinks it appropriate.

With respect to pension matters


- Monitoring governance structure, funding, and investment policies for the Corporation's pension plans.
- Monitoring the investment management of the pension funds.

Composition

- The number of directors shall be determined from time to time by resolution of the Board of Directors, within the limits provided in the Corporation's articles. The Board is composed of a majority of individuals who qualify as independent directors, as determined by the Board in accordance with the applicable rules of the Canadian Securities Administrators.

Board Meetings and Quorum

- The Board shall meet as the need arises, but at least quarterly; in addition, a special meeting of the Board is held, at least annually, to review the Corporation's strategic plan.
- Independent directors meet regularly without management and non-independent directors present. The Chairman of the Board chairs these meetings.
- A majority of the current directors shall constitute a quorum at meetings of the Board.

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Review of the Charter

The Board of Directors shall review this Charter periodically and make any appropriate amendments.

Assessment of the Board's Performance

Each year, the members of the Board shall assess and review the Board's performance.

Schedule "D"

Long-Term Incentive Plans

Initial Plan (Share Option Plan dated January 24, 2002)

On January 24, 2002, the Board of Directors set up a share option plan for designated members of senior management of RONA and its subsidiaries (the "Initial Plan"). The Initial Plan was set up by the Corporation in order (a) to induce its participants to take measures to favor growth in shareholder value and to have them benefit from that growth and the Corporation's success, (b) to induce its participants to take necessary measures to create favorable conditions for the Corporation to make a public offering before January 1, 2006 (which objective was achieved on November 5, 2002) and (c) to establish a direct link between the interests of participants and those of shareholders. The persons eligible to receive options for the purchase of Common Shares were members of senior management of the Corporation and its subsidiaries who were designated from time to time by the Board of Directors.

The maximum number of options issuable under the Initial Plan was 3,740,000, representing 5% of the outstanding Common Shares as at January 1, 2002 and 3.1% as at March 20, 2013. The Board of Directors had full discretion to grant options to eligible designated members of senior management. The exercise price of each option was set at \$3.47 per share. All unexercised options granted under the terms of the Initial Plan expired on January 1, 2012, except for a number of 960,000 options granted to Mr. Dutton on January 1, 2002, the term of which was extended for a period of ten business days following the end of a blackout period pursuant to a decision from the Board of Directors, as permitted by the terms of the Initial Plan, as these options would otherwise have expired during such blackout period. Shareholder approval was not required to be obtained in connection with this decision of the Board.

As no further options will be granted pursuant to the Initial Plan, the Initial Plan has been terminated by the Board of Directors as of March 6, 2012.

2002 Plan (Share Option Plan dated October 24, 2002)

On October 24, 2002, the Board of Directors approved its current share option plan (the "2002 Plan") for designated senior executives of the Corporation and its subsidiaries (the "participants"). The 2002 Plan was approved by the shareholders of the Corporation on May 14, 2003. The purpose of the 2002 Plan is to provide the Corporation with a share-related mechanism to attract, retain and motivate executives whose skills, performance and loyalty to the Corporation are necessary to its success, image, reputation or activities, particularly by aligning the interests of executives with the interests of the Corporation's shareholders.

The total number of stock options (each exercisable for one Common Share) which may be issued pursuant to the 2002 Plan is 6,600,000, representing 9% of the outstanding Common Shares as at October 24, 2002 and 5.4% of the outstanding Common Shares as at March 20, 2013. A total of 3,891,887 options were granted by the Board of Directors pursuant to the 2002 Plan and 1,177,735 were outstanding as at March 20, 2013, representing respectively 3.2% and 1.0% of the outstanding Common Shares as at March 20, 2013. As at such date, a total of 4,990,215 stock options remained issuable under the 2002 Plan, representing 4.1% of the outstanding Common Shares.

In 2012, a total of 649,535 stock options were granted by the Board of Directors, representing 0.5% of the outstanding Common Shares as at March 20, 2013.

The exercise price of any option granted under the 2002 Plan must be equal or superior to the weighted average price of the Common Shares traded on the Toronto Stock Exchange, such price to be calculated by aggregating the value of each transaction during the five (5) trading days immediately preceding the day on which such option is granted and dividing the said value by the total number of Common Shares traded during the said period. Subject to the following paragraph, the terms and number of Common Shares covered by each option as well as the vesting periods of such options are determined by the Board of Directors upon the recommendation of its Human Resources and Compensation Committee at the time the options are granted to beneficiaries. Other than in the case of a blackout extension term, the expiry date of an option shall be the date so fixed by the Board or described in the 2002 Plan, provided that such date is not later than the tenth (10th) anniversary of the date of grant. Options shall expire at the earlier of the date stipulated in a notice of termination received by a participant or the date at which the participant ceases to be an employee of the Corporation and any of its subsidiaries (the “**Option Cancellation Date**”).

Notwithstanding the foregoing, a participant shall have an additional ninety (90) business days after the Option Cancellation Date to exercise options that are vested on the Option Cancellation Date, unless: (i) the participant resigns or terminates his employment voluntarily or is terminated for cause, in which case the exercise period shall be reduced to thirty (30) business days following the Option Cancellation Date; or (ii) the participant retires in which case the exercise period shall be increased to thirty-six (36) months. Options that have not vested at that time shall expire unless the Board decides otherwise. If a participant dies in office or during the period of thirty (30) business days, ninety (90) business days or thirty-six (36) months referred to above, his/her assigns shall have a period of six (6) months from the date of his/her death to exercise all the options that are vested at the moment of his/her death. However, the said periods of thirty (30) business days, ninety (90) business days, thirty-six (36) months or six (6) months may not exceed the tenth (10th) anniversary of the grant date, except if any such period ends during a blackout period, or within ten (10) business days after the end of a blackout period, in which case it shall be extended by a period of ten (10) business days.

The 2002 Plan contains the following restrictions: (i) the maximum number of Common Shares which may be reserved for issuance to any one person under the 2002 Plan or under any other share compensation arrangements of the Corporation shall not exceed 5% of the outstanding Common Shares at the time of grant, (ii) the maximum number of Common Shares issuable to insiders at any time pursuant to the 2002 Plan or other share compensation arrangements of the Corporation shall not exceed, unless duly approved by the shareholders, 10% of the outstanding Common Shares, and (iii) the maximum number of Common Shares issued under the 2002 Plan or other share compensation arrangements of the Corporation during a period of one year shall not exceed (a) 10% of the outstanding Common Shares in the case of Common Shares to be issued to insiders or (b) 5% of the outstanding Common Shares in the case of Common Shares to be issued to any one insider and his/her associates.

Options granted under the 2002 Plan may be exercised and do vest immediately in the event of a Change of Control, which is defined as a change in control of the Corporation of a nature that would be required to be reported pursuant to Canadian securities legislation or regulations, provided that, except in limited circumstances, a Change of Control will be deemed to have occurred if (i) any person or entity or group of persons or entities become the beneficial owner of more than 50% of the combined voting power of the Corporation’s outstanding securities entitled to vote in the election of directors of the Corporation, (ii) a majority of members of the Corporation’s Board is replaced during any twelve-month period by directors whose appointment or election is not endorsed by a majority of the members of the Corporation’s Board, (iii) any person or entity, or group of persons or entities acquires assets from the Corporation or its subsidiaries representing more than 50% of the total gross fair market value of all of the assets of the Corporation and its subsidiaries, taken as a whole, (iv) the Corporation is part to an amalgamation, merger or consolidation with or into another person or entity, except if a majority of the members of the board of directors of the surviving or resulting person or entity immediately after the transaction are individuals who were members of the Corporation’s Board prior to such transaction, or (v) the Board determines that a particular event constitutes or constituted a Change of Control. Except in limited circumstances described in the 2002 Plan, options granted pursuant to the 2002 Plan may also be exercised and will vest immediately in the event of a disposition of retail stores of the Corporation and its subsidiaries representing more than 50% of the revenues derived from all retail stores of the Corporation and its subsidiaries, taken as a whole, for a period of twelve (12) consecutive months, or elements of the distribution business of the Corporation and its subsidiaries representing more than 50% of the revenues derived from the distribution business of the Corporation and its subsidiaries, taken as a whole, for a period of twelve (12) consecutive months.

The terms of the 2002 Plan also include an amendment procedure pursuant to which the Board of Directors may amend any of the provisions of the 2002 Plan or amend the terms of any then outstanding award of options under the 2002 Plan, provided, however, that the Corporation shall obtain shareholder approval for:

- any amendment to the maximum number of Common Shares issuable under the 2002 Plan, other than pursuant to any amendments to the share capital of the Corporation;
- any amendment which would allow non-employee directors to participate under the 2002 Plan;
- any amendment which would permit any option granted under the 2002 Plan to be transferable or assignable other than by will or pursuant to succession laws;
- any amendment resulting in the addition of a cashless exercise feature, payable in cash or in Common Shares, which does not provide for a full deduction of the number of underlying securities from the 2002 Plan reserve;
- any amendment resulting in the addition, in the 2002 Plan, of deferred or restricted share unit provisions or any other provisions pursuant to which participants may receive Common Shares while no cash consideration is received by the Corporation;
- any reduction in the exercise price of an option after the option has been granted to a participant or any cancellation of an option and the substitution of that option by a new option with a reduced exercise price granted to the same participant, other than pursuant to any amendments to the share capital of the Corporation;
- any extension to the term of an option beyond the original expiry date, subject to the provisions applicable to blackout periods;
- any amendment resulting in an increase to the maximum number of Common Shares that may be granted to (i) insiders under the 2002 Plan and other share compensation arrangements of the Corporation or (ii) to any one insider and such insider's associates in any one-year period, other than pursuant to any amendments to the share capital of the Corporation; and
- the addition in the 2002 Plan of any form of financial assistance and any amendment to a financial assistance provision which is more favourable to participants.

The Board of Directors may, subject to receipt of requisite regulatory approval, where required, in its sole discretion, make all other amendments to the 2002 Plan or to any award of options under the 2002 Plan.

The rights of a participant with respect to options granted under the 2002 Plan may not be assigned or transferred except by testamentary provision or pursuant to the applicable laws of succession.

In connection with Mr. Dutton's departure on November 8, 2012, a total of 224,275 unvested options granted to him since 2009 with an exercise price between \$9.38 and \$15.44 were vested pursuant to a decision of the Board and were exercisable until March 20, 2013. Shareholder approval was not required to be obtained in connection with this decision of the Board. As the closing price of RONA's common shares on the TSX on November 8, 2012 was \$9.35, such immediate vesting of outstanding options carried no present value at the time when this decision was made. On March 18, 2013, Mr. Dutton exercised 36,650 such stock options with an exercise price of \$10.62 and 98,400 such stock options with an exercise price of \$9.38.

Share Unit Plan

In 2007, the Board of Directors adopted a share unit plan (the "**Share Unit Plan**") for the grant of share units to officers and key employees of the Corporation and its subsidiaries, in order to assist and encourage such officers and key employees to work towards and participate in the growth and development of the Corporation, assist the Corporation in attracting, retaining and motivating such officers and key employees, and align the interests of such officers and key employees with those of the shareholders of the Corporation. The Share Unit Plan is administered by the Board of Directors, which has delegated responsibilities to the Human Resources and Compensation Committee.

The Share Unit Plan is non-dilutive: payment of performance share units ("**PSUs**"), restricted share units without performance vesting criteria ("**RSUs**"), or Deferred Share Units ("**DSUs**"), as the case may be, are made in cash or in Common Shares purchased from the secondary market, at the option of the Corporation, pursuant to the terms and conditions described in the Share Unit Plan. The Share Unit Plan does not rely upon shares from treasury, nor are there any corresponding shares reserved in treasury for purposes of such plan.

PSUs and RSUs entitle participants to receive, on the vesting date thereof, cash equal to the average closing price of the Common Shares on the Toronto Stock Exchange for the twenty (20) trading days during which Common Shares were traded immediately preceding the fifth trading

day prior to the vesting date, or, at the Corporation's option, an amount of Common Shares, purchased on the secondary market, with an aggregate value equal to the amount that would have been paid in cash as described above, subject to the terms and conditions set forth in the Share Unit Plan. The Board has discretion to establish at the time of each grant, within the restrictions set forth in the Share Unit Plan, the terms and conditions of each PSU or RSU award, as well as the vesting date (subject to a maximum term of three (3) years, and subject to the provisions of the Share Unit Plan with respect to early expiry), the performance objectives (in the case of PSUs) which must be attained for any award, or part thereof, to vest, and other particulars. Notwithstanding their respective vesting date, and unless otherwise determined by the Board at or after the time of grant: (i) PSU awards, or part thereof, shall expire on the vesting date if the applicable performance objectives have not been attained, and (ii) any PSU or RSU award granted to a participant who ceases to be an officer or employee of the Corporation before the vesting of such PSU or RSU award, shall expire on the Cessation Date, being the date stipulated in a notice given in writing to a participant informing him/her that his/her active employment with the Corporation and its subsidiaries will end, or the date at which the participant dies or otherwise terminates his/her active employment with the Corporation and its subsidiaries.

Where a participant retires at the age prescribed under the Corporation's retirement policies or ceases to be an officer or a key employee of the Corporation but remains employed by the Corporation, the participant shall be entitled to a number of PSUs or RSUs, as the case may be, pro rated to take into account the number of months worked as an officer or a key employee within the vesting period, the whole subject to the attainment of performance objectives, in the case of PSUs.

Pursuant to the terms of the Share Unit Plan, participants have the option to convert their PSUs or RSUs (or part thereof) in DSUs, on the vesting date of the PSUs or RSUs, as the case may be, by duly completing an election form pursuant to which the participant shall notify the Corporation of such irrevocable choice, at least thirty (30) days prior to the vesting date of any PSU or RSU award, failing which he or she will be deemed to have irrevocably elected to be paid Common Shares or cash, as described above, for the PSUs or RSUs described in his/her award on the vesting date thereof.

DSUs entitle holders thereof to receive, with respect to all DSUs held by such holder, on the date specified in a redemption notice filed with the Corporation but not later than December 1st of the first calendar year commencing after the calendar year in which the Cessation Date occurs (the "**Redemption Date**"), cash equal to the average closing price of the Common Shares on the Toronto Stock Exchange for the twenty (20) trading days during which Common Shares were traded immediately preceding the fifth trading day prior to the Redemption Date, or, at the Corporation's option, an amount of Common Shares, purchased on the secondary market, with an aggregate value equal to the amount that would have been paid in cash as described above, subject to the terms and conditions set forth in the Share Unit Plan.

The Share Unit Plan contains the following restrictions: (a) the sum of (i) the number of Common Shares that may be purchased by the Corporation for delivery to participants over a 12-month period and (ii) the number of Common Shares that may be purchased by the Corporation pursuant to a normal course issuer bid, if applicable, during such period, shall not represent more than 5% of the Common Shares that were outstanding at the commencement of such 12-month period, and (b) the sum of (i) the number of Common Shares that may be purchased by the Corporation for delivery to participants over any thirty (30) day period and (ii) the number of Common Shares that may be purchased by the Corporation pursuant to a normal course issuer bid, if applicable, during such period, shall not represent more than 2% of the Common Shares that were outstanding at the commencement of such thirty (30) day period.

Any PSU or RSU award shall vest in the case of a Change of Control, as defined in the 2002 Plan. Except in limited circumstances described in the Share Unit Plan, PSUs and RSUs awarded pursuant to the Share Unit Plan will vest immediately in the event of a disposition of retail stores of the Corporation and its subsidiaries representing more than 50% of the revenues derived from all retail stores of the Corporation and its subsidiaries, taken as a whole, for a period of twelve (12) consecutive months, or elements of the distribution business of the Corporation and its subsidiaries representing more than 50% of the revenues derived from the distribution business of the Corporation and its subsidiaries, taken as a whole, for a period of twelve (12) consecutive months.

The rights in PSU and RSU awards, PSUs, RSUs and DSUs may not be assigned or transferred and PSUs, RSUs and DSUs may not be disposed of, sold, pledged, hypothecated or given as security by a participant, subject to the rights of the legal representatives of the participant in the case where a participant dies and an PSU or RSU award is vested at the time of the death. The Board of Directors may also, at any time, amend, suspend or terminate the Share Unit Plan, or any PSU, RSU or DSU granted thereunder, provided that no such amendment, suspension

or termination may be made without regulatory approval, if required, and/or without the consent of the participants where such amendment, suspension or termination would alter or impair their rights.

DSU Plan

In 2006, the Corporation adopted the DSU Plan to align the interests of directors with those of the shareholders of the Corporation and help directors meet the shareholding guidelines applicable to them.

Pursuant to the DSU Plan, outside directors may elect to receive in the form of DSUs any percentage, up to one hundred percent (100%), of their fees payable in respect of serving as director. Under the DSU Plan, outside directors are granted, as of the last day of each fiscal quarter of the Corporation, a number of DSUs determined on the basis of the amount of deferred remuneration payable to directors in respect of such quarter divided by the value of a DSU, which is the average of the closing prices of the Common Shares on the TSX the five (5) trading days immediately preceding the last day of each fiscal quarter of the Corporation. Directors to whose accounts DSUs stand credited will be credited with additional DSUs whenever cash dividends are paid on Common Shares. DSUs granted under the DSU Plan will be redeemable, and the value thereof payable, only after the holder of DSUs ceases to act as a director of the Corporation.

Any questions and requests for assistance may be directed to the
Proxy Solicitation Agent:



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