

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

The board of directors of RONA inc. (“RONA” or the “Corporation”) has adopted this policy with the goal of continuously improving its governance and compensation practices and meeting the expectations of the Corporation’s shareholders.

Process for nomination of directors

In accordance with RONA’s mandates and governance policies, the Nominating and Governance Committee recommends to the board 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.

Compensation policies, plans and practices

In accordance with the mandate adopted by the board of directors, the Human Resources and Compensation Committee periodically makes recommendations to the board 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. These policies and plans are reviewed and adopted by the board.

Advisory vote on executive compensation

The board of directors of the Corporation has adopted an advisory vote on the approach to executive compensation. Pursuant to that policy, the board may 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. However, the board 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, programs or arrangements relating to executive compensation to be adopted by the Corporation in the future.

Updating of policies, plans and practices

The board of directors, through the corporate secretary's office, will ensure 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 with a view to improving RONA's governance policies and practices and compensation plans on an ongoing basis.

Communication of policies, plans and practices

RONA will publish its governance and compensation policies, plans and practices on its website. The objectives for creating long-term value, other objectives of compensation plans and results obtained, as described in the Compensation Discussion and Analysis included in RONA's management proxy circular, along with any updates and modifications, will also be published on the website.

This approach will allow the board to proactively communicate to stakeholders any significant changes that are made to such policies, plans and practices, via its website or through news releases. Prior to the annual meeting, such communications may include a recapitulation of the Corporation's principal governance and compensation policies, plans and practices and the highlights in regard to these matters that took place during the Corporation's last financial year.

Means will be made available to stakeholders enabling them to submit to the board, through the corporate secretary's office, any recommendations or suggestions for improvements to RONA's governance and compensation practices.

At the annual meeting, shareholders will be invited to ask any questions that pertain to governance or executive compensation.
