NOTICE OF SPECIAL MEETING OF SHAREHOLDERS

to be held on March 31, 2016

and

MANAGEMENT PROXY CIRCULAR

with respect to a

PLAN OF ARRANGEMENT

involving

RONA INC.

and

LOWE'S COMPANIES, INC.

and

LOWE'S COMPANIES CANADA, ULC

February 25, 2016

THE BOARD OF DIRECTORS OF RONA INC. HAS UNANIMOUSLY DETERMINED THAT THE ARRANGEMENT IS IN THE BEST INTERESTS OF RONA INC. AND UNANIMOUSLY RECOMMENDS THAT COMMON SHAREHOLDERS VOTE FOR THE ARRANGEMENT RESOLUTION AND THAT PREFERRED SHAREHOLDERS VOTE FOR THE PREFERRED SHAREHOLDER RESOLUTION.

These materials are important and require your immediate attention. They require shareholders of RONA inc. to make important decisions. If you are in doubt as to how to make such decisions, please contact your financial, legal, tax or other professional advisors. If you are a holder of Common Shares or Preferred Shares and have any questions or require more information with regard to voting your Common Shares or Preferred Shares, please contact RONA inc.'s proxy solicitation agent, Kingsdale Shareholder Services, either (i) by mail at Kingsdale Shareholder Services, The Exchange Tower, 130 King Street West, Suite 2950, P.O. Box 361, Toronto, Ontario, M5X 1E2, (ii) by toll-free telephone in North America at 1-866-851-2743 or call collect outside North America at 416-867-2272 or (iii) by email at contactus@kingsdaleshareholder.com.

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Letter to Shareholders

February 25, 2016

Dear Fellow Shareholders:

You are invited to attend a special meeting (the "**Meeting**") of holders (the "**Common Shareholders**") of common shares ("**Common Shares**") and holders (the "**Preferred Shareholders**" and, together with the Common Shareholders, the "**Shareholders**") of Cumulative 5-Year Rate Reset Series 6 Class A Preferred Shares and any then outstanding Cumulative Floating Rate Series 7 Class A Preferred Shares (collectively, the "**Preferred Shares**" and, together with the Common Shares, the "**Shares**") of RONA inc. (the "**Corporation**") to be held at Hotel Omni Mont-Royal, 1050 Sherbrooke Street West, Montreal, Québec, H3A 2R6, Canada, on Thursday, March 31, 2016 at 10:30 a.m. (Montreal time).

At the Meeting, pursuant to the interim order of the Québec Superior Court (the "**Court**"), the Common Shareholders will be asked to consider and, if deemed advisable, to pass a special resolution approving a statutory plan of arrangement (the "**Arrangement**") under Chapter XVI – Division II of the *Business Corporations Act* (Québec) (the "**QBCA**") involving the Corporation, Lowe's Companies, Inc. ("**Lowe's**") and Lowe's Companies Canada, ULC, a wholly-owned subsidiary of Lowe's ("**Lowe's Canada**" and, together with Lowe's, the "**Purchaser Parties**"), to be carried out pursuant to an arrangement agreement dated February 2, 2016 among the Corporation and the Purchaser Parties (the "**Arrangement Agreement**"). Preferred Shareholders will also be asked to consider and, if deemed advisable, to pass a special resolution approving the Arrangement to be carried out pursuant to the Arrangement Agreement. As discussed in detail below, closing of the Arrangement is not conditioned upon approval by the Preferred Shareholders.

Full details of the Arrangement are set out in the accompanying Notice of Special Meeting of Shareholders and Management Proxy Circular (the "**Information Circular**"). The Arrangement Agreement provides for the implementation of the Arrangement pursuant to which, among other things, the following transactions will occur:

- Common Shareholders (other than registered Common Shareholders having validly exercised the right to demand repurchase of their Shares) will receive, for each Common Share held, $24.00 in cash, without interest (the "**Common Share Consideration**"); and

- subject to the requisite approval of the Arrangement by the Preferred Shareholders, the Preferred Shareholders (other than registered Preferred Shareholders having validly exercised the right to demand repurchase of their Shares) will receive, for each Preferred Share held, $20.00 in cash (together with an amount equal to all accrued and unpaid dividends up to, but excluding, the date of closing of the Arrangement), without interest (the "**Preferred Share Consideration**").

Under the Arrangement, each option to purchase a Common Share, whether vested or unvested, will be cancelled and the holder will receive a cash payment representing the amount by which $24.00 exceeds the relevant exercise price of such option, less applicable withholdings. In addition, each deferred share unit, performance share unit and restricted share unit, whether vested or unvested, will be cancelled and the holder will receive a cash payment of $24.00 in cash for each such security, less applicable withholdings, except that each performance share unit granted in calendar year 2013 whether vested or unvested, will be cancelled and the holder will receive a cash payment, for each such security, equal to $24.00 multiplied by the applicable level of achievement percentage determined by the Corporation's Human Resources and Compensation Committee in accordance with the terms of the applicable share unit plans of the Corporation and the agreements awarding such performance share units, less applicable withholdings.

The transaction represents a total enterprise value of approximately $3.2 billion. The Common Share Consideration to be received by the Common Shareholders represents a premium of approximately 104% to the closing price of the Common Shares on the Toronto Stock Exchange (the "**TSX**") on February 2, 2016, the day prior to announcement of the Arrangement, and a premium of approximately 42% to the 52-week high closing price of the Common Shares on the TSX up to and including February 2, 2016. The Preferred Share Consideration to be received by the Preferred Shareholders represents a premium of approximately 59% to the closing

price of the Preferred Shares on the TSX on February 2, 2016 and a premium of approximately 58% to the 20 trading day volume weighted average price of the Preferred Shares on the TSX up to and including February 2, 2016.

The Arrangement is subject to customary closing conditions for a transaction of this nature, including court approval, approval of at least 66⅔% of the votes cast by the Common Shareholders present in person or represented by proxy at the Meeting and applicable regulatory approvals by the relevant authorities in Canada. Approval of the Preferred Shareholders will also be sought at the Meeting to allow the Preferred Shares to participate in the Arrangement in the manner described above. The Preferred Shareholders will vote on the Preferred Shareholder Resolution as a separate class (with Preferred Shareholders voting together as a single class), and participation in the Arrangement by the Preferred Shares will require the approval of at least 66⅔% of the votes cast by the Preferred Shareholders present in person or represented by proxy at the Meeting. However, closing of the Arrangement is not conditioned upon approval by the Preferred Shareholders and if the requisite approval of the Preferred Shareholders is not obtained, the plan of arrangement will be amended to exclude the Preferred Shares under the plan of arrangement and matters ancillary thereto (including, for greater certainty, to remove the rights of such Preferred Shareholders to demand repurchase of their Preferred Shares) and the Preferred Shares will remain outstanding following the completion of the Arrangement.

Scotia Capital Inc. ("**Scotia Capital**") has provided the board of directors of the Corporation (the "**Board**") with an opinion to the effect that, as of February 2, 2016 and based upon and subject to the assumptions, limitations and qualifications contained therein: (i) the Common Share Consideration under the Arrangement was fair from a financial point of view to the Common Shareholders, and (ii) the Preferred Share Consideration under the Arrangement was fair from a financial point of view to the Preferred Shareholders.

The Board, after consulting with the Corporation's financial and legal advisors, and after careful consideration of, among other things, the fairness opinion of Scotia Capital and the recommendation of an ad hoc special committee of the Board, has unanimously determined that the Arrangement is in the best interests of the Corporation (taking into account the relevant stakeholders thereof) and that the Arrangement is fair to the Common Shareholders and to the Preferred Shareholders. Accordingly, the Board unanimously recommends that the Common Shareholders and the Preferred Shareholders vote in favour of the Arrangement Resolution and the Preferred Shareholder Resolution, respectively.

In connection with the Arrangement, the directors of the Corporation, who as at February 25, 2016, beneficially owned or exercised control or direction over, an aggregate of 215,900 Common Shares and 1,200 Preferred Shares, representing respectively 0.20% of the issued and outstanding Common Shares and less than 0.1% of the issued and outstanding Preferred Shares have each entered into a voting agreement pursuant to which they have agreed to vote their Shares in favour of the Arrangement Resolution and the Preferred Shareholder Resolution, as applicable. In addition, the non-director executive officers of the Corporation, who as at February 25, 2016, beneficially owned or exercised control or direction over, an aggregate of 70,265 Common Shares, representing 0.07% of the issued and outstanding Common Shares, and no Preferred Shares, have advised the Corporation that they intend to vote their respective Common Shares in favour of the Arrangement Resolution.

On February 3, 2016, Caisse de dépôt et placement du Québec ("**Caisse**") announced that considering the unanimous recommendation by the Board in favour of the Arrangement, the premium of 105% relative to the volume weighted average (Common) Share value on the TSX over the past 30 days ($11.68), Caisse's duties to its depositors and the commitments made by Lowe's regarding its presence in Québec and in Canada, Caisse confirms that it will support the transaction, and that overall, Caisse believes the transaction will result in equal or superior economic activity generated by the Rona banners in Québec.

The accompanying Notice of Special Meeting of Shareholders and Information Circular describe the Arrangement and include certain additional information to assist you in considering how to vote on the proposed special resolutions. **You are urged to read this information carefully and, if you require assistance, to consult your financial, legal, tax or other professional advisors.**

Yours truly,

(Signed) Robert Sawyer
Robert Sawyer
President and Chief Executive Officer and Director of RONA inc.

(Signed) Robert Chevrier
Robert Chevrier
Chairman of the Board of RONA inc.

Notice of Special Meeting of Shareholders

To the Shareholders:

NOTICE IS HEREBY GIVEN, in accordance with an interim order (the "**Interim Order**") of the Québec Superior Court dated February 25, 2016, of a special meeting (the "**Meeting**") of the holders (the "**Common Shareholders**") of common shares ("**Common Shares**") and holders (the "**Preferred Shareholders**" and, together with the Common Shareholders, the "**Shareholders**") of Cumulative 5-Year Rate Reset Series 6 Class A Preferred Shares and any then outstanding Cumulative Floating Rate Series 7 Class A Preferred Shares (collectively, the "**Preferred Shares**" and, together with the Common Shares, the "**Shares**") of RONA inc. (the "**Corporation**" or "**RONA**") will be held at Hotel Omni Mont-Royal, 1050 Sherbrooke Street West, Montreal, Québec, H3A 2R6, Canada, on Thursday, March 31, 2016 at 10:30 a.m. (Montreal time) for the purposes of:

(a) the Common Shareholders to consider, pursuant to the Interim Order, and, if deemed advisable, to pass, with or without variation, a special resolution (the "**Arrangement Resolution**"), the full text of which is set forth in Appendix "A" to the accompanying Management Proxy Circular dated February 25, 2016 (the "**Information Circular**"), to approve a statutory plan of arrangement (the "**Arrangement**") under Chapter XVI – Division II of the *Business Corporations Act* (Québec) ("**QBCA**"), all as more particularly described in the Information Circular;

(b) the Preferred Shareholders to consider, pursuant to the Interim Order, and, if deemed advisable, to pass, with or without variation, a special resolution (the "**Preferred Shareholder Resolution**"), the full text of which is set forth in Appendix "B" to the accompanying Information Circular, to approve the Arrangement, all as more particularly described in the Information Circular; and

(c) transacting such other business as may properly come before the Meeting or any adjournment or postponement thereof.

Separate class votes for each of the Common Shareholders and the Preferred Shareholders will take place at the Meeting (with Preferred Shareholders voting together as a single class). The full text of the arrangement agreement (the "**Arrangement Agreement**") dated February 2, 2016 entered into among the Corporation, Lowe's Companies, Inc. and Lowe's Companies Canada, ULC, and the Interim Order are attached as Appendix "C" and Appendix "E", respectively, to the Information Circular. This Notice of Special Meeting of Shareholders is accompanied by the Information Circular and forms of proxy and the Information Circular contains additional information relating to matters to be dealt with at the Meeting.

Registered 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. (8th Floor, 100 University Avenue, Toronto, Ontario M5J 2Y1) no later than 10:30 a.m. (Montreal time) on March 29, 2016. The time limit for the deposit of proxies may be waived or extended by the Chair of the Meeting at his or her discretion without notice. 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 (a) and (b) of this Notice of Special Meeting of Shareholders. If you are a non-registered shareholder, reference is made to the section entitled "General Proxy Matters - Advice for Non-Registered Shareholders" on page 72 of the accompanying Information Circular.

The Corporation has set February 25, 2016 as the record date for the determination of the Common Shareholders and the Preferred Shareholders entitled to receive notice of and to vote at the Meeting.

Only the Common Shareholders whose names have been entered in the register of the holders of Common Shares and the Preferred Shareholders whose names have been entered in the register of the holders of Preferred Shares, in each case, as at 5:00 p.m. (Montreal time) on February 25, 2016 will be entitled to receive notice of and to vote at the Meeting in respect of such Shareholders' Shares.

Pursuant to and in accordance with the Plan of Arrangement, the Interim Order and the provisions of Chapter XIV – Division I of the QBCA (as modified or supplemented by the Interim Order, the Plan of Arrangement and any other order of the Québec Superior Court (the "**Court**")): (i) registered Common Shareholders have a right to demand the repurchase of their Common Shares in connection with the Arrangement and, if the Arrangement Resolution is passed and the Arrangement becomes effective, to be paid the fair value of their Common Shares; and (ii) registered Preferred Shareholders have a right to demand the repurchase of their Preferred Shares in connection with the Arrangement and, if the Arrangement Resolution and the Preferred Shareholder Resolution are passed and the Arrangement becomes effective, to be paid the fair value of their Preferred Shares (the "**Dissent Rights**"); provided such Common Shareholders or Preferred Shareholders, as applicable, exercise all of their available voting rights against the adoption and approval of the Arrangement Resolution or Preferred Shareholder Resolution, as applicable. Dissent Rights are more particularly described in the accompanying Information Circular. **The repurchase procedures require that a registered Shareholder who wishes to exercise Dissent Rights must send the Corporation a written notice to inform the Corporation of his, her or its intention to exercise Dissent Rights (the "Dissent Notice"), which notice must be received by the Corporation at its head office located at 220 chemin du Tremblay, Boucherville, Québec, J4B 8H7, Fax number: 514 599 5927, with a copy to Norton Rose Fulbright Canada LLP, Suite 2500, 1 Place Ville-Marie, Montreal, Québec, H3B 1R1, Fax number: 514-286-5474, Attention: Me Francis R. Legault, not later than 5:00 p.m. (Montreal time) on March 29, 2016 (or 5:00 p.m. (Montreal time) on the day that is two business days immediately preceding the date that any adjourned or postponed Meeting is reconvened or held, as the case may be). The statutory provisions covering the Dissent Rights are technical and complex. Failure to strictly comply with the requirements set forth in Chapter XIV – Division I of the QBCA, as modified by the Interim Order, the Plan of Arrangement and any other order of the Court, may result in the loss of Dissent Rights. Persons who are beneficial owners of Common Shares or Preferred Shares registered in the name of a broker, investment dealer, bank, trust company, custodian, nominee or other intermediary who wish to exercise Dissent Rights should be aware that only registered holders of Shares are entitled to exercise Dissent Rights. A holder of Common Shares wishing to exercise Dissent Rights may only exercise such rights with respect to all Common Shares held and a holder of Preferred Shares wishing to exercise Dissent Rights may only exercise such rights with respect to all Preferred Shares held, in each case, on behalf of any one beneficial holder and registered in the name of such Common Shareholder or Preferred Shareholder, as applicable. The Preferred Shares and some, but not all, of the Common Shares, have been issued in the form of a global certificate in the name of CDS & Co. and, as such, CDS & Co. is the sole registered holder of the Preferred Shares and some, but not all, of the Common Shares. Accordingly, a non-registered holder of Shares who desires to exercise Dissent Rights must make arrangements for the Shares beneficially owned by such holder to be registered in the holder's name prior to the time the Dissent Notice is required to be received by the Corporation or, alternatively, make arrangements for the registered holder of such Shares to exercise Dissent Rights on the holder's behalf. Note that sections 393 to 397 of the QBCA, the text of which is attached as Appendix "G" to this Information Circular, set forth special provisions which are required to be followed with respect to the exercise of Dissent Rights by non-registered Shareholders. It is recommended that you seek independent legal advice if you wish to exercise Dissent Rights.**

A Shareholder may attend the Meeting in person or may be represented by proxy. Both registered Shareholders who are unable to attend the Meeting and registered Shareholders planning to attend the Meeting, are encouraged to complete, sign, date, and return the accompanying applicable form of proxy so that such Shareholder's Shares can be voted at the Meeting

(or at any adjournments or postponements thereof) in accordance with such Shareholder's instructions. To be effective, the enclosed proxy must be received by Computershare Investor Services Inc. (8th Floor, 100 University Avenue, Toronto, Ontario M5J 2Y1) no later than 10:30 a.m. (Montreal time) on March 29, 2016 or at least 48 hours (other than a Saturday, Sunday or holiday) prior to the time set for any adjournment or postponement of the Meeting. Registered Shareholders may also use the internet site at investorvote.com to transmit their voting instructions. The time limit for the deposit of proxies may be waived or extended by the Chair of the Meeting at his discretion, without notice.

In order for registered Shareholders to receive the cash consideration that they are entitled to if and upon the completion of the Arrangement, such registered Shareholders must complete and sign the applicable letter(s) of transmittal enclosed with this Information Circular and return such letter of transmittal, together with their share certificate(s) and any other required documents and instruments to the depositary named in the letter of transmittal, in accordance with the procedures set out in the letter of transmittal.

Non-registered Shareholders who hold their Common Shares or Preferred Shares through a broker, investment dealer, bank, trust company, custodian, nominee or other intermediary, should carefully follow the instructions of their intermediary to ensure that their Common Shares or Preferred Shares, as applicable, are voted at the Meeting in accordance with such Shareholder's instructions, to arrange for their intermediary to complete the necessary transmittal documents and to ensure that they receive payment for their Shares if the Arrangement is completed (subject, in the case of Preferred Shares, to the Preferred Shareholder Resolution having been passed). Preferred Shares have been issued in the form of a global certificate in the name of CDS & Co. and, as such, CDS & Co. is the sole registered holder of the Preferred Shares. CDS & Co. may only vote the Preferred Shares in accordance with instructions received from the non-registered holders of the Preferred Shares. In addition, as all Preferred Shares are held in book-entry only form in the name of CDS & Co., there is no need for any Preferred Shareholder, other than CDS & Co., to deliver any share certificates. See Appendix "H" to the Information Circular "*Voting Information*" for additional information.

A Shareholder that has questions or requires more information with regard to the voting of Shares should contact the Corporation's proxy solicitation agent, Kingsdale Shareholder Services, either (i) by mail at Kingsdale Shareholder Services, The Exchange Tower, 130 King Street West, Suite 2950, P.O. Box 361, Toronto, Ontario, M5X 1E2, (ii) by toll-free telephone in North America at 1-866-851-2743 or call collect outside North America at 416-867-2272 or (iii) by email at contactus@kingsdaleshareholder.com.

Boucherville, Québec, February 25, 2016

By order of the Board of Directors,

(signed) France Charlebois

France Charlebois
Corporate Secretary and Chief Legal Officer

Introduction

This Management Proxy Circular (the "**Information Circular**") is furnished in connection with the solicitation of proxies by and on behalf of management of RONA for use at the Meeting of the Common Shareholders and the Preferred Shareholders of RONA to be held on Thursday, March 31, 2016 at the place and time and for the purposes set forth in the accompanying notice of meeting, and at any adjournments or postponements thereof.

No person has been authorized to give any information or make any representation in connection with the Arrangement or any other matters to be considered at the Meeting other than those contained in this Information Circular and, if given or made, any such information or representation must not be relied upon as having been authorized and should not be relied upon in making a decision as to how to vote on the Arrangement Resolution or the Preferred Shareholder Resolution.

All summaries of, and references to, the Arrangement in this Information Circular are qualified in their entirety by reference to the complete text of the Plan of Arrangement, a copy of which is attached as Appendix "D" to this Information Circular. You are urged to carefully read the full text of the Plan of Arrangement.

These Meeting materials are being sent to both registered and non-registered Shareholders. If you are a non-registered Shareholder, and the Corporation or its agent has sent these materials directly to you, your name and address and information about your holdings of Shares have been obtained in accordance with applicable securities regulatory requirements from the intermediary holding such Shares on your behalf.

All capitalized terms used in this Information Circular but not otherwise defined herein have the meanings set forth under "*Glossary of Terms*". Information contained in this Information Circular is given as of February 25, 2016, unless otherwise specifically stated.

In this Information Circular, "RONA," the "Corporation," "we" and "our" refer, depending on the context, either to RONA inc. or to RONA inc. together with its Subsidiaries. **References to "RONA stores" or to "the Corporation's stores" refer to affiliated and corporate stores, all of which are supplied by RONA's distribution system. References to "dealer owners" refer to dealers who own affiliated stores.**

Caution Regarding Forward-Looking Statements

This Information Circular includes "forward-looking statements" that involve risks and uncertainties. All statements other than statements of historical facts included in this Information Circular, including, without limitation, statements regarding the prospects of the industry and prospects, plans, the timing and outcome of the Arrangement and the financial position and business strategy of the Corporation, may constitute forward-looking statements within the meaning of the Canadian securities legislation and regulations. Forward-looking statements generally can be identified by the use of forward-looking terminology such as "may," "will," "expect," "intend," "estimate," "anticipate," "plan," "foresee," "believe" or "continue" or the negatives of these terms or variations of them or similar terminology. More particularly and without limitation, this Information Circular contains forward-looking statements and information concerning: statements or implications about the anticipated benefits of the Arrangement to the parties and their respective securityholders, including RONA's plans, objectives, expectations and intentions; the timing and anticipated receipt of required regulatory, court and Shareholder approvals for the Arrangement; the ability of the Corporation and the Purchaser Parties to satisfy the other conditions to, and to complete, the Arrangement; the financial capacity of the Purchaser Parties and availability of capital; the treatment of Shareholders under tax laws; the anticipated timing of the Meeting; the potential conversion of Cumulative 5-Year Rate

Reset Series 6 Class A Preferred Shares for Cumulative Floating Rate Series 7 Class A Preferred Shares prior to the completion of the Arrangement; and the anticipated timing for the completion of the Arrangement and delisting of the Shares from the TSX.

In respect of the forward-looking statements and information concerning the anticipated benefits of the proposed Arrangement and the anticipated timing for completion of the Arrangement, the Corporation has provided such in reliance on certain assumptions that it believes are reasonable at this time, including assumptions as to the ability of the parties to receive, in a timely manner and on satisfactory terms, the necessary regulatory, court, and Shareholder approvals, including but not limited to the receipt of applicable foreign investment approval required in Canada; the ability of the parties to satisfy, in a timely manner, the other conditions to the closing of the Arrangement including that there be no Material Adverse Effect and that Dissent Rights shall not have been exercised with respect to more than 10% of the issued and outstanding Common Shares; and other expectations and assumptions concerning the Arrangement and the operations and capital expenditure plans of RONA following completion of the Arrangement. The anticipated dates provided may change for a number of reasons, such as the inability to secure the necessary Shareholder, regulatory or court approvals in the time assumed or the need for additional time to satisfy the other conditions to the completion of the Arrangement. Accordingly, Shareholders should not place undue reliance on the forward-looking statements and information contained in this Information Circular.

Since forward-looking statements and information address future events and conditions, by their very nature they involve inherent risks and uncertainties. Actual results could differ materially from those currently anticipated due to a number of factors and risks. Risks and uncertainties inherent in the nature of the Arrangement include the failure of the Corporation and the Purchaser Parties to obtain the necessary Shareholder, regulatory and court approvals, including those noted above, or to otherwise satisfy the conditions to the completion of the Arrangement, in a timely manner, or at all. Failure to obtain such approvals, or the failure of the parties to otherwise satisfy the conditions to or complete the Arrangement, may result in the Arrangement not being completed on the proposed terms, or at all. In addition, if the Arrangement is not completed, and the Corporation continues as an independent entity, there are risks that the announcement of the Arrangement and the dedication of substantial resources of the Corporation to the completion of the Arrangement could have an impact on the Corporation's current business relationships (including with future and prospective employees, customers, dealer-owners, distributors, suppliers and partners), operating results and businesses generally, and could have a material adverse effect on the current and future operations, financial condition and prospects of the Corporation. Furthermore, the failure of the Corporation to comply with the terms of the Arrangement Agreement may, in certain circumstances, result in the Corporation being required to pay a fee to the Purchaser Parties, the result of which could have a material adverse effect on the Corporation's financial position and results of operations and its ability to fund growth prospects and current operations.

Readers are cautioned that the foregoing list of factors is not exhaustive. For more information on the risks and uncertainties that could cause the Corporation's actual results to differ materially from current expectations, and about material factors or assumptions applied in making forward-looking statements, please also refer to the Corporation's public filings available at www.sedar.com. In particular, further details and descriptions of these and other factors are disclosed in the "*Risks and Uncertainties*" section of the Corporation's Management's Discussion and Analysis for the fiscal year ended December 27, 2015.

The forward-looking statements contained in this Information Circular are expressly qualified in their entirety by the foregoing cautionary statements. The forward-looking statements in this Information Circular reflect the Corporation's expectations as of February 25, 2016, and are subject to change after this date and the Corporation undertakes no obligation to update publicly or revise any forward-looking statements or information, whether as a result of new information, future events or otherwise, unless so required by applicable Securities Laws and readers should also carefully consider the matters discussed under "*Risk Factors*".

Information for U.S. Shareholders

The Corporation is a corporation incorporated under the Laws of Québec. The solicitation of proxies and the transaction contemplated in this Information Circular involve securities of a Canadian issuer and are being effected in accordance with Canadian corporate and securities Laws. The solicitation of proxies for the Meeting is not subject to the requirements applicable to proxy statements under the 1934 Act. Accordingly, this Information Circular has been prepared solely in accordance with disclosure requirements applicable in Canada. Shareholders in the United States should be aware that such requirements are different from those of the United States applicable to proxy statements under the 1934 Act. Specifically, information contained herein has been prepared in accordance with Canadian disclosure standards, which are not comparable in all respects to U.S. disclosure standards. Shareholders should also be aware that requirements under Canadian laws may differ from requirements under U.S. corporate and securities Laws relating to U.S. corporations.

The enforcement by Shareholders of civil liabilities under the U.S. federal or state securities Laws may be affected adversely by the fact that the Corporation is incorporated under the Laws of Québec, that all of the executive officers and directors of the Corporation are residents of Canada, that the experts named in this Information Circular are residents of Canada, and that a large portion of the assets of the Corporation and such persons are, or will be, located in Canada. In addition, the courts of Canada may not enforce judgments of U.S. courts obtained in actions against such persons predicated upon civil liabilities under the federal and state securities legislation in the United States and all rules, regulations and orders promulgated thereunder.

This transaction has not been approved or disapproved by the SEC or any other securities regulatory authority in the United States, nor has any United States securities regulatory authority passed upon the fairness or the merits of this transaction or upon the accuracy or adequacy of the information contained in this Information Circular.

Shareholders in the United States are advised to consult their independent tax advisors regarding the U.S. federal, state, local and foreign tax consequences to them of participating in the Arrangement.

Currency

Except as otherwise indicated, all dollar amounts indicated in this Information Circular are expressed in Canadian dollars. On February 25, 2016, the noon rate published by the Bank of Canada for the conversion of U.S. dollars into Canadian dollars was U.S.$1.00 = Cdn.$1.3575 and of Canadian Dollars into U.S. dollars was (Cdn.$1.00 = U.S.$0.7366.

If you are a registered Common Shareholder, you will receive the Consideration per Common Share in Canadian dollars unless you exercise the right to elect in your Letter of Transmittal to receive the Consideration per Common Share in respect of your Common Shares in U.S. dollars. If you do not make an election in your Letter of Transmittal, you will receive payment in Canadian dollars.

If you are a non-registered Common Shareholder, you will receive the Consideration per Common Share in Canadian dollars unless you contact the intermediary in whose name your Common Shares are registered and request that the intermediary make an election on your behalf. If your intermediary does not make an election on your behalf, you will receive payment in Canadian dollars.

The exchange rate that will be used to convert payments from Canadian dollars into U.S. dollars will be the rate available from Computershare Trust Company of Canada, in its capacity as foreign exchange service provider, on the date the funds are converted, which rate will be based on the prevailing market rate on the date the funds are converted. The risk of any fluctuations in such rates, including risks relating to the particular date and time at which funds are converted, will be solely borne by the Common Shareholder. Computershare Trust Company of Canada will act as principal in such currency conversion transactions.

Summary Information

The following is a summary of certain information contained elsewhere in this Information Circular, including the Appendices hereto, and is provided for convenience only and is qualified in its entirety by reference to the more detailed information contained or referred to elsewhere in this Information Circular or in the Appendices hereto. All capitalized terms used in this summary have the meanings set forth under "Glossary of Terms". In this summary, except as otherwise indicated, all references to "$" are to Canadian dollars.

The Meeting

The Meeting will be held at the Hotel Omni Mont-Royal, located at 1050 Sherbrooke Street West, Montreal, Québec, H3A 2R6, Canada, on Thursday, March 31, 2016 at 10:30 a.m. (Montreal time) for the purposes set forth in the accompanying Notice of Meeting.

The business of the Meeting will be for the Common Shareholders and the Preferred Shareholders to consider and, if deemed advisable, to pass, with or without variation, the Arrangement Resolution and the Preferred Shareholder Resolution, respectively. The full text of the Arrangement Resolution and the Preferred Shareholder Resolution is set forth as Appendix "A" and Appendix "B" to this Information Circular, respectively.

The Record Date

The Record Date for determining Shareholders entitled to receive notice of and to vote at the Meeting is February 25, 2016. See "*General Proxy Matters — Appointment and Revocation of Proxies*" and Appendix "H" "*Voting Information*" for additional information.

Summary of the Arrangement

The Corporation entered into the Arrangement Agreement with Lowe's and Lowe's Canada on February 2, 2016. A copy of the Arrangement Agreement is attached as Appendix "C" to this Information Circular. The Arrangement Agreement provides for the implementation of the Plan of Arrangement (a copy of which is attached as Appendix "D" to this Information Circular) pursuant to which, among other things, the following transactions will occur:

- Common Shareholders (other than Dissenting Shareholders) will receive, for each Common Share held, $24.00 in cash, without interest; and
- subject to requisite approval of the Arrangement by the Preferred Shareholders, the Preferred Shareholders (other than Dissenting Shareholders) will receive, for each Preferred Share held, $20.00 in cash (together with an amount equal to all accrued and unpaid dividends up to, but excluding, the date of closing of the Arrangement), without interest.

Under the Arrangement, each Option, whether vested or unvested, will be cancelled and the holder will receive a cash payment representing the amount (if any) by which $24.00 exceeds the relevant exercise price of such Option, less applicable withholdings.

In addition, each DSU, PSU and RSU, whether vested or unvested, will be cancelled and the holder will receive a cash payment of $24.00 for each such security, less applicable withholdings, except that each PSU granted in calendar year 2013, whether vested or unvested, will be cancelled and the holder thereof will receive, for each such security, a cash payment equivalent to $24.00 multiplied by the applicable level of achievement percentage determined by the Corporation's Human Resources and Compensation Committee in accordance with the terms of the Share Unit Plans and the agreements awarding such PSUs, less applicable withholdings.

It is anticipated that all of the current members of the Board will resign effective as of the Effective Date and representatives of the Purchaser Parties will fill the vacancies created by such resignations.

If Common Shareholder Approval is obtained and the Arrangement is completed as contemplated by the Arrangement Agreement, the Corporation will become an indirect Subsidiary of Lowe's.

If Preferred Shareholder Approval is not obtained prior to the Final Order, the Plan of Arrangement, attached hereto as Appendix "D", shall be amended to exclude the Preferred Shares under the Plan of Arrangement and matters ancillary thereto (including, for greater certainty, the Dissent Rights in favour of the Preferred Shareholders) and the Preferred Shares shall remain outstanding.

See "*The Arrangement*".

The Corporation

RONA is a major Canadian retailer and distributor of hardware, building materials and home renovation products. RONA operates a network of close to 500 corporate and independent affiliate dealer stores in a number of complementary formats. With its nine distribution centers, RONA serves its network of stores and several independent dealers operating under other banners, including Ace, for which RONA owns the licensing rights and is the exclusive distributor in Canada. With more than 17,000 employees in corporate stores and more than 5,000 employees in the stores of its independent affiliate dealers, RONA generates annual consolidated sales of $4.2 billion during the financial year ended December 27, 2015.

The Common Shares are listed and traded on the TSX under the symbol RON. The Series 6 Class A Preferred Shares are listed and traded on the TSX under the symbol RON.PR.A. As of February 25, 2016, 106,904,501 Common Shares, 6,900,000 Series 6 Class A Preferred Shares and no Series 7 Preferred Shares were issued and outstanding. The Corporation does not intend to exercise its right to redeem all or any part of the currently outstanding 6,900,000 Series 6 Class A Preferred Shares on March 31, 2016.

RONA's head office and principal place of business is located at 220 chemin du Tremblay, Boucherville, Québec, Canada, J4B 8H7.

See "*Information Concerning the Corporation*".

The Purchaser Parties

Lowe's is a FORTUNE® 50 home improvement company serving approximately 16 million customers a week in the United States, Canada and Mexico through its stores and online at Lowes.com, Lowes.ca and Lowes.com.mx. With fiscal year 2014 sales of US $56.2 billion, Lowe's has more than 1,845 home improvement and hardware stores and 265,000 employees. Founded in 1946 and based in Mooresville, N.C., Lowe's supports the communities it serves through programs that focus on K-12 public education and community improvement projects.

Lowe's Canada operates as a home improvement retailer in Canada. Lowe's offers home improvement products in the following categories: Appliances; Fashion Fixtures; Flooring; Home Fashions; Kitchens; Lawn & Garden; Lumber & Building Materials; Millwork; Outdoor Power Equipment; Paint; Rough Plumbing & Electrical; Seasonal Living; Tools & Hardware. Lowe's Canada opened its first stores in December 2007 and now operates 42 stores in Ontario, Alberta, Saskatchewan and British Columbia with more than 6,300 employees. Based in North York, Ontario, Lowe's Canada is a wholly-owned Subsidiary of Lowe's.

Fairness Opinion

The Board retained Scotia Capital as its financial advisor to provide advice and assistance in evaluating the Arrangement, including opining on the fairness of the Consideration to be paid under the Arrangement from a financial point of view to the

Common Shareholders and the Preferred Shareholders. In connection with this mandate, Scotia Capital has prepared the Fairness Opinion. The Fairness Opinion states that, in the opinion of Scotia Capital, as of February 2, 2016 and based upon and subject to the assumptions, limitations and qualifications contained therein, the consideration of $24.00 in cash per Common Share to be received by the Common Shareholders is fair, from a financial point of view, to the Common Shareholders, and (ii) the consideration of $20.00 in cash per Preferred Share to be received by the Preferred Shareholders, is fair, from a financial point of view, to the Preferred Shareholders. The full text of the Fairness Opinion setting out the assumptions made, procedures followed, matters considered and limitations and qualifications on the review undertaken, is attached as Appendix "F" to this Information Circular and should be read carefully and in its entirety. The summary of the Fairness Opinion in this Information Circular is qualified in its entirety by reference to the full text of the Fairness Opinion. The Fairness Opinion is not a recommendation as to how any Common Shareholder or Preferred Shareholder, as applicable, should vote with respect to the Arrangement or any other matter. See "*Fairness Opinion*".

Recommendations of the Special Committee and the Board

The Special Committee, after consultation with the Corporation's financial and legal advisors, and after careful consideration of, among other things, the Fairness Opinion, unanimously recommended that the Board approve the Arrangement and recommend that the Common Shareholders vote in favour of the Arrangement Resolution and that the Preferred Shareholders vote in favour of the Preferred Shareholder Resolution.

The Board, after consulting with the Corporation's and the Board's financial and legal advisors, and after careful consideration of, among other things, the Fairness Opinion and the unanimous recommendation of the Special Committee, has unanimously determined that the Arrangement is in the best interests of the Corporation (taking into account the relevant stakeholders thereof) and that the Arrangement is fair to the Common Shareholders and to the Preferred Shareholders. Accordingly, the Board unanimously recommends that the Common Shareholders and the Preferred Shareholders vote in favour of the Arrangement Resolution and the Preferred Shareholder Resolution, respectively.

In connection with the Arrangement, the directors of the Corporation, who as at February 25, 2016, beneficially owned or exercised control or direction over, an aggregate of 215,900 Common Shares and 1,200 Preferred Shares, representing respectively 0.20% of the issued and outstanding Common Shares and less than 0.1% of the issued and outstanding Preferred Shares have each entered into a voting agreement pursuant to which they have agreed to vote their Shares in favour of the Arrangement Resolution and the Preferred Shareholder Resolution, as applicable. In addition, the non-director executive officers of the Corporation, who as at February 25, 2016, beneficially owned or exercised control or direction over, an aggregate of 70,265 Common Shares, representing 0.07% of the issued and outstanding Common Shares, and no Preferred Shares, have advised the Corporation that they intend to vote their respective Common Shares in favour of the Arrangement Resolution.

On February 3, 2016, Caisse announced that considering the unanimous recommendation by the Board in favour of the Arrangement, the premium of 105% relative to the volume weighted average (Common) Share value on the TSX over the past 30 days ($11.68), Caisse's duties to its depositors and the commitments made by Lowe's regarding its presence in Québec and in Canada, Caisse confirms that it will support the transaction, and that overall, Caisse believes the transaction will result in equal or superior economic activity generated by the Rona banners in Québec.

See "*Recommendations of the Special Committee and the Board*".

Reasons for the Arrangement

In unanimously determining that the Arrangement is fair to the Shareholders and is in the best interests of the Corporation (taking into account the relevant stakeholders thereof) and the Shareholders, and recommending to Shareholders that they approve the Arrangement, the Board considered and relied upon a number of factors, including, among others, the following:

- the value of the Common Share Consideration payable under the Arrangement to the Common Shareholders, which represents a premium of approximately 104% to the closing price of the Common Shares on the TSX on February 2, 2016, the day prior to announcement of the Arrangement, and a premium of approximately 110% to the 20 trading day volume weighted average price of the Common Shares on the TSX up to and including February 2, 2016;

- the Consideration payable to Shareholders pursuant to the Arrangement will be paid entirely in cash, which provides Shareholders with certainty of value and immediate liquidity;

- the Board's assessment of the current and anticipated future opportunities and risks associated with the business, operations, assets, financial performance and condition of the Corporation should it continue as a stand-alone entity, including without limitation the potential adverse effect which is or would reasonably be expected as a result of Lowe's announced plans for further expansion throughout the Corporation's main geographical markets;

- the Fairness Opinion of Scotia Capital to the effect that, as of February 2, 2016 and based upon and subject to the assumptions, limitations and qualifications contained therein, (i) the $24.00 per Common Share in cash to be paid to the Common Shareholders pursuant to the Arrangement is fair, from a financial point of view, to the Common Shareholders, and (ii) the $20.00 per Preferred Share in cash to be paid to the Preferred Shareholders pursuant to the Arrangement is fair, from a financial point of view, to the Preferred Shareholders;

- Common Shareholders will have an opportunity to vote on the Arrangement, which requires approval by at least 66⅔% of the votes cast by the Common Shareholders represented at the Meeting in person or represented by proxy;

- the Special Committee has unanimously recommended to the Board that the Board (a) approve the Arrangement, (b) recommend that the Common Shareholders vote in favour of the Arrangement Resolution, and (c) recommend that the Preferred Shareholders vote in favour of the Preferred Shareholder Resolution;

- the Arrangement is subject to a determination of the Court that the Arrangement is fair and reasonable, both procedurally and substantively, to holders of securities of the Corporation;

- the Arrangement is expected to benefit the Corporation, its employees and other stakeholders based upon Lowe's plan and intention to: (i) establish Boucherville as the head office of the Canadian businesses; (ii) maintain the Corporation's multiple retail store banners; (iii) enhance distribution services to the Corporation's independent dealers; (iv) continue the employment by the Corporation of a vast majority of the Corporation's current employees and maintain key executives from the Corporation's strong leadership team; (v) continue the Corporation's local and ethical procurement strategy and expand relationships with Canadian manufacturers and suppliers; and (vi) continue to support Canadian communities through the Corporation's and Lowe's charitable and environmental initiatives;

- the terms and conditions of the Arrangement Agreement, including the fact that the Corporation's and the Purchaser Parties' representations, warranties and covenants and the conditions to completion of the Arrangement are, after consultation with the Corporation's legal advisors, reasonable in light of all applicable circumstances, including the Consideration offered by the Purchaser Parties;

- the likelihood of the transaction receiving the Regulatory Approvals under applicable laws and on terms and conditions satisfactory to the Corporation and the Purchaser Parties, including the advice of its legal and other advisors in connection with such Regulatory Approvals;
- the likelihood of such Regulatory Approvals being achieved within the timeframe set out in the Arrangement Agreement, including the Outside Date;
- the Purchaser Parties' obligation to complete the Arrangement is subject to a limited number of conditions, which the Board, after consultation with the Corporation's and the Board's legal advisors, believes are reasonable under the circumstances;
- the Arrangement is not subject to due diligence or financing conditions;
- the Board's belief that the Arrangement is likely to be completed in accordance with its terms and within a reasonable time, including obtaining Regulatory Approvals, with closing of the Arrangement currently expected in the second half of 2016;
- the fact that the value of the consideration payable under the Arrangement to the Preferred Shareholders represents a premium of approximately 59% to the closing price of the Preferred Shares on the TSX on February 2, 2016, the day prior to announcement of the Arrangement, and a premium of approximately 58% to the 20 trading day volume weighted average price of the Preferred Shares on the TSX up to and including February 2, 2016;
- the value of the Preferred Share Consideration payable under the Arrangement to the Preferred Shareholders, having regard to the terms and conditions of the Preferred Shares, including the terms of the fixed dividend on the Series 6 Class A Preferred Shares (and reasonably expected floating dividend on the Series 7 Class A Preferred Shares into which such shares may be converted in accordance with their terms) and the current interest rate environment;
- Preferred Shareholders will have an opportunity to vote on the Arrangement, which requires approval by at least 66⅔% of the votes cast by the Preferred Shareholders represented at the Meeting in person or represented by proxy, and if the requisite approval for the Arrangement is not obtained from the Preferred Shareholders, the Preferred Shares will remain outstanding in accordance with their terms, as the Arrangement with respect to the Common Shares is not conditional on the approval of the Preferred Shareholders;
- the treatment of holders of Incentive Awards under the Arrangement, including holders of Options, DSUs, PSUs and RSUs;
- the fact that Lowe's Canada's obligations under the Arrangement Agreement are unconditionally guaranteed by Lowe's;
- the ability of the Board, in certain circumstances, to consider, accept and enter into a definitive agreement with respect to a Superior Proposal, provided that the Corporation pays the Termination Fee;
- the view of the Board that the Termination Fee would not preclude a third party from making a potential unsolicited Superior Proposal in respect of the Corporation;
- the appropriateness of the Termination Fee and right to match as an inducement to the Purchaser Parties to enter into the Arrangement Agreement;
- the fact that registered Shareholders may, upon compliance with certain conditions and in certain circumstances, exercise their Dissent Rights and, if ultimately successful, receive fair value for their Shares as determined by the Court;

- the Arrangement Agreement is a result of arm's-length negotiations between the Corporation and the Purchaser Parties;

- the view of Scotia Capital that the Arrangement would likely have a positive impact on the outstanding Debentures due to the anticipated improved perceived credit quality from Lowe's superior debt rating as the new parent company and the covenant of the Purchaser Parties in the Arrangement Agreement to ensure that the Corporation has the necessary available funds to effect the repayment at maturity of the Debentures in accordance with their terms, and to ensure compliance with the Indenture;

- the terms of the Debentures including the fact that the terms of the Indenture does not contain provisions prohibiting a change of control of the Corporation; and

- the fact that, in the Board's view, the terms of the Arrangement Agreement treat stakeholders of the Corporation fairly.

In reaching its determination, the Board also considered a number of potential risks and potential negative factors relating to the Arrangement, including the following:

- the risks to the Corporation if the Arrangement is not completed, including the costs to the Corporation in pursuing the Arrangement, the diversion of management's attention away from conducting the Corporation's business in the ordinary course and the potential impact on the Corporation's current business relationships (including with future and prospective employees, customers, distributors, dealer-owners, suppliers and partners);

- the fact that following the Arrangement, Common Shareholders will forego any future increase in value that might result from future growth and the potential achievement of the Corporation's long-term plans;

- the conditions to the Purchaser Parties' obligation to complete the Arrangement and the right of the Purchaser Parties to terminate the Arrangement Agreement under certain limited circumstances;

- the prohibition contained in the Arrangement Agreement on the Corporation's ability to solicit additional interest from third parties, as well as the fact that if the Arrangement Agreement is terminated under certain circumstances, the Corporation must pay the Termination Fee to Lowe's Canada, as described under "*The Arrangement Agreement – Termination Fee in Favour of Lowe's Canada*"; and

- the fact that the Arrangement will be a taxable transaction and, as a result, Shareholders will generally be required to pay taxes on any gains that result from their receipt of the Consideration pursuant to the Arrangement.

See "*Background to the Arrangement*" and "*Reasons for the Arrangement*".

The Arrangement Agreement

The following is a summary of certain material terms of the Arrangement Agreement and is qualified in its entirety by the more detailed summary contained in the main body of this Information Circular. See "*The Arrangement Agreement*". The full text of the Arrangement Agreement is attached as Appendix "C" to this Information Circular.

Covenants, Representations and Warranties

The Arrangement Agreement contains customary covenants, representations and warranties for an agreement of this nature. In addition, the Corporation has provided certain non-solicitation covenants in favour of the Purchaser Parties. A summary of the covenants, representations and warranties is provided in the main body of this Information Circular under the heading "*The Arrangement Agreement*".

Conditions to the Arrangement

The obligations of the Corporation and the Purchaser Parties to complete the Arrangement are subject to the satisfaction or waiver of certain conditions set out in the Arrangement Agreement. These conditions include, among others, the receipt of Common Shareholder Approval, Court approval and all Regulatory Approvals. The obligation of the Corporation and the Purchaser Parties to complete the Arrangement is not subject to the receipt of Preferred Shareholder Approval.

A summary of the conditions is provided in the main body of this Information Circular under the heading "*The Arrangement Agreement — Conditions of Closing*".

Termination of the Arrangement Agreement

The Arrangement Agreement may be terminated at any time prior to the Effective Date by mutual written agreement of the Parties and by either the Purchaser Parties or the Corporation in certain other circumstances.

A summary of the termination provisions is provided in the main body of this Information Circular under the heading "*The Arrangement Agreement — Termination of Arrangement Agreement*".

Termination Fee

If the Arrangement Agreement is terminated in certain circumstances, including if the Corporation enters into an agreement with respect to a Superior Proposal or if the Board withdraws or modifies its recommendation with respect to the Arrangement, Lowe's Canada is entitled to a Termination Fee of $100,000,000.

See "*The Arrangement Agreement — Termination Fee in Favour of Lowe's Canada*".

Procedure for the Arrangement to Become Effective

Procedural Steps

The Arrangement is proposed to be carried out pursuant to Chapter XVI – Division II of the QBCA. The following procedural steps must be taken in order for the Arrangement to become effective:

a) the Arrangement Resolution must be approved by the Common Shareholders;

b) the Court must grant the Final Order approving the Arrangement;

c) all other conditions precedent to the Arrangement, as set forth in the Arrangement Agreement, must be satisfied or waived by the appropriate Party; and

d) the Final Order and Articles of Arrangement in the form prescribed by the QBCA must be sent to the Enterprise Registrar.

Shareholder Approval

At the Meeting, pursuant to the Interim Order, the Common Shareholders will be asked to approve the Arrangement Resolution. Each Common Shareholder as at the Record Date shall be entitled to vote on the Arrangement Resolution. The requisite approval for the Arrangement Resolution is at least 66⅔% of the votes cast on the Arrangement Resolution by the Common Shareholders, present in person or represented by proxy, at the Meeting. The Arrangement Resolution must receive the requisite Common Shareholder approval in order for the Corporation to seek the Final Order and implement the Arrangement on the Effective Date in accordance with the terms of the Final Order.

Approval will also be sought at the Meeting from the Preferred Shareholders to allow the Preferred Shares to participate in the Arrangement. Preferred Shareholders will vote on the Preferred Shareholder Resolution as a separate class (with

Preferred Shareholders voting together as a single class). Each Preferred Shareholder as at the Record Date shall be entitled to vote on the Preferred Shareholder Resolution. The requisite approval for the Preferred Shareholder Resolution is at least 66⅔% of the votes cast on the Preferred Shareholder Resolution by the Preferred Shareholders, present in person or represented by proxy at the Meeting. If the requisite approval by the Preferred Shareholders is not obtained prior to the Final Order, the Plan of Arrangement will be amended to exclude the Preferred Shares under the Plan of Arrangement and matters ancillary thereto (including, for greater certainty, to remove Dissent Rights in favour of the Preferred Shareholders) and the Preferred Shares will remain outstanding following the completion of the Arrangement. See "*General Proxy Matters — Procedure and Votes Required*".

For information with respect to the procedures for Shareholders to follow to receive their Consideration pursuant to the Arrangement, see "*Procedures for Surrender of Shares, Receipt of Consideration*". See also "*Summary of the Arrangement*" above.

Court Approval

The Arrangement requires the Court's approval of the Final Order. Prior to the mailing of this Information Circular, the Corporation obtained the Interim Order authorizing and directing the Corporation to call, hold and conduct the Meeting and to submit the Arrangement to Shareholders for approval. A copy of the Interim Order is attached as Appendix "E" to this Information Circular. Subject to the terms of the Arrangement Agreement and receipt of Common Shareholder Approval, the Corporation will make an application to the Court for the Final Order. The hearing in respect of the Final Order is expected to take place on April 7, 2016 at 2:00 p.m. (Montreal time) at the Courthouse located at 1 Rue Notre-Dame East, Montreal, Québec. See "*The Arrangement — Procedure for the Arrangement Becoming Effective — Court Approval*".

Conditions Precedent

The completion of the Arrangement is also subject to the receipt of certain Regulatory Approvals, including the Competition Act Approval and the ICA Industry Approval, which approvals are described in more detail under "*Principal Legal Matters — Regulatory Approvals*".

The implementation of the Arrangement is subject to a number of conditions being satisfied or waived by one or more of the Corporation and the Purchaser Parties. See "*The Arrangement Agreement — Conditions of Closing*".

Timing

Pursuant to Section 420 of the QBCA, the Arrangement will become effective on the date the Articles of Arrangement are filed, as shown on the Certificate of Arrangement. If the Meeting is held as scheduled and is not adjourned or postponed and the Common Shareholder Approval is obtained, the Corporation will apply for the Final Order approving the Arrangement. Subject to receipt of the Final Order in form and substance satisfactory to the Corporation and the Purchaser Parties, and satisfaction or waiver of all other conditions set forth in the Arrangement Agreement, including the receipt of all required Regulatory Approvals, the Corporation expects the Effective Date to occur in the second half of 2016. It is not possible, however, to state with certainty when the Effective Date will occur. The Effective Date could be delayed for a number of reasons, including the failure to obtain all Regulatory Approvals in the anticipated time frames. See "*The Arrangement — Timing*".

Dissent Rights of Registered Shareholders

Pursuant to and in accordance with the Plan of Arrangement, the Interim Order and the provisions of Chapter XIV – Division I of the QBCA (as modified or supplemented by the Interim Order, the Plan of Arrangement and any other order of the Court): (i) registered Common Shareholders have a right to demand the repurchase of their Common Shares in connection with the Arrangement and, if the Arrangement Resolution is passed and the Arrangement becomes effective, to be paid the

fair value of their Common Shares; and (ii) registered Preferred Shareholders have a right to demand the repurchase of their Preferred Shares in connection with the Arrangement and, if the Preferred Shareholder Resolution is passed and the Arrangement becomes effective, to be paid the fair value of their Preferred Shares. **The repurchase procedures require that a registered Shareholder who wishes to demand repurchase of their Shares must send to the Corporation a written notice to inform the Corporation of his, her or its intention to exercise the right to demand the repurchase of Shares, which notice must be received by the Corporation at its head office located at 220 chemin du Tremblay, Boucherville, Québec, J4B 8H7, Fax number: 514 599 5927, with a copy to Norton Rose Fulbright Canada LLP, Suite 2500, 1 Place Ville-Marie, Montreal, Québec, H3B 1R1, Fax number: 514-286-5474, Attention: Me Francis R. Legault, not later than 5:00 p.m. (Montreal time) on March 29, 2016 (or 5:00 p.m. (Montreal time) on the day that is two business days immediately preceding the date that any adjourned or postponed Meeting is reconvened or held, as the case may be).**

It is a condition to Lowe's Canada's obligation to complete the Arrangement that Common Shareholders holding no more than 10% of the Common Shares shall have exercised Dissent Rights that have not been withdrawn as at the Effective Date.

The statutory provisions covering the right to demand repurchase are technical and complex. Failure to strictly comply with the requirements set forth in Chapter XIV – Division I of the QBCA, as modified or supplemented by the Interim Order, the Plan of Arrangement and any other order of the Court, may result in the loss of Dissent Rights. In order to exercise Dissent Rights, Common Shareholders or Preferred Shareholders must have exercised all of their voting rights against the adoption and approval of the Arrangement Resolution or the Preferred Shareholder Resolution, as applicable. Persons who are beneficial owners of Shares registered in the name of a broker, investment dealer, bank, trust corporation, custodian, nominee or other intermediary who wish to exercise Dissent Rights should be aware that only registered holders of Shares are entitled to exercise Dissent Rights. The Preferred Shares have been issued in the form of a global certificate in the name of CDS & Co. and, as such, CDS & Co. is the sole registered holder of the Preferred Shares. In addition, some, but not all, of the Common Shares are held through global certificates registered in the name of CDS & Co. Accordingly, a non-registered Shareholder desiring to exercise its Dissent Rights must make arrangements for such Shares that are beneficially owned to be registered in such holder's name prior to the time the written notice to inform the Corporation of his, her or its intention to exercise Dissent Rights is required to be received by the Corporation, or alternatively, make arrangements for the registered holder to exercise Dissent Rights on such holder's behalf. Note that sections 393 to 397 of the QBCA, the text of which is attached as Appendix "G" to this Information Circular, set forth special provisions which are required to be followed with respect to the exercise of Dissent Rights by non-registered Shareholders. A Common Shareholder may only exercise Dissent Rights with respect to all Common Shares held and a Preferred Shareholder may only exercise Dissent Rights with respect to all Preferred Shares held, in each case, on behalf of any one beneficial holder and registered in the name of such Common Shareholder or Preferred Shareholder, as applicable. **It is recommended that you seek independent legal advice if you wish to exercise Dissent Rights.** See "*Dissent Rights*".

Stock Exchange Delisting

It is expected that the Common Shares will be delisted from the TSX following the completion of the Arrangement. In addition, if the Preferred Shares participate in the Arrangement, it is expected that the Preferred Shares will be delisted from the TSX following the completion of the Arrangement. If the Preferred Shares are not acquired pursuant to the Arrangement, it is expected that the Preferred Shares will remain listed for trading on the TSX.

Canadian Federal Income Tax Considerations

The summary included in this Information Circular describes the principal Canadian federal income tax considerations generally applicable to Shareholders who dispose of their Shares in return for the Consideration pursuant to the Arrangement and who, for the purposes of the Tax Act and at all relevant times, are residents of Canada, hold their Shares as capital property, deal at arm's length with the Corporation and the Purchaser Parties, and are not affiliated with the Corporation or any Purchaser Party.

Generally, such a Shareholder who holds Shares as capital property will realize a capital gain (or a capital loss) equal to the amount by which the cash received by such Shareholder under the Arrangement exceeds (or is less than) the total of the adjusted cost base of the Shares of the Shareholder and any reasonable costs of disposition.

This is only a brief summary of the Canadian federal income tax consequences of the Arrangement. You should carefully read the section "*Certain Canadian Federal Income Tax Considerations*" which qualifies the summary set forth above. It is important that you consult your own tax advisor to determine the tax consequences of the Arrangement to you.

Other Tax Considerations

This Information Circular does not address any tax considerations of the Arrangement other than certain Canadian income tax considerations to Shareholders. Shareholders who are resident in jurisdictions other than Canada should consult their tax advisors with respect to the relevant tax implications of the Arrangement, including any associated filing requirements, in such jurisdictions. All Shareholders should also consult their own tax advisors regarding relevant provincial, territorial, state or other tax considerations of the Arrangement.

Risk Factors

There is a risk that the Arrangement may not be completed. If the Arrangement is not completed, the Corporation will continue to face the risks that it currently faces with respect to its affairs, business and operations and future prospects. Additionally, failure to complete the Arrangement could materially and negatively impact the trading price of the Common Shares and Preferred Shares. If the Arrangement is completed but Preferred Shares do not participate in the Arrangement, the holders of such non-participating Preferred Shares may also face certain risks.

You should carefully consider the risk factors described in the section "*Risk Factors*" in evaluating how you should vote your Shares.

Glossary of Terms

The following is a glossary of certain terms used in this Information Circular, including the Summary hereof:

"**1934 Act**" means the United States Securities Exchange Act of 1934, as amended;

"**Acquisition Proposal**" means, other than the transactions contemplated by the Arrangement Agreement and other than any transaction involving only the Corporation and/or one or more of its Subsidiaries or between one or more of its Subsidiaries, any offer, proposal or inquiry (written or oral) from any person or group of persons other than Lowe's or Lowe's Canada (or any affiliate of Lowe's or Lowe's Canada) after the date of the Arrangement Agreement relating to: (i) any direct or indirect sale, disposition, alliance or joint venture (or any lease, long-term supply agreement or other arrangement having the same economic effect as a sale), in a single transaction or a series of related transactions, of assets (including shares of Subsidiaries of the Corporation) representing 20% or more of the consolidated assets or contributing 20% or more of the consolidated revenue of the Corporation and its Subsidiaries; (ii) any direct or indirect take-over bid, tender offer, exchange offer, treasury issuance or other transaction that, if consummated, would result in a person or group of persons acquiring beneficial ownership of 20% or more of any class of voting or equity securities of the Corporation (or securities convertible into or exchangeable for such voting or equity securities) then outstanding (assuming, if applicable, the conversion, exchange or exercise of such securities convertible into or exchangeable or exercisable for such voting or equity securities); (iii) any plan of arrangement, merger, amalgamation, consolidation, share exchange, business combination, reorganization, recapitalization, liquidation, dissolution or winding up involving the Corporation or any of its Subsidiaries; or (iv) any other similar transaction or series of transactions involving the Corporation or any of its Subsidiaries;

"**affiliate**" has the meaning ascribed thereto in National Instrument 45-106 — *Prospectus Exemptions*;

"**allowable capital loss**" has the meaning ascribed thereto under "*Certain Canadian Federal Income Tax Considerations — Shareholders Resident in Canada — Disposition of Shares*";

"**Application for Review**" has the meaning ascribed thereto under "*Principal Legal Matters — Regulatory Approvals — ICA Approvals*";

"**ARC**" has the meaning ascribed thereto under "*Principal Legal Matters — Regulatory Approvals — Competition Act Approval*";

"**Arrangement**" means an arrangement under Chapter XVI – Division II of the QBCA on the terms and subject to the conditions set out in the Plan of Arrangement, subject to any amendments or variations to the Plan of Arrangement made in accordance with the terms of the Arrangement Agreement or made at the direction of the Court in the Final Order with the prior written consent of the Corporation and Lowe's Canada, each acting reasonably;

"**Arrangement Agreement**" means the arrangement agreement dated as of February 2, 2016 among Lowe's, Lowe's Canada and the Corporation pursuant to which Lowe's, Lowe's Canada and the Corporation have proposed to implement the Arrangement, a copy of which is attached as Appendix "C" to this Information Circular, as such agreement may be further amended or amended and restated in accordance with its terms;

"**Arrangement Resolution**" means the special resolution approving the Plan of Arrangement to be considered by the Common Shareholders at the Meeting, substantially in the form attached as Appendix "A" to this Information Circular;

"**Articles of Arrangement**" means the articles of arrangement of the Corporation in respect of the Arrangement, required by the QBCA to be sent to the Enterprise Registar after the Final Order is made;

"**associate**" has the meaning ascribed thereto in the Securities Act;

"**Board**" means the board of directors of the Corporation as constituted from time to time;

"**Board Recommendation**" has the meaning ascribed thereto under "*The Arrangement Agreement — Covenants of the Corporation Regarding Non-Solicitation*";

"**Broadridge**" means Broadridge Financial Solutions, Inc.;

"**business day**" means, for the purposes of the Arrangement and the Arrangement Agreement, any day of the year, other than a Saturday, Sunday, a public holiday or a day when banks in Montreal, Québec or Mooresville, North Carolina are not generally open for business;

"**Caisse**" means Caisse de dépôt et placement du Québec;

"**Certificate of Arrangement**" means the certificate of arrangement to be issued by the Enterprise Registrar in accordance with the QBCA in respect of the Articles of Arrangement;

"**Change of Control Agreements**" has the meaning ascribed thereto under "*The Arrangement — Interests of Directors and Executive Officers in the Arrangement — Change of Control Agreements*";

"**Commissioner of Competition**" means the Commissioner of Competition appointed pursuant to Subsection 7(1) of the Competition Act or his designee, and, when the context so requires, includes his staff at the Competition Bureau;

"**Common Share Consideration**" means $24.00 in cash per Common Share, without interest;

"**Common Shareholder Approval**" means the requisite approval of the Arrangement Resolution by the Common Shareholders as set forth in the Interim Order, being at least 66⅔% of the votes cast on the Arrangement Resolution by the Common Shareholders, voting as a separate class, present in person or represented by proxy at the Meeting;

"**Common Shareholders**" means the registered and/or non-registered holders from time to time of the Common Shares, as the context requires;

"**Common Shares**" means common shares in the capital of the Corporation;

"**Competition Act**" means the *Competition Act*, R.S.C. 1985, c. C-34, as amended;

"**Competition Act Approval**" (i) receipt by Lowe's Canada of an advance ruling certificate by the Commissioner of Competition under Subsection 102(1) of the Competition Act to the effect that the Commissioner of Competition is satisfied that he would not have sufficient grounds upon which to apply to the Competition Tribunal for an order under Section 92 of the Competition Act with respect to the transactions contemplated by the Arrangement Agreement; or (ii) both of the (A) expiry or termination of the waiting period, including any extension of such waiting period, under Section 123 of the Competition Act or the waiver of the obligation to provide a pre-merger notification in accordance with paragraph 113(c) of the Competition Act, and (B) receipt by Lowe's Canada of a No Action Letter;

"**Competition Tribunal**" means the Competition Tribunal established under Subsection 3(1) of the Competition Tribunal Act, R.S.C. 1985, c. 19 (2nd Supp.), as amended;

"**Confidentiality Agreement**" has the meaning ascribed thereto under "*Background to the Arrangement*";

"**Consideration**" means the Common Share Consideration and the Preferred Share Consideration, as applicable;

"**Corporation**" or "**RONA**" means RONA inc., a corporation incorporated under the laws of Québec;

"**Court**" means the Québec Superior Court, or other court as applicable;

"**Debentures**" means the 5.40% debentures due October 20, 2016 issued pursuant to the Indenture;

"**Depositary**" means Computershare Trust Company of Canada;

"**Director of Investments**" means the Director of Investments appointed under section 6 of the Investment Canada Act;

"**Disclosure Letter**" means the disclosure letter dated as of the date of the Arrangement Agreement and delivered by the Corporation to Lowe's Canada together with the Arrangement Agreement;

"**Dissent Notice**" has the meaning ascribed thereto under "*Dissent Rights*";

"**Dissent Rights**" means the rights of the registered holders of Common Shares and Preferred Shares to demand repurchase of their Shares in respect of the Arrangement described in the Plan of Arrangement and the Interim Order;

"**Dissenting Shareholders**" means registered Common Shareholders or registered Preferred Shareholders who validly exercise Dissent Rights;

"**DSUs**" means the outstanding deferred share units issued pursuant to the deferred share unit plan of the Corporation dated February 21, 2006;

"**Enterprise Registrar**" means the enterprise registrar appointed by the Minister of Revenue of Québec;

"**Effective Date**" means the date shown on the Certificate of Arrangement giving effect to the Arrangement;

"**Effective Time**" means 12:01 a.m. (Montreal time) on the Effective Date, or such other time as the Parties agree to in writing before the Effective Date;

"**Fairness Opinion**" means the opinion of Scotia Capital dated February 2, 2016, which is included in the letter attached as Appendix "F" to this Information Circular;

"**Final Order**" means the final order of the Court in a form acceptable to the Corporation and Lowe's Canada, each acting reasonably, approving the Arrangement, as such order may be amended by the Court (with the consent of both the Corporation and Lowe's Canada, each acting reasonably) at any time prior to the Effective Date or, if appealed, then, unless such appeal is withdrawn or denied, as affirmed or as amended (provided that any such amendment is acceptable to both the Corporation and Lowe's Canada, each acting reasonably) on appeal;

"**GAAP**" means generally accepted accounting principles as set out in the CPA Canada Handbook – Accounting for an entity that prepares its financial statements in accordance with International Financial Reporting Standards, at the relevant time, applied on a consistent basis;

"**Governmental Authority**" or "**Governmental Entity**" means (i) any international, multinational, national, federal, provincial, state, regional, municipal, local or other government, governmental or public department, central bank, court, tribunal, arbitral body, commission, board, bureau, commissioner, minister, cabinet, governor in council, ministry, agency or instrumentality, domestic or foreign, (ii) any subdivision or authority of any of the above, (iii) any quasi-governmental or private body exercising any regulatory, expropriation or taxing authority under or for the account of any of the foregoing, or (iv) any stock exchange;

"**Heritage Minister**" means the Minister of Canadian Heritage and, when the context so requires, includes personnel at the Department of Canadian Heritage;

"**ICA Approvals**" the ICA Industry Approval and the ICA Heritage Approval;

"**ICA Heritage Approval**" means that the Heritage Minister shall have determined that she is satisfied that the transactions contemplated by the Arrangement Agreement are likely to be of net benefit to Canada pursuant to the Investment Canada Act and receipt by Lowe's Canada of written evidence from the Heritage Minister to that effect;

"**ICA Industry Approval**" means that the Industry Minister shall have determined that he is satisfied that the transactions contemplated by the Arrangement Agreement are likely to be of net benefit to Canada pursuant to the Investment Canada Act and receipt by Lowe's Canada of written evidence from the Industry Minister to that effect;

"**Incentive Awards**" means, collectively, the Options, DSUs, PSUs and RSUs;

"**Indenture**" means the trust indenture dated as of October 20, 2006 among the Corporation, Computershare Trust Company of Canada and the guarantors thereto;

"**Industry Minister**" means the Minister of Innovation, Science and Economic Development and, when the context so requires, includes personnel at Innovation, Science and Economic Development Canada;

"**Information Circular**" means this Management Proxy Circular dated February 25, 2016, together with all Appendices hereto, distributed by the Corporation to Shareholders in connection with the Meeting;

"**Interim Order**" means the interim order of the Court dated February 25, 2016 pursuant to the QBCA, containing declarations and directions with respect to the Arrangement and the Meeting, a copy of which order is attached as Appendix "E" to this Information Circular, as such order may be affirmed, amended or modified by the Court with the consent of the Corporation and Lowe's Canada, each acting reasonably;

"**Investment Canada Act**" means the *Investment Canada Act*, R.S.C. 1985, c. 28 (1st Supp.), as amended;

"**Law**" means, with respect to any person, any and all applicable law (statutory, civil, common or otherwise), constitution, treaty, convention, ordinance, code, rule, regulation, order, injunction, judgment, decree, ruling or other similar requirement, whether domestic or foreign, enacted, adopted, promulgated or applied by a Governmental Entity that is binding upon or applicable to such person or its business, undertaking, property or securities, and to the extent that they have the force of law, policies, guidelines, notices and protocols of any Governmental Entity, as amended unless expressly specified otherwise;

"**Letter of Transmittal**" means the letter(s) of transmittal enclosed with this Information Circular providing for the delivery of the Shares to the Depositary;

"**Lowe's**" means Lowe's Companies, Inc., a corporation incorporated under the laws of North Carolina;

"**Lowe's Canada**" means Lowe's Companies Canada, ULC, a corporation incorporated under the laws of Nova Scotia and a wholly-owned Subsidiary of Lowe's;

"**Matching Period**" has the meaning ascribed thereto under "*The Arrangement Agreement — Covenants of the Corporation Regarding Non-Solicitation*";

"**Material Adverse Effect**" means any change, event, occurrence, effect, state of facts or circumstance that, individually or in the aggregate with other such changes, events, occurrences, effects, state of facts or circumstances, is or would reasonably be expected to be material and adverse to the business, operations, results of operations, assets, properties, capitalization, condition (financial or otherwise) or liabilities (contingent or otherwise) of the Corporation and its Subsidiaries, taken as a whole, except any such change, event, occurrence, effect, state of facts or circumstances resulting from: (a) any change affecting the retail and distribution of hardware, home improvement and gardening industry as a whole; (b) any change in general economic, business, regulatory, political, financial, capital, securities or credit market conditions in Canada; (c) any

change in Law or GAAP; (d) any fluctuation in interest or inflation rates or Canadian and U.S. currency exchange rates; (e) any action taken (or omitted to be taken) by the Corporation or any of its Subsidiaries which is required to be taken (or omitted to be taken) pursuant to the Arrangement Agreement or requested by Lowe's or Lowe's Canada in writing, or the failure to take any actions prohibited by the Arrangement Agreement; (f) the announcement of the Arrangement Agreement or consummation of the Arrangement or the transactions contemplated thereby; (g) any matter which has been expressly disclosed by the Corporation in the Disclosure Letter; (h) the failure of the Corporation to meet any internal or published projections, forecasts, guidance or estimates of revenues, earnings or cash flows or any seasonal fluctuation in the Corporation's results (it being understood that the causes underlying such failure may be taken into account in determining whether a Material Adverse Effect has occurred); or (i) any change in the market price or trading volume of any securities of the Corporation or the credit ratings of the Corporation, or any suspension of trading in securities generally on any securities exchange on which any securities of the Corporation trade (it being understood that the causes underlying such change in market price or trading volume may be taken into account in determining whether a Material Adverse Effect has occurred); provided, however, that (A) with respect to clauses (a) through to and including (d), such matter does not have a materially disproportionate effect on the business, operations, results of operations, assets, properties, capitalization, condition (financial or otherwise) or liabilities of the Corporation and its Subsidiaries, taken as a whole, relative to other comparable companies and entities operating in the retail and distribution of hardware, home improvement and gardening industry (in which case the incremental disproportionate effect may be taken into account in determining whether there has been, or is reasonably expected to be, a Material Adverse Effect), and (B) unless expressly provided in any particular section of the Arrangement Agreement, references in certain sections of the Arrangement Agreement to dollar amounts are not intended to be, and shall not be deemed to be, illustrative or interpretive for purposes of determining whether a "Material Adverse Effect" has occurred;

"**MD&A**" has the meaning ascribed thereto under "*Information concerning the Corporation — Additional Information*";

"**Meeting**" means the special meeting of Shareholders to be held on Thursday, March 31, 2016, and any adjournment(s) or postponement(s) thereof, to consider and to vote on the Arrangement Resolution and the Preferred Shareholder Resolution and the other matters referred to in the Notice of Meeting;

"**MI 61-101**" means Multilateral Instrument 61-101 — *Protection of Minority Security Holders in Special Transactions*;

"**Minister**" has the meaning ascribed thereto under "*Principal Legal Matters — Regulatory Approvals*";

"**net benefit ruling**" has the meaning ascribed thereto under "*Principal Legal Matters — Regulatory Approvals — ICA Approvals*";

"**No Action Letter**" has the meaning ascribed thereto under "*Principal Legal Matters — Regulatory Approvals — Competition Act Approval*";

"**Non-Solicitation Covenants**" has the meaning ascribed thereto under "*The Arrangement Agreement — Covenants of the Corporation Regarding Non-Solicitation*";

"**Norton Rose**" has the meaning ascribed thereto under "*Background to the Arrangement*";

"**Notice of Application**" has the meaning ascribed thereto under "*Dissent Rights*";

"**Notice of Confirmation**" has the meaning ascribed thereto under "*Dissent Rights*";

"**Notice of Contestation**" has the meaning ascribed thereto under "*Dissent Rights*";

"**Notice of Meeting**" means the Notice of Special Meeting of Shareholders that accompanies this Information Circular;

"**Notifiable Transactions**" has the meaning ascribed thereto under "*Principal Legal Matters — Regulatory Approvals — Competition Act Approval*";

"**Notification**" has the meaning ascribed thereto under "*Principal Legal Matters — Regulatory Approvals — Competition Act Approval*";

"**Order**" means all judicial, arbitral, administrative, ministerial, departmental or regulatory judgments, injunctions, orders, decisions, rulings, determinations, awards, decrees or similar actions taken by, or applied by, any Governmental Authority (in each case, whether temporary, preliminary or permanent);

"**Outside Date**" means August 31, 2016 or such later date as may be agreed to in writing by the Parties, provided that if the Effective Date has not occurred by August 31, 2016 as a result of the failure to obtain one or more of the Regulatory Approvals, then Lowe's Canada may elect, by notice in writing delivered to the Corporation prior to August 31, 2016 to extend the Outside Date by a specified period of not more than two months, provided that, notwithstanding the foregoing, Lowe's Canada shall not be permitted to extend the Outside Date if the failure to obtain one or more of the Regulatory Approvals is primarily the result of Lowe's Canada's or Lowe's' failure to comply with their covenants in the Arrangement Agreement;

"**Parties**" means, collectively, Lowe's, Lowe's Canada and the Corporation, and Party means any one of Lowe's, Lowe's Canada or the Corporation;

"**Permitted Dividends**" means, in respect of Common Shares, a dividend not in excess of $0.04 per Common Share per calendar quarter on a basis and on timing consistent with the Corporation's current practice with respect to dividends, and in respect of the Preferred Shares, regular quarterly dividends payable on the Preferred Shares in accordance with the terms of such Preferred Shares, as set out in the Corporation's constating documents;

"**person**" includes any individual, partnership, association, body corporate, organization, trust, estate, trustee, executor, administrator, legal representative, government (including Governmental Entity), syndicate or other entity, whether or not having legal status;

"**Plan of Arrangement**" means the plan of arrangement attached as Appendix "D" to this Information Circular, subject to any amendments or variations to such plan made in accordance with the Arrangement Agreement or made at the direction of the Court in the Final Order with the prior written consent of the Corporation and Lowe's Canada, each acting reasonably;

"**Preferred Share Consideration**" means $20.00 in cash per Preferred Share (together with an amount equal to all accrued and unpaid dividends up to, but excluding, the Effective Date), without interest;

"**Preferred Shareholder Approval**" means the requisite approval of the Preferred Shareholder Resolution by the Preferred Shareholders, as set forth in the Interim Order, being at least 66⅔% of the votes cast on the Preferred Shareholder Resolution by the Preferred Shareholders, voting as a separate class (with Preferred Shareholders voting together as a single class), present in person or represented by proxy at the Meeting;

"**Preferred Shareholder Resolution**" means the special resolution approving the Arrangement to be considered by the Preferred Shareholders at the Meeting, substantially in the form attached as Appendix "B" to this Information Circular;

"**Preferred Shareholders**" means the registered and/or non-registered holders of the Preferred Shares, as the context requires;

"**Preferred Shares**" means the Series 6 Class A Preferred Shares and the Series 7 Class A Preferred Shares;

"**Proposed Amendments**" has the meaning ascribed thereto under "*Certain Canadian Federal Income Tax Considerations*";

"**PSUs**" means the performance share units issued under the Share Unit Plans;

"**Purchaser Parties**" means, collectively, Lowe's Canada and Lowe's;

"**QBCA**" means the *Business Corporations Act* (Québec);

"**Record Date**" means 5:00 p.m. (Montreal time) on February 25, 2016;

"**Regulatory Approvals**" means the Competition Act Approval and ICA Approvals;

"**Representatives**" has the meaning ascribed thereto under "*The Arrangement Agreement — Covenants of the Corporation Regarding Non-Solicitation*";

"**Repurchase Notice**" has the meaning ascribed thereto under "*Dissent Rights*";

"**Reviewable Transaction**" has the meaning ascribed thereto under "*Principal Legal Matters — Regulatory Approvals — ICA Approvals*";

"**Rights Plan**" means the shareholder rights plan agreement between the Corporation and Computershare Trust Company of Canada, as rights agent, dated as of March 10, 2011 and ratified by the Common Shareholders on May 13, 2014;

"**RSUs**" means the restricted share units issued under the Share Unit Plans;

"**Scotia Capital**" means Scotia Capital Inc.;

"**SEC**" means the U.S. Securities and Exchange Commission;

"**Securities Act**" means the *Securities Act* (Québec);

"**Securities Authority**" means the *Autorité des marchés financiers* (Québec) and the applicable securities commissions or securities regulatory authority of a province or territory of Canada;

"**Securities Laws**" means the Securities Act and any other applicable Canadian provincial and territorial securities laws, rules and regulations and published policies thereunder;

"**SEDAR**" means the System for Electronic Document Analysis and Retrieval;

"**Series 6 Class A Preferred Shares**" means the sixth series of preferred shares of the Corporation designated as "Cumulative 5-Year Rate Reset Series 6 Class A Preferred Shares", as constituted on February 2, 2016;

"**Series 7 Class A Preferred Shares**" means the seventh series of preferred shares of the Corporation designated as "Cumulative Floating Rate Series 7 Class A Preferred Shares", as constituted on February 2, 2016;

"**SERP**" has the meaning ascribed thereto under "*The Arrangement — Interests of Directors and Executive Officers in the Arrangement — Change of Control Agreements*";

"**Severance Period**" has the meaning ascribed thereto under "*The Arrangement — Interests of Directors and Executive Officers in the Arrangement — Change of Control Agreements*";

"**Shareholders**" means, collectively, the Common Shareholders and the Preferred Shareholders;

"**Shares**" means, collectively, the Common Shares and the Preferred Shares;

"**Share Unit Plans**" means the Corporation's share unit plan adopted on May 8, 2007, as amended on March 11, 2009, and the Corporation's share unit plan adopted on February 15, 2015;

"**Special Committee**" means the ad hoc committee of directors of the Board consisting of Messrs. Robert Chevrier, Robert Paré, Steven P. Richardson, Bernard Dorval and Réal Brunet;

"**Stock Option Plans**" means the share option plan for designated senior executives of the Corporation adopted on October 24, 2002, as amended on December 14, 2005, March 8, 2007 and February 19, 2008, and the share option plan for designated employees of the Corporation adopted on March 12, 2015;

"**Subsidiary**" means, with respect to a person, any entity, whether incorporated or unincorporated: (i) of which such person or any other Subsidiary of such person is a general partner; or (ii) at least a majority of the securities or other interests of which having by their terms ordinary voting power to elect a majority of the board of directors or other persons performing similar functions with respect to such corporation or other organization is directly or indirectly owned or controlled by such person and/or by any one or more of its Subsidiaries; and shall include any body corporate, partnership, joint venture or other entity over which it exercises direction or control. For purposes of this definition, "control" when used with respect to any person means the power to direct the management and policies of such person, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise;

"**Superior Proposal**" means any unsolicited *bona fide* written Acquisition Proposal from an arms' length third party or arms' length third parties acting jointly: (i) to acquire not less than all of the outstanding Common Shares or all or substantially all of the assets of the Corporation on a consolidated basis; (ii) that complies with Securities Laws and did not result from or involve a breach of the Arrangement Agreement; (iii) that is reasonably capable of being completed without undue delay, taking into account, all financial, legal, regulatory (including with respect to the Competition Act and the Investment Canada Act, to the extent applicable) and other aspects of such proposal and the person or group of persons making such proposal; (iv) that is not subject to any financing contingency; (v) that is not subject to any due diligence and/or access condition; and (vi) in respect of which the Board or any relevant committee thereof determines, in its good faith judgment, after receiving the advice of its outside legal counsel and financial advisors and after taking into account all the terms and conditions of the Acquisition Proposal, including all legal, financial, regulatory (including with respect to the Competition Act and the Investment Canada Act, to the extent applicable) and other aspects of such Acquisition Proposal and the person or group of persons making such Acquisition Proposal, would, if consummated in accordance with its terms, but without assuming away the risk of non-completion, result in a transaction which is more favourable, from a financial point of view, to Common Shareholders than the Arrangement (including any amendments to the terms and conditions of the Arrangement proposed by Lowe's Canada pursuant to section 5.4(2) of the Arrangement Agreement);

"**Superior Proposal Notice**" has the meaning ascribed thereto under "*The Arrangement Agreement — Covenants of the Corporation Regarding Non-Solicitation*";

"**Supplementary Information Request**" has the meaning ascribed thereto under "*Principal Legal Matters — Regulatory Approvals — Competition Act Approval*";

"**Tax Act**" means the Income Tax Act, R.S.C. 1985, c. 1. (5th Supp), as amended, including the regulations promulgated thereunder;

"**taxable capital gain**" has the meaning ascribed thereto under "*Certain Canadian Federal Income Tax Considerations — Shareholders Resident in Canada — Disposition of Shares*";

"**Termination Fee**" has the meaning ascribed thereto under "*The Arrangement Agreement — Termination Fee in Favour of Lowe's Canada*";

"**Transfer Agent**" means Computershare Investor Services Inc.;

"**TSX**" means the Toronto Stock Exchange;

"**Voting Agreements**" means the agreements to vote in favour of the Arrangement from each of the Corporation's directors.

Certain other terms used herein but not defined herein are defined in the Arrangement Agreement and, unless the context otherwise requires, shall have the same meanings herein as in the Arrangement Agreement.

Background to the Arrangement

On July 8, 2012, RONA received an unsolicited, non-binding proposal from Lowe's to acquire all of the outstanding Common Shares at a price of $14.50 per share in a board-supported transaction. RONA's Board and a special committee of independent directors, with the assistance of their financial and legal advisors, commenced a review and evaluation of the proposal.

On July 26, 2012, RONA informed Lowe's that RONA's Board and special committee had met on several occasions with financial and legal advisors to review and consider Lowe's proposal and had unanimously determined that the proposal was not in the best interests of RONA and its stakeholders and requested that Lowe's confirm that it would not pursue a transaction that was not supported by RONA's Board. In response, on July 28, 2012, Lowe's informed RONA that it remained interested in pursuing a board-supported transaction but was going to consider all of its options.

On July 31, 2012, RONA publicly announced that it had received a proposal from Lowe's and that the Board had determined the proposal was not in the best interests of RONA and its stakeholders and that RONA should remain focused on executing its business plan and capturing the significant opportunities that it saw for the business. On September 12, 2012, Lowe's announced that it had formally withdrawn its proposal but that it continued to believe that a combination of Lowe's and RONA made business sense and would create significant value for all stakeholders.

Thereafter, RONA conducted its operations in the normal course of business, including the continued execution of its standalone business plan and the consideration of various value-creating corporate transactions, such as acquisitions, joint ventures and internal reorganizations, efficiency initiatives and divestitures of non-core assets (as a result of which, *inter alia*, RONA closed 11 big box stores), consistent with the Board's belief that RONA possessed significant opportunity for generating shareholder value on a standalone basis.

From early 2013 through the spring of 2015, representatives of Lowe's and RONA met on several occasions to discuss potential business opportunities involving Lowe's Canadian operations and RONA, including potential business combination transactions. The parties were unable to reach an agreement on the terms for any such opportunity or transaction.

On April 1, 2015, following an invitation from Lowe's, Mr. Robert Chevrier, Chairman of the Board, met with Messrs. Richard Maltsbarger, Chief Development Officer and President, International of Lowe's and Robert A. Niblock, Chairman, President and Chief Executive Officer of Lowe's. After discussing in general terms their respective businesses and touching on previous discussions, Messrs. Maltsbarger and Niblock indicated that Lowe's remained interested in a friendly, board-supported transaction for the acquisition of all of RONA's Common Shares. Mr. Chevrier indicated that unless Lowe's was willing to put forward a compelling proposal that would justify a board-supported transaction, a sale was not in RONA's best interests.

On July 28, 2015, Messrs. Chevrier and Maltsbarger met and Mr. Maltsbarger reiterated Lowe's interest in determining the conditions required for Lowe's to acquire all of the outstanding Common Shares in a board-supported all-cash transaction and expressed that Lowe's was prepared to consider making a proposal at a compelling price, in light of Mr. Chevrier's statements regarding the value which he was expecting RONA to be able to create by executing on its stand-alone business plan, and that a board-supported transaction would not be in RONA's best interests below such value.

On September 14, 2015, during the course of its regularly scheduled annual strategic review Board meetings, during which management presented an updated long-term financial plan, the Board held a special session at which Mr. Chevrier shared with the Board the latest discussions he had with Lowe's representatives. Lowe's announced plans for further expansion throughout RONA's main geographic markets were also discussed. RONA's and the Board's financial advisors, Scotia Capital, were invited to discuss the financial and strategic implications of a potential transaction with Lowe's. RONA's and

the Board's legal advisors, Norton Rose Fulbright Canada LLP ("**Norton Rose**"), were also invited to advise the Board on its role and responsibilities in connection with a potential transaction with Lowe's. After receiving the advice of Scotia Capital and Norton Rose, the Board authorized Mr. Chevrier to hold further discussions with Lowe's representatives.

During the fall of 2015, representatives of Lowe's and RONA continued to discuss Lowe's interest in acquiring all of the outstanding Common Shares in a board-supported all-cash transaction. During these discussions, Mr. Chevrier indicated that RONA was not interested in any transaction unless Lowe's was prepared to offer a compelling price.

On December 1, 2015, the Board held a special meeting to discuss the latest expressions of interest from Lowe's. At the meeting, the Board received presentations from representatives of Norton Rose in relation to applicable matters of process and fiduciary duties and from Scotia Capital in relation to various financial and strategic considerations. After receiving these presentations, the Board authorized management to continue to pursue discussions with Lowe's representatives.

On December 7, 2015, Mr. Chevrier received a non-binding letter of intent expressing Lowe's interest in exploring a potential board-supported acquisition by Lowe's of RONA by way of a court approved plan of arrangement, subject to completion by Lowe's of satisfactory due diligence, the negotiation of mutually acceptable definitive transaction documents, and entry into an appropriate exclusivity arrangement that would cover the period required to complete due diligence and enter into a definitive agreement. The letter also expressed Lowe's desire to obtain lock up agreements from certain Shareholders in connection with the potential transaction.

On December 17, 2015, the Board, after receiving advice from the financial and legal advisors, and following the establishment of appropriate protocols to protect RONA's commercially sensitive operations and financial information from Lowe's as its competitor, approved RONA's entry into a confidentiality, exclusivity and standstill agreement with Lowe's pursuant to which Lowe's and its representatives would be provided access to certain confidential information relating to RONA and RONA agreed to engage in exclusive negotiations with Lowe's until January 31, 2016 (the "**Confidentiality Agreement**").

On December 23, 2015, the Board approved the formation of a Special Committee of independent directors to assist the Board regarding the potential transaction, consisting of independent directors Messrs. Robert Chevrier, Robert Paré, Steven P. Richardson, Bernard Dorval and Réal Brunet, for the purposes of, *inter alia*: (i) reviewing and considering the proposed form, structure, terms, conditions and timing of the Arrangement, as well as any alternative transaction proposal received by RONA, (ii) making such recommendations to the Board as it considers appropriate or desirable in relation to any such transaction (including whether or not to proceed with the Arrangement), and (iii) providing advice and guidance to the Board as to whether one or more transaction(s) are in the best interests of RONA.

Following entry into the Confidentiality Agreement through execution of the Arrangement Agreement, representatives of Lowe's and RONA and their advisors held several meetings at which representatives of RONA and its advisors shared information concerning RONA and its business and RONA provided representatives of Lowe's and its advisors with access to an electronic data room that contained confidential information relating to RONA and its business.

In parallel, the Parties held discussions regarding potential undertakings Lowe's was prepared to make in connection with required ICA Approvals.

On January 7, 2016, the Special Committee held a meeting to receive an update on the progress of the due diligence process. At the meeting, the Special Committee approved the compensation of the Special Committee members and special compensatory payments to the other members of the Board.

On January 12, 2016, having made progress on due diligence, a representative of Norton Rose contacted the Executive Vice-President, Legal Affairs and Secretariat of Caisse in connection with the proposed transaction. During this conversation, it was conveyed to Caisse that Lowe's would be looking for Caisse's support of the proposed transaction, as the largest shareholder of RONA. Representatives of Norton Rose indicated to Caisse that in order to receive information in connection

with the proposed transaction, Caisse would have to enter into a letter agreement acknowledging its agreement to be bound by the terms of the Confidentiality Agreement between RONA and Lowe's. This letter agreement was entered into on January 13, 2016. Between January 13, 2016 and February 2, 2016, Mr. Chevrier and Mr. Michael Sabia, President and Chief Executive Officer of Caisse, held a number of discussions with respect to the conditions under which Caisse would be prepared to support the proposed transaction and on February 2, 2016, representatives of Caisse indicated that they would be prepared to issue a press release supporting the transaction after it was announced.

On January 14, 2016, the Special Committee held another meeting to review the status of negotiations regarding Lowe's undertakings in connection with required ICA Approvals and other key terms of the proposed transaction.

On January 18, 2016, Lowe's legal advisors delivered an initial draft arrangement agreement to Norton Rose. From January 18, 2016 through February 2, 2016, the Parties and their representatives negotiated the terms of the Arrangement Agreement.

At meetings of the Special Committee and of the Board held on January 21, 2016, management updated the Special Committee and the Board on the progress of the negotiations and due diligence.

Later on January 21, 2016, the Parties reached a mutual agreement in principle on consideration of $24.00 per Common Share, subject to reaching agreement on the other terms of the Arrangement Agreement and approval by the Special Committee, the Board and Lowe's board of directors. In addition, the Parties subsequently agreed on consideration of $20.00 per Preferred Share.

On January 28, 2016, each of the Special Committee and the Board held another meeting at which management provided an update on negotiation of the Arrangement Agreement.

On the afternoon of February 2, 2016, the Special Committee, together with representatives of Scotia Capital and Norton Rose, met to review the terms of the proposed final draft Arrangement Agreement and related matters. Among other things, Scotia Capital advised the Special Committee that, as of February 2, 2016, and based upon and subject to the assumptions, limitations and qualifications contained in the Fairness Opinion, (i) the Common Share Consideration under the Arrangement is fair, from a financial point of view, to the Common Shareholders; and (ii) the Preferred Share Consideration under the Arrangement is fair, from a financial point of view, to the Preferred Shareholders. Scotia Capital's opinion was subsequently formalized in writing in the Fairness Opinion. The Special Committee, having taken into account the advice of Norton Rose, the advice of Scotia Capital, including the Fairness Opinion, and such other matters as it considered relevant, including those set forth under the heading "*Reasons for the Arrangement*", unanimously recommended that the Board approve the Arrangement and recommend that the Common Shareholders vote in favour of the Arrangement Resolution and that the Preferred Shareholders vote in favour of the Preferred Shareholder Resolution.

Thereafter on February 2, 2016, the Board, together with representatives of Scotia Capital and Norton Rose, met to review the terms of the proposed final draft Arrangement Agreement and related matters and to receive the recommendation of the Special Committee. Scotia Capital repeated its advice that, as of February 2, 2016, and based upon and subject to the assumptions, limitations and qualifications contained in the Fairness Opinion, (i) the Common Share Consideration under the Arrangement is fair, from a financial point of view, to the Common Shareholders; and (ii) the Preferred Share Consideration under the Arrangement is fair, from a financial point of view, to the Preferred Shareholders. The Board, having taken into account the advice of Norton Rose, the advice of Scotia Capital, including the Fairness Opinion, the unanimous recommendation of the Special Committee and such other matters as it considered relevant, including those set forth under the heading "*Reasons for the Arrangement*", unanimously determined that the Arrangement was in the best interests of RONA (taking into account the relevant stakeholders thereof) and unanimously resolved to recommend that the Shareholders vote in favour of the Arrangement Resolution and the Preferred Shareholder Resolution, as applicable.

The transaction documents were finalized and executed on the evening of February 2, 2016, and a press release announcing the transaction was issued early in the morning of February 3, 2016 prior to the opening of trading of the TSX.

On February 3, 2016, Caisse issued a press release to the effect that considering the unanimous recommendation by the Board in favour of the Arrangement, the premium of 105% relative to the volume weighted average (Common) Share value on the TSX over the past 30 days ($11.68), Caisse's duties to its depositors and the commitments made by Lowe's regarding its presence in Québec and in Canada, Caisse would support the transaction, and that overall, Caisse believed the transaction would result in equal or superior economic activity generated by the RONA banners in Québec.

On February 16, 2016, the Board met and approved this Information Circular and certain other procedural matters related thereto and to the Arrangement.

Recommendations of the Special Committee and the Board

The Board established the Special Committee for the purposes of, *inter alia*: (i) reviewing and considering the proposed form, structure, terms, conditions and timing of the Arrangement, as well as any alternative transaction received by the Corporation, (ii) making such recommendations to the Board as it considers appropriate or desirable in relation to any such transaction (including whether or not to proceed with the Arrangement), and (iii) providing advice and guidance to the Board as to whether one or more transaction(s) is or are in the best interests of the Corporation.

The Special Committee, after consultation with the Corporation's financial and legal advisors, and after careful consideration of, among other things, the Fairness Opinion, unanimously recommended that the Board approve the Arrangement and recommend that the Common Shareholders vote in favour of the Arrangement Resolution and that the Preferred Shareholders vote in favour of the Preferred Shareholder Resolution.

The Board, after consulting with the Corporation's financial and legal advisors, and after careful consideration of, among other things, the Fairness Opinion and the unanimous recommendation of the Special Committee, has unanimously determined that the Arrangement is in the best interests of the Corporation (taking into account the relevant stakeholders thereof) and that the Arrangement is fair to the Common Shareholders and to the Preferred Shareholders. Accordingly, the Board unanimously recommends that the Common Shareholders and the Preferred Shareholders vote in favour of the Arrangement Resolution and the Preferred Shareholder Resolution, respectively.

Reasons for the Arrangement

In unanimously determining that the Arrangement is fair to the Shareholders and is in the best interests of the Corporation (taking into account the relevant stakeholders thereof) and the Shareholders, and recommending to Shareholders that they approve the Arrangement, the Board considered and relied upon a number of factors, including, among others, the following:

- the value of the Common Share Consideration payable under the Arrangement to the Common Shareholders, which represents a premium of approximately 104% to the closing price of the Common Shares on the TSX on February 2, 2016, the day prior to announcement of the Arrangement, and a premium of approximately 110% to the 20 trading day volume weighted average price of the Common Shares on the TSX up to and including February 2, 2016;

- the Consideration payable to Shareholders pursuant to the Arrangement will be paid entirely in cash, which provides Shareholders with certainty of value and immediate liquidity;

- the Board's assessment of the current and anticipated future opportunities and risks associated with the business, operations, assets, financial performance and condition of the Corporation should it continue as a stand-alone entity, including without limitation the potential adverse effect which is or would reasonably be expected as a result of Lowe's announced plans for further expansion throughout the Corporation's main geographical markets;

- the Fairness Opinion of Scotia Capital to the effect that, as of February 2, 2016 and based upon and subject to the assumptions, limitations and qualifications contained therein, (i) the $24.00 per Common Share in cash to be paid to the Common Shareholders pursuant to the Arrangement is fair, from a financial point of view, to the Common Shareholders, and (ii) the $20.00 per Preferred Share in cash to be paid to the Preferred Shareholders pursuant to the Arrangement is fair, from a financial point of view, to the Preferred Shareholders;

- Common Shareholders will have an opportunity to vote on the Arrangement, which requires approval by at least 66⅔% of the votes cast by the Common Shareholders represented at the Meeting in person or represented by proxy;

- the Special Committee has unanimously recommended to the Board that the Board (a) approve the Arrangement, (b) recommend that the Common Shareholders vote in favour of the Arrangement Resolution, and (c) recommend that the Preferred Shareholders vote in favour of the Preferred Shareholder Resolution;

- the Arrangement is subject to a determination of the Court that the Arrangement is fair and reasonable, both procedurally and substantively, to holders of securities of the Corporation;

- the Arrangement is expected to benefit the Corporation, its employees and other stakeholders based upon Lowe's plan and intention to: (i) establish Boucherville as the head office of the Canadian businesses; (ii) maintain the Corporation's multiple retail store banners; (iii) enhance distribution services to the Corporation's independent dealers; (iv) continue the employment by the Corporation of a vast majority of the Corporation's current employees and maintain key executives from the Corporation's strong leadership team; (v) continue the Corporation's local and ethical procurement strategy and expand relationships with Canadian manufacturers and suppliers; and (vi) continue to support Canadian communities through the Corporation's and Lowe's charitable and environmental initiatives;

- the terms and conditions of the Arrangement Agreement, including the fact that the Corporation's and the Purchaser Parties' representations, warranties and covenants and the conditions to completion of the Arrangement are, after consultation with the Corporation's legal advisors, reasonable in light of all applicable circumstances, including the Consideration offered by the Purchaser Parties;
- the likelihood of the transaction receiving the Regulatory Approvals under applicable laws and on terms and conditions satisfactory to the Corporation and the Purchaser Parties, including the advice of its legal and other advisors in connection with such Regulatory Approvals;
- the likelihood of such Regulatory Approvals being achieved within the timeframe set out in the Arrangement Agreement, including the Outside Date;
- the Purchaser Parties' obligation to complete the Arrangement is subject to a limited number of conditions, which the Board, after consultation with the Corporation's and the Board's legal advisors, believes are reasonable under the circumstances;
- the Arrangement is not subject to due diligence or financing conditions;
- the Board's belief that the Arrangement is likely to be completed in accordance with its terms and within a reasonable time, including obtaining Regulatory Approvals, with closing of the Arrangement currently expected in the second half of 2016;
- the fact that the value of the consideration payable under the Arrangement to the Preferred Shareholders represents a premium of approximately 58% to the closing price of the Preferred Shares on the TSX on February 2, 2016, the day prior to announcement of the Arrangement, and a premium of approximately 58% to the 20 trading day volume weighted average price of the Preferred Shares on the TSX up to and including February 2, 2016;
- the value of the Preferred Share Consideration payable under the Arrangement to the Preferred Shareholders, having regard to the terms and conditions of the Preferred Shares, including the terms of the fixed dividend on the Series 6 Class A Preferred Shares (and reasonably expected floating dividend on the Series 7 Class A Preferred Shares into which such shares may be converted in accordance with their terms) and the current interest rate environment;
- Preferred Shareholders will have an opportunity to vote on the Arrangement, which requires approval by at least 66⅔% of the votes cast by the Preferred Shareholders represented at the Meeting in person or represented by proxy, and if the requisite approval for the Arrangement is not obtained from the Preferred Shareholders, the Preferred Shares will remain outstanding in accordance with their terms, as the Arrangement with respect to the Common Shares is not conditional on the approval of the Preferred Shareholders;
- the treatment of holders of Incentive Awards under the Arrangement, including holders of Options, DSUs, PSUs and RSUs;
- the fact that Lowe's Canada's obligations under the Arrangement Agreement are unconditionally guaranteed by Lowe's;
- the ability of the Board, in certain circumstances, to consider, accept and enter into a definitive agreement with respect to a Superior Proposal, provided that the Corporation pays the Termination Fee;
- the view of the Board that the Termination Fee would not preclude a third party from making a potential unsolicited Superior Proposal in respect of the Corporation;
- the appropriateness of the Termination Fee and right to match as an inducement to the Purchaser Parties to enter into the Arrangement Agreement;

- the fact that registered Shareholders may, upon compliance with certain conditions and in certain circumstances, exercise their Dissent Rights and, if ultimately successful, receive fair value for their Shares as determined by the Court;

- the Arrangement Agreement is a result of arm's-length negotiations between the Corporation and the Purchaser Parties;

- the view of Scotia Capital that the Arrangement would likely have a positive impact on the outstanding Debentures due to the anticipated improved perceived credit quality from Lowe's superior debt rating as the new parent company and the covenant of the Purchaser Parties in the Arrangement Agreement to ensure that the Corporation has the necessary available funds to effect the repayment at maturity of the Debentures in accordance with their terms, and to ensure compliance with the Indenture;

- the terms of the Debentures including the fact that the terms of the Indenture does not contain provisions prohibiting a change of control of the Corporation; and

- the fact that, in the Board's view, the terms of the Arrangement Agreement treat stakeholders of the Corporation fairly.

In reaching its determination, the Board also considered a number of potential risks and potential negative factors relating to the Arrangement, including the following:

- the risks to the Corporation if the Arrangement is not completed, including the costs to the Corporation in pursuing the Arrangement, the diversion of management's attention away from conducting the Corporation's business in the ordinary course and the potential impact on the Corporation's current business relationships (including with future and prospective employees, customers, distributors, dealer-owners, suppliers and partners);

- the fact that following the Arrangement, Common Shareholders will forego any future increase in value that might result from future growth and the potential achievement of the Corporation's long-term plans;

- the conditions to the Purchaser Parties' obligation to complete the Arrangement and the right of the Purchaser Parties to terminate the Arrangement Agreement under certain limited circumstances;

- the prohibition contained in the Arrangement Agreement on the Corporation's ability to solicit additional interest from third parties, as well as the fact that if the Arrangement Agreement is terminated under certain circumstances, the Corporation must pay the Termination Fee to Lowe's Canada, as described under "*The Arrangement Agreement – Termination Fee in Favour of Lowe's Canada*"; and

- the fact that the Arrangement will be a taxable transaction and, as a result, Shareholders will generally be required to pay taxes on any gains that result from their receipt of the Consideration pursuant to the Arrangement.

The foregoing discussion of the information and factors considered and given weight by the Board is not intended to be exhaustive. In reaching the determination to approve and recommend the Arrangement, the Board did not assign any relative or specific weights to the foregoing factors, and individual directors may have given different weights to different factors. The full Board was present at the February 2, 2016 meeting of the Board at which the Arrangement was approved and the Board was unanimous in its recommendation that the Common Shareholders vote in favour of the Arrangement Resolution and the Preferred Shareholders vote in favour of the Preferred Shareholder Resolution. At a meeting of the Board held on February 16, 2016, at which, among other matters, the contents of this Information Circular were approved, the Board unanimously confirmed its determination that the Arrangement is in the best interests of the Corporation (taking into account the relevant stakeholders thereof) and the Shareholders and recommendation that the Common Shareholders vote in favour of the Arrangement Resolution and the Preferred Shareholders vote in favour of the Preferred Shareholder Resolution.

In connection with the Arrangement, the directors of the Corporation, who as at February 25, 2016, beneficially owned or exercised control or direction over, an aggregate of 215,900 Common Shares and 1,200 Preferred Shares, representing respectively 0.20% of the issued and outstanding Common Shares and less than 0.1% of the issued and outstanding Preferred Shares have each entered into a voting agreement pursuant to which they have agreed to vote their Shares in favour of the Arrangement Resolution and the Preferred Shareholder Resolution, as applicable. In addition, the non-director executive officers of the Corporation, who as at February 25, 2016, beneficially owned or exercised control or direction over, an aggregate of 70,265 Common Shares, representing 0.07% of the issued and outstanding Common Shares, and no Preferred Shares, have advised the Corporation that they intend to vote their respective Common Shares in favour of the Arrangement Resolution.

On February 3, 2016, Caisse announced that considering the unanimous recommendation by the Board in favour of the Arrangement, the premium of 105% relative to the volume weighted average (Common) Share value on the TSX over the past 30 days ($11.68), Caisse's duties to its depositors and the commitments made by Lowe's regarding its presence in Québec and in Canada, Caisse confirms that it will support the transaction, and that overall, Caisse believes the transaction will result in equal or superior economic activity generated by the Rona banners in Québec.

Fairness Opinion

In deciding to approve the Arrangement, the Board considered, among other things, the Fairness Opinion. The Fairness Opinion states that, in the opinion of Scotia Capital, as of February 2, 2016 and based upon and subject to the assumptions, limitations and qualifications contained therein, (i) the Common Share Consideration under the Arrangement is fair, from a financial point of view, to the Common Shareholders; and (ii) the Preferred Share Consideration under the Arrangement is fair, from a financial point of view, to the Preferred Shareholders. **This summary is qualified in its entirety by reference to the full text of the Fairness Opinion. The Board urges Shareholders to read the Fairness Opinion carefully and in its entirety.**

The full text of Scotia Capital's written opinion, dated February 2, 2016, which describes the assumptions made, procedures followed, matters considered and limitations and qualifications on the review undertaken by Scotia Capital in connection with the Fairness Opinion, is attached to this Information Circular as Appendix "F". The summary of Scotia Capital's Fairness Opinion in this Information Circular is qualified in its entirety by reference to the full text of its written opinion. **The Fairness Opinion was provided for the information of the Special Committee and the Board (in their respective capacities as such) in their evaluation of the Consideration from a financial point of view and Scotia Capital expressed no view as to, and its Fairness Opinion did not address, any other aspects or implications of the Arrangement or the underlying business decision of the Corporation to effect the Arrangement, the relative merits of the Arrangement as compared to any alternative business strategies that might exist for the Corporation or the effect of any other transaction in which the Corporation might engage. The Fairness Opinion is not intended to be and does not constitute a recommendation to any Shareholder as to how such Shareholder should vote or act on any matters relating to the proposed Arrangement, including as to how any Common Shareholder or Preferred Shareholder should vote with respect to the Arrangement or any other matter. The Fairness Opinion speaks as of the date rendered and, as such, addressed only the fairness, from a financial point of view, of the Consideration to be received by holders of Shares pursuant to the Plan of Arrangement.**

Scotia Capital was engaged by the Corporation as a financial advisor to provide the Board with financial advisory services in connection with the Arrangement, including advice and assistance in evaluating the Arrangement. Pursuant to the terms of its engagement with the Corporation, Scotia Capital is to be paid a fee for its services as financial advisor, including fees that are contingent on completion of the Arrangement and certain other events. The Corporation has also agreed to reimburse Scotia Capital for its reasonable out-of-pocket expenses and to indemnify Scotia Capital in certain circumstances.

The Arrangement

Summary of the Arrangement

The following is a summary only of certain of the material terms of the Plan of Arrangement and is qualified in its entirety by the full text of the Plan of Arrangement attached as Appendix "D" to this Information Circular.

The Corporation entered into the Arrangement Agreement with Lowe's and Lowe's Canada on February 2, 2016.

A copy of the Arrangement Agreement is attached as Appendix "C" to this Information Circular. The Arrangement Agreement provides for the implementation of the Plan of Arrangement pursuant to which, among other things, the following transactions will occur:

- Common Shareholders (other than Dissenting Shareholders) will receive, for each Common Share held, $24.00 in cash, without interest; and
- subject to the requisite approval of the Preferred Shareholder Resolution by the Preferred Shareholders, Preferred Shareholders (other than Dissenting Shareholders) will receive, for each Preferred Share held, $20.00 in cash (together with an amount equal to all accrued and unpaid dividends up to, but excluding, the Effective Date), without interest.

Under the Arrangement, each Option, whether vested or unvested, will be cancelled and the holder will receive a cash payment representing the amount (if any) by which $24.00 exceeds the relevant exercise price of such Option, less applicable withholdings.

In addition, each DSU, PSU and RSU, whether vested or unvested, will be cancelled and the holder will receive a cash payment of $24.00 in cash for each such security, less applicable withholdings, except that each PSU granted in calendar year 2013 whether vested or unvested, will be cancelled and the holder thereof will receive, for each such security, a cash payment equivalent to $24.00 multiplied by the applicable level of achievement percentage determined by the Corporation's Human Resources and Compensation Committee in accordance with the terms of the Share Unit Plans and the agreements awarding such PSUs, less applicable withholdings.

It is anticipated that all of the current members of the Board will resign effective as of the Effective Date and representatives of the Purchaser Parties will fill the vacancies created by such resignations.

The Arrangement Resolution approving the Arrangement must be approved by at least 66⅔% of the votes cast by the Common Shareholders, present in person or represented by proxy, at the Meeting.

Approval of the Preferred Shareholders will also be sought at the Meeting to allow the Preferred Shares to participate in the Arrangement in the manner described above. The Preferred Shareholders will vote on the Preferred Shareholder Resolution as a separate class (with Preferred Shareholders voting together as a single class), and participation in the Arrangement by the Preferred Shares will require the approval of at least 66⅔% of the votes cast by the Preferred Shareholders present in person or represented by proxy at the Meeting. However, closing of the Arrangement is not conditioned upon approval by the Preferred Shareholders and if the requisite approval of the Preferred Shareholders is not obtained, the Preferred Shares will be excluded from the Arrangement and will remain outstanding following the Effective Time. If Preferred Shareholder Approval is not obtained prior to the Final Order, the Plan of Arrangement, attached hereto as Appendix "D", shall be amended to exclude the Preferred Shares under the Plan of Arrangement and matters ancillary thereto (including, for greater certainty, to remove Dissent Rights in favour of the Preferred Shareholders). See "*The Arrangement Agreement*".

Arrangement Steps

The following summarizes the steps that will occur under the Plan of Arrangement on the Effective Date, if all conditions to the completion of the Arrangement have been satisfied or waived. The following description is qualified in its entirety by reference to the full text of the Plan of Arrangement attached as Appendix "D" to this Information Circular.

Pursuant to the Arrangement, each of the following events shall occur and shall be deemed to occur sequentially as set out below without any further authorization, act or formality, in each case, unless stated otherwise, effective as at five minute intervals starting at the Effective Time:

Shareholder Rights Plan

1. The Rights Plan shall be terminated and all rights issued pursuant to the Rights Plan shall be cancelled without any payment in respect thereof.

Incentive Awards

2. Each Option outstanding immediately prior to the Effective Time (whether vested or unvested), notwithstanding the terms of the Stock Option Plans, shall be deemed to be unconditionally vested and exercisable, and such Option shall, without any further action by or on behalf of a holder of Options, be deemed to be assigned and transferred by such holder to the Corporation in exchange for a cash payment from the Corporation equal to the amount (if any) by which the Consideration per Common Share exceeds the exercise price of such Option less applicable withholdings, and such Option shall immediately be cancelled and, for greater certainty, where such amount is a negative, neither the Corporation nor Lowe's Canada shall be obligated to pay the holder of such Option any amount in respect of such Option.
3. Each DSU, RSU or PSU outstanding immediately prior to the Effective Time (whether vested or unvested), notwithstanding the terms of the DSU Plan or the Share Unit Plans, as applicable, shall, without any further action by or on behalf of a holder of DSUs, RSUs or PSUs, be deemed to be assigned and transferred by such holder to the Corporation in exchange for a cash payment from the Corporation equal to the Consideration per Common Share in respect of each DSU, RSU or PSU, except that the Consideration per Common Share in respect of each PSU granted in calendar year 2013 shall be multiplied by the applicable level of achievement percentage determined by the Corporation's Human Resources and Compensation Committee in accordance with the terms of the Share Unit Plans and the agreements awarding such PSUs, in each case, less applicable withholdings, and each such DSU, RSU or PSU shall immediately be cancelled.
4. Furthermore:
   (a) each holder of Options, DSUs, RSUs or PSUs shall cease to be a holder of such Options, DSUs, RSUs or PSUs;
   (b) such holder's name shall be removed from each applicable register;
   (c) the Stock Option Plans, the DSU Plan and the Share Unit Plans and all agreements relating to the Options, DSUs, PSUs and RSUs shall be terminated and shall be of no further force and effect; and
   (d) such holder shall thereafter have only the right to receive the consideration to which they are entitled pursuant to Items 2 and 3 above and at the time and in the manner specified in Items 2 and 3 above.

Dissenting Shareholders

5. Each of the Common Shares or Preferred Shares held by Dissenting Shareholders in respect of which Dissent Rights have been validly exercised shall be deemed to have been transferred without any further act or formality to Lowe's Canada (free and clear of all liens), and:

   (a) such Dissenting Shareholders shall cease to be the holders of such Common Shares or Preferred Shares, as applicable, and to have any rights as holders of such Common Shares or Preferred Shares, as applicable, other than the right to be paid fair value for such Common Shares or Preferred Shares, as applicable, as determined and as set out in section 3.1 of the Plan of Arrangement;

   (b) such Dissenting Shareholders' names shall be removed as the holders of such Common Shares or Preferred Shares, as applicable, from the registers of Common Shares and Preferred Shares, as applicable, maintained by or on behalf of the Corporation; and

   (c) Lowe's Canada shall be deemed to be the transferee of such Common Shares and Preferred Shares, as applicable, free and clear of all liens, and shall be entered in the registers of Common Shares and Preferred Shares, as applicable, maintained by or on behalf of the Corporation.

Common Shares

6. Each Common Share outstanding immediately prior to the Effective Time, other than Common Shares held by a Dissenting Shareholder who has validly exercised such holder's Dissent Right, shall, without any further action by or on behalf of a holder of Common Shares, be deemed to be assigned and transferred by the holder thereof to Lowe's Canada (free and clear of all liens) in exchange for the applicable Consideration for each Common Share held, and:

   (a) the holders of such Common Shares shall cease to be the holders thereof and to have any rights as holders of such Common Shares other than the right to be paid the Common Share Consideration in accordance with the Plan of Arrangement;

   (b) such holders' names shall be removed from the register of the Common Shares maintained by or on behalf of the Corporation; and

   (c) Lowe's Canada shall be deemed to be the transferee of such Common Shares (free and clear of all liens) and shall be entered in the register of the Common Shares maintained by or on behalf of the Corporation.

Preferred Shares

7. Simultaneously with Item 6 above, and subject to obtaining the Preferred Shareholder Approval, each Preferred Share outstanding immediately prior to the Effective Time, other than Preferred Shares held by a Dissenting Shareholder who has validly exercised such holder's Dissent Right, shall, without any further action by or on behalf of a holder of Preferred Shares, be deemed to be assigned and transferred by the holder thereof to Lowe's Canada (free and clear of all liens) in exchange for the applicable Consideration for each Preferred Share held, and:

   (a) the holders of such Preferred Shares shall cease to be the holders thereof and to have any rights as holders of such Preferred Shares other than the right to be paid the Preferred Share Consideration in accordance with the Plan of Arrangement;

   (b) such holders' names shall be removed from the register of the Preferred Shares maintained by or on behalf of the Corporation; and

   (c) Lowe's Canada shall be deemed to be the transferee of such Preferred Shares (free and clear of all liens) and shall be entered in the register of the Preferred Shares maintained by or on behalf of the Corporation.

If the Preferred Shareholder Approval is not obtained, the step described in Item 7 above shall not occur, and the Preferred Shareholders will not be entitled to any payment of fair value upon exercise of Dissent Rights as described in Item 5 above,

with the result that all Preferred Shares will remain outstanding following the Effective Time. Furthermore, the Parties shall amend the Plan of Arrangement to exclude the Preferred Shares under the Plan of Arrangement and matters ancillary thereto (including, for greater certainty, to remove Dissent Rights in favour of the Preferred Shareholders), which amended Plan of Arrangement shall be submitted to the Court at the Final Order hearing.

For greater certainty, to the extent the completion of the Arrangement shall have occurred before October 20, 2016, being the date on which the Debentures are due, the Debentures will remain outstanding following the completion of the Arrangement in accordance with their terms.

Adjustment to Consideration

If, on or after February 2, 2016, the Corporation sets a record date for any dividend or other distribution on the Common Shares or the Preferred Shares (other than Permitted Dividends) that is prior to the Effective Time or the Corporation pays any dividend or other distribution on the Common Shares or Preferred Shares (other than Permitted Dividends) prior to the Effective Time: (i) to the extent that the amount of such dividends or distributions per Common Share or Preferred Share, as applicable, does not exceed the Common Share Consideration or the Preferred Share Consideration, as applicable, the Common Share Consideration or the Preferred Share Consideration, as applicable, shall be reduced by the amount of such dividends or distributions, as applicable; and (ii) to the extent that the amount of such dividends or distributions per Common Share or Preferred Share, as applicable, exceeds the Common Share Consideration or the Preferred Share Consideration, as applicable, such excess amount shall be placed in escrow for the account of Lowe's Canada or another person designated by Lowe's Canada. For greater certainty, any declared dividend on the Preferred Shares with a record date prior to the Effective Date and a payment date after the Effective Date, shall not be considered an "accrued and unpaid dividend" for purposes of the definition of "Consideration" and shall be paid to the holder of record as of the applicable record date on the applicable payment date in the ordinary course.

Interests of Directors and Executive Officers in the Arrangement

The directors and executive officers of the Corporation may have interests in the Arrangement that are, or may be, different from, or in addition to, the interests of other Shareholders. These interests include those described below. The Board was aware of these interests and considered them, among other matters, when recommending approval of the Arrangement by Shareholders.

Common Shares and Preferred Shares

In connection with the Arrangement, the directors of the Corporation, who as at February 25, 2016, beneficially owned or exercised control or direction over, an aggregate of 215,900 Common Shares and 1,200 Preferred Shares, representing respectively 0.20% of the issued and outstanding Common Shares and less than 0.1% of the issued and outstanding Preferred Shares have each entered into a voting agreement pursuant to which they have agreed to vote their Shares in favour of the Arrangement Resolution and the Preferred Shareholder Resolution, as applicable. In addition, the non-director executive officers of the Corporation, who as at February 25, 2016, beneficially owned or exercised control or direction over, an aggregate of 70,265 Common Shares, representing 0.07% of the issued and outstanding Common Shares, and no Preferred Shares, have advised the Corporation that they intend to vote their respective Common Shares in favour of the Arrangement Resolution.

All of the Shares held by such directors and executive officers of the Corporation and their associates will be treated in the same fashion under the Arrangement as Shares held by all other Shareholders.

Incentive Awards

Options

As at February 25, 2016, the executive officers of the Corporation owned an aggregate of 1,484,885 Options granted pursuant to the Stock Option Plans. None of the non-executive directors of the Corporation hold any Options. Pursuant to the Plan of Arrangement (and conditional upon the Arrangement being completed), as of the Effective Time, each outstanding Option (whether vested or unvested) shall be deemed to be unconditionally vested and exercisable and shall be deemed to be assigned and transferred by such holder to the Corporation in exchange for a cash payment from the Corporation (in the case of holders of in-the-money Options (i.e. Options with an exercise price of less than $24.00)), and such Options shall be cancelled and be of no further force and effect. Accordingly, at closing of the Arrangement, each executive officer will receive an amount equal to the difference between $24.00 and the applicable exercise price for each Option held as at the Effective Time, less applicable withholdings. If the Arrangement is completed and assuming no vested Options are exercised between February 25, 2016 and the Effective Time, the executive officers of the Corporation would receive, in exchange for all Options held by them as at February 25, 2016, an aggregate of approximately $18.1 million.

DSUs

As at February 25, 2016, the directors of the Corporation held an aggregate of 408,249 DSUs granted pursuant to the DSU Plan. Pursuant to the Arrangement (and conditional upon the Arrangement being completed), as of the Effective Time, each outstanding DSU (whether vested or unvested) shall be deemed to be assigned and transferred by the holder to the Corporation in exchange for a cash payment equal to the Consideration per Common Share, less applicable withholdings, in respect of each DSU held, and each such DSU shall be cancelled and be of no further force and effect. Accordingly, at closing of the Arrangement, each director will be entitled to receive $24.00 for each DSU owned as at the Effective Time, less applicable withholdings. If the Arrangement is completed, the directors of the Corporation would receive, in exchange for all DSUs that the directors held as at February 25, 2016 and assuming no DSUs are redeemed in accordance with terms of the DSU Plan between February 25, 2016 and the Effective Time, an aggregate of approximately $9.8 million. Upon completion of the Arrangement, the directors will also receive payment for any additional DSUs which may be granted as dividend equivalents pursuant to the terms of the DSU Plan for any dividends paid by the Corporation after the date hereof and prior to the closing of the Arrangement.

PSUs and RSUs

As at February 25, 2016, the executive officers of the Corporation owned an aggregate of 499,718 PSUs and an aggregate of 520,264 RSUs granted pursuant to the Share Unit Plans. None of the non-executive directors of the Corporation hold any PSUs or RSUs.

Pursuant to the Plan of Arrangement (and conditional upon the Arrangement being completed), as of the Effective Time, all of the outstanding PSUs and RSUs (whether vested or unvested) shall be deemed to be assigned and transferred by such holder to the Corporation in exchange for a cash payment equal to the Consideration per Common Share in respect of each PSU and each RSU held (except that the Consideration per Common Share in respect of each PSU granted in calendar year 2013 shall be multiplied by the applicable level of achievement percentage determined by the Corporation's Human Resources and Compensation Committee in accordance with the terms of the Share Unit Plans and the agreements awarding such PSUs, less applicable withholdings), in each case, less applicable withholdings, and such PSUs and RSUs shall be cancelled and be of no further force and effect. Accordingly, at closing of the Arrangement, each executive officer will receive an amount equal to $24.00 for each PSU and each RSU held as at the Effective Time, in each case less applicable withholdings (except that each executive officer will receive, for each PSU granted in calendar year 2013, a cash payment

equivalent to $24.00 multiplied by the applicable level of achievement percentage determined by the Corporation's Human Resources and Compensation Committee in accordance with the terms of the Share Unit Plans and the agreements awarding such PSUs, less applicable withholdings).

Until completion of the Arrangement, PSUs and RSUs will continue to vest in accordance with their terms and any amounts paid in respect of such PSUs and RSUs will not form part of the payments to be made upon completion of the Arrangement. Upon completion of the Arrangement, the executive officers of the Corporation will also receive payment for any additional PSUs and RSUs which may be granted as dividend equivalents pursuant to the terms of the Share Unit Plans after the date hereof and prior to the closing of the Arrangement.

Assuming the Arrangement is completed after March 31, 2016 but prior to the next subsequent vesting date of outstanding PSUs and RSUs, the executive officers of the Corporation would receive, in exchange for all PSUs and RSUs then held by them, an aggregate of approximately $12.4 million.

Change of Control Agreements

The Corporation has entered into employment agreements that contain change of control provisions with the following of its executive officers, being Robert Sawyer (President and Chief Executive Officer), Dominique Boies (Executive Vice President and Chief Financial Officer), Alain Brisebois (Executive Vice President and Chief Commercial Officer), France Charlebois (Corporate Secretary and Chief Legal Officer), Christian Proulx (Senior Vice President, Human Resources and Communications), Luc Rodier (Executive Vice President, Retail), Stéphane Milot (Vice-President, Development, Real Estate and Investor Relations) and Marie-Claude Lalonde (Vice President and Corporate Controller) (collectively, the "**Change of Control Agreements**").

The Change of Control Agreements do not provide for any additional compensation to be paid to the executive officers of the Corporation solely as a result of a change of control, such as the Arrangement. However, the Change of Control Agreements provide for compensation in the event of subsequent termination of employment (including by way of constructive dismissal) within the first 12 months following a change of control. In such circumstances, the Change of Control Agreements of Messrs. Sawyer, Boies and Brisebois and of Mmes. Charlebois and Lalonde provide for severance corresponding to 24 months or, in the case of Messrs. Milot, Proulx and Rodier, 18 months (each, a "**Severance Period**") of base salary, annual target bonus, monthly car allowance (except in the case of M. Sawyer who is entitled to receive up to 8% of his base salary for reimbursement of certain amounts and car allowance) and annual professional membership fees for the Severance Period (in the cases of Mmes. Charlebois and Lalonde), plus payment of the current year's accrued annual target bonus.

In addition, each of Messrs. Sawyer, Proulx and Rodier are entitled to an amount representing the Corporation's contributions to their pension plans during the Severance Period as well as the value of life, health and dental insurance coverage for the Severance Period. In respect of Messrs. Boies, Brisebois and Milot and Mmes. Charlebois and Lalonde, the terms of their Change of Control Agreements provide that the Corporation will contribute to their respective pension plans in an amount equal to 18% (or such other percentage then in effect under the applicable plans) of the annual earnings at the time of the termination of the agreement, and that health and dental insurance coverage will continue during the Severance Period.

The supplemental pension plan for senior executives ("**SERP**") sponsored by the Corporation includes two provisions dealing with change of control. First, if the SERP is terminated within 12 months following the date of a change of control, then participating executives are deemed to vest fully in their benefits under the SERP. Second, if the employment of any participating executive is terminated within 12 months following the date of change of control, then such executive is deemed fully vested in his or her benefits under the SERP.

Special Retention / Transition Bonus Program

At its regular meeting held on February 16, 2016, the Board approved, in connection with and subject to completion of the Arrangement, a special retention/transition bonus program to replace long-term incentive grants which would otherwise have been made in February 2016 to eligible employees in the normal course of business, pursuant to which bonus payments in an aggregate amount of approximately $4.9 million will be allocated and paid out to eligible employees of the Corporation on the Effective Time.

Cash Payments to Directors and Executive Officers of the Corporation Pursuant to Incentive Awards and Change of Control Agreements and Shareholdings of Directors and Executive Officers of the Corporation

Other than in respect of DSUs and the applicable special transaction fees approved by the Board in connection with the Arrangement payable to the members of the Special Committee and to other directors of RONA, respectively, no non-executive directors of the Corporation will receive any payment as a result of the proposed Arrangement, except with respect to Common Shares and/or Preferred Shares beneficially owned by such directors, which amounts will be paid on the same terms as all other Shareholders.

The chart below sets out for each director and executive officer of the Corporation: (i) the number of Common Shares and Preferred Shares beneficially owned by such director and executive officer and his or her associates and affiliates; and (ii) the amount of cash payable pursuant to the Arrangement for Incentive Awards held by each executive officer and director of the Corporation. Except for any bonuses that may be payable to certain executive officers of the Corporation pursuant to the special retention/transition bonus program described above, if the Arrangement is completed, the executive officers of the Corporation will not be entitled to receive any additional compensation solely as a result of the change of control of the Corporation.

Name and Residence	Position with the Corporation	Common Shares Held[1]	Preferred Shares Held[1]	Cash Payment under the Arrangement with respect to Incentive Awards[2][3][4] ($)
Directors				
Suzanne Blanchet Québec, Canada	Director	1,000	1,200	806,952
Réal Brunet Québec, Canada	Director	10,700	-	792,744
Robert Chevrier Québec, Canada	Chairman, Director	50,000	-	2,615,376
Eric Claus Nova Scotia, Canada	Director	-	-	459,936
Bernard Dorval Ontario, Canada	Director	8,000	-	561,552
Guy G. Dufresne Québec, Canada	Director	-	-	556,872
Jean-René Halde Québec, Canada	Director	-	-	117,528
Denise Martin Québec, Canada	Director	8,000	-	278,160
James Pantelidis Ontario, Canada	Director	8,200[6]	-	1,363,176
Robert Paré Québec, Canada	Director	30,000	-	1,759,200

Name and Residence	Position with the Corporation	Common Shares Held[1]	Preferred Shares Held[1]	Cash Payment under the Arrangement with respect to Incentive Awards[2][3][4] ($)
Steven P. Richardson ..... Ontario, Canada	Director	-	-	486,480
Executive Officers				
Dominique Boies ..... Québec, Canada	Executive Vice President and Chief Financial Officer	10,110[6]	-	6,008,747[5]
Alain Brisebois ..... Québec, Canada	Executive Vice President and Chief Commercial Officer	32,380	-	5,850,307
France Charlebois ..... Québec, Canada	Corporate Secretary and Chief Legal Officer	2,840	-	1,240,577[5]
Marie-Claude Lalonde ..... Québec, Canada	Vice President and Corporate Controller	15,504[6]	-	1,228,051[5]
Stéphane Milot ..... Québec, Canada	Vice-President, Development, Real Estate and Investor Relations	5,000[6]	-	882,437[5]
Christian Proulx ..... Québec, Canada	Senior Vice President, Human Resources and Communications	622	-	1,605,427[5]
Luc Rodier ..... Québec, Canada	Executive Vice President, Retail	3,809	-	3,260,574[5]
Robert Sawyer ..... Québec, Canada	Director, President and Chief Executive Officer	100,000	-	10,375,371[5]
Total:		286,165	1,200	40,249,467

Notes:

(1) As at February 25, 2016.

(2) For non-executive directors of the Corporation, cash payments are in respect to DSUs as at February 25, 2016. For executive officers of the Corporation, cash payments are in respect to Options, PSUs and RSUs, as applicable, that will vest after the date of the Meeting in accordance with their original vesting terms and assume that all such Options, PSUs and RSUs, as applicable, will form part of the Arrangement in the manner described above. See "*Incentive Awards*" above.

(3) Upon completion of the Arrangement, the directors and executive officers of the Corporation will also receive payment for any additional DSUs and RSUs which may be granted as dividend equivalents pursuant to the terms of the DSU Plan and the Share Unit Plans after the date hereof and prior to the closing of the Arrangement. Until completion of the Arrangement, PSUs and RSUs will continue to vest in accordance with their terms and any amounts paid in respect of such PSUs or RSUs will not form part of the payments to be made upon completion of the Arrangement.

(4) Assuming no vested Options are exercised, and no DSUs are redeemed in accordance with terms of the DSU Plan, between February 25, 2016 and the Effective Time.

(5) In addition to such amount, (i) for Mr. Boies, 58,003 RSUs/PSUs will vest on March 28, 2016 resulting in a payment of $2,261,134, (ii) for Ms. Charlebois, 6,170 RSUs/PSUs will vest on March 28, 2016 resulting in a payment of $240,546, (iii) for Ms. Lalonde, 6,993 RSUs/PSUs will vest on March 28, 2016 resulting in a payment of $271,817, (iv) for Mr. Milot, 5,862 RSUs/PSUs will vest on March 28, 2016 resulting in a payment of $228,519, (v) for Mr. Proulx, 18,511 RSUs/PSUs will vest on March 28, 2016 resulting in a payment of $721,638, (vi) for Mr. Rodier, 31 367 RSUs/PSUs will vest on March 28, 2016 resulting in a payment of $1,221,974, and (vii) for Mr. Sawyer, 411,366 RSUs/PSUs will vest on March 28, 2016 resulting in a payment of $12,027,308, the whole in accordance with the terms of the Share Unit Plans and, for PSUs, assuming maximum level of achievement of applicable performance conditions in accordance with the terms of the Share Unit Plans and the agreements awarding such PSUs, and assuming the average closing price of the Common Shares on the TSX for the 20 trading days during which Common Shares were traded immediately preceding the fifth trading day prior to the vesting date is $23.39, irrespective of the Arrangement.

(6) Including Common Shares held through a Registered Retirement Savings Plan or by a spouse, child or other associate.

Continuing Insurance Coverage for Directors and Executive Officers of the Corporation

The Arrangement Agreement provides that, prior to the Effective Date, the Corporation shall purchase customary tail policies of directors' and officers' liability insurance providing protection no less favourable in the aggregate than the protection provided by the policies maintained by the Corporation and its Subsidiaries which are in effect immediately prior to the Effective Date and providing protection in respect of claims arising from facts or events which occurred on or prior to the Effective Date. The Arrangement Agreement also provides that Lowe's will, or will cause the Corporation and its Subsidiaries to, maintain such tail policies in effect without any reduction in scope or coverage for six years from the Effective Date, provided that Lowe's Canada will not be required to pay any amounts in respect of such coverage prior to the Effective Time and provided further that the cost of such policies shall not exceed 200% of the Corporation's and its Subsidiaries' current annual aggregate premium for policies currently maintained by the Corporation and its Subsidiaries.

Sources of Funds for the Arrangement

Lowe's Canada is expected to pay an aggregate amount of approximately $2.7 billion to acquire all of the outstanding Common Shares and Preferred Shares, assuming that no Shareholders validly exercise their Dissent Rights. This amount will be reduced by approximately $138 million if the Preferred Shares do not participate in the Arrangement as a result of the failure to obtain the Preferred Shareholder Approval.

The Purchaser Parties have represented and warranted to the Corporation that Lowe's Canada shall have sufficient funds available to satisfy the aggregate Consideration payable pursuant to the Arrangement in accordance with the terms of the Arrangement Agreement and the Plan of Arrangement and to satisfy all other obligations payable as a result of the transactions contemplated by the Arrangement Agreement.

Stock Exchange Delisting

It is expected that the Common Shares will be delisted from the TSX following the completion of the Arrangement. In addition, to the extent the Preferred Shares participate in the Arrangement, it is expected that the Preferred Shares will be delisted from the TSX following the completion of the Arrangement. If the Preferred Shares are not acquired pursuant to the Arrangement, it is expected that the Preferred Shares will remain listed for trading on the TSX.

Procedure for the Arrangement Becoming Effective

The Arrangement will be implemented by way of a statutory plan of arrangement under the QBCA pursuant to the terms of the Arrangement Agreement. The following procedural steps must be taken for the Arrangement to become effective:

(a) the Arrangement must be approved by the Common Shareholders;

(b) the Court must grant the Final Order approving the Arrangement;

(c) all other conditions precedent to the Arrangement, as set forth in the Arrangement Agreement, must be satisfied or waived by the appropriate Party; and

(d) the Articles of Arrangement in the form prescribed by the QBCA must be filed with the Enterprise Registrar and a Certificate of Arrangement issued related thereto.

Shareholder Approvals

At the Meeting, pursuant to the Interim Order, the Common Shareholders will be asked to approve the Arrangement Resolution. Each Common Shareholder shall be entitled to vote on the Arrangement Resolution, with the Common Shareholders entitled to one vote per Common Share. The requisite approval for the Arrangement Resolution is at least 66⅔% of the votes cast on the Arrangement Resolution by the Common Shareholders, present in person or represented by proxy, at the Meeting. The Arrangement Resolution must receive Common Shareholder Approval in order for the Corporation to seek the Final Order and implement the Arrangement on the Effective Date in accordance with the terms of the Final Order.

Approval of the Preferred Shareholders will also be sought at the Meeting to allow the Preferred Shares to participate in the Arrangement in the manner described above. The Preferred Shareholders will vote on the Preferred Shareholder Resolution as a separate class (with Preferred Shareholders voting together as a single class), and participation in the Arrangement by the Preferred Shares will require the approval of at least 66⅔% of the votes cast by the Preferred Shareholders present in person or represented by proxy at the Meeting. However, closing of the Arrangement is not conditioned upon approval by the Preferred Shareholders and if the requisite approval of the Preferred Shareholders is not obtained, the Preferred Shares will be excluded from the Arrangement and will remain outstanding following the Effective Time. If Preferred Shareholder Approval is not obtained prior to the Final Order, the Plan of Arrangement, attached hereto as Appendix "D", shall be amended to exclude the Preferred Shares under the Plan of Arrangement and matters ancillary thereto (including, for greater certainty, to remove Dissent Rights in favour of the Preferred Shareholders).

For information with respect to the procedures for Shareholders to follow to receive their consideration pursuant to the Arrangement, see "*Procedures for Surrender of Shares, Receipt of Consideration*".

See also "*The Arrangement and General Proxy Matters — Procedure and Votes Required*".

Court Approval

Interim Order

An arrangement under the QBCA requires Court approval. Accordingly, on February 25, 2016, the Corporation obtained the Interim Order, which provides for, among other things:

- the Common Shareholder Approval;
- the Dissent Rights to registered Common Shareholders;
- the Preferred Shareholder Approval;
- the Dissent Rights to registered Preferred Shareholders;
- the notice requirements with respect to the presentation of the application to the Court for the Final Order;
- the ability of the Corporation to adjourn or postpone the Meeting from time to time with the consent of Lowe's in accordance with the terms of the Arrangement Agreement without need for additional approval of the Court; and
- except as required by Law, that the Record Date for the Shareholders entitled to notice of and to vote at the Meeting will not change in respect of any adjournment(s) of the Meeting.

The Interim Order is attached as Appendix "E" to this Information Circular.

Final Order

The QBCA provides that a plan of arrangement requires court approval. Subject to the terms of the Arrangement Agreement, and if the Arrangement Resolution is approved by the Common Shareholders at the Meeting in the manner required by the Interim Order, the Corporation will make an application to the Court for the Final Order.

The application for the Final Order approving the Arrangement is expected to take place before the Superior Court of Québec (Commercial Division), sitting in the district of Montreal, on April 7, 2016, in room 15.07 of the Courthouse located at 1 Rue Notre-Dame East, Montreal, Québec (or such other room or location that the Court may determine), at 2:00 p.m. (Montreal time) (or as soon as counsel may be heard). See Appendix "I" for the notice of presentation of the Final Order. At the hearing, any Shareholder and any other interested party who wishes to participate or to be represented or present evidence or argument may do so, subject to filing with the Court and serving upon the Corporation and the Purchaser Parties a notice of appearance together with any evidence or materials that such party intends to present to the Court, in the delays and in the manner described in the Interim Order.

The Corporation has been advised by its counsel, Norton Rose Fulbright Canada LLP, that the Court has broad discretion under the QBCA when making orders with respect to plans of arrangement and that the Court will consider, among other things, the fairness and reasonableness of the Arrangement, both from a substantive and a procedural point of view. The Court may approve the Arrangement either as proposed or as amended in any manner the Court may direct, subject to compliance with such terms and conditions, if any, as the Court thinks fit.

Assuming that the Final Order is granted, the Corporation will file the Articles of Arrangement with the Enterprise Registrar under the QBCA as soon as reasonably practicable and in any event within five Business Days after the satisfaction or, where not prohibited, the waiver by the applicable Party or Parties in whose favour the condition is, of the conditions to the completion of the Arrangement to give effect to the Arrangement and the various other documents necessary to consummate the transactions contemplated under the Arrangement Agreement will be executed and delivered.

Timing

If the Meeting is held as scheduled and is not adjourned or postponed and Common Shareholder Approval is obtained, the Corporation will apply for the Final Order approving the Arrangement. Subject to receipt of the Final Order in form and substance satisfactory to the Corporation and the Purchaser Parties, and satisfaction or waiver of all other conditions set forth in the Arrangement Agreement, including the receipt of all required Regulatory Approvals, the Corporation expects the Effective Date to occur in the second half of 2016. It is not possible, however, to state with certainty when the Effective Date will occur. The Effective Date could be delayed for a number of reasons, including the failure to obtain all Regulatory Approvals in the anticipated time frames.

Pursuant to Section 420 of the QBCA, the Arrangement will become effective on the date the Articles of Arrangement are filed with the Enterprise Registrar, as shown on the Certificate of Arrangement.

Expenses

The estimated fees, costs and expenses of the Corporation in connection with the Arrangement contemplated herein including, without limitation, financial advisors' fees, filing fees, legal and accounting fees, proxy solicitation fees and printing and mailing costs, but excluding payments made by the Corporation pursuant to the Arrangement in respect of the outstanding Incentive Awards, are anticipated to be approximately $36 million, based on certain assumptions.

The Arrangement Agreement

The following is a summary only of the material terms of the Arrangement Agreement, including the Plan of Arrangement and is qualified in its entirety by the full text of the Arrangement Agreement including the Plan of Arrangement. Shareholders are urged to read the Arrangement Agreement including the Plan of Arrangement in its entirety. A copy of the Arrangement Agreement and Plan of Arrangement is attached as Appendix "C" and "D" to this Information Circular, respectively, and available on SEDAR at www.sedar.com. The Arrangement Agreement establishes and governs the legal relationship between the Corporation, Lowe's and Lowe's Canada with respect to the transactions described in this Information Circular. It is not intended to be a source of factual, business or operational information about the Corporation, Lowe's or Lowe's Canada.

Mutual Covenants Regarding the Arrangement

Each of the Parties has given usual and customary mutual covenants for an agreement of the nature of the Arrangement Agreement, including a mutual covenant to use all of their respective commercially reasonable efforts to satisfy the conditions precedent to completion of the Arrangement under the Arrangement Agreement, to cooperate with the other Party in connection with the Arrangement Agreement and to do all such other commercially reasonable acts and things as may be necessary or desirable to consummate the Arrangement.

Covenants of Lowe's and Lowe's Canada

Lowe's and Lowe's Canada have given, in favour of the Corporation, usual and customary covenants for an agreement of the nature of the Arrangement Agreement, including: a covenant to use their commercially reasonable efforts to obtain the Regulatory Approvals; a covenant to use all commercially reasonable efforts to oppose any injunction or restraining or other order seeking to adversely affect the consummation of the Arrangement and defend any proceedings to which Lowe's or Lowe's Canada are a party or brought against them or their respective directors or officers challenging the Arrangement or the Arrangement Agreement. Lowe's and Lowe's Canada have also agreed to certain covenants relating to the Debentures, to the extent the Effective Time shall have occurred before October 20, 2016, being the date on which the Debentures are due, including covenants to take all such actions as are necessary in order to ensure that the Corporation has the necessary available funds to effect the repayment at maturity of the Debentures in accordance with their terms and to ensure compliance with the Indenture.

Guarantee

Pursuant to the Arrangement Agreement, Lowe's unconditionally and irrevocably guaranteed the due and punctual performance by Lowe's Canada of Lowe's Canada's obligations under the Arrangement Agreement and under the Plan of Arrangement. Lowe's agreed that the Corporation shall not have to proceed first against Lowe's Canada in respect of any such matter before exercising its rights under the guarantee against Lowe's and agreed to be liable for all guaranteed obligations as if it were the principal obligor of such obligations.

Covenants of the Corporation

The Corporation has given, in favour of Lowe's and Lowe's Canada, usual and customary covenants for an agreement of the nature of the Arrangement Agreement, including: a covenant to carry on business in the ordinary course of business consistent with past practice between the date of the Arrangement Agreement and the earlier of the Effective Time and the time that the Arrangement Agreement is terminated; covenants not to undertake certain actions without prior written consent of Lowe's Canada; a covenant to use, subject to certain conditions, all commercially reasonable efforts to effect any pre-closing reorganizations of the Corporation's corporate structure, capital structure, business, operations and assets as Lowe's Canada may request, acting reasonably; a covenant to use all commercially reasonable efforts to oppose any injunction or restraining or other order seeking to adversely affect the consummation of the Arrangement and defend any proceedings to which the Corporation is a party or brought against the Corporation or its directors or officers challenging the Arrangement or the Arrangement Agreement. Moreover, the Corporation has agreed to use all commercially reasonable efforts to cause each of its directors to comply with and perform their obligations under their respective Voting Agreement.

Covenants of the Corporation Regarding Non-Solicitation

The Corporation has provided certain non-solicitation covenants (the "**Non-Solicitation Covenants**") in favour of the Purchaser Parties, as set forth below.

1. Except as expressly provided in the Arrangement Agreement, the Corporation, shall not, and shall cause its Subsidiaries not to, directly or indirectly, through any officer, director, employee, representative (including any financial or other adviser) or agent of the Corporation or of any of its Subsidiaries (collectively, "**Representatives**"), or otherwise, and shall not permit any such person to:

   (a) solicit, assist, initiate, encourage or otherwise knowingly facilitate (including by way of furnishing or providing copies of, access to, or disclosure of, any confidential information, properties, facilities, books or records of the Corporation or any Subsidiary of the Corporation or entering into any form of agreement, arrangement or understanding) any inquiry, proposal or offer that constitutes or may reasonably be expected to constitute or lead to, an Acquisition Proposal;

   (b) enter into or otherwise engage or participate in any discussions or negotiations with any person (other than Lowe's, Lowe's Canada and their affiliates) regarding any inquiry, proposal or offer that constitutes or may reasonably be expected to constitute or lead to, an Acquisition Proposal;

   (c) withdraw, amend, modify or qualify, or publicly propose or state an intention to withdraw, amend, modify or qualify, the recommendation of the Board that the Shareholders vote in favour of the Arrangement Resolution and the Preferred Shareholder Resolution, as applicable (the "**Board Recommendation**");

   (d) accept, approve, endorse or recommend, or publicly propose to accept, approve, endorse or recommend, or take no position or remain neutral with respect to, any Acquisition Proposal (it being understood that publicly taking no position or a neutral position with respect to a publicly announced, or otherwise publicly disclosed, Acquisition Proposal for a period of no more than five business days following such public announcement or public disclosure will not be considered to be in violation of the Non-Solicitation Covenants (or in the event that the Meeting is scheduled to occur within such five business day period, prior to the third business day prior to the date of the Meeting)); or

   (e) accept or enter into (other than a confidentiality agreement permitted by and in accordance with the Non-Solicitation Covenants) or publicly propose to accept or enter into any agreement, understanding or arrangement in respect of an Acquisition Proposal.

2. The Corporation shall, and shall cause its Subsidiaries and its Representatives to, immediately cease and terminate, and cause to be terminated, any solicitation, encouragement, discussion, negotiation, or other activities commenced prior to the date of the Arrangement Agreement with any person (other than Lowe's, Lowe's Canada and their affiliates) with respect to any inquiry, proposal or offer that constitutes, or may reasonably be expected to constitute or lead to, an Acquisition Proposal, and in connection therewith, the Corporation will:

   (a) discontinue access to and disclosure of all information regarding the Corporation or any of its Subsidiaries in respect of any inquiry, proposal or offer that constitutes, or may reasonably be expected to constitute or lead to, an Acquisition Proposal, including any data room and any confidential information, properties, facilities, books and records of the Corporation or any of its Subsidiaries; and

   (b) to the extent that such information has not previously been returned, promptly request, and exercise all rights it has to require: (i) the return or destruction of all copies of any confidential information regarding the Corporation or its Subsidiaries; and (ii) the destruction of all material including or incorporating or otherwise reflecting such confidential information regarding the Corporation or any Subsidiary, in each case, provided to any person other than Lowe's and Lowe's Canada since January 1, 2014 in respect of any inquiry, proposal or offer that constitutes, or may reasonably be expected to constitute or lead to, an Acquisition Proposal, using its commercially reasonable efforts to ensure that such requests are fully complied with in accordance with the terms of such rights or entitlements.

3. The Corporation covenants and agrees: (i) that it shall take all necessary action to enforce each confidentiality, standstill, non-disclosure, non-solicitation, use, business purpose or similar agreement or covenant to which the Corporation or any of its Subsidiaries is a party; and (ii) to not release, and cause its Subsidiaries not to release, any person from, or waive, amend, suspend or otherwise modify such person's obligations respecting the Corporation, or any of its Subsidiaries, under any confidentiality, standstill, non-disclosure, non-solicitation, use, business purpose or similar agreement or covenant to which the Corporation or any Subsidiary is a party, without the prior written consent of Lowe's Canada (which may be withheld or delayed in Lowe's Canada's sole and absolute discretion).

4. If the Corporation or any of its Subsidiaries or any of their respective Representatives receives or otherwise becomes aware of any inquiry, proposal or offer that constitutes or may reasonably be expected to constitute or lead to an Acquisition Proposal, or any request for copies of, access to, or disclosure of, confidential information relating to the Corporation or any Subsidiary in connection with an Acquisition Proposal, including but not limited to information, access, or disclosure relating to the properties, facilities, books or records of the Corporation or any Subsidiary, the Corporation shall promptly notify Lowe's Canada, at first orally, and then as soon as practicable and in any event within 24 hours in writing, of such Acquisition Proposal, inquiry, proposal, offer or request, including a description of its material terms and conditions, the identity of all persons making the Acquisition Proposal, inquiry, proposal, offer or request, and shall provide Lowe's Canada with copies of all written documents, material or substantive correspondence or other material received in respect of, from or on behalf of any such persons. The Corporation shall keep Lowe's Canada fully informed on a current basis of the status of material developments and (to the extent permitted by Items 5 below) negotiations with respect to such Acquisition Proposal, inquiry, proposal, offer or request, including any changes, modifications or other amendments to any such Acquisition Proposal, inquiry, proposal, offer or request and shall provide to Lowe's Canada copies of all material or substantive correspondence if in writing or electronic form, and if not in writing or electronic form, a description of the material terms of such correspondence communicated to the Corporation by or on behalf of any person making any such Acquisition Proposal, inquiry, proposal, offer or request.

5. Notwithstanding Items 1, 2 and 3 above, if at any time prior to obtaining the approval of the Common Shareholders of the Arrangement Resolution, the Corporation receives a written Acquisition Proposal, the Corporation may (i) contact the Person making such Acquisition Proposal and its Representatives solely for the

purpose of clarifying the terms and conditions of such Acquisition Proposal, and (ii) engage in or participate in discussions or negotiations with such person regarding such Acquisition Proposal, and may provide copies of, access to or disclosure of information, properties, facilities, books or records of the Corporation or its Subsidiaries, if and only if, in the case of clause (ii):

(a) the Board first determines in good faith, after consultation with its financial advisors and its outside legal counsel, that such Acquisition Proposal constitutes or would reasonably be expected to constitute or lead to a Superior Proposal;

(b) such person was not restricted from making such Acquisition Proposal pursuant to an existing confidentiality, standstill, non-disclosure, use, business purpose or similar restriction with the Corporation or any of its Subsidiaries;

(c) the Corporation has been, and continues to be, in compliance with its obligations under the non-solicitation provisions of the Arrangement Agreement;

(d) prior to providing any such copies, access, or disclosure, the Corporation enters into a confidentiality and standstill agreement with such person that contains a standstill provision that is no less onerous or more beneficial to such person, and is otherwise on terms that are no less favourable to the Corporation, than that in the Confidentiality Agreement, and any such copies, access or disclosure provided to such person shall have already been (or simultaneously be) provided to Lowe's Canada; and

(e) prior to providing any such copies, access or disclosure, the Corporation provides Lowe's Canada with a true, complete and final executed copy of the confidentiality and standstill agreement referred to in Item 5(d) above.

6. If the Corporation receives an Acquisition Proposal that constitutes a Superior Proposal prior to the approval of the Arrangement Resolution by the Common Shareholders, the Board may, subject to compliance with the Arrangement Agreement, enter into a definitive agreement with respect to such Superior Proposal, if and only if:

(a) the person making the Superior Proposal was not restricted from making such Superior Proposal pursuant to an existing confidentiality, standstill, non-disclosure, use, business purpose or similar restriction with the Corporation or any of its Subsidiaries;

(b) the Corporation has been, and continues to be, in compliance with its obligations under the non-solicitation provisions of the Arrangement Agreement;

(c) the Corporation has delivered to Lowe's Canada a written notice of the determination of the Board that such Acquisition Proposal constitutes a Superior Proposal and of the intention of the Board to enter into such definitive agreement with respect to such Superior Proposal, together with a written notice from the Board regarding the value and financial terms that the Board, in consultation with its financial advisors, has determined should be ascribed to any non-cash consideration offered under such Superior Proposal (the "**Superior Proposal Notice**");

(d) the Corporation has provided Lowe's Canada a copy of the proposed definitive agreement for the Superior Proposal and all supporting materials, including any financing documents supplied to the Corporation in connection therewith;

(e) at least five business days (the "**Matching Period**") have elapsed from the date that is the later of the date on which Lowe's Canada received the Superior Proposal Notice and the date on which Lowe's Canada received all of the materials set forth in Item 6(d) above;

(f) during any Matching Period, Lowe's Canada has had the opportunity (but not the obligation), in accordance with Item 7 below, to offer to amend the Arrangement Agreement and the Arrangement in order for such Acquisition Proposal to cease to be a Superior Proposal;

(g) after the Matching Period, the Board: (i) has determined in good faith, after consultation with its outside legal counsel and financial advisors, that such Acquisition Proposal continues to constitute a Superior Proposal (if applicable, compared to the terms of the Arrangement as proposed to be amended by Lowe's Canada under Item 7 below); and (ii) has determined in good faith, after consultation with its outside legal counsel, that the failure by the Board to recommend that the Corporation enter into a definitive agreement with respect to such Superior Proposal would be inconsistent with its fiduciary duties; and

(h) prior to or concurrently with entering into such definitive agreement the Corporation terminates the Arrangement Agreement pursuant to its terms and pays the Termination Fee.

7. During the Matching Period, or such longer period as the Corporation may approve (in its sole discretion) in writing for such purpose: (a) the Board shall review any offer made by Lowe's Canada under Item 6(f) above to amend the terms of the Arrangement Agreement and the Arrangement in good faith in order to determine whether such proposal would, upon acceptance, result in the Acquisition Proposal previously constituting a Superior Proposal ceasing to be a Superior Proposal; and (b) the Corporation shall negotiate in good faith with Lowe's Canada to make such amendments to the terms of the Arrangement Agreement and the Arrangement as would enable Lowe's Canada to proceed with the transactions contemplated by the Arrangement Agreement on such amended terms. If the Board determines that such Acquisition Proposal would cease to be a Superior Proposal, the Corporation shall promptly so advise Lowe's Canada and the Corporation and Lowe's Canada shall amend the Arrangement Agreement to reflect such offer made by Lowe's Canada.

8. Each successive amendment or modification to any Acquisition Proposal that results in an increase in, or modification of, the consideration (or value of such consideration) to be received by the Shareholders or other material terms or conditions thereof shall constitute a new Acquisition Proposal for the purposes of the Arrangement Agreement, and Lowe's Canada shall be afforded a new five business day Matching Period from the later of the date on which Lowe's Canada received the Superior Proposal Notice and the date on which Lowe's Canada received all of the materials set forth in Item 6(d) above with respect to the new Superior Proposal from the Corporation.

The Arrangement Agreement provides that nothing contained therein shall prevent the Board from complying with Section 2.17 of Multilateral Instrument 62-104 – *Takeover Bids and Issuer Bids* and similar provisions under Securities Laws relating to the provision of a directors' circular in respect of an Acquisition Proposal.

Representations and Warranties

Each of the Corporation, Lowe's and Lowe's Canada made certain customary representations and warranties in the Arrangement Agreement, including representations and warranties related to their due organization and qualification and authorization to enter into the Arrangement Agreement and carry out their obligations thereunder. In addition, the Corporation, Lowe's and Lowe's Canada have each made certain representations and warranties particular to such Party including, in the case of the Corporation, representations and warranties in respect of the Corporation's business, operations and assets. Lowe's and Lowe's Canada have represented and warranted to the Corporation that sufficient funds are available to pay the aggregate Consideration payable by Lowe's Canada pursuant to the Arrangement in accordance with the terms of the Arrangement Agreement and the Plan of Arrangement, to effect the repayment at maturity of the Debentures in accordance with their terms, and to satisfy all other obligations payable by Lowe's Canada pursuant to the Arrangement Agreement and the Arrangement.

The representations and warranties made by the Corporation and the Purchaser Parties were made by and to the Corporation and the Purchaser Parties, as applicable, for the purposes of the Arrangement Agreement (and not to other parties such as Shareholders) and are subject to qualifications and limitations agreed to by the Corporation and the Purchaser Parties in connection with negotiating and entering into the Arrangement Agreement. In addition, these representations and warranties

were made as of specified dates, may be subject to a contractual standard of materiality different from what may be viewed as material to Shareholders, or may have been used for the purpose of allocating risk between the Parties instead of establishing such matters as facts. Moreover, information concerning the subject matter of the representations and warranties, which do not purport to be accurate as of the date of this Information Circular, may have changed since the date of the Arrangement Agreement.

Conditions of Closing

Mutual Conditions

The Arrangement Agreement provides that the respective obligations of the Parties to complete the Arrangement are subject to the fulfillment of the following conditions on or before the Effective Time:

1. the Arrangement Resolution has been approved and adopted by the Common Shareholders at the Meeting in accordance with the Interim Order.
2. the Interim Order and the Final Order have each been obtained on terms consistent with the Arrangement Agreement, and have not been set aside or modified in a manner unacceptable to either the Corporation or Lowe's Canada, each acting reasonably, on appeal or otherwise.
3. No Governmental Authority of competent jurisdiction shall have enacted, issued, promulgated, enforced or entered any Law or Order (whether temporary, preliminary or permanent), in any case which is in effect and which prevents, prohibits or makes the consummation of the Arrangement illegal or otherwise prohibits or enjoins the Corporation, Lowe's or Lowe's Canada from consummating the Arrangement or any of the other transactions contemplated in the Arrangement Agreement.

Additional Conditions Precedent to the Obligations of Lowe's Canada

The Arrangement Agreement provides that the obligations of Lowe's Canada to complete the Arrangement are subject to the fulfillment of a number of additional conditions, each of which is for the benefit of Lowe's Canada:

1. (i) the representations and warranties of the Corporation set forth in the Arrangement Agreement were true and correct as of the date of the Arrangement Agreement and are true and correct as of the Effective Time (except for representations and warranties made as of a specified date, the accuracy of which shall be determined as of such specified date), except to the extent that the failure or failures of such representations and warranties to be so true and correct, individually or in the aggregate, would not have a Material Adverse Effect (and, for this purpose, any reference to "material", "Material Adverse Effect" or other concepts of materiality in such representations and warranties shall be ignored); (ii) and the representations and warranties of the Corporation set forth in Paragraphs (1), (2), (3), (5)(a), (8), (9) and (24) of Schedule D to the Arrangement Agreement were true and correct as of the date of the Arrangement Agreement and are true and correct as of the Effective Time in all material respects (and, for this purpose, any reference to "material", "Material Adverse Effect" or other concepts of materiality in such representations and warranties shall be ignored) and (iii) the representations and warranties of the Corporation set forth in Paragraph (6) of Schedule D to the Arrangement Agreement were true and correct as of the date of the Arrangement Agreement and are true and correct as of the Effective Time in all but de minimis respects, in each case except for representations and warranties made as of a specified date, the accuracy of which shall be determined as of such specified date; and the Corporation has delivered a certificate confirming same to Lowe's Canada, executed by two senior officers of the Corporation (in each case without personal liability) addressed to Lowe's Canada and dated the Effective Date.

2. the Corporation has fulfilled or complied in all material respects with each of the covenants of the Corporation contained in the Arrangement Agreement to be fulfilled or complied with by it on or prior to the Effective Time, and the Corporation has delivered a certificate confirming same to Lowe's Canada, executed by two senior officers of the Corporation (in each case without personal liability) addressed to Lowe's Canada and dated the Effective Date.

3. each of the Regulatory Approvals has been made, given or obtained on terms acceptable to Lowe's Canada taking into account the covenants of Lowe's and Lowe's Canada in this respect under the Arrangement Agreement, and each such Regulatory Approval is in force and has not been modified.

4. there is no action or proceeding (whether, for greater certainty, by a Governmental Entity or any other person) pending or threatened in any jurisdiction to:

   (a) cease trade, enjoin, prohibit or impose any limitations, damages or conditions on, Lowe's' or Lowe's Canada's ability to acquire, hold, or exercise full rights of ownership over, any Common Shares or Preferred Shares, including the right to vote the Common Shares;

   (b) impose terms or conditions on completion of the Arrangement or on the ownership or operation by Lowe's or Lowe's Canada of the business or assets of Lowe's, Lowe's Canada, their affiliates and related entities, the Corporation or any of the Corporation's Subsidiaries and related entities, or compel Lowe's or Lowe's Canada to dispose of or hold separate any of the business or assets of Lowe's, Lowe's Canada, their affiliates and related entities, the Corporation or any of the Corporation's Subsidiaries and related entities as a result of the Arrangement, in each case, beyond what the Lowe's and Lowe's Canada are required to accept or agree to pursuant to the Arrangement Agreement; or

   (c) prevent or materially delay the consummation of the Arrangement, or if the Arrangement were to be consummated, have a Material Adverse Effect.

5. Dissent Rights have not been exercised with respect to more than 10% of the issued and outstanding Common Shares.

6. there shall not have been or occurred a Material Adverse Effect.

Additional Conditions Precedent to the Obligations of the Corporation

The Arrangement Agreement provides that the obligations of the Corporation to complete the Arrangement are subject to the fulfillment of a number of additional conditions, each of which is for the benefit of the Corporation:

1. the representations and warranties of Lowe's and Lowe's Canada which are qualified by references to materiality and the representations and warranties set forth in Paragraphs (1), (2), (3), (5)(a) and (9) of Schedule E to the Arrangement Agreement were true and correct as of the date of the Arrangement Agreement and are true and correct as of the Effective Time, in all respects, and all other representations and warranties of Lowe's and Lowe's Canada were true and correct as of the date of the Arrangement Agreement and are true and correct as of the Effective Time, in all material respects, in each case except for representations and warranties made as of a specified date, the accuracy of which shall be determined as of such specified date, except where the failure of such representations and warranties to be true and correct, individually or in the aggregate, would not materially impede completion of the Arrangement, and Lowe's and Lowe's Canada have delivered a certificate confirming same to the Corporation, executed by two senior officers of Lowe's and Lowe's Canada (in each case without personal liability) addressed to the Corporation and dated the Effective Date.

2. Lowe's and Lowe's Canada have fulfilled or complied in all material respects with each of the covenants of Lowe's and Lowe's Canada contained in the Arrangement Agreement to be fulfilled or complied with by them on

or prior to the Effective Time, and Lowe's and Lowe's Canada have delivered a certificate confirming same to the Corporation, executed by two senior officers of Lowe's and Lowe's Canada (in each case without personal liability) addressed to the Corporation and dated the Effective Date.

3. Subject to obtaining the Final Order and the satisfaction or waiver of the other conditions precedent contained in the Arrangement Agreement in favour of Lowe's Canada (other than conditions which, by their nature, are only capable of being satisfied as of the Effective Time), Lowe's Canada has deposited or caused to be deposited with the Depositary in escrow in accordance with the Arrangement Agreement the funds required to effect payment in full of the aggregate Consideration to be paid pursuant to the Arrangement and the Depositary has confirmed to the Corporation receipt of such funds.

Termination of Arrangement Agreement

The Arrangement Agreement may be terminated in the following circumstances by:

1. the mutual written agreement of the Parties; or
2. either the Corporation, on the one hand, or Lowe's or Lowe's Canada, on the other hand, if:
   (a) the Arrangement Resolution is not approved by the Common Shareholders at the Meeting in accordance with the Interim Order, provided that a Party may not terminate the Arrangement Agreement pursuant to this Item 2(a) if the failure to obtain the approval of the Common Shareholders has been caused by, or is a result of, a breach by such Party of any of its representations or warranties or the failure of such Party to perform any of its covenants or agreements under the Arrangement Agreement;
   (b) after the date of the Arrangement Agreement, any Law is enacted, made, enforced or amended, as applicable, that makes the consummation of the Arrangement illegal or otherwise permanently prohibits or enjoins the Corporation, Lowe's or Lowe's Canada from consummating the Arrangement, and such Law has, if applicable, become final and non-appealable, provided the Party seeking to terminate the Arrangement Agreement pursuant to this Item 2(b) has used its commercially reasonable efforts to, as applicable, appeal or overturn such Law or otherwise have it lifted or rendered non-applicable in respect of the Arrangement; or
   (c) the Effective Time does not occur on or prior to the Outside Date, provided that a Party may not terminate the Arrangement Agreement pursuant to this Item 2(c) if the failure of the Effective Time to so occur has been caused by, or is a result of, a breach by such Party (including, in the case of Lowe's Canada, Lowe's) of any of its representations or warranties or the failure of such Party (including, in the case of Lowe's Canada, Lowe's) to perform any of its covenants or agreements under the Arrangement Agreement; or
3. the Corporation if:
   (a) a breach of any representation or warranty or failure to perform any covenant or agreement on the part of Lowe's or Lowe's Canada under the Arrangement Agreement occurs that would cause any condition in Item 1 or 2 under "*Additional Conditions Precedent to the Obligations of the Corporation*" not to be satisfied, and such breach or failure is incapable of being cured on or prior to the Outside Date or is not cured in accordance with the terms of the Arrangement Agreement; provided that any "wilful breach" (such term defined as a material breach that is a consequence of an act undertaken by the breaching party with the actual knowledge that the taking of such act would, or would be reasonably expected to, cause a breach of the Arrangement Agreement) shall be deemed to be incurable and the Corporation is not then in breach of the Arrangement Agreement so as to cause any condition in Item 1 or 2 under "*Additional Conditions Precedent to the Obligations of Lowe's Canada*" in the Arrangement Agreement not to be satisfied; or
   (b) prior to the approval by the Common Shareholders of the Arrangement Resolution, the Board authorizes the Corporation to enter into a written agreement (other than a confidentiality agreement permitted by and entered

into in accordance with the Arrangement Agreement) with respect to a Superior Proposal in accordance with the applicable terms under the Non-Solicitation Covenants, provided the Corporation is then in compliance with the Non-Solicitation Covenants and that prior to or concurrent with such termination the Corporation pays the Termination Fee; or

4. Lowe's or Lowe's Canada if:

   (a) a breach of any representation or warranty or failure to perform any covenant or agreement on the part of the Corporation under the Arrangement Agreement occurs that would cause any condition in Item 1 or 2 under "*Additional Conditions Precedent to the Obligations of Lowe's Canada*" not to be satisfied, and such breach or failure is incapable of being cured on or prior to the Outside Date or is not cured in accordance with the terms of the Arrangement Agreement; provided that any wilful breach shall be deemed to be incurable and each of Lowe's and Lowe's Canada is not then in breach of the Arrangement Agreement so as to cause any condition in Item 1 or 2 under "*Additional Conditions Precedent to the Obligations of the Corporation*" in the Arrangement Agreement not to be satisfied;

   (b) (A) the Board or any committee of the Board fails to unanimously recommend or withdraws, amends, modifies or qualifies, or publicly proposes or states an intention to withdraw, amend, modify or qualify, the Board Recommendation; (B) the Board or any committee of the Board accepts, approves, endorses or recommends, or publicly proposes to accept, approve, endorse or recommend an Acquisition Proposal or takes no position or remains neutral with respect to a publicly announced, or otherwise publicly disclosed, Acquisition Proposal for more than five business days (or beyond the third business day prior to the date of the Meeting, if sooner); (C) the Board or any committee of the Board accepts or enters into (other than a confidentiality agreement permitted by and in accordance with the Arrangement Agreement) or publicly proposes to accept or enter into any agreement, understanding or arrangement in respect of an Acquisition Proposal; (D) the Board or any committee of the Board fails to publicly recommend or reaffirm the Board Recommendation within five business days after having been requested in writing by Lowe's Canada to do so (or in the event that the Meeting is scheduled to occur within such five business day period, prior to the third business day prior to the date of the Meeting); or (E) the Corporation breaches the Non-Solicitation Covenants in any material respect;

   (c) the condition set forth in Item 5 under "*Additional Conditions Precedent to the Obligations of Lowe's Canada*" is not capable of being satisfied by the Outside Date; or

   (d) there has occurred a Material Adverse Effect which is incapable of being cured on or prior to the Outside Date.

In the event of termination the Arrangement Agreement shall forthwith become void and of no further force or effect without liability of any Party to any other Party to the Arrangement Agreement, except as expressly provided in the Arrangement Agreement.

Termination Fee and Expense Reimbursement in Favour of Lowe's Canada

The Arrangement Agreement specifies that, notwithstanding any other provision in the Arrangement Agreement relating to the payment of fees and expenses, including the payment of brokerage fees, the Corporation shall pay Lowe's Canada a termination fee of $100,000,000 (the "**Termination Fee**"), as liquidated damages, upon termination of the Arrangement Agreement:

1. by Lowe's or Lowe's Canada pursuant to Item 4(b) under "*Termination of Arrangement Agreement*" above;
2. by the Corporation pursuant to Item 3(b) under "*Termination of Arrangement Agreement*" above;

3. pursuant to any of the Items set out under "*Termination of Arrangement Agreement*" above, if at such time Lowe's or Lowe's Canada is entitled to terminate the Arrangement Agreement pursuant to Item 4(b), under "*Termination of Arrangement Agreement*" above; or

4. by the Corporation or Lowe's or Lowe's Canada pursuant to Item 2(a) or Item 2(c) above, or by Lowe's or Lowe's Canada pursuant to Item 4(a) (due to willful breach or fraud), all under "*Termination of Arrangement Agreement*" above, if:

   (a) prior to such termination, an Acquisition Proposal is made or publicly announced or otherwise publicly disclosed by any Person (other than Lowe's and Lowe's Canada or any of their respective affiliates) or any person (other than Lowe's and Lowe's Canada or any of their respective affiliates) shall have publicly announced an intention to make an Acquisition Proposal; and

   (b) within 365 days following the date of such termination: (A) an Acquisition Proposal (whether or not such Acquisition Proposal is the same Acquisition Proposal referred to in Item 4(a) above) is consummated or effected; or (B) the Corporation or one or more of its Subsidiaries, directly or indirectly, in one or more transactions, enters into a contract, other than a confidentiality agreement permitted by and in accordance with the Arrangement Agreement, in respect of an Acquisition Proposal (whether or not such Acquisition Proposal is the same Acquisition Proposal referred to in Item 4(a) above) and such Acquisition Proposal is later consummated or effected (whether or not such Acquisition Proposal is later consummated or effected within 365 days after such termination).

For the purposes of the discussion above, the term "Acquisition Proposal" has the meaning described under "Glossary of Terms" in this Information Circular, except that references to "20% or more" are deemed to be references to "50% or more".

In addition to the rights of Lowe's Canada set out above, if the Arrangement Agreement is terminated by Lowe's and Lowe's Canada pursuant to Item 4(a) under "*Termination of Arrangement Agreement*" above, then the Corporation shall pay or cause to be paid to Lowe's Canada an expense reimbursement fee of $15,000,000. For greater certainty, in no event shall the Corporation be required to pay, in the aggregate, an amount in excess of the Termination Fee.

Amendment

Pursuant to the Arrangement Agreement, the Arrangement Agreement and the Plan of Arrangement may, before or after the holding of the Meeting but not later than the Effective Time, be amended by mutual written agreement of the Parties, without further notice to or authorization on the part of the Shareholders, and any such amendment may, subject to the Interim Order and Final Order and Laws, without limitation: (i) change the time for performance of any of the obligations or acts of the Parties; (ii) modify any representation or warranty contained in the Arrangement Agreement or in any document delivered pursuant to the Arrangement Agreement; (iii) modify any of the covenants contained in the Arrangement Agreement and waive or modify performance of any of the obligations of the Parties; and/or (iv) modify any mutual conditions contained in the Arrangement Agreement.

If the Preferred Shareholder Resolution is not approved by the Preferred Shareholders in accordance with the Interim Order prior to the Final Order being obtained, the Plan of Arrangement, attached hereto as Appendix "D" hereto, shall be amended to exclude the Preferred Shares from the Plan of Arrangement along with matters ancillary thereto (including, for greater certainty, the Dissent Rights in favour of the Preferred Shareholders).

Principal Legal Matters

Court Approval and Completion of the Arrangement

An arrangement under the QBCA requires Court approval. See "*The Arrangement — Procedure for the Arrangement Becoming Effective — Court Approval*".

Assuming that the Final Order is granted, the Corporation will file the Articles of Arrangement with the Enterprise Registrar under the QBCA as soon as reasonably practicable and in any event within five Business Days after the satisfaction or, where not prohibited, the waiver by the applicable Party or Parties in whose favour the condition is, of the conditions to the completion of the Arrangement to give effect to the Arrangement and the various other documents necessary to consummate the transactions contemplated under the Arrangement Agreement will be executed and delivered. Subject to receipt of the Final Order in form and substance satisfactory to the Corporation and the Purchaser Parties, and satisfaction or waiver of all other conditions set forth in the Arrangement Agreement, including the receipt of all required Regulatory Approvals, the Corporation expects the Effective Date to occur in the second half of 2016.

Canadian Securities Law Matters

The Corporation is a reporting issuer (or its equivalent) in all provinces of Canada and, accordingly, is subject to applicable Securities Laws of such provinces. In addition, the securities regulatory authorities in the Provinces of Ontario and Québec have adopted MI 61-101 which regulates transactions which raise the potential for conflicts of interest, including issuer bids, insider bids, related party transactions and business combinations.

The Arrangement does not constitute an issuer bid, an insider bid or a related party transaction. In assessing whether the Arrangement could be considered to be a business combination for the purposes of MI 61-101, the Corporation reviewed all benefits or payments which related parties of the Corporation are entitled to receive, directly or indirectly, as a consequence of the Arrangement to determine whether any constituted a collateral benefit. For these purposes, the only related parties of the Corporation that are entitled to receive a benefit, directly or indirectly, as a consequence of the Arrangement are the directors and executive officers of the Corporation.

Each of the executive officers and directors of the Corporation holds Incentive Awards. If the Arrangement is completed, the vesting of all Incentive Awards is to be accelerated and such executive officers and directors are to receive cash payments in respect thereof at the Effective Time. Certain executive officers of the Corporation may also be entitled to participate in the Corporation's special retention and/or transition bonus program in connection with the Arrangement. See "*The Arrangement — Interests of Directors and Executive Officers in the Arrangement*" for detailed information regarding the benefits and other payments to be received by each of the directors and executive officers of the Corporation in connection with the Arrangement.

Following disclosure by each of the directors and executive officers to the Board of the number of Shares held by them and the benefits or payments that they expect to receive pursuant to the Arrangement, the Board has determined that the aforementioned benefits or payments fall within an exception to the definition of collateral benefit for the purposes of MI 61-101, since the benefits are received solely in connection with the related parties' services as employees or directors of the Corporation or of any affiliated entities of the Corporation, are not conferred for the purpose, in whole or in part, of increasing the value of the consideration paid to the related parties for their Shares, and are not conditional on the related parties supporting the Arrangement in any manner, and at the time of the entering into of the Arrangement Agreement, none of the related parties entitled to receive the benefits exercised control or direction over, or beneficially owned, more than 1%

of the outstanding Common Shares or of the outstanding Preferred Shares, as calculated in accordance with MI 61-101. Accordingly, such benefits are not collateral benefits for the purposes of MI 61-101 and the Arrangement does not constitute a business combination for the purposes of MI 61-101.

Regulatory Approvals

The following is a summary of the principal Regulatory Approvals required to complete the Arrangement.

ICA Approvals

Subject to limited exemptions, the direct acquisition of control of a Canadian business by a non-Canadian that exceeds a financial threshold prescribed under Part IV of the Investment Canada Act (a "**Reviewable Transaction**") is subject to review. In the case of a Reviewable Transaction, a non-Canadian investor must submit an application to the Director of Investments under the Investment Canada Act (an "**Application for Review**") seeking approval of the Reviewable Transaction and cannot complete the transaction until the transaction has been reviewed by the Minister responsible for the *Investment Canada Act* (the "**Minister**") and the Minister is satisfied or is deemed to be satisfied that the transaction is likely to be of net benefit to Canada (the "**net benefit ruling**"). The responsible Ministers are the Minister of Canadian Heritage in respect of cultural businesses, and the Minister of Innovation, Science and Economic Development in respect of all other matters. The submission of the Application for Review triggers an initial review period of up to 45 days. If the Minister has not completed the review by that date, the Minister may unilaterally extend the review period for up to a further 30 days or such further period agreed to by the non-Canadian investor and the Minister.

In determining whether to issue a net benefit ruling, the Minister is required to consider, among other things, the Application for Review and any written undertakings offered by the non-Canadian investor to Her Majesty in right of Canada. The prescribed factors that the Minister must consider when determining whether to issue a net benefit ruling include, among other things, the effect of the investment on economic activity in Canada (including the effect on employment, resource processing, utilization of Canadian products and services and exports), on participation by Canadians in the acquired business, on productivity, industrial efficiency, technological development, product innovation, product variety and competition in Canada, and the compatibility of the investment with national and provincial industrial, economic and cultural policies, as well as the contribution of the investment to Canada's ability to compete in world markets.

If, following his review, the Minister is not satisfied or deemed to be satisfied that the Reviewable Transaction is likely to be of net benefit to Canada, the Minister is required to send a notice to that effect to the non-Canadian investor, advising the non-Canadian investor of its right to make further representations and submit (additional) undertakings within 30 days from the date of such notice or any further period that may be agreed to by the non-Canadian investor and the Minister. Within a reasonable period of time after receiving any such additional representations and proposed written undertakings, the Minister must send a notice to the non-Canadian investor stating either that the Minister is satisfied that the investment is likely to be of net benefit to Canada, in which case the transaction may be completed, or confirming that the Minister is not satisfied that the investment is likely to be of net benefit to Canada, in which case the completion of the transaction is prohibited.

Lowe's, which is a non-Canadian investor, is acquiring control of the Corporation, a Canadian business, under and for the purposes of the Investment Canada Act. Because the relevant financial threshold is exceeded, the Arrangement is a Reviewable Transaction.

Lowe's has filed Applications for Review with the responsible Ministers.

Competition Act Approval

Part IX of the Competition Act requires that the parties to certain classes of transactions provide prescribed information to the Commissioner of Competition where the applicable thresholds set out in sections 109 and 110 of the Competition Act are exceeded and no exemption applies ("**Notifiable Transactions**"). Subject to certain limited exemptions, a Notifiable Transaction cannot be completed until the parties to the transaction have each submitted the information prescribed pursuant to Subsection 114(1) of the Competition Act (a "**Notification**") to the Commissioner of Competition and the applicable waiting period has expired or been terminated by the Commissioner of Competition.

The waiting period is 30 days after the day on which the parties to the Notifiable Transaction have both submitted their respective Notifications. The parties are entitled to complete their Notifiable Transaction at the end of the 30-day period, unless the Commissioner of Competition notifies the parties, pursuant to Subsection 114(2) of the Competition Act, that the Commissioner of Competition requires additional information that is relevant to the Commissioner of Competition's assessment of the Notifiable Transaction (a "**Supplementary Information Request**"). In the event that the Commissioner of Competition provides the parties with a Supplementary Information Request, the Notifiable Transaction cannot be completed until 30 days after compliance with such Supplementary Information Request, provided that there is no order issued by the Competition Tribunal in effect prohibiting completion at the relevant time.

A Notifiable Transaction may be completed before the end of the applicable waiting period if the Commissioner of Competition notifies the parties that he does not, at that time, intend to challenge the transaction by making an application under section 92 of the Competition Act (a "**No Action Letter**"). In such a case, the Commissioner of Competition will reserve the right to challenge the transaction before the Competition Tribunal at any time within one year of the transaction being completed. Alternatively, or in addition to filing a Notification, the parties to a Notifiable Transaction may apply to the Commissioner of Competition under Subsection 102(1) of the Competition Act for an advance ruling certificate (an "**ARC**") formally confirming that the Commissioner of Competition is satisfied that he does not have sufficient grounds on which to apply to the Competition Tribunal for an order under section 92 of the Competition Act to prohibit the completion of the transaction. Upon the issuance of an ARC, the parties to a Notifiable Transaction are legally entitled to complete their transaction.

Whether a merger is subject to notification under Part IX of the Competition Act, the Commissioner of Competition can apply to the Competition Tribunal for a remedial order under section 92 of the Competition Act at any time before the merger has been completed or, if completed, within one year after it was substantially completed, provided that, subject to certain exceptions, the Commissioner of Competition did not issue an ARC in respect of the merger. On application by the Commissioner of Competition under section 92 of the Competition Act, the Competition Tribunal may, where it finds that the merger prevents or lessens, or is likely to prevent or lessen, competition substantially, order that the merger not proceed or, if completed, order its dissolution or the disposition of the assets or shares acquired; in addition to, or in lieu thereof, with the consent of the person against whom the order is directed and the Commissioner of Competition, the Competition Tribunal may order a person to take any other action. The Commissioner of Competition may also seek interim relief from the Competition Tribunal under sections 100 and 104 of the Competition Act. The Competition Tribunal is prohibited from issuing a remedial order where it finds that the merger or proposed merger has brought or is likely to bring about gains in efficiency that will be greater than, and will not offset, the effects of any prevention or lessening of competition that will result or is likely to result from the merger and that the gains in efficiency would not likely be attained if the order were made.

The Arrangement is a Notifiable Transaction. Lowe's and the Corporation have filed their respective Notifications, and submitted a request to the Commissioner of Competition for an ARC to commence the Commissioner of Competition's review of the Arrangement.

Certain Canadian Federal Income Tax Considerations

In the opinion of Norton Rose Fulbright Canada LLP, legal counsel to the Corporation, the following summary describes the principal Canadian federal income tax considerations generally applicable to Shareholders who dispose of their Shares in return for the Consideration pursuant to the Arrangement and who, for the purposes of the Tax Act and at all relevant times, are residents of Canada, hold their Shares as capital property, deal at arm's length with the Corporation and the Purchaser Parties, and are not affiliated with the Corporation or any Purchaser Party. Generally, the Shares will be capital property to a Shareholder unless the Shares are held or were acquired in the course of carrying on a business or as part of an adventure or concern in the nature of trade. Certain Shareholders whose Shares might not otherwise be capital property may, in some circumstances, be entitled to make an irrevocable election in accordance with subsection 39(4) of the Tax Act to have such Shares and every other "Canadian security" (as defined in the Tax Act) owned by them deemed to be capital property in the taxation year of the election and in all subsequent taxation years. Such Shareholders should consult their own tax advisors for advice with respect to whether an election under subsection 39(4) of the Tax Act is available or advisable in their particular circumstances.

This summary is based upon the current provisions of the Tax Act and counsel's understanding of the current administrative policies and assessing practices published in writing by the Canada Revenue Agency prior to the date hereof. This summary also takes into account all specific proposals to amend the Tax Act publicly announced by or on behalf of the Minister of Finance of Canada prior to the date hereof (the "**Proposed Amendments**") and assumes that all Proposed Amendments will be enacted in the form proposed. However, no assurances can be given that the Proposed Amendments will be enacted as proposed, or at all. This summary does not otherwise take into account or anticipate any changes in law or administrative policies or assessing practices, whether by legislative, regulatory, administrative or judicial action or decision, nor does it take into account provincial, territorial or foreign tax legislation or considerations, which may be different from those discussed in this summary.

This summary is not applicable to a Shareholder (a) that is a "financial institution" for purposes of the mark-to-market rules in the Tax Act, (b) that is a "specified financial institution" (as defined in the Tax Act), (c) an interest in which is a "tax shelter investment" (as defined in the Tax Act), (d) that reports its "Canadian tax results" (as defined in the Tax Act) in a currency other than Canadian currency, (e) that has entered or enters into a "derivative forward agreement" (as defined in the Tax Act) with respect to any Share, or (f) that is exempt from income tax under Part I of the Tax Act.

This summary does not describe the tax consequences to holders of Options, DSUs, RSUs or PSUs in respect of any payment made pursuant to the Arrangement in respect of such Options, DSUs, RSUs or PSUs, and does not describe all of the tax consequences relevant to a Shareholder who acquired Shares on the exercise of Options.

This summary does not take into account the Income Tax Application Rules applicable to Shareholders who have held Shares continuously since before 1972 (or are deemed to have done so under those rules).

This summary is not, and is not intended to be, legal or tax advice to any particular Shareholder. This summary is not exhaustive of all Canadian federal income tax considerations. Accordingly, Shareholders should consult their own tax advisors with respect to the Canadian federal income tax consequences of the Arrangement having regard to their own particular circumstances.

Disposition of Shares

Generally, a Shareholder who disposes of a Share under the Arrangement will realize a capital gain (or capital loss) equal to the amount by which the Consideration received by the Shareholder under the Arrangement exceeds (or is less than) the aggregate of the adjusted cost base of the Share to the Shareholder and any reasonable costs of disposition for such Share.

Generally, a Shareholder is required to include in computing its income for a taxation year one-half of the amount of any capital gain (a "**taxable capital gain**") realized by the Shareholder in the year. A Shareholder is required to deduct one-half of the amount of any capital loss (an "**allowable capital loss**") realized in a taxation year from taxable capital gains realized in the year. Allowable capital losses in excess of taxable capital gains may be carried back and deducted in any of the 3 preceding taxation years or carried forward and deducted in any subsequent taxation year against net taxable capital gains realized by the Shareholder in such years, to the extent and in the circumstances described in the Tax Act.

The amount of any capital loss realized by a Shareholder that is a corporation on the disposition of a Share may be reduced by the amount of any dividends received (or deemed to be received) by it on such Share to the extent and under the circumstances described in the Tax Act. Similar rules may apply where a Share is owned by a partnership or trust of which a corporation, trust or partnership is a member or beneficiary. Shareholders to whom these rules may apply should consult their own tax advisors.

A Shareholder that is a "Canadian-controlled private corporation" (as defined in the Tax Act) throughout its taxation year during which the disposition will occur may be liable for a refundable tax of 10⅔% on its "aggregate investment income", which is defined to include amounts of interest and taxable capital gains. The rate of such refundable tax will be different if the taxation year of the Shareholder in which the disposition occurs began before 2016, and Shareholders should consult their own tax advisors in this regard.

Capital gains realized by an individual or a trust, other than certain trusts, may give rise to alternative minimum tax under the Tax Act. Shareholders should consult their own advisors with respect to the potential application of alternative minimum tax.

Dissenting Shareholders

A Dissenting Shareholder will be deemed to transfer such holder's Shares to Lowe's Canada in exchange for payment of the fair value of such Shares. In general, a Dissenting Shareholder will realize a capital gain (or capital loss) equal to the amount by which the cash received in respect of the fair value of the holder's Shares (other than in respect of interest awarded by a court) exceeds (or is less than) the adjusted cost base of such Shares and any reasonable costs of disposition. See "*Certain Canadian Federal Income Tax Considerations — Disposition of Shares*" above. Interest awarded by a court to a Dissenting Shareholder is required to be included in the holder's income for the purposes of the Tax Act.

Other Tax Considerations

This Information Circular does not address any tax considerations of the Arrangement other than certain Canadian income tax considerations to Shareholders. Shareholders who are resident in jurisdictions other than Canada should consult their tax advisors with respect to the relevant tax implications of the Arrangement, including any associated filing requirements, in such jurisdictions. All Shareholders should also consult their own tax advisors regarding relevant provincial, territorial, state or other tax considerations of the Arrangement.

Risk Factors

In evaluating whether to approve the Arrangement Resolution or the Preferred Shareholder Resolution, the Common Shareholders and the Preferred Shareholders should carefully consider the following risk factors. Additional risks and uncertainties, including those currently unknown to or considered immaterial by the Corporation may also adversely affect the Arrangement. The following risk factors are not a definitive list of all risk factors associated with the Arrangement.

Risks Relating to the Arrangement

Completion of the Arrangement is subject to several conditions that must be satisfied or waived

The completion of the Arrangement is subject to a number of conditions precedent, some of which are outside of the control of the Corporation and the Purchaser Parties, including receipt of the required Regulatory Approvals, approval of the Common Shareholders and the granting of the Final Order. In addition, the completion of the Arrangement by the Purchaser Parties is conditional on, among other things, Dissent Rights not having been exercised by the holders of more than 10% of the issued and outstanding Common Shares and no Material Adverse Effect having occurred since the date of the Arrangement Agreement. There can be no certainty, nor can the Corporation or the Purchaser Parties provide any assurance, that these conditions will be satisfied or, if satisfied, when they will be satisfied. Moreover, a substantial delay in obtaining satisfactory approvals could result in the Arrangement not being completed. If the Arrangement is not completed for any reason, there are risks that the announcement of the Arrangement and the dedication of substantial resources of the Corporation to the completion thereof could have a negative impact on the Corporation's current business relationships (including with future and prospective employees, customers, dealer-owners, distributors, suppliers and partners) and could have a material adverse effect on the current and future operations, financial condition and prospects of the Corporation. In addition, failure to complete the Arrangement for any reason could materially negatively impact the trading price of the Common Shares and Preferred Shares. If the Arrangement is not completed and the Board decides to seek an alternative transaction, there can be no assurance that it will be able to find a party willing to pay consideration for the Shares that is equivalent to, or more attractive than, the Consideration payable pursuant to the Arrangement.

The Arrangement Agreement may be terminated by the Purchaser Parties, in which case an alternative transaction may not be available

The Purchaser Parties have the right to terminate the Arrangement Agreement in certain circumstances. Accordingly, there is no certainty that the Arrangement Agreement will not be terminated by the Purchaser Parties before the completion of the Arrangement. If the Arrangement Agreement is terminated, there is no guarantee that equivalent or greater purchase prices for the Common Shares or Preferred Shares will be available from an alternative party.

Impact of the Arrangement on Preferred Shareholders

If the requisite approval of Preferred Shareholders is not obtained, the Preferred Shares will be excluded from the Arrangement and will remain outstanding following the Effective Time. In this situation, it is possible that the market price of the Preferred Shares could be adversely affected and holders of the Preferred Shares may face certain risks as a result of the new status of the Corporation as an indirect Subsidiary of Lowe's, including as a result of any adverse change in the Corporation's creditworthiness resulting therefrom.

The Corporation will incur costs and may have to pay a Termination Fee

Certain costs relating to the Arrangement, such as legal, accounting and certain financial advisor fees, must be paid by the Corporation even if the Arrangement is not completed. If the Arrangement is not completed, the Corporation may also be

required to pay the Termination Fee to Lowe's Canada. If the Corporation is required to pay the Termination Fee under the Arrangement Agreement, the financial condition of the Corporation could be materially adversely affected. See *"The Arrangement Agreement — Termination Fee and Expense Reimbursement in Favour of Lowe's Canada"*.

The Termination Fee may discourage other parties from proposing a significant business transaction with the Corporation

Under the Arrangement, the Corporation is required to pay the Termination Fee in the event that the Arrangement Agreement is terminated in circumstances related to a possible alternative transaction to the Arrangement. The Termination Fee may discourage other parties from attempting to propose a business transaction, even if such a transaction could provide better value to Shareholders than the Arrangement.

The Corporation's business relationships, including relationships with dealer-owners and customer relationships, may be subject to disruption due to uncertainty associated with the Arrangement

Parties with which the Corporation currently does business or may do business in the future, including dealer-owners, customers and suppliers, may experience uncertainty associated with the Arrangement, including with respect to current or future business relationships with the Corporation or the Purchaser Parties. Such uncertainty could have a material and adverse effect on the business, financial condition, results of operations or prospects of the Corporation.

While the Arrangement is pending, the Corporation is restricted from taking certain actions.

The Arrangement Agreement restricts the Corporation from taking specified actions until the Arrangement is completed without the consent of Lowe's Canada. These restrictions may prevent the Corporation from pursuing attractive business opportunities that may arise prior to the completion of the Arrangement.

Risks Relating to the Corporation

If the Arrangement is not completed, the Corporation will continue to face the risks that it currently faces with respect to its affairs, business and operations and future prospects. Such risk factors are set forth and described in the Corporation's Management's Discussion and Analysis for the fiscal year ended December 27, 2015 and other filings of the Corporation filed with the securities regulatory authorities which have been filed on SEDAR at www.sedar.com.

Procedures for Surrender of Shares and Receipt of Consideration

Procedures for Common Shareholders

The Corporation and Lowe's currently anticipate that the Arrangement will be completed in the second half of 2016.

Enclosed with this Information Circular is a form of Letter of Transmittal which, when properly completed and duly executed and returned together with the certificate or certificates representing Common Shares (other than Common Shares held by a Dissenting Shareholder) and all other required documents, will enable each registered Common Shareholder (other than a Dissenting Shareholder) to obtain the Consideration that such holder is entitled to receive under the Arrangement.

Only registered Common Shareholders are required to submit a Letter of Transmittal. **If you are a non-registered Common Shareholder holding your Common Shares through a nominee such as a broker, investment dealer, bank, trust company, custodian or other nominee, you should carefully follow any instructions provided to you by such nominee.**

The details of the procedures for the deposit of physical Common Share certificates and the delivery by the Depositary of the Common Share Consideration payable to former registered holders of Common Shares are set out in the Letter of Transmittal. The Letter of Transmittal has also been filed under the Corporation's profile at www.sedar.com.

Registered Common Shareholders must validly complete, duly sign and return the Letter of Transmittal, together with the share certificate(s) representing their Common Shares, to the Depositary at one of the offices specified in the Letter of Transmittal.

Registered Common Shareholders who deposit a validly completed and duly signed Letter of Transmittal, together with accompanying share certificate(s), will be forwarded the Common Share Consideration to which they are entitled as soon as practicable after the later of the Effective Date and the date of receipt by the Depositary of the Letter of Transmittal and accompanying Common Share certificates. Once registered Common Shareholders surrender their share certificates, they will not be entitled to sell the Common Shares to which those certificates relate.

Registered Common Shareholders who do not forward to the Depositary a validly completed and duly signed Letter of Transmittal, together with their share certificate(s), will not receive the Common Share Consideration to which they are otherwise entitled until deposit is made. Whether or not Common Shareholders forward their share certificate(s) upon the completion of the Plan of Arrangement on the Effective Date, Common Shareholders will cease to be shareholders of the Corporation as of the Effective Time and will only be entitled to receive the Common Share Consideration to which they are entitled under the Plan of Arrangement or, in the case of registered Common Shareholders who properly exercise Dissent Rights, the right to receive fair value for their Common Shares in accordance with the provisions of Chapter XIV – Division I of the QBCA (as modified or supplemented by the Interim Order, the Plan of Arrangement and any other order of the Court).

The method of delivery of certificates representing Common Shares and all other required documents is at the option and risk of the person depositing their Common Shares. Any use of the mail to forward certificates representing Common Shares and/or the related Letters of Transmittal shall be at the election and sole risk of the person depositing Common Shares, and

documents so mailed shall be deemed to have been received by the Corporation only upon actual receipt by the Depositary. If such certificates and other documents are to be mailed, the Corporation recommends that registered mail be used with proper insurance and an acknowledgement of receipt requested.

Unless otherwise specified in the Letter of Transmittal, a cheque representing the aggregate Common Share Consideration payable under the Arrangement to a former registered holder of Common Shares who has complied with the procedures set out above and in the Letter of Transmittal will be, as soon as practicable after the Effective Date and after the receipt of all required documents: (i) forwarded to the former Common Shareholder at the address specified in the Letter of Transmittal by first-class mail; or (ii) made available at the office of the Depositary at which the Letter of Transmittal and the certificate(s) for Common Shares were delivered for pick-up by the Common Shareholder, as requested by the Common Shareholder in the Letter of Transmittal. If no address is provided on the Letter of Transmittal, cheques will be forwarded to the address of the holder as shown on the register maintained by the Transfer Agent. Under no circumstances will interest accrue or be paid by the Corporation, Lowe's Canada, Lowe's or the Depositary on the Common Share Consideration for the Common Shares to persons depositing Common Shares with the Depositary, regardless of any delay in making any payment for the Common Shares. The Depositary will act as the agent of persons who have deposited Common Shares pursuant to the Arrangement for the purpose of receiving and transmitting the Common Share Consideration to such persons, and receipt of the Common Share Consideration by the Depositary will be deemed to constitute receipt of payment by persons depositing Common Shares.

Where a Common Share certificate has been lost or destroyed, the registered holder of that Common Share certificate should immediately complete the Letter of Transmittal as fully as possible and forward it, together with a letter describing the loss, to the Depositary in accordance with instructions in the Letter of Transmittal.

The Depositary has been instructed to respond with replacement Common Share certificate requirements, which are also set out in section 4.2 of the Plan of Arrangement. A copy of the Plan of Arrangement is attached as Appendix "D" to this Information Circular. All required documentation must be completed and returned to the Depositary before a payment will be made.

Non-registered Common Shareholders whose Common Shares are registered in the name of an intermediary (a broker, investment dealer, bank, trust company, custodian or other nominee) should contact that intermediary for instructions and assistance in delivering share certificates representing those Common Shares.

Procedures for Preferred Shareholders

The Preferred Shares have been issued in book-entry only form. Accordingly, CDS & Co. is the sole registered holder of Preferred Shares. If the Arrangement is completed with the participation of the Preferred Shares, payment of the cash consideration to which the Preferred Shareholders are entitled pursuant to the Arrangement Agreement will be made to CDS & Co. and CDS & Co. and the applicable participants will distribute the payment through the book-entry only system to the non-registered owners of the Preferred Shares.

Holders of Preferred Shares do not need to submit a letter of transmittal and should contact the broker, investment dealer, bank, trust company, custodian or other nominee through which they hold their Preferred Shares if they have any questions concerning obtaining payment for their Preferred Shares upon the completion of the Arrangement. Under no circumstances will interest accrue or be paid by the Corporation, Lowe's Canada, Lowe's or the Depositary on the Preferred Share Consideration for the Preferred Shares to persons depositing Preferred Shares with the Depositary, regardless of any delay in making any payment for the Preferred Shares.

The Depositary will act as the agent of persons who have deposited Preferred Shares pursuant to the Arrangement for the purpose of receiving and transmitting the Preferred Share Consideration to such persons, and receipt of the Preferred Share Consideration by the Depositary will be deemed to constitute receipt of payment by persons depositing Preferred Shares.

Procedures for Holders of Incentive Awards

Upon closing of the Arrangement, the holders of Incentive Awards shall be entitled to the consideration set forth in the Plan of Arrangement. Such consideration will be paid to the former holders of Incentive Awards as soon as practicable following closing of the Arrangement by the Corporation pursuant to the normal payroll practices and procedures of the Corporation or, in the event that payment pursuant to the normal payroll practices and procedures of the Corporation is not practicable for any such holder, by cheque delivered to such holder of Incentive Awards at the address reflected on the register maintained by or on behalf of the Corporation in respect of the Incentive Awards, in each case subject to certain limited exceptions described in the Plan of Arrangement. As such, holders of Incentive Awards do not need to take any further action with respect to the Arrangement.

Any payment made to a holder of Incentive Awards as described above will be subject to applicable income, withholding and other taxes. Under no circumstances will interest accrue or be paid by the Corporation on the consideration for the Incentive Awards to the former holders thereof, regardless of any delay in making any payment for the Incentive Awards.

Cancellation of Rights of Securityholders

Until surrendered to the Depositary in accordance with the Plan of Arrangement, each certificate that immediately prior to the Effective Time represented Common Shares or Preferred Shares, as applicable, shall be deemed after the Effective Time to represent only the right to receive upon such surrender a cash payment in lieu of such certificate, less any amounts withheld in accordance with the Plan of Arrangement. Any such certificate formerly representing Common Shares or Preferred Shares, as applicable, not duly surrendered on or before the third anniversary of the Effective Date shall cease to represent a claim by or interest of any former holder of Common Shares or Preferred Shares, as applicable, of any kind or nature against or in the Corporation, Lowe's or Lowe's Canada. On such date, all cash to which such former holder was entitled shall be deemed to have been surrendered to Lowe's Canada or the Corporation, as applicable, and shall be paid over by the Depositary to Lowe's Canada or as directed by Lowe's Canada.

Any payment made by way of cheque by the Depositary (or the Corporation, if applicable) pursuant to the Plan of Arrangement that has not been deposited or has been returned to the Depositary (or the Corporation) or that otherwise remains unclaimed, in each case, on or before the third anniversary of the Effective Time, and any right or claim to payment hereunder that remains outstanding on the third anniversary of the Effective Time shall cease to represent a right or claim of any kind or nature and the right of the holder to receive the applicable consideration for the Common Shares, the Preferred Shares, the Options, the DSUs, the PSUs and the RSUs pursuant to the Plan of Arrangement shall terminate and be deemed to be surrendered and forfeited to Lowe's Canada or the Corporation, as applicable, for no consideration.

If the Preferred Shareholder Approval is not obtained, the Preferred Shares will not participate in the Arrangement and will remain outstanding following closing of the Arrangement in accordance with their terms. In such circumstances, the foregoing paragraphs shall not apply to the Preferred Shares.

Legal Matters

Certain legal matters in connection with the Arrangement will be passed upon, for the Corporation, by Norton Rose Fulbright Canada LLP, and for the Purchaser Parties, by Stikeman Elliott LLP.

Dissent Rights

The following description of the rights of Dissenting Shareholders is not a comprehensive statement of the procedures to be followed by a Dissenting Shareholder who seeks payment of the fair value of its Common Shares or Preferred Shares, as applicable, and is qualified in its entirety by reference to the full text of the Interim Order, which is attached to this Information Circular as Appendix "E", and the provisions of Chapter XIV — Division I of the QBCA, which is attached to this Information Circular as Appendix "G". Pursuant to the Interim Order, Dissenting Shareholders are given rights analogous to rights of registered shareholders to demand the repurchase of their shares under the QBCA, as modified or supplemented by the Interim Order, the Plan of Arrangement and any other order of the Court. A Dissenting Shareholder who intends to exercise Dissent Rights should carefully consider and comply with the provisions of Chapter XIV — Division I of the QBCA, as modified by the Interim Order, the Plan of Arrangement and any other order of the Court. The statutory provisions covering the right to demand repurchase of shares are technical and complex. Failure to strictly comply with the provisions of Chapter XIV — Division I of the QBCA, as modified by the Interim Order, and to adhere to the procedures established therein may result in the loss of all rights thereunder.

The Court hearing the application for the Final Order has the discretion to alter the Dissent Rights described herein based on the evidence presented at such hearing.

Under the Interim Order, each registered Common Shareholder or registered Preferred Shareholder is entitled, in addition to any other rights the holder may have, to exercise Dissent Rights and to be paid by the Corporation the fair value of the Common Shares or Preferred Shares, as applicable, held by the holder in respect of which the holder exercises Dissent Rights, determined, notwithstanding anything to the contrary contained in Chapter XIV of the QBCA, as of the close of business, in respect of the Common Shares, on the day before the Arrangement Resolution was adopted and, in respect of the Preferred Shares, on the day before the Preferred Shareholder Resolution was adopted. Only registered Common Shareholders or registered Preferred Shareholders may exercise Dissent Rights. Persons who are beneficial owners of Common Shares or Preferred Shares, in each case registered in the name of a broker, custodian, nominee or other intermediary who wish to exercise Dissent Rights should be aware that they may only do so through the registered owner of such Shares. As noted above, the Preferred Shares and some, but not all, of the Common Shares have been issued in the form of a global certificate in the name of CDS & Co. and, as such, CDS & Co. is the sole registered holder of the Preferred Shares and some, but not all, of the Common Shares. Accordingly, a non-registered owner of Shares desiring to exercise Dissent Rights must make arrangements for the Shares beneficially owned by that holder to be registered in the name of the Shareholder prior to the time the Dissent Notice is required to be received by the Corporation or, alternatively, make arrangements for the registered holder of such Common Shares or Preferred Shares, as applicable, to exercise Dissent Rights on behalf of the holder**.** In such case, the Dissent Notice should specify the number of Shares. A Dissenting Shareholder may only dissent with respect to all the Common Shares or Preferred Shares, as applicable, held on behalf of any one beneficial owner and registered in the name of the Dissenting Shareholder, subject to such Dissenting Shareholder exercising all the voting rights carried by such Common Shares or Preferred Shares, as applicable, against the Arrangement Resolution or Preferred Shareholder Resolution, as applicable. Note that sections 393 to 397 of the QBCA, the text of which is attached as Appendix "G" to this Information Circular, set forth special provisions which are required to be followed with respect to the exercise of Dissent Rights by non-registered Shareholders.

A Dissenting Shareholder must send to the Corporation a written notice to inform the Corporation of his, her or its intention to exercise Dissent Rights (the "**Dissent Notice**"), which notice must be received by the Corporation at 220 chemin du Tremblay, Boucherville, Québec, J4B 8H7, Fax number: 514 599 5927, with a copy to Norton Rose Fulbright Canada LLP, Suite 2500, 1 Place Ville-Marie, Montreal, Québec, H3B 1R1, Fax number: 514-286-5474, Attention: Me Francis R. Legault, by 5:00 p.m. (Montreal time) on March 29, 2016 (or 5:00 p.m. on the business day that is two business days prior to the date of the Meeting if it is not held on March 31, 2016). The giving of a Dissent Notice does not deprive a registered Shareholder of the right to vote at the Meeting; however, Shareholders who do not vote all of their Shares against the Arrangement Resolution or the Preferred Shareholder Resolution, as applicable, shall not be entitled to exercise Dissent Rights with respect to such Common Shares or Preferred Shares, as applicable, subject to sections 393 to 397 of the QBCA, given that Chapter XIV — Division I of the QBCA provides there is no right of partial dissent and, pursuant to the Interim Order, a registered Shareholder may not exercise Dissent Rights in respect of only a portion of such holder's Common Shares or Preferred Shares, as applicable. A vote either in person or by proxy against the Arrangement Resolution or the Preferred Shareholder Resolution, as applicable, will not by itself constitute a Dissent Notice.

Preferred Shareholders who validly exercise Dissent Rights shall only be entitled to be paid fair value, in accordance with the provisions of Chapter XIV — Division I of the QBCA, as modified or supplemented by the Interim Order, the Plan of Arrangement and any other order of the Court, if each of the Arrangement Resolution and the Preferred Shareholder Resolution has been approved and the Arrangement becomes effective. If the Preferred Shareholder Approval is not obtained prior to the Final Order, the Plan of Arrangement, attached hereto as Appendix "D", shall be amended to exclude the Preferred Shares under the Plan of Arrangement and matters ancillary thereto (including, for greater certainty, to remove Dissent Rights in favour of the Preferred Shareholders) and the Preferred Shares will remain outstanding following closing of the Arrangement.

It is a condition to Lowe's Canada's obligation to complete the Arrangement that Common Shareholders holding no more than 10% of the Common Shares shall have exercised Dissent Rights that have not been withdrawn as at the Effective Date.

Promptly after the Effective Time, Lowe's Canada is required to give notice (the "**Repurchase Notice**") to each Dissenting Shareholder, which Repurchase Notice shall mention the repurchase price being offered for the Common Shares or Preferred Shares, as applicable, held by all Dissenting Shareholders and an explanation of how such price was determined. Within 30 days after receiving the Repurchase Notice, each Dissenting Shareholder is required, if the Dissenting Shareholder wishes to proceed with exercising Dissent Rights, to deliver to Lowe's Canada a written statement:

(a) confirming that the Dissenting Shareholder wishes to exercise his, her or its Dissent Rights and have all of his, her or its Common Shares or Preferred Shares, as applicable, repurchased at the repurchase price indicated in the Repurchase Notice (in such case, a "**Notice of Confirmation**"); or

(b) that the Dissenting Shareholder contests the repurchase price indicated in the Repurchase Notice and demands an increase in the repurchase price offered (in such case, a "**Notice of Contestation**").

Additionally, if it has not been done previously, all certificates representing the Common Shares or Preferred Shares, as applicable, in respect of which Dissent Rights were exercised, together with the completed and executed applicable Letter(s) of Transmittal, should be delivered with the Notice of Confirmation or the Notice of Contestation, as applicable. A Dissenting Shareholder who fails to send to Lowe's Canada, within the required timeframe, a Notice of Confirmation or a Notice of Contestation, as the case may be, shall be deemed to have renounced his, her or its Dissent Rights and will be deemed to have participated in the Arrangement on the same basis as Shareholders who did not exercise Dissent Rights.

Upon receiving a Notice of Confirmation within the required timeframe, Lowe's Canada shall pay the Dissenting Shareholder, within 10 days of receiving such Notice of Confirmation, the repurchase price indicated in the Repurchase Notice for all of his, her or its Common Shares or Preferred Shares, as applicable.

Upon receiving a Notice of Contestation within the required timeframe, Lowe's Canada may propose an increased repurchase price within 30 days of receiving such Notice of Contestation, which increased repurchase price must be the same for all Common Shares or Preferred Shares, as applicable, held by Dissenting Shareholders who duly submitted a Notice of Contestation. If (a) Lowe's Canada does not follow up on a Dissenting Shareholder's contestation within 30 days after receiving its Notice of Contestation or (b) the Dissenting Shareholder contests the increase in the repurchase price offered by the Purchaser, such Dissenting Shareholder may ask the Court to determine the increase in the repurchase price. However, any such application to the Court must be made within 90 days after receiving the Repurchase Notice. As soon as any such application is filed with the Court by any Dissenting Shareholder, Lowe's Canada must notify this fact (a "**Notice of Application**") to all the other Dissenting Shareholders who are still contesting the repurchase price, or the increase in the repurchase price, offered by Lowe's Canada.

All Dissenting Shareholders who received the Notice of Application are bound by the judgment of the Court hearing the application as to the fair value of the Common Shares or Preferred Shares, as applicable (which Court may entrust the appraisal of the fair value to an expert). Within 10 days after such Court judgment, Lowe's Canada must pay the repurchase price determined by the Court to all Dissenting Shareholders who received the Notice of Application, and pay the increase in the repurchase price to all Dissenting Shareholders who submitted a Notice of Contestation but did not contest the increase in the repurchase price offered by Lowe's Canada. However, if Lowe's Canada is unable to pay the full increase in the repurchase price because there are reasonable grounds for believing that it is or would be unable to pay its liabilities as they become due, Lowe's Canada would only be required to pay the maximum amount it may legally pay the relevant Dissenting Shareholder. In such a case, such Dissenting Shareholders remain creditors of Lowe's Canada for the unpaid balance of the repurchase price and are entitled to be paid as soon as Lowe's Canada is legally able to do so or, in the event of the liquidation of Lowe's Canada, are entitled to be collocated after the other creditors but by preference over the other shareholders of Lowe's Canada.

All Common Shares or Preferred Shares, as applicable, held by registered Shareholders who exercise their Dissent Rights in respect of that class of Shares will, if the holders are ultimately entitled to be paid the fair value thereof, be deemed to be transferred to Lowe's Canada in exchange for the right to be paid the fair value of their Common Shares or Preferred Shares, as applicable, which fair value, notwithstanding anything to the contrary contained in Chapter XIV of the QBCA, shall be determined as of the close of business, in respect of the Common Shares, on the day before the Arrangement Resolution was adopted and, in respect of the Preferred Shares, on the day before the Preferred Shareholder Resolution was adopted. If such Shareholders ultimately are not entitled, for any reason, to be paid fair value for such Common Shares or Preferred Shares, as applicable, they shall be deemed to have participated in the Arrangement on the same basis as a non-dissenting holder of Common Shares or Preferred Shares, as applicable.

Registered Shareholders who are considering exercising Dissent Rights should be aware that there can be no assurance that the fair value of their Common Shares or Preferred Shares, as applicable, as determined under Chapter XIV of the QBCA, as modified by the Interim Order, the Plan of Arrangement and any other order of the Court, will be more than or equal to the Consideration payable under the Arrangement. In addition, any judicial determination of fair value will result in a delay of receipt by a Dissenting Shareholder of payment for such Dissenting Shareholder's Shares.

The above summary does not purport to provide a comprehensive statement of the procedures to be followed by Dissenting Shareholders who seek payment of the fair value of their Shares. Chapter XIV — Division I of the QBCA requires adherence to the procedures established therein and failure to do so may result in the loss of all rights thereunder. Accordingly, each Dissenting Shareholder who is considering exercising Dissent Rights should carefully consider and comply with the provisions of that section, the full text of which is set out in Appendix "G" to this Information Circular, as modified by the Interim Order, and consult their own legal advisor as failure to strictly comply with the provisions of the QBCA (as modified or supplemented by the Interim Order, the Plan of Arrangement and any other order of the Court) may prejudice Dissent Rights.

Information concerning the Corporation

General

RONA is a major Canadian retailer and distributor of hardware, building materials and home renovation products. RONA operates a network of close to 500 corporate and independent affiliate dealer stores in a number of complementary formats. With its nine distribution centers, RONA serves its network of stores and several independent dealers operating under other banners, including Ace, for which RONA owns the licensing rights and is the exclusive distributor in Canada. With more than 17,000 employees in corporate stores and more than 5,000 employees in the stores of its independent affiliate dealers, RONA generates annual consolidated sales of $4.2 billion during the financial year ended December 27, 2015.

The head office and principal place of business of the Corporation is located at 220 chemin du Tremblay, Boucherville, Québec, Canada, J4B 8H7.

Market for Shares

The Common Shares are listed and traded on the TSX under the symbol RON. The Series 6 Class A Preferred Shares are listed and traded on the TSX under the symbol RON.PR.A.

The following sets forth trading information for the Common Shares on the TSX for the periods indicated:

	Common Shares[1]		
2015	**High**	**Low**	**Volume**
	($)	**($)**	**Shares**
March	16.37	15.21	8,073,433
April	17.36	15.77	5,139,969
May	16.62	15.50	3,287,261
June	16.10	14.90	2,527,531
July	15.50	14.37	3,147,304
August	15.99	12.87	4,184,762
September	14.39	13.22	4,521,168
October	14.48	13.38	2,536,064
November	13.84	12.17	4,523,174
December	13.77	11.85	5,541,590
2016			
January	12.38	10.50	4,000,117
February (1-24)	23.73	11.55	34,622,624

(1) Source: *The Toronto Stock Exchange Historical Data Access.*

On February 2, 2016, the last trading day prior to the date of public announcement of the Arrangement, the closing price of the Common Shares on the TSX was $11.77.

The following sets forth trading information for the Series 6 Class A Preferred Shares on the TSX for the periods indicated:

	Series 6 Class A Preferred Shares[1]		
2015	**High**	**Low**	**Volume**
	($)	**($)**	**Shares**
March	19.36	18.75	101,108
April	18.65	16.65	129,037
May	17.95	17.19	76,338
June	17.62	16.51	93,716
July	17.38	16.05	109,695
August	16.73	15.27	113,984
September	16.71	16.00	169,492
October	16.40	14.90	309,009
November	15.75	14.00	198,727
December	14.20	12.20	248,682
2016			
January	13.95	11.50	141,952
February (1-24)	20.20	12.61	2,285,038

(1) Source: *The Toronto Stock Exchange Historical Data Access*.

On February 2, 2016, the last trading day prior to the date of public announcement of the Arrangement, the closing price of the Series 6 Class A Preferred Shares on the TSX was $12.61.

The Corporation does not intend to exercise its right to redeem all or any part of the currently outstanding 6,900,000 Series 6 Class A Preferred Shares on March 31, 2016. As a result and subject to certain conditions set out in the short form prospectus of the Corporation dated February 11, 2011 relating to the issuance of the Series 6 Class A Preferred Shares, the holders of the Series 6 Class A Preferred Shares have the right, at their option, to convert all or any of their Series 6 Class A Preferred Shares into Cumulative Floating Rate Series 7 Class A Preferred Shares on March 31, 2016, on the basis of one Series 7 Class A Preferred Share for each Series 6 Class A Preferred Share. The dividend rate applicable to the Series 6 Class A Preferred Shares for the 5-year period from and including March 31, 2016 to but excluding March 31, 2021, and the dividend rate applicable to the Series 7 Class A Preferred Shares for the 3-month period from and including March 31, 2016 to but excluding June 30, 2016, is expected to be announced by way of a press release on March 1, 2016. Notwithstanding the conversion of any Series 6 Class A Preferred Shares into Series 7 Class A Preferred Shares on March 31, 2016, all Preferred Shares outstanding on the Effective Date will be treated in the same fashion under the Arrangement.

Directors and Officers of the Corporation

The names, municipalities of residence and positions with the Corporation of the directors and officers of the Corporation and their holdings, as at February 25, 2016, of Common Shares, Preferred Shares and Incentive Awards are set out above under "*The Arrangement — Interests of Directors and Executive Officers in the Arrangement*".

Auditors

Raymond Chabot Grant Thornton LLP, Chartered Professional Accountants, are the auditors of the Corporation.

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, Québec, 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.

Information Concerning the Purchaser Parties

Lowe's is a FORTUNE® 50 home improvement company serving approximately 16 million customers a week in the United States, Canada and Mexico through its stores and online at Lowes.com, Lowes.ca and Lowes.com.mx. With fiscal year 2014 sales of US $56.2 billion, Lowe's has more than 1,845 home improvement and hardware stores and 265,000 employees. Founded in 1946 and based in Mooresville, N.C., Lowe's supports the communities it serves through programs that focus on K-12 public education and community improvement projects.

Lowe's Canada operates as a home improvement retailer in Canada. Lowe's offers home improvement products in the following categories: Appliances; Fashion Fixtures; Flooring; Home Fashions; Kitchens; Lawn & Garden; Lumber & Building Materials; Millwork; Outdoor Power Equipment; Paint; Rough Plumbing & Electrical; Seasonal Living; Tools & Hardware. Lowe's Canada opened its first stores in December 2007 and now operates 42 stores in Ontario, Alberta, Saskatchewan and British Columbia with more than 6,300 employees. Based in North York, Ontario, Lowe's Canada is a wholly-owned Subsidiary of Lowe's.

General Proxy Matters

Solicitation of Proxies

This Information Circular is furnished in connection with the solicitation of proxies by the management of the Corporation to be used at the Meeting. Solicitations of proxies will be primarily by mail, but may also be by newspaper publication, in person or by telephone, fax or oral communication by directors, officers, employees or agents of the Corporation. All costs of the solicitation will be borne by the Corporation.

The Corporation has also retained Kingsdale Shareholder Services to assist it in connection with communicating to Shareholders in respect of the Arrangement. In connection with these services, Kingsdale Shareholder Services is expected to receive a fee of $50,000 and will be reimbursed for its reasonable out-of-pocket expenses. The entire cost of the solicitation will be borne by the Corporation. See Appendix "H" "*Voting Information*" for additional information.

Appointment and Revocation of Proxies

Common Shareholders are entitled to consider and vote upon the Arrangement Resolution and the Preferred Shareholders are entitled to consider and vote upon the Preferred Shareholder Resolution. The Common Shareholders will vote as a single class and the Preferred Shareholders will vote as a single class.

Accompanying this Information Circular are forms of proxy for the registered holders of Common Shares and for the registered holders of Preferred Shares. Registered Shareholders may also use the internet site at investorvote.com to transmit their voting instructions. Non-registered holders of Common Shares and Preferred Shares should read the information under Advice for Non-Registered Holders below.

The persons named in the enclosed form of proxy are directors and/or officers of the Corporation. A Shareholder desiring to appoint a person (who need not be a Shareholder) to represent such Shareholder at the Meeting other than the persons designated in the accompanying form of proxy may do so by crossing out the names of the persons designated in the form of proxy and by inserting such person's name in the blank space provided in the applicable form of proxy and returning the completed proxy to Computershare Investor Services Inc. (8th Floor, 100 University Avenue, Toronto, Ontario M5J 2Y1) no later than 10:30 a.m. (Montreal time) on March 29, 2016 or at least 48 hours (other than a Saturday, Sunday or holiday) prior to the time set for any adjournment or postponement of the Meeting.

A Shareholder who has given a form of proxy may revoke it as to any matter on which a vote has not already been cast pursuant to its authority by an instrument in writing executed by such Shareholder or by his attorney duly authorized in writing or, if the Shareholder is a corporation, by an officer or attorney thereof duly authorized, and deposited either at the above mentioned office of Computershare Investor Services Inc. on or before the last business day in Montreal, Québec preceding the day of the Meeting or any adjournment or postponement thereof or with the chairman of the Meeting on the day of the Meeting or any adjournment or postponement thereof.

The Board has fixed February 25, 2016 as the Record Date for the Meeting. Common Shareholders or Preferred Shareholders of record as at 5:00 p.m. (Montreal time) on the Record Date are entitled to receive notice of, to attend and to vote at the Meeting on the Arrangement Resolution and the Preferred Shareholder Resolution, respectively.

Signature of Proxy

The form of proxy must be executed by the Common Shareholder or the Preferred Shareholder, or if the Shareholder is a corporation, the form of proxy should be signed in its corporate name and its corporate seal must be affixed to the form of proxy or the form of proxy must be signed by an authorized officer whose title should be indicated. A proxy signed by a person acting as attorney, executor, administrator or trustee, or in some other representative capacity, should reflect such person's full title as such.

Voting of Proxies

The persons named in the accompanying forms of proxy will vote the Common Shares or Preferred Shares in respect of which they are appointed in accordance with the direction of the Common Shareholder or Preferred Shareholder appointing them. **In the absence of such direction, such Common Shares will be voted FOR the approval of the Arrangement Resolution and such Preferred Shares will be voted FOR the approval of the Preferred Shareholder Resolution.**

Exercise of Discretion of Proxy

The enclosed form of proxy confers discretionary authority upon the persons named therein with respect to amendments or variations to matters identified in the accompanying Notice of Meeting and this Information Circular and with respect to other matters that may properly come before the Meeting. At the date of this Information Circular, management of the Corporation knows of no amendments, variations or other matters to come before the Meeting other than the matters referred to in the Notice of Meeting.

Voting Shares and Principal Holders Thereof

As at February 25, 2016, there were 106,904,501 Common Shares and 6,900,000 Series 6 Class A Preferred Shares issued and outstanding.

Regardless of completion of the Arrangement, the Corporation does not intend to exercise its right to redeem all or any part of the currently outstanding 6,900,000 Series 6 Class A Preferred Shares on March 31, 2016. Subject to certain conditions set out in the short form prospectus of the Corporation dated February 11, 2011 relating to the issuance of the Series 6 Class A Preferred Shares, the holders of the Series 6 Class A Preferred Shares have the right, at their option, to convert all or any of their Series 6 Class A Preferred Shares into Cumulative Floating Rate Series 7 Class A Preferred Shares on March 31, 2016, on the basis of one Series 7 Class A Preferred Share for each Series 6 Class A Preferred Share. The dividend rate applicable to the Series 6 Class A Preferred Shares for the 5-year period from and including March 31, 2016 to but excluding March 31, 2021, and the dividend rate applicable to the Series 7 Class A Preferred Shares for the 3-month period from and including March 31, 2016 to but excluding June 30, 2016, is expected to be announced by way of a press release on March 1, 2016.

For the avoidance of doubt, any votes cast by holders of Series 6 Class A Preferred Shares at the Meeting will count as votes cast in respect of the Preferred Shareholder Resolution, notwithstanding any subsequent conversion of all or part of such shares into Series 7 Class A Preferred Shares. Notwithstanding the conversion of any Series 6 Class A Preferred Shares into Series 7 Class A Preferred Shares on March 31, 2016, all Preferred Shares outstanding on the Effective Date will be treated in the same fashion under the Arrangement. See "*Information concerning the Corporation - Market for Shares*".

To the knowledge of the directors and officers of the Corporation, as at the date hereof, no person or company beneficially owns, directly or indirectly, or exercises control or direction, over more than 10% of the voting rights attached to any class of voting securities of the Corporation, except for Caisse, which controls approximately 18,231,600 Common Shares, or approximately 17.05% of the issued and outstanding Common Shares.

Advice for Non-Registered Shareholders

The information set forth in this section is of significant importance to many Shareholders, as a substantial number of the Common Shareholders and the Preferred Shareholders do not hold their Common Shares and Preferred Shares, as applicable, in their own name, or "beneficial shareholders". 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.

Common Shareholders who do not hold their Common Shares in their own name should note that only proxies deposited by the Common Shareholders whose name appears on the records of the Corporation as a registered holder of Common Shares can be recognized and acted upon at the Meeting. If Common Shares are listed in an account statement provided to a Common Shareholder by a broker, then in almost all cases those Common Shares will not be registered in the Common Shareholder's name on the records of the Corporation.

Such Common Shares will more likely be registered under the name of the Common Shareholder's broker or an agent of that broker. The vast majority of such common 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). Common Shares held by brokers or their nominees can only be voted upon the instructions of the non-registered Common Shareholder. Without specific instructions, brokers/nominees are prohibited from voting Common Shares for their clients. The Corporation does not know and cannot determine for whose benefit Common Shares registered in the name of CDS & Co. are held.

The Preferred Shares have been issued in the form of a global certificate in the name of CDS & Co. and, as such, CDS & Co. is the sole registered holder of the Preferred Shares. CDS & Co. will vote the Preferred Shares at the Meeting, in person or by proxy, in accordance with instructions received from the non-registered holders of the Preferred Shareholders as of the Record Date. In the absence of instructions from a non-registered holder as to voting, CDS & Co. will not exercise the votes attaching to the Preferred Shares held by such holder.

Non-registered holders of Preferred Shares as of the Record Date wishing to vote their Preferred Shares at the Meeting must provide instructions to the broker, investment dealer, bank, trust company, custodian, nominee or other intermediary through which they hold their Preferred Shares in sufficient time prior to the holding of the Meeting to permit such intermediary to instruct CDS & Co. as how to vote the Preferred Shares at the Meeting.

Voting instructions will be sought from non-registered holders of Preferred Shares in the same manner as for the Common Shareholders, described below.

Applicable regulatory policy requires intermediaries/brokers to seek voting instructions from non-registered Shareholders in advance of meetings of Shareholders. Every intermediary/broker has its own mailing procedures and provides its own return instructions, which should be carefully followed by non-registered Shareholders in order to ensure that their Common Shares and/or Preferred Shares are voted at the Meeting. Often, the form of proxy supplied to a non-registered Shareholder by its broker is identical to the form of proxy provided to registered Common Shareholders or registered Preferred Shareholders. However, its purpose is limited to instructing the registered Common Shareholders and registered Preferred Shareholders how to vote on behalf of the non-registered Shareholder. The majority of brokers now delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions, Inc. ("**Broadridge**"). Broadridge typically mails a scannable Voting Instruction Form in lieu of the form of proxy. The non-registered Shareholder is requested to complete and return the Voting Instruction Form to them by mail or facsimile. Alternatively, the non-registered Shareholder can call a toll-free telephone number to vote the Common Shares and Preferred Shares held by the non-registered Shareholder or the non-registered Shareholder can complete an on-line voting form to vote their Common Shares and/or Preferred Shares. Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting

of the Common Shares and Preferred Shares to be represented at the Meeting. **A non-registered Shareholder receiving a Voting Instruction Form cannot use that Voting Instruction Form to vote Common Shares or Preferred Shares directly at the Meeting as the Voting Instruction Form must be returned as directed by Broadridge well in advance of the Meeting in order to have the Common Shares or Preferred Shares voted. Any non-registered Shareholders who wish to vote in person at the Meeting must follow the procedures and instructions set forth by their intermediary. See Appendix "H" "*Voting Information*" for additional information.**

Procedure and Votes Required

The Interim Order provides that each holder of Common Shares and each holder of Preferred Shares as at 5:00 p.m. (Montreal time) on the Record Date will be entitled to receive notice of, to attend and to vote on the Arrangement Resolution or Preferred Shareholder Resolution, as applicable, at the Meeting. Each such Shareholder will be entitled to vote in accordance with the provisions set out below.

Pursuant to the Interim Order:

1. (a) each Common Shareholder will be entitled to one vote for each Common Share held in respect of the Arrangement Resolution; and (b) each Preferred Shareholder will be entitled to one vote for each Preferred Share held in respect of the Preferred Shareholder Resolution;
2. the required vote to pass: (a) the Arrangement Resolution shall be the Common Shareholder Approval; and (b) the Preferred Shareholder Resolution shall be the Preferred Shareholder Approval;
3. the quorum at the Meeting in respect of the Common Shareholders, voting as a single class, shall be two persons present in person, each being a Common Shareholder entitled to vote at the Meeting or a duly appointed proxyholder, and together holding or representing by proxy no less than 25% of the outstanding Common Shares;
4. the quorum at the Meeting in respect of the Preferred Shareholders, voting as a single class, shall be the Preferred Shareholders entitled to vote at the Meeting present in person or duly appointed proxyholders holding or representing by proxy no less than 25% of the outstanding Preferred Shares;
5. if at the opening of the Meeting a quorum in respect of Common Shareholders is not present, the Meeting shall stand adjourned to a fixed time and place. Notwithstanding that a quorum of Preferred Shares is not present at the Meeting or any adjournment thereof, the Meeting, or adjournment, will still proceed in respect of the Common Shareholders (provided a quorum in respect thereof is present). In such circumstances, Preferred Shares shall not participate in the Arrangement.

Interest of Informed Persons in Material Transactions

Except as disclosed under "*The Arrangement — Interests of Directors and Executive Officers in the Arrangement*", no informed person (as defined in Form 51-102F5 to National Instrument 51-102 — *Continuous Disclosure Obligations*) of the Corporation, or any associate or affiliate of any informed person, has had any material interest, direct or indirect, in any transaction, or proposed transaction, which has materially affected or would materially affect the Corporation or any of its Subsidiaries since the commencement of the most recently completed financial year of the Corporation.

Approval of Circular

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

Boucherville, Québec, February 25, 2016.

By order of the Board of Directors,

(signed) France Charlebois

France Charlebois
Corporate Secretary and Chief Legal Officer

CONSENT OF NORTON ROSE FULBRIGHT CANADA LLP

We have read the management information circular (the "**Information Circular**") of RONA inc. dated February 25, 2016 relating to the special meeting of holders of common shares, holders of Cumulative 5-Year Rate Reset Series 6 Class A Preferred Shares and holders of any then outstanding Cumulative Floating Rate Series 7 Class A Preferred Shares in the share capital of RONA inc. to approve, among other things, an arrangement under the Business Corporations Act (Québec) involving, *inter alia*, RONA inc., Lowe's Companies, Inc., Lowe's Companies Canada, ULC and the shareholders of RONA inc. We consent to the inclusion in the Information Circular of our opinion contained under "*Court Approval – Final Order*" and "*Certain Canadian Federal Income Tax Considerations*" and references to our firm's name therein.

(Signed) Norton Rose Fulbright Canada LLP

Montreal, Québec
February 25, 2016

CONSENT OF SCOTIA CAPITAL INC.

We refer to the fairness opinion dated February 2, 2016 (the "**Fairness Opinion**") annexed as Appendix "F" to the management information circular (the "**Information Circular**") of RONA inc. dated February 25, 2016 relating to the special meeting of holders of common shares, holders of Cumulative 5-Year Rate Reset Series 6 Class A Preferred Shares and holders of any then outstanding Cumulative Floating Rate Series 7 Class A Preferred Shares in the share capital of RONA inc. to approve, among other things, an arrangement under the *Business Corporations Act* (Québec) involving, *inter alia*, RONA inc., Lowe's Companies, Inc., Lowe's Companies Canada, ULC and the shareholders of RONA inc. We consent to the inclusion of the Fairness Opinion in the Information Circular, to the filing of the Fairness Opinion with the securities regulatory authority and to the inclusion of a summary of, and references to, the Fairness Opinion in the Information Circular.

(Signed) Scotia Capital Inc.

Montreal, Québec
February 25, 2016

Appendix "A"
Arrangement Resolution

BE IT RESOLVED THAT:

1. The arrangement (the "**Arrangement**") under Chapter XVI – Division II of the *Business Corporations Act* (Québec) of RONA inc. (the "**Corporation**"), pursuant to the arrangement agreement (the "**Arrangement Agreement**") among the Corporation, Lowe's Companies Canada, ULC and Lowe's Companies, Inc. dated February 2, 2016, all as more particularly described and set forth in the management information circular of the Corporation dated February 25, 2016 (the "**Circular**"), accompanying the notice of this meeting (as the Arrangement may be modified or amended in accordance with its terms) is hereby authorized, approved and adopted.

2. The plan of arrangement (as it has been or may be amended, modified or supplemented in accordance with the Arrangement Agreement and its terms, the "**Plan of Arrangement**"), the full text of which is set out as Appendix "D" to the Circular, is hereby authorized, approved and adopted.

3. The (i) Arrangement Agreement and related transactions, (ii) actions of the directors of the Corporation in approving the Arrangement Agreement, and (iii) actions of the directors and officers of the Corporation in executing and delivering the Arrangement Agreement, and any amendments, modifications or supplements thereto, are hereby ratified and approved.

4. Notwithstanding that this resolution has been passed (and the Arrangement adopted) by the Common Shareholders (as defined in the Arrangement Agreement) or that the Arrangement has been approved by the Québec Superior Court (the "**Court**"), the directors of the Corporation are hereby authorized and empowered, at their discretion, without notice to or approval of the Common Shareholders: (i) to amend, modify or supplement the Arrangement Agreement or the Plan of Arrangement to the extent permitted by the Arrangement Agreement; and (ii) subject to the terms of the Arrangement Agreement, not to proceed with the Arrangement.

5. Any officer or director of the Corporation be and is hereby authorized for and on behalf of the Corporation to make an application to the Court for an order approving the Arrangement and to execute, under corporate seal or otherwise, and to deliver or cause to be delivered, for filing with the enterprise registrar appointed by the Minister of Revenue of Québec, articles of arrangement and all such other documents and instruments as are necessary or desirable to give effect to the Arrangement in accordance with the Arrangement Agreement, such determination to be conclusively evidenced by the execution and delivery of such articles of arrangement or any such other document or instrument.

6. Any officer or director of the Corporation is hereby authorized and directed for and on behalf of the Corporation to execute or cause to be executed and to deliver or cause to be delivered, all such other documents and instruments and to perform or cause to be performed all such other acts and things as, in such person's opinion, may be necessary or desirable to give full force and effect to the foregoing resolutions and the matters authorized thereby, such determination to be conclusively evidenced by the execution and delivery of such other document or instrument or the doing of any other such act or thing.

Appendix "B"
Preferred Shareholder Resolution

BE IT RESOLVED THAT:

1. The arrangement (the "**Arrangement**") under Chapter XVI – Division II of the Business Corporations Act (Québec) of RONA inc. (the "**Corporation**"), pursuant to the arrangement agreement (the "**Arrangement Agreement**") among the Corporation, Lowe's Companies Canada, ULC and Lowe's Companies, Inc. dated February 2, 2016, all as more particularly described and set forth in the management information circular of the Corporation dated February 25, 2016 (the "**Circular**"), accompanying the notice of this meeting (as the Arrangement may be modified or amended in accordance with its terms) is hereby authorized, approved and adopted.

2. The plan of arrangement (as it has been or may be amended, modified or supplemented in accordance with the Arrangement Agreement and its terms, the "**Plan of Arrangement**"), the full text of which is set out as Appendix "D" to the Circular, is hereby authorized, approved and adopted.

3. The (i) Arrangement Agreement and related transactions, (ii) actions of the directors of the Corporation in approving the Arrangement Agreement, and (iii) actions of the directors and officers of the Corporation in executing and delivering the Arrangement Agreement, and any amendments, modifications or supplements thereto, are hereby ratified and approved.

4. Notwithstanding that this resolution has been passed (and the Arrangement adopted) by the Preferred Shareholders (as defined in the Arrangement Agreement) or that the Arrangement has been approved by the Québec Superior Court (the "**Court**"), the directors of the Corporation are hereby authorized and empowered, at their discretion, without notice to or approval of the Preferred Shareholders: (i) to amend, modify or supplement the Arrangement Agreement or the Plan of Arrangement to the extent permitted by the Arrangement Agreement; and (ii) subject to the terms of the Arrangement Agreement, not to proceed with the Arrangement.

5. Any officer or director of the Corporation be and is hereby authorized for and on behalf of the Corporation to make an application to the Court for an order approving the Arrangement and to execute, under corporate seal or otherwise, and to deliver or cause to be delivered, for filing with the enterprise registrar appointed by the Minister of Revenue of Québec, articles of arrangement and all such other documents and instruments as are necessary or desirable to give effect to the Arrangement in accordance with the Arrangement Agreement, such determination to be conclusively evidenced by the execution and delivery of such articles of arrangement or any such other document or instrument.

6. Any officer or director of the Corporation is hereby authorized and directed for and on behalf of the Corporation to execute or cause to be executed and to deliver or cause to be delivered, all such other documents and instruments and to perform or cause to be performed all such other acts and things as, in such person's opinion, may be necessary or desirable to give full force and effect to the foregoing resolutions and the matters authorized thereby, such determination to be conclusively evidenced by the execution and delivery of such other document or instrument or the doing of any other such act or thing.

Appendix "C"
Arrangement Agreement

EXECUTION COPY

LOWE'S COMPANIES, INC.

and

LOWE'S COMPANIES CANADA, ULC

and

RONA INC.

ARRANGEMENT AGREEMENT

February 2, 2016

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ARRANGEMENT AGREEMENT

THIS AGREEMENT is made as of February 2, 2016,

AMONG:

LOWE'S COMPANIES, INC., a corporation incorporated under the laws of North Carolina

(the "**Parent**")

– and –

LOWE'S COMPANIES CANADA, ULC, an unlimited liability company incorporated under the laws of Nova Scotia

(the "**Purchaser**")

– and –

RONA INC., a corporation incorporated under the laws of Québec

(the "**Company**").

NOW THEREFORE, in consideration of the covenants and agreements herein contained, the Parties agree as follows:

ARTICLE 1
INTERPRETATION

Section 1.1 Defined Terms

As used in this Agreement, the following terms have the following meanings:

"**Acquisition Proposal**" means, other than the transactions contemplated by this Agreement and other than any transaction involving only the Company and/or one or more of its Subsidiaries or between one or more of its Subsidiaries, any offer, proposal or inquiry (written or oral) from any Person or group of Persons other than the Parent or the Purchaser (or any affiliate of the Parent or the Purchaser) after the date of this Agreement relating to: (i) any direct or indirect sale, disposition, alliance or joint venture (or any lease, long-term supply agreement or other arrangement having the same economic effect as a sale), in a single transaction or a series of related transactions, of assets (including shares of Subsidiaries of the Company) representing 20% or more of the consolidated assets or contributing 20% or more of the consolidated revenue of the Company and its Subsidiaries; (ii) any direct or indirect take-over bid, tender offer, exchange offer, treasury issuance or other transaction that, if consummated, would result in a Person or group of Persons acquiring beneficial ownership of 20% or more of any class of voting or equity securities of the Company (or securities convertible into or exchangeable for such voting or equity securities) then outstanding (assuming, if applicable, the conversion, exchange or exercise of such securities convertible into or exchangeable or exercisable for such voting or equity securities); (iii) any plan of arrangement, merger, amalgamation, consolidation, share exchange, business combination, reorganization, recapitalization, liquidation, dissolution or winding up involving the Company or any of its Subsidiaries; or (iv) any other similar transaction or series of transactions involving the Company or any of its Subsidiaries.

"**affiliate**" has the meaning specified in National Instrument 45-106 – *Prospectus and Registration Exemptions*.

"**Agreement**" means this arrangement agreement.

"**Arrangement**" means an arrangement under Chapter XVI – Division II of the QBCA on the terms and subject to the conditions set out in the Plan of Arrangement, subject to any amendments or variations to the Plan of Arrangement made in accordance with the terms of this Agreement or made at the direction of the Court in the Final Order with the prior written consent of the Company and the Purchaser, each acting reasonably.

"**Arrangement Resolution**" means the special resolution approving the Plan of Arrangement to be considered at the Company Meeting substantially in the form set out in Schedule B.

"**Articles of Arrangement**" means the articles of arrangement of the Company in respect of the Arrangement, required by the QBCA to be sent to the Enterprise Registrar after the Final Order is made, which shall include the Plan of Arrangement and otherwise be in a form and content satisfactory to the Company and the Purchaser, each acting reasonably.

"**associate**" has the meaning specified in the *Securities Act* (Québec).

"**Authorization**" means, with respect to any Person, any order, permit, approval, consent, waiver, licence or similar authorization of any Governmental Entity having jurisdiction over the Person.

"**Board**" means the board of directors of the Company as constituted from time to time.

"Board Recommendation" has the meaning ascribed thereto in Section 2.4(2).

"Breaching Party" has the meaning ascribed thereto in Section 4.8(3).

"**Business Day**" means any day of the year, other than a Saturday, Sunday, a public holiday or a day when banks in Montreal, Québec or Mooresville, North Carolina are not generally open for business.

"**Certificate of Arrangement**" means the certificate of arrangement to be issued by the Enterprise Registrar in accordance with the QBCA in respect of the Articles of Arrangement.

"**Collective Agreements**" means collective agreements and related documents including benefit agreements, letters of understanding, letters of intent and other written communications (including arbitration awards) by which the Company and any of its Subsidiaries are bound.

"**Commissioner of Competition**" means the Commissioner of Competition appointed pursuant to Subsection 7(1) of the Competition Act or his designee, and, when the context so requires, includes his staff at the Competition Bureau.

"**Common Shareholders**" means the registered and/or beneficial holders of the Common Shares, as the context requires.

"**Common Shares**" means the common shares in the capital of the Company.

"**Company**" has the meaning ascribed thereto in the Preamble.

"**Company 2016 Budget**" means the annual budget of the Company and/or its Subsidiaries, as applicable, in respect of the financial year ending December 31, 2016, as disclosed in Section 1.1(i) of the Company Disclosure Letter.

"**Company Assets**" means all of the assets, properties, permits, rights or other privileges (whether contractual or otherwise) of the Company and its Subsidiaries and, for greater certainty, includes the Owned Properties and the Leased Properties.

"**Company Circular**" means the notice of the Company Meeting and accompanying management information circular, including all schedules, appendices and exhibits to, and information incorporated by reference in, such management information circular, to be sent to Company Shareholders in connection with the Company Meeting, as amended, supplemented or otherwise modified from time to time in accordance with the terms of this Agreement.

"**Company Disclosure Letter**" means the disclosure letter dated the date of this Agreement and delivered by the Company to the Purchaser with this Agreement.

"**Company Employees**" means the officers and employees of the Company and its Subsidiaries.

"**Company Filings**" means all documents publicly filed by or on behalf of the Company on SEDAR since January 1, 2014.

"**Company Meeting**" means the special meeting of Company Shareholders, including any adjournment or postponement of such special meeting in accordance with the terms of this Agreement, to be called and held in accordance with the Interim Order to consider the Arrangement Resolution and the Preferred Shareholder Resolution.

"**Company Securityholders**" means, collectively, the Company Shareholders, the holders of Options, the holders of DSUs, the holders of RSUs and the holders of PSUs.

"**Company Shareholders**" means the Common Shareholders and the Preferred Shareholders.

"**Company Shares**" means, collectively, the Common Shares and the Preferred Shares.

"**Company's Constating Documents**" means the articles of amalgamation and by-laws of the Company and all amendments to such articles or by-laws.

"**Competition Act**" means the *Competition Act* (Canada).

"**Competition Act Approval**" means (i) receipt by the Purchaser of an advance ruling certificate by the Commissioner of Competition under Subsection 102(1) of the Competition Act to the effect that the Commissioner of Competition is satisfied that he would not have sufficient grounds upon which to apply to the Competition Tribunal for an order under Section 92 of the Competition Act with respect to the transactions contemplated by this Agreement; or (ii) both of the (A) expiry or termination of the waiting period, including any extension of such waiting period, under Section 123 of the Competition Act or the waiver of the obligation to provide a pre-merger notification in accordance with paragraph 113(c) of the Competition Act, and (B) receipt by the Purchaser of a No Action Letter.

"**Confidentiality Agreement**" means the confidentiality, standstill and exclusivity agreement dated December 17, 2015 between the Company and the Parent.

"**Consideration**" means $24.00 in cash per Common Share, without interest, and $20.00 in cash per Preferred Share (together with an amount equal to all accrued and unpaid dividends thereon up to, but excluding, the Effective Date), without interest, as applicable.

"**Contract**" means any agreement, commitment, engagement, contract, franchise, licence, lease (including the Leases), obligation, undertaking or joint venture (written or oral) to which the Company or any of its Subsidiaries is a party or by which it or any of its Subsidiaries is bound or affected or to which any of their respective properties or assets is subject.

"**Court**" means the Québec Superior Court, or other court as applicable.

"**Data Room**" means the material contained in the virtual data room established by the Company as at 11:59 p.m. on February 1, 2016, the index of documents of which is appended to the Company Disclosure Letter.

"**Debentures**" means the 5.40% debentures due October 20, 2016 issued pursuant to the trust indenture dated as of October 20, 2006 among the Company, Computershare Trust Company of Canada and the guarantors thereto.

"**Depositary**" means Computershare Investor Services Inc.

"**Disclosing Party**" has the meaning ascribed thereto in Section 4.4(4).

"**Dissent Rights**" means the rights to demand repurchase of Company Shares in respect of the Arrangement described in the Plan of Arrangement.

"**DSUs**" means the outstanding deferred share units issued pursuant to the deferred share unit plan of the Company dated February 21, 2006.

"**Effective Date**" means the date shown on the Certificate of Arrangement giving effect to the Arrangement.

"**Effective Time**" has the meaning ascribed thereto in the Plan of Arrangement.

"**Employee Plans**" means all employee benefit, fringe benefit, health, welfare, medical, dental, life insurance, supplemental unemployment benefit, bonus, commissions, profit sharing, option, phantom stock, stock appreciation, savings, insurance, incentive, incentive compensation, deferred compensation, termination, severance, change of control, share purchase, share compensation, disability, retirement, pension, supplemental retirement plans and similar employee or director compensation or benefit plans, policies, trusts, funds, agreements or arrangements for the benefit of directors or former directors of the Company or any of its Subsidiaries, Company Employees or former Company Employees, which are maintained, sponsored or funded by or binding upon the Company or any of its Subsidiaries, whether written or oral, funded or unfunded, insured or self-insured, registered or unregistered, in respect of which the Company or any of its Subsidiaries may have any liability (contingent or otherwise), other than benefit plans established pursuant to statute, the deferred share unit plan of the Company dated February 21, 2006, the Share Unit Plans and the Stock Option Plans.

"**Enterprise Registrar**" means the enterprise registrar appointed by the Minister of Revenue of Québec.

"**Environmental Laws**" means all Laws and agreements with Governmental Entities and all other statutory requirements relating to public health and safety, noise control, pollution or the protection of the environment or to the generation, production, installation, use, storage, treatment, transportation, Release or threatened Release of Hazardous Substances, including civil responsibility for acts or omissions with respect to the environment, and all Authorizations issued pursuant to such Laws, agreements or other statutory requirements.

"**Exchange**" means the Toronto Stock Exchange.

"**Fairness Opinions**" means the opinions of Scotia Capital Inc. to the effect that, as of the date of such opinion (i) the Consideration to be received by the Common Shareholders is fair, from a financial point of view, to the Common Shareholders and (ii) the Consideration to be received by the Preferred Shareholders is fair, from a financial point of view, to the Preferred Shareholders.

"**Final Order**" means the final order of the Court in a form acceptable to the Company and the Purchaser, each acting reasonably, approving the Arrangement, as such order may be amended by the Court (with the consent of both the Company and the Purchaser, each acting reasonably) at any time prior to the Effective Date or, if appealed, then, unless such appeal is withdrawn or denied, as affirmed or as amended (provided that any such amendment is acceptable to both the Company and the Purchaser, each acting reasonably) on appeal.

"**GAAP**" means generally accepted accounting principles as set out in the CPA Canada Handbook – Accounting for an entity that prepares its financial statements in accordance with International Financial Reporting Standards, at the relevant time, applied on a consistent basis.

"**Governmental Entity**" means (i) any international, multinational, national, federal, provincial, state, regional, municipal, local or other government, governmental or public department, central bank, court, tribunal, arbitral body, commission, board, bureau, commissioner, minister, cabinet, governor in council, ministry, agency or instrumentality, domestic or foreign, (ii) any subdivision or authority of any of the above, (iii) any quasi-governmental or private body exercising any regulatory, expropriation or taxing authority under or for the account of any of the foregoing, or (iv) any stock exchange.

"**Hazardous Substances**" means any element, waste or other substance, whether natural or artificial and whether consisting of gas, liquid, solid or vapour that is prohibited, listed, defined, judicially interpreted, designated or classified as dangerous, hazardous, radioactive, explosive or toxic or a pollutant or a contaminant under or pursuant to any applicable Environmental Laws, and specifically including petroleum and all derivatives thereof or synthetic substitutes therefor and asbestos or asbestos-containing materials or any substance which is deemed under Environmental Laws to be deleterious to natural resources or worker or public health and safety.

"**Heritage Minister**" means the Minister of Canadian Heritage and, when the context so requires, includes personnel at the Department of Canadian Heritage.

"**ICA**" means the *Investment Canada Act*.

"**ICA Approvals**" means the ICA Industry Approval and the ICA Heritage Approval.

"**ICA Heritage Approval**" means that the Heritage Minister shall have determined that she is satisfied that the transactions contemplated by this Agreement are likely to be of net benefit to Canada pursuant to the ICA and receipt by the Purchaser of written evidence from the Heritage Minister to that effect.

"**ICA Industry Approval**" means that the Industry Minister shall have determined that he is satisfied that the transactions contemplated by this Agreement are likely to be of net benefit to Canada pursuant to the ICA and receipt by the Purchaser of written evidence from the Industry Minister to that effect.

"**Indemnified Persons**" has the meaning ascribed to in Section 8.7(1).

"**Industry Minister**" means the Minister of Innovation, Science and Economic Development and, when the context so requires, includes personnel at Innovation, Science and Economic Development Canada.

"**Intellectual Property**" means domestic and foreign: (i) patents, applications for patents and reissues, divisions, continuations, renewals, extensions and continuations-in-part of patents or patent applications; (ii) proprietary and non-public business information, including inventions (whether patentable or not), invention disclosures, improvements, discoveries, trade secrets, confidential information, know-how, methods, processes, designs, technology, technical data, schematics, formulae and customer lists, and documentation relating to any of the foregoing; (iii) copyrights, copyright registrations and applications for copyright registration; (iv) mask works, mask work registrations and applications for mask work registrations; (v) designs, design registrations, design registration applications and integrated circuit topographies; (vi) trade names, business names, corporate names,

domain names, website names and world wide web addresses, common law trade-marks, trade-mark registrations, trade mark applications, trade dress and logos, and the goodwill associated with any of the foregoing; (vii) Software; and (viii) any other intellectual property and industrial property.

"**Intellectual Property Rights**" has the meaning ascribed to in Paragraph (29) of Schedule D.

"**Interim Order**" means the interim order of the Court in a form acceptable to the Company and the Purchaser, each acting reasonably, providing for, among other things, the calling and holding of the Company Meeting, as such order may be amended by the Court with the consent of the Company and the Purchaser, each acting reasonably.

"**Law**" means, with respect to any Person, any and all applicable law (statutory, civil, common or otherwise), constitution, treaty, convention, ordinance, code, rule, regulation, order, injunction, judgment, decree, ruling or other similar requirement, whether domestic or foreign, enacted, adopted, promulgated or applied by a Governmental Entity that is binding upon or applicable to such Person or its business, undertaking, property or securities, and to the extent that they have the force of law, policies, guidelines, notices and protocols of any Governmental Entity, as amended unless expressly specified otherwise.

"**Leased Properties**" has the meaning ascribed thereto in Paragraph (27)(c) of Schedule D.

"**Leases**" means the leases, subleases, licenses or occupancy agreements pursuant to which the Company or one of its Subsidiaries is the tenant, subtenant, licensee or occupier, as applicable, of the Leased Properties.

"**Lien**" means any mortgage, charge, pledge, hypothec, security interest, prior claim, encroachments, option, right of first refusal or first offer, occupancy right, covenant, assignment, lien (statutory or otherwise), defect of title, or restriction or adverse right or claim, or other third party interest or encumbrance of any kind, in each case, whether contingent or absolute.

"**Matching Period"** has the meaning ascribed thereto in Section 5.4(1)(e).

"**Material Adverse Effect**" means any change, event, occurrence, effect, state of facts or circumstance that, individually or in the aggregate with other such changes, events, occurrences, effects, state of facts or circumstances, is or would reasonably be expected to be material and adverse to the business, operations, results of operations, assets, properties, capitalization, condition (financial or otherwise) or liabilities (contingent or otherwise) of the Company and its Subsidiaries, taken as a whole, except any such change, event, occurrence, effect, state of facts or circumstances resulting from:

(a) any change affecting the retail and distribution of hardware, home improvement and gardening industry as a whole;

(b) any change in general economic, business, regulatory, political, financial, capital, securities or credit market conditions in Canada;

(c) any change in Law or GAAP;

(d) any fluctuation in interest or inflation rates or Canadian and U.S. currency exchange rates;

(e) any action taken (or omitted to be taken) by Company or any of its Subsidiaries which is required to be taken (or omitted to be taken) pursuant to this Agreement or requested by the Parent or the Purchaser in writing, or the failure to take any actions prohibited by this Agreement;

(f) the announcement of this Agreement or consummation of the Arrangement or the transactions contemplated hereby;

(g) any matter which has been expressly disclosed by the Company in the Company Disclosure Letter;

(h) the failure of the Company to meet any internal or published projections, forecasts, guidance or estimates of revenues, earnings or cash flows or any seasonal fluctuation in the Company's results (it being understood that the causes underlying such failure may be taken into account in determining whether a Material Adverse Effect has occurred); or

(i) any change in the market price or trading volume of any securities of the Company or the credit ratings of the Company, or any suspension of trading in securities generally on any securities exchange on which any securities of the Company trade (it being understood that the causes underlying such change in market price or trading volume may be taken into account in determining whether a Material Adverse Effect has occurred);

provided, however, that (A) with respect to clauses (a) through to and including (d), such matter does not have a materially disproportionate effect on the business, operations, results of operations, assets, properties, capitalization, condition (financial or otherwise) or liabilities of the Company and its Subsidiaries, taken as a whole, relative to other comparable companies and entities operating in the retail and distribution of hardware, home improvement and gardening industry (in which case the incremental disproportionate effect may be taken into account in determining whether there has been, or is reasonably expected to be, a Material Adverse Effect), and (B) unless expressly provided in any particular section of this Agreement, references in certain sections of this Agreement to dollar amounts are not intended to be, and shall not be deemed to be, illustrative or interpretive for purposes of determining whether a "Material Adverse Effect" has occurred.

"**Material Contract**" means (1) any Contract: (i) that if terminated or modified or if it ceased to be in effect, would reasonably be expected to have a Material Adverse Effect; (ii) that is a partnership agreement, limited liability company agreement, joint venture agreement or similar agreement or arrangement relating to the formation, creation or operation of any partnership, limited liability company or joint venture; (iii) relating directly or indirectly to the guarantee of any liabilities or obligations or to indebtedness (currently outstanding or which may become outstanding) for borrowed money in excess of $10,000,000 in the aggregate, excluding guarantees or intercompany liabilities or obligations between two or more wholly-owned Subsidiaries of the Company or between the Company and one or more of its wholly-owned Subsidiaries; (iv) restricting the incurrence of indebtedness by the Company or any of its Subsidiaries or (including by requiring the granting of an equal and rateable Lien) the incurrence of any Liens on any properties or assets of the Company or any of its Subsidiaries, or restricting the payment of dividends by the Company or by any of its Subsidiaries; (v) under which the Company or any of its Subsidiaries is obligated to make or expects to receive payments on an annual basis in excess of $10,000,000, such as the purchase of supplies, equipment and inventory; (vi) that creates, in favour of another Person other than the Company or a Subsidiary, an exclusive dealing arrangement, right of first offer or refusal or "most favoured nation" obligation; (vii) that is a Collective Agreement or other material agreement with a union; (viii) providing for severance or change in control payments; (ix) providing for the purchase, sale or exchange of, or unconditional option to purchase, sell or exchange, any real or immovable property or real or immovable asset where the purchase or sale price or agreed value or fair market value of such real or immovable property or real or immovable asset exceeds $10,000,000; (x) that limits or restricts in any material respect (A) the ability of the Company or any Subsidiary to engage in any line of business or carry on business in any geographic area, or (B) the scope of Persons to whom the Company or any of its Subsidiaries may sell products or deliver services; or (xi) that requires the consent of any other party to the Contract to a change in control of the Company or any of its Subsidiaries; and (2) any Lease.

"**MI 61-101**" means Multilateral Instrument 61-101 *Protection of Minority Shareholders in Special Transactions*.

"Misrepresentation" has the meaning ascribed thereto under Securities Laws.

"**No Action Letter**" means written confirmation from the Commissioner of Competition that he does not, at that time, intend to make an application under Section 92 of the Competition Act in respect of the transactions contemplated by this Agreement.

"**OHSA**" has the meaning ascribed to in Paragraph (33)(i) of Schedule D.

"**officer**" has the meaning ascribed thereto in the *Securities Act* (Québec).

"**Options**" means the outstanding options to purchase Common Shares issued pursuant to the Stock Option Plans.

"**Order**" means all judicial, arbitral, administrative, ministerial, departmental or regulatory judgments, injunctions, orders, decisions, rulings, determinations, awards, decrees or similar actions taken by, or applied by, any Governmental Authority (in each case, whether temporary, preliminary or permanent).

"**Ordinary Course**" means, with respect to an action taken by any Person, that such action is consistent with the past practices of such Person and is taken in the ordinary course of the normal day-to-day operations of the business of such Person.

"**Outside Date**" means August 31, 2016 or such later date as may be agreed to in writing by the Parties, provided that if the Effective Date has not occurred by August 31, 2016 as a result of the failure to obtain one or more of the Regulatory Approvals, then the Purchaser may elect, by notice in writing delivered to the Company prior to August 31, 2016 to extend the Outside Date by a specified period of not more than two months, provided that, notwithstanding the foregoing, the Purchaser shall not be permitted to extend the Outside Date if the failure to obtain one or more of the Regulatory Approvals is primarily the result of the Purchaser's or the Parent's failure to comply with their covenants herein.

"Owned Properties" has the meaning ascribed thereto in Paragraph (27)(a) of Schedule D.

"**Parent**" has the meaning ascribed thereto in the Preamble.

"**Parties**" means the Company, the Parent and the Purchaser and "Party" means any one of them.

"**Permitted Dividends**" means, in respect of Common Shares, a dividend not in excess of $0.04 per Common Share per calendar quarter on a basis and on timing consistent with the Company's current practice with respect to dividends, and in respect of the Preferred Shares, regular quarterly dividends payable on the Preferred Shares in accordance with the terms of such Preferred Shares, as set out in the Company's Constating Documents.

"**Permitted Liens**" means, in respect of the Company or any of its Subsidiaries, any one or more of the following:

(a) easements, servitudes, restrictions, restrictive covenants, party wall agreements, rights of way, licenses, permits and other similar rights in land or real property, including rights of way and servitudes for highways and other roads, railways, sewers, drains, gas and oil pipelines, gas and water mains, electric light, power, telephone, telegraph or cable television conduits, poles, wires and cables that do not materially adversely affect the use of the Company Assets or otherwise materially impair business operations at the affected properties;

(b) Liens imposed by Law and incurred in the Ordinary Course for obligations not yet due or delinquent;

(c) Liens in respect of pledges or deposits under workers' compensation, social security or similar laws, other than with respect to any amounts which are due or delinquent, unless such amounts are being contested in good faith by appropriate proceedings;

(d) zoning and building by-laws and ordinances and regulations made by public authorities that do not materially adversely affect the use of the Company Assets or otherwise materially impair business operations at the affected properties;

(e) Liens for indebtedness arising in the Ordinary Course which was incurred to pay all or a part of the purchase price of any personal or moveable property;

(f) Liens incurred, created and granted in the Ordinary Course to a public utility or private supplier of services, municipality or Governmental Entity in connection with operations conducted with respect to any Company Assets that do not materially adversely affect the use of the Company Assets or otherwise materially impair business operations at the affected properties;

(g) the reservations, limitations, provisos and conditions in any original grant from the applicable Governmental Entity of any of the lands forming part of any Company Assets, or interests in them and statutory exceptions to title that do not materially adversely affect the use of the Company Assets or otherwise materially impair business operations at the affected properties;

(h) Liens for Taxes which are not due or delinquent, or which are being contested in good faith by appropriate proceedings;

(i) inchoate or statutory Liens of contractors, subcontractors, mechanics, workers, suppliers, materialmen, carriers and others in respect of the construction, maintenance, repair or operation of any Company Assets, provided that such Liens are related to obligations not due or delinquent, are not registered against title to any Company Assets and in respect of which adequate holdbacks are being maintained as required by Law;

(j) the right reserved to or vested in any Governmental Entity by any statutory provision or by the terms of any lease, licence, franchise, grant or permit forming part of any Company Assets, to terminate any such lease, licence, franchise, grant or permit, or to require annual or other payments as a condition of their continuance;

(k) such other non-financial rights, imperfections or irregularities of title, encroachments and encumbrances or Liens as do not materially affect the use of the properties or assets subject thereto or affected thereby or otherwise materially impair business operations at such properties;

(l) Liens, other than those described above, registered, as at the date of this Agreement, against the Company Assets in a public personal property registry, personal and real rights registry, land registry or register, or similar registry; and

(m) Liens or royalties described in Section 1.1(iii) of the Company Disclosure Letter.

"**Person**" includes any individual, partnership, association, body corporate, organization, trust, estate, trustee, executor, administrator, legal representative, government (including Governmental Entity), syndicate or other entity, whether or not having legal status.

"**Plan of Arrangement**" means the plan of arrangement, substantially in the form set out in Schedule A, subject to any amendments or variations to such plan made in accordance with Section 8.1 or made at the direction of the Court in the Final Order with the prior written consent of the Company and the Purchaser, each acting reasonably.

"**Pre-Acquisition Reorganization**" has the meaning ascribed thereto in Section 4.6(1).

"**Preferred Shareholder Resolution**" means the special resolution approving the Plan of Arrangement to be considered at the Company meeting by Preferred Shareholders, substantially in the form set out in Schedule C.

"**Preferred Shareholders**" means the registered and/or beneficial holders of the Preferred Shares in the capital of the Company, as the context requires.

"**Preferred Shares**" means the Series 6 Class A Preferred Shares and the Series 7 Class A Preferred Shares.

"**PSUs**" means the performance share units issued under the Share Unit Plans.

"**Purchaser**" has the meaning ascribed thereto in the Preamble.

"**QBCA**" means the *Business Corporations Act* (Québec).

"**Receiving Party**" has the meaning ascribed thereto in Section 4.4(4).

"**Regulatory Approvals**" means Competition Act Approval and ICA Approvals.

"**Release**" has the meaning prescribed in any Environmental Law and includes any sudden, intermittent or gradual release, spill, leak, pumping, addition, pouring, emission, emptying, discharge, migration, injection, escape, leaching, disposal, dumping, deposit, spraying, burial, abandonment, incineration, seepage, placement or introduction of a Hazardous Substance, whether accidental or intentional, into the environment.

"**Representative**" has the meaning ascribed thereto in Section 5.1(1).

"**Rights Plan**" means the shareholder rights plan agreement between the Company and Computershare Trust Company of Canada, as rights agent, dated as of March 10, 2011 and ratified by the Common Shareholders on May 13, 2014.

"**RSUs**" means the restricted share units issued under the share unit plans of the Company dated May 8, 2007, as amended on March 11, 2009, and February 17, 2015.

"**Securities Authority**" means the *Autorité des marchés financiers* (Québec) and the applicable securities commissions or securities regulatory authority of a province or territory of Canada.

"**Securities Laws**" means the *Securities Act* (Québec) and any other applicable Canadian provincial and territorial securities laws, rules and regulations and published policies thereunder.

"**SEDAR**" means the System for Electronic Document Analysis and Retrieval.

"**Senior Management Employees**" means all Company Employees holding a position of senior director or higher in hierarchy within the Company or its Subsidiaries.

"**Series 6 Class A Preferred Shares**" means the sixth series of preferred shares of the Company designated as "Cumulative 5-Year Rate Reset Series 6 Class A Preferred Shares", as constituted on the date hereof.

"**Series 7 Class A Preferred Shares**" means the seventh series of preferred shares of the Company designated as "Cumulative Floating Rate Series 7 Class A Preferred Shares", as constituted on the date hereof.

"**Share Unit Plans**" means the Company's share unit plan adopted on May 8, 2007, as amended on March 11, 2009, and the Company's share unit plan adopted on February 15, 2015.

"**Special Committee**" means the ad hoc committee of directors of the Board consisting of Robert Chevrier, Robert Paré, Steven Richardson, Bernard Dorval and Réal Brunet.

"**Stock Option Plans**" means the share option plan for designated senior executives of the Company adopted on October 24, 2002, as amended on December 14, 2005, March 8, 2007 and February 19, 2008, and the share option plan for designated employees of the Company adopted on March 12, 2015.

"**Subsidiary**" means, with respect to a Person, any entity, whether incorporated or unincorporated: (i) of which such Person or any other Subsidiary of such Person is a general partner; or (ii) at least a majority of the securities or other interests of which having by their terms ordinary voting power to elect a majority of the board of directors or other Persons performing similar functions with respect to such corporation or other organization is directly or indirectly owned or controlled by such Person and/or by any one or more of its Subsidiaries; and shall

include any body corporate, partnership, joint venture or other entity over which it exercises direction or control. For purposes of this definition, "**control**" when used with respect to any Person means the power to direct the management and policies of such Person, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise.

"**Superior Proposal**" means any unsolicited *bona fide* written Acquisition Proposal from an arms' length third party or arms' length third parties acting jointly: (i) to acquire not less than all of the outstanding Common Shares or all or substantially all of the assets of the Company on a consolidated basis; (ii) that complies with Securities Laws and did not result from or involve a breach of Article 5 hereof; (iii) that is reasonably capable of being completed without undue delay, taking into account, all financial, legal, regulatory (including with respect to the Competition Act and the ICA, to the extent applicable) and other aspects of such proposal and the Person or group of Persons making such proposal; (iv) that is not subject to any financing contingency; (v) that is not subject to any due diligence and/or access condition; and (vi) in respect of which the Board or any relevant committee thereof determines, in its good faith judgment, after receiving the advice of its outside legal counsel and financial advisors and after taking into account all the terms and conditions of the Acquisition Proposal, including all legal, financial, regulatory (including with respect to the Competition Act and the ICA, to the extent applicable) and other aspects of such Acquisition Proposal and the Person or group of Persons making such Acquisition Proposal, would, if consummated in accordance with its terms, but without assuming away the risk of non-completion, result in a transaction which is more favourable, from a financial point of view, to Common Shareholders than the Arrangement (including any amendments to the terms and conditions of the Arrangement proposed by the Purchaser pursuant to Section 5.4(2) of this Agreement).

"**Superior Proposal Notice**" has the meaning specified in Section 5.4(1)(c).

"**Tax Act**" means the *Income Tax Act* (Canada).

"**Tax Returns**" means any and all returns, reports, declarations, elections, notices, forms, designations, filings, and statements (including estimated tax returns and reports, withholding tax returns and reports, and information returns and reports) filed or required to be filed in respect of Taxes.

"**Taxes**" means (i) any and all taxes, duties, fees, excises, premiums, assessments, imposts, levies and other charges or assessments of any kind whatsoever imposed by any Governmental Entity, whether computed on a separate, consolidated, unitary, combined or other basis, including those levied on, or measured by, or described with respect to, income, gross receipts, profits, gains, windfalls, capital, capital stock, production, recapture, transfer, land transfer, license, gift, occupation, wealth, environment, net worth, indebtedness, surplus, sales, goods and services, harmonized sales, use, value-added, excise, special assessment, stamp, withholding, business, franchising, real or personal property, health, employee health, payroll, workers' compensation, employment or unemployment, severance, social services, social security, education, utility, surtaxes, customs, import or export, and including all license and registration fees and all employment insurance, health insurance and government pension plan premiums or contributions; (ii) all interest, penalties, fines, additions to tax or other additional amounts imposed by any Governmental Entity on or in respect of amounts of the type described in clause (i) above or this clause (ii); (iii) any liability for the payment of any amounts of the type described in clauses (i) or (ii) as a result of being a member of an affiliated, consolidated, combined or unitary group for any period; and (iv) any liability for the payment of any amounts of the type described in clauses (i) or (ii) as a result of any express or implied obligation to indemnify any other Person or as a result of being a transferee or successor in interest to any party.

"**Technology**" has the meaning specified in Paragraph (29) of Schedule D.

"**Terminating Party**" has the meaning specified in Section 4.8(3).

"**Termination Fee**" has the meaning specified in Section 8.2.

"**Termination Fee Event**" has the meaning specified in Section 8.2.

"**Termination Notice**" has the meaning specified in Section 4.8(3).

"**Voting Agreements**" means the agreements to vote in favour of the Arrangement from each of the Company's directors.

"**wilful breach**" means a material breach that is a consequence of an act undertaken by the breaching party with the actual knowledge that the taking of such act would, or would be reasonably expected to, cause a breach of this Agreement.

Section 1.2 Certain Rules of Interpretation

In this Agreement, unless otherwise specified:

(1) **Headings**, **etc.** The provision of a Table of Contents, the division of this Agreement into Articles and Sections and the insertion of headings are for convenient reference only and do not affect the construction or interpretation of this Agreement.

(2) **Currency.** All references to dollars or to $ are references to Canadian dollars.

(3) **Gender and Number.** Any reference to gender includes all genders. Words importing the singular number only include the plural and vice versa.

(4) **Certain Phrases, etc.** The words (i) "including"**,** "includes" and "include" mean "including (or includes or include) without limitation," (ii) "the aggregate of"**,** "the total of"**,** "the sum of"**,** or a phrase of similar meaning means "the aggregate (or total or sum), without duplication, of," and (iii) unless stated otherwise, "Article", "Section", and "Schedule" followed by a number or letter mean and refer to the specified Article or Section of or Schedule to this Agreement. The term "Agreement" and any reference in this Agreement to this Agreement or any other agreement or document includes, and is a reference to, this Agreement or such other agreement or document as it may have been, or may from time to time be, amended, restated, replaced, supplemented or novated and includes all schedules to it. The term "made available" means (i) copies of the subject materials were included in the Data Room (ii) copies of the subject materials were provided to the Purchaser, or (iii) the subject material was listed in the Company Disclosure Letter or referred to in the Data Room and copies were provided to the Purchaser by the Company if requested.

(5) **Capitalized Terms.** All capitalized terms used in any Schedule or in the Company Disclosure Letter have the meanings ascribed to them in this Agreement.

(6) **Knowledge.** Where any representation or warranty is expressly qualified by reference to the knowledge of the Company, it is deemed to refer to the actual knowledge of (i) Robert Sawyer (President and Chief Executive Officer), (ii) Dominique Boies (Executive Vice-President and Chief Financial Officer), (iii) France Charlebois (Corporate Secretary and Chief Legal Officer), (iv) Christian Proulx (Senior Vice President, Human Resources and Communications), (v) Alain Brisebois (Executive Vice-President and Chief Commercial Officer), (vi) Luc Rodier (Executive Vice-President, Retail) and (vii) Stéphane Milot (Vice-President, Expansion, Development and Real Estate), in their respective capacities as officers of the Company and not in their personal capacity, after reasonable and diligent inquiry.

(7) **Accounting Terms.** All accounting terms are to be interpreted in accordance with GAAP and all determinations of an accounting nature in respect of the Company required to be made shall be made in a manner consistent with GAAP.

(8) **Statutes.** Any reference to a statute refers to such statute and all rules and regulations made under it, as it or they may have been or may from time to time be amended or re-enacted, unless stated otherwise.

(9) **Computation of Time.** A period of time is to be computed as beginning on the day following the event that began the period and ending at 4:30 p.m. on the last day of the period, if the last day of the period is a Business Day, or at 4:30 p.m. on the next Business Day if the last day of the period is not a Business Day.

(10) **Time References.** References to time are to local time, Montreal, Québec.

(11) **Subsidiaries.** To the extent any covenants or agreements relate, directly or indirectly, to a Subsidiary of the Company, each such provision shall be construed as a covenant by the Company to cause (to the fullest extent to which it is legally capable) such Subsidiary to perform the required action.

(12) Schedules. The schedules attached to this Agreement form an integral part of this Agreement for all purposes of it.

ARTICLE 2
THE ARRANGEMENT

Section 2.1 Arrangement

The Company and the Purchaser agree that the Arrangement will be implemented in accordance with and subject to the terms and conditions of this Agreement and the Plan of Arrangement.

Section 2.2 Interim Order

As soon as reasonably practicable after the date of this Agreement, but in any event on or before March 2, 2016, the Company shall apply in a manner reasonably acceptable to the Purchaser pursuant to Chapter XVI – Division II of the QBCA and, in cooperation with the Purchaser, prepare, file and diligently pursue an application for the Interim Order, which must provide, among other things:

(a) for the class of persons to whom notice is to be provided in respect of the Arrangement and the Company Meeting and for the manner in which such notice is to be provided;

(b) that the required level of approval for the Arrangement Resolution shall be two-thirds of the votes cast on the Arrangement Resolution by Common Shareholders present in person or represented by proxy at the Company Meeting and that the required level of approval for the Preferred Shareholder Resolution shall be two-thirds of the votes cast on such resolution by Preferred Shareholders present in person or represented by proxy at the Company Meeting;

(c) that, subject to the foregoing and in all other respects, the terms, restrictions and conditions of the Company's Constating Documents, including quorum requirements and all other matters, shall apply in respect of the Company Meeting;

(d) for the grant of the Dissent Rights to those Company Shareholders who are registered Company Shareholders as contemplated in the Plan of Arrangement;

(e) for the notice requirements with respect to the presentation of the application to the Court for the Final Order;

(f) that the Company Meeting may be adjourned or postponed from time to time by the Company with the consent of the Parent in accordance with the terms of this Agreement without the need for additional approval of the Court;

(g) that the record date for the Company Shareholders entitled to notice of and to vote at the Company Meeting will not change in respect of any adjournment(s) of the Company Meeting, unless required by Law; and

(h) for such other matters as the Purchaser or the Company (with the prior consent of the other) may reasonably require.

Section 2.3 The Company Meeting

(1) The Company shall:

(a) convene and conduct the Company Meeting in accordance with the Interim Order, the Company's Constating Documents and Law as soon as reasonably possible, but in any event on or before April 8, 2016, for the purpose of considering the Arrangement Resolution and the Preferred Shareholder Resolution and for any other proper purpose as may be set out in the Company Circular and agreed to by the Purchaser, and not adjourn, postpone or cancel (or propose the adjournment, postponement or cancellation of) the Company Meeting without the prior written consent of the Purchaser except as required or permitted under Section 2.3(1)(i), Section 4.8(3) or Section 5.4(5), or as required for quorum purposes (in which case, the Company Meeting, shall be adjourned and not cancelled) or as required by applicable Law or by a Governmental Entity;

(b) subject to the terms of this Agreement, use its commercially reasonable efforts to solicit proxies in favour of the approval of the Arrangement Resolution and the Preferred Shareholder Resolution and against any resolution submitted by any Person that is inconsistent with the Arrangement Resolution or the Preferred Shareholder Resolution and the completion of any of the transactions contemplated by this Agreement, including, at the Company's discretion or if so requested by the Purchaser, acting reasonably, using dealer and proxy solicitation services firms and cooperating with any Persons engaged by the Purchaser to solicit proxies in favour of the approval of the Arrangement Resolution and the Preferred Shareholder Resolution;

(c) provide the Purchaser with copies of or access to information regarding the Company Meeting generated by any dealer or proxy solicitation services firm, as requested from time to time by the Purchaser;

(d) consult with the Purchaser in fixing the date of the Company Meeting and the record date of the Company Meeting, give notice to the Purchaser of the Company Meeting and allow the Purchaser's representatives and legal counsel to attend the Company Meeting;

(e) promptly advise the Purchaser, at such times as the Purchaser may reasonably request, including, as applicable, on a daily basis on each of the last 10 Business Days prior to the date of the Company Meeting, as to the aggregate tally of the proxies received by the Company in respect of the Arrangement Resolution and the Preferred Shareholder Resolution;

(f) promptly advise the Purchaser of any communication (written or oral) from or claims brought by (or threatened to be brought by) any Person in opposition to the Arrangement and/or purported exercise or withdrawal of Dissent Rights by Company Shareholders. The Company shall not settle or compromise, or agree to settle or compromise, any such claims without the prior written consent of the Purchaser;

(g) not change the record date for the Company Shareholders entitled to vote at the Company Meeting in connection with any adjournment or postponement of the Company Meeting unless required by Law;

(h) at the reasonable request of the Purchaser from time to time, provide the Purchaser with a list (in both written and electronic form) of (i) the registered Common Shareholders, together with their addresses and respective holdings of Common Shares, (ii) the registered Preferred Shareholders, together with their addresses and respective holdings of Preferred Shares, (iii) the names, addresses and holdings of all Persons having rights issued by the Company to acquire Common Shares (including holders of Options, holders of DSUs, holders of RSUs and holders of PSUs), and (iv) participants and book-based nominee registrants such as CDS & Co., CEDE & Co. and DTC, and non-objecting beneficial owners of Common Shares and Preferred Shares, together with their addresses and respective holdings of Common Shares and/or Preferred Shares, all as can be reasonably obtained by the Company using the procedure set forth under Securities Laws. The Company shall from time to time require that its registrar and transfer agent furnish the Purchaser with such additional information, including updated or additional lists of Common Shareholders and Preferred Shareholders, and lists of securities positions and other assistance as the Purchaser may reasonably request; and

(i) if the Company Meeting is to be held during a Matching Period, at the request of the Purchaser, adjourn or postpone the Company Meeting to a date specified by the Purchaser that is not later than 10 Business Days after the date on which the Company Meeting was originally scheduled and in any event to a date that is not later than five Business Days prior to the Outside Date.

Section 2.4 The Company Circular

(1) The Company shall, as promptly as reasonably practicable, prepare and complete, in consultation with the Purchaser, the Company Circular together with any other documents required by Law in connection with the Company Meeting and the Arrangement, and the Company shall, as promptly as reasonably practicable after obtaining the Interim Order, cause the Company Circular and such other documents to be filed and sent to each Company Shareholder and other Person as required by the Interim Order and Law, in each case so as to permit the Company Meeting to be held by the date specified in Section 2.3(1), provided that the Purchaser shall have complied with Section 2.4(4).

(2) The Company shall ensure that the Company Circular complies in all material respects with Law, does not contain any Misrepresentation (other than, in each case, with respect to any written information provided by the Purchaser, its affiliates and their respective representatives for inclusion in the Company Circular, as applicable) and provides the Company Shareholders with sufficient information to permit them to form a reasoned judgement concerning the matters to be placed before the Company Meeting. Without limiting the generality of the foregoing, the Company Circular must include: (i) a copy of the Fairness Opinions, (ii) a statement that the Special Committee has received the Fairness Opinions, and has, after receiving legal and financial advice, unanimously recommended that the Board approve the Arrangement Agreement and that the Company Shareholders vote in favour of the Arrangement Resolution and the Preferred Shareholder Resolution, as applicable, (iii) a statement that the Board has received the Fairness Opinions, and has unanimously, after receiving legal and financial advice and the recommendation of the Special Committee, determined that the Arrangement Resolution is in the best interests of the Company and recommends that the Company Shareholders vote in favour of the Arrangement Resolution and the Preferred Shareholder Resolution, as applicable (the "**Board Recommendation**") and (iv) a statement that each director and executive officer of the Company intends to vote all of such individual's Company Shares in favour of the Arrangement Resolution and the Preferred Shareholder Resolution, as applicable.

(3) The Company shall give the Purchaser and its legal counsel a reasonable opportunity to review and comment on drafts of the Company Circular and other related documents, and shall give reasonable consideration to any comments made by the Purchaser and its counsel, and agrees that all information relating solely to the Purchaser included in the Company Circular must be in a form and content satisfactory to the Purchaser or the Parent, acting reasonably.

(4) Each of the Parent and the Purchaser shall provide all necessary information concerning the Parent and the Purchaser that is required by Law to be included by the Company in the Company Circular or other related documents to the Company in writing, and shall ensure that such information does not contain any Misrepresentation.

(5) Each Party shall promptly notify the other Parties if, at any time before the Effective Date, it becomes aware (in the case of the Purchaser, only in respect of information relating to the Purchaser or the Parent) that the Company Circular contains a Misrepresentation, or otherwise requires an amendment or supplement. The Parties shall cooperate in the preparation of any such amendment or supplement as required or appropriate, and the Company shall promptly mail, file or otherwise publicly disseminate any such amendment or supplement to the Company Shareholders and, if required by the Court or by Law, file the same with the Securities Authorities or any other Governmental Entity as required.

Section 2.5 Final Order

If the Interim Order is obtained and the Arrangement Resolution is passed at the Company Meeting as provided for in the Interim Order, the Company shall take all steps necessary or desirable to submit the

Arrangement to the Court and diligently pursue an application for the Final Order pursuant to Chapter XVI – Division II of the QBCA, as soon as reasonably practicable, but in any event not later than five Business Days after the Arrangement Resolution is passed at the Company Meeting.

Section 2.6 Court Proceedings

Subject to the terms of this Agreement, the Purchaser and the Parent shall cooperate with, assist and consent to the Company seeking the Interim Order and the Final Order, including by providing the Company on a timely basis any information regarding the Purchaser or the Parent as required by Law to be supplied by the Purchaser or the Parent in connection therewith. In connection with all Court proceedings relating to obtaining the Interim Order and the Final Order, the Company shall:

(1) diligently pursue, and cooperate with the Purchaser in diligently pursuing, the Interim Order and the Final Order;

(2) provide the Purchaser and its legal counsel with a reasonable opportunity to review and comment upon drafts of all material to be filed with the Court in connection with the Arrangement, and give reasonable and due consideration to all comments of the Purchaser and its legal counsel;

(3) provide legal counsel to the Purchaser on a timely basis with copies of any notice of appearance, evidence or other documents served on the Company or its legal counsel in respect of the application for the Interim Order or the Final Order or any appeal therefrom, and any notice, written or oral, indicating the intention of any Person to appeal, or oppose the granting of, the Interim Order or the Final Order;

(4) ensure that all material filed with the Court in connection with the Arrangement is consistent in all material respects with the terms of this Agreement and the Plan of Arrangement;

(5) subject to applicable Law, not file any material with the Court in connection with the Arrangement or serve any such material, or agree to modify or amend any material so filed or served, except as contemplated by this Agreement or with the Purchaser's prior written consent, which consent shall not be unreasonably withheld, delayed or conditioned, provided that nothing herein shall require the Purchaser to agree or consent to any increase in, or variation of the form of, the Consideration or other modification or amendment to such filed or served materials that expands or increases the Purchaser's obligations, or diminishes or limits the Purchaser's rights, set forth in any such filed or served materials or under this Agreement;

(6) oppose any proposal from any Person that the Final Order contain any provision inconsistent with this Agreement, and if, at any time after the issuance of the Final Order and prior to the Effective Time, the Company is required by the terms of the Final Order or by Law to return to Court with respect to the Final Order, do so only after notice to, and in consultation and cooperation with, the Purchaser; and

(7) not object to legal counsel to the Purchaser making such submissions on the application for the Interim Order and the application for the Final Order as such counsel considers appropriate, acting reasonably, provided the Purchaser's legal counsel advises the Company of the nature of such submissions at least the day before the hearing and such submissions are consistent with this Agreement and the Plan of Arrangement.

Section 2.7 Incentive Compensation Plans and Purchaser Compensation Covenants

(1) Subject to the terms and conditions of this Agreement, pursuant to the Arrangement, the Company will take all reasonable steps necessary or desirable to acquire and/or cancel the securities identified below that are outstanding immediately prior to the Effective Time and in exchange for such acquisition and/or cancellation will pay the amounts set out below to the holders of such securities, subject to withholding taxes where applicable:

   (a) in respect of each Option, whether vested or unvested, an amount equal to the Consideration per Common Share less the applicable exercise price in respect of such Option (for greater certainty, where

such amount is a negative, neither the Company nor the Purchaser shall be obligated to pay the holder of such Option any amount in respect of such Option); and

(b) in respect of each DSU, RSU or PSU, whether vested or unvested, an amount equal to the Consideration per Common Share, except that the Consideration per Common Share in respect of each PSU granted in calendar 2013 shall be multiplied by the applicable level of achievement percentage determined by the Company's Human Resources and Compensation Committee of the Company in accordance with the terms of the Share Unit Plans and the PSU agreements awarding such PSUs. For greater certainty, in respect of PSUs awarded during calendar 2013 which will not have fully vested in accordance with their terms prior to the next regularly scheduled meeting of the Company's Human Resources and Compensation Committee, the determination by the Company's Human Resources and Compensation Committee of the performance level of such PSUs shall be made on the basis that such PSUs vested immediately prior to the date of such determination.

(2) All Options, DSUs, RSUs and PSUs outstanding on the Effective Time shall be deemed terminated in accordance with the Plan of Arrangement.

(3) The Parties acknowledge that no deduction will be claimed by the Company in respect of any payment made to a holder of Options in respect of the Options pursuant to the Plan of Arrangement who is a resident of Canada or who is employed in Canada (both within the meaning of the Tax Act) in computing the Company's taxable income under the Tax Act, and the Company shall: (i) where applicable, make an election pursuant to subsection 110(1.1) of the Tax Act in respect of the cash payments made in exchange for the surrender of Options, and (ii) provide evidence in writing of such election to holders of Options, it being understood that holders of Options shall be entitled to claim any deductions available to such persons pursuant to the Tax Act in respect of the calculation of any benefit arising from the surrender of Options.

(4) Unless otherwise agreed in writing between the Parties, for a period of one year from the Effective Date, each of the Parent and the Purchaser covenant and agree, and after the Effective Time will cause the Company and any successor to the Company to covenant and agree that the Company Employees, unless their employment is terminated, shall be provided with compensation not less than, and benefits that are, in the aggregate, no less favourable than, those provided to such Company Employees immediately prior to the Effective Time.

(5) Each of the Parent and the Purchaser covenant and agree, and after the Effective Time will cause the Company and any successor to the Company, to honour and comply in all material respects with the terms of all existing employment, indemnification, change in control, severance, termination or other compensation agreements and employment and severance obligations of the Company or any of its Subsidiaries and all obligations of the Company and its Subsidiaries under the Employee Plans.

(6) Each of the Parent and the Purchaser agree and acknowledge that the Company shall institute special retention and/or transition bonus programs in connection with the Arrangement, the particulars of which have been set forth in Section 2.7(6) of the Company Disclosure Letter and, subject to completion of the Arrangement, each of the Parent and the Purchaser covenant and agree to cause the Company to allocate and pay out to the eligible Company Employees bonus amounts pursuant to the terms of such special retention and/or transition bonus programs.

(7) Notwithstanding anything in this Section 2.7 to the contrary, the terms of this Section 2.7 shall not apply to any Company Employee who is covered by a Collective Agreement and instead, the terms and conditions of employment of each such Company Employee following the Effective Time shall be governed by the terms of the applicable Collective Agreement.

Section 2.8 Articles of Arrangement and Effective Date

(1) The Articles of Arrangement shall implement the Plan of Arrangement. The Articles of Arrangement shall include the form of the Plan of Arrangement attached to this Agreement as Schedule A, as it may be amended from time to time by written agreement of the Parties hereto.

(2) The Company shall file the Articles of Arrangement with the Enterprise Registrar as soon as reasonably practicable and in any event within five (5) Business Days after the satisfaction or, where not prohibited, the waiver by the applicable Party or Parties in whose favour the condition is, of the conditions set out in Article 6 (excluding conditions that, by their terms, cannot be satisfied until the Effective Date, but subject to the satisfaction or, where not prohibited, the waiver by the applicable Party or Parties in whose favour the condition is, of those conditions as of the Effective Date), unless another time or date is agreed to in writing by the Parties.

(3) From and after the Effective Time, the Plan of Arrangement shall have all of the effects provided by applicable Law, including the QBCA. The closing of the Arrangement will take place at the offices of Stikeman Elliott LLP, or at such other location as may be agreed upon by the Parties.

Section 2.9 Payment of Consideration

The Purchaser shall, immediately prior to the filing by the Company of the Articles of Arrangement with the Enterprise Registrar, provide the Depositary with sufficient funds to be held in escrow (the terms and conditions of such escrow to be satisfactory to the Company and the Purchaser, each acting reasonably) to satisfy: (i) the aggregate Consideration for the Common Shares as provided in the Plan of Arrangement and, (ii) if the Preferred Shareholder Resolution is passed, the aggregate Consideration for the Preferred Shares as provided in the Plan of Arrangement.

Section 2.10 Withholding Taxes

The Purchaser, the Company and the Depositary, as applicable, shall be entitled to deduct and withhold from any consideration otherwise payable or otherwise deliverable to any Company Securityholders under the Plan of Arrangement such amounts as the Purchaser, the Company or the Depositary, as applicable, are required or reasonably believe to be required to deduct and withhold from such consideration under any provision of any Laws in respect of Taxes. Any such amounts will be deducted, withheld and remitted from the consideration payable pursuant to the Plan of Arrangement and shall be treated for all purposes under this Agreement as having been paid to the Company Securityholders in respect of which such deduction, withholding and remittance was made; provided that such deducted and withheld amounts are actually remitted to the appropriate Governmental Entity.

Section 2.11 Parent Guarantee

The Parent hereby unconditionally and irrevocably guarantees in favour of the Company, the due and punctual performance by the Purchaser of the Purchaser's obligations under this Agreement and the Plan of Arrangement. The Parent hereby agrees that the Company shall not have to proceed first against the Purchaser in respect of any such matter before exercising its rights under this guarantee against the Parent and agrees to be liable for all guaranteed obligations as if it were the principal obligor of such obligations.

ARTICLE 3
REPRESENTATIONS AND WARRANTIES

Section 3.1 Representations and Warranties of the Company

(1) Except as set forth in the Company Disclosure Letter (it being expressly understood and agreed that the disclosure of any fact or item in the Company Disclosure Letter shall only be deemed to be an exception to (or, as applicable, disclosure for the purposes of) the representations and warranties of the Company that are contained in the corresponding Paragraph of Schedule D and any other representations or warranties of the Company only to the extent that the relevance of such disclosed fact or item to such other representation or warranty is reasonably apparent on its face), the Company represents and warrants to the Purchaser and to

the Parent as set forth in Schedule D and acknowledges and agrees that the Purchaser and the Parent are relying upon such representations and warranties in connection with the entering into of this Agreement.

(2) Except for the representations and warranties set forth in this Agreement, neither the Company nor any other Person has made or makes any other express or implied representation and warranty, either written or oral, on behalf of the Company. In particular, without limiting the foregoing disclaimer, except for the representations and warranties made by the Company in this Agreement as set forth in Schedule D, neither the Company nor any other Person makes or has made any representation or warranty to the Parent or any of its Representatives, with respect to (a) any financial projection, forecast, estimate, budget or prospective information relating to the Company, any of the Company's Subsidiaries or their respective businesses or operations or (b) any oral or written information furnished or made available to the Parent or any of its Representatives in the course of their due diligence investigation of Company, the negotiation of this Agreement or the consummation of the Arrangement and the other transactions contemplated by this Agreement, including the accuracy, completeness or currentness thereof, and neither the Company nor any other Person will have any liability to the Parent or any other Person in respect of such information, including any subsequent use of such information, except in the case of fraud.

(3) The representations and warranties of the Company contained in this Agreement shall not survive the completion of the Arrangement and shall expire and be terminated on the earlier of the Effective Time and the date on which this Agreement is terminated in accordance with its terms. This Section 3.1(3) will not limit any covenant or agreement of any of the Parties, which, by its terms, contemplates performance after the Effective Time or the date on which this Agreement is terminated, as the case may be.

(4) The Company shall be permitted to include an express cross-reference to an item in the Company Filings in the Company Disclosure Letter provided that the disclosure in the Company Filings that is expressly cross-referenced is meaningful and not misleading and further provided that no qualification or disclosure shall include any reference to any forward-looking information or anything in the risk factors section of the Company Filings or similar language contained therein. The mere inclusion of any item in any section or subsection of the Company Disclosure Letter as an exception to any representation or warranty or otherwise shall not be deemed to constitute an admission by the Company, or to otherwise imply, that any such item has had or would reasonably be expected to have a Material Adverse Effect, or otherwise represents an exception or material fact, circumstance, change, effect, event or occurrence for the purposes of this Agreement, or that such item meets or exceeds a monetary or other threshold specified for disclosure in this Agreement.

Section 3.2 Representations and Warranties of the Parent and the Purchaser

(1) The Parent and the Purchaser jointly and severally represent and warrant to the Company as set forth in Schedule E and acknowledge and agree that the Company is relying upon such representations and warranties in connection with the entering into of this Agreement.

(2) Except for the representations and warranties set forth in this Agreement, neither the Parent nor the Purchaser nor any other Person has made or makes any other express or implied representation and warranty, either written or oral, on behalf of the Parent or the Purchaser.

(3) The representations and warranties of the Parent and the Purchaser contained in this Agreement shall not survive the completion of the Arrangement and shall expire and be terminated on the earlier of the Effective Time and the date on which this Agreement is terminated in accordance with its terms. This Section 3.2(3) will not limit any covenant or agreement of any of the Parties, which, by its terms, contemplates performance after the Effective Time or the date on which this Agreement is terminated, as the case may be.

ARTICLE 4
COVENANTS

Section 4.1 Conduct of Business of the Company

(1) The Company covenants and agrees that, during the period from the date of this Agreement until the earlier of the Effective Time and the time that this Agreement is terminated in accordance with its terms, except (i) with the express prior written consent of the Purchaser, acting reasonably, (ii) as required by Law or a Governmental Entity, (iii) as required or permitted by this Agreement, (iv) as contemplated by the Company 2016 Budget, or (v) as contemplated by Section 4.1(1) of the Company Disclosure Letter, (A) the Company shall, and shall cause each of its Subsidiaries to, conduct its business in the Ordinary Course and in accordance with applicable Law, use its reasonable commercial efforts to maintain and preserve intact the current business organization, assets, properties and business of the Company and its Subsidiaries, keep available the services of the present employees and agents of the Company and its Subsidiaries and maintain good relations with, and the goodwill of, suppliers, customers, landlords, creditors, distributors, dealer-owners and all other Persons having business relationships with the Company and its Subsidiaries, and (B) the Company shall not, and shall not permit any of its Subsidiaries to, directly or indirectly:

(a) amend its articles of incorporation, articles of amalgamation or by-laws or, in the case of any Subsidiary which is not a corporation, its similar organizational documents;

(b) split, combine or reclassify any shares of the Company or of any Subsidiary;

(c) except as disclosed in Section 4.1(1)(c) of the Company Disclosure Letter, redeem, repurchase, or otherwise acquire or offer to redeem, repurchase or otherwise acquire any shares of capital stock of the Company or any of its Subsidiaries;

(d) issue, grant, deliver, sell, pledge or otherwise encumber, or authorize the issuance, grant, delivery, sale, pledge or other encumbrance of any shares of capital stock, securities, options, warrants or similar rights exercisable or exchangeable for or convertible into such capital stock, of the Company or any of its Subsidiaries, except for (i) the issuance of Preferred Shares upon the conversion of currently outstanding Preferred Shares in accordance with their terms, (ii) the issuance of Common Shares issuable upon the exercise of the currently outstanding Options specified in Section 4.1(1)(d)(ii) of the Company Disclosure Letter, (iii) pursuant to outstanding PSUs or RSUs in accordance with the terms of the Share Unit Plans, (iv) the grant of Options, RSUs, PSUs or DSUs in the Ordinary Course for the annual grant of such options and awards as described in Section 4.1(1)(d)(iv) of the Company Disclosure Letter, or (v) the issuance of Common Shares to new or existing dealer-owners pursuant to their respective commercial licence agreements and ancillary documents with the Company;

(e) other than as provided for in Section 4.1(1)(e) of the Company Disclosure Letter acquire (by merger, consolidation, acquisition of stock or assets or otherwise), directly or indirectly, in one transaction or in a series of related transactions, assets, securities, properties, interests or businesses (other than in the Ordinary Course, such as the purchase of supplies, equipment and inventory) having a cost, on a per transaction or series of related transactions basis, in excess of $3,000,000 and subject to a maximum of $10,000,000 for all such transactions;

(f) reorganize, amalgamate or merge the Company, or, to the extent prejudicial to the Arrangement or to the Purchaser, any Subsidiary;

(g) reduce the stated capital of the shares of the Company or any of its Subsidiaries;

(h) adopt a plan of liquidation or resolutions providing for the liquidation or dissolution of the Company or any of its Subsidiaries;

(i) except as disclosed in Section 4.1(1)(i) of the Company Disclosure Letter, sell, pledge, lease, dispose of, surrender, lose the right to use, mortgage, license, encumber or otherwise dispose of or transfer any assets of the Company or of any of its Subsidiaries or any interest in any assets of the Company or its

Subsidiaries having a value greater than $3,000,000 in the aggregate, other than inventory sold in the Ordinary Course and other than leases for a partial and temporary occupancy by a third party of an Owned Property in the Ordinary Course;

(j) other than as reflected in the Company 2016 Budget, make any capital expenditure or commitment to do so which individually or in the aggregate exceeds $3,000,000;

(k) except as disclosed in Section 4.1(1)(k) of the Company Disclosure Letter, make any material Tax election, information schedule, return or designation, except as required by Law and in a manner consistent with past practice, settle or compromise any material Tax claim, assessment, reassessment or liability, file any amended Tax Return, enter into any material agreement with a Governmental Entity with respect to Taxes, surrender any right to claim a material Tax abatement, reduction, deduction, exemption, credit or refund, consent to the extension or waiver of the limitation period applicable to any material Tax matter or materially amend or change any of its methods or reporting income, deductions or accounting for income Tax purposes except as may be required by Law;

(l) make any loan or advance to, or any capital contribution or investment in, or assume, guarantee or otherwise become liable with respect to the liabilities or obligations of any Person, other than the Company, any wholly-owned Subsidiary of the Company or dealer-owners in the Ordinary Course, in an amount on a per transaction or series of related transactions basis in excess of $3,000,000 individually and $10,000,000 in the aggregate;

(m) prepay any long-term indebtedness before its scheduled maturity or increase, create, incur, assume or otherwise become liable, in one transaction or in a series of related transactions, with respect to any indebtedness for borrowed money or guarantees thereof in an amount, on a per transaction or series of related transactions basis, in excess of $3,000,000 other than (i) in connection with advances or repayments in the Ordinary Course under the Company's or any Subsidiary's existing credit facilities, (ii) indebtedness entered into in the Ordinary Course, (iii) in connection with the scheduled repayment of indebtedness pursuant to the Company's term loans and debentures outstanding on the date of this Agreement or (iv) indebtedness owing by one wholly-owned Subsidiary of the Company to the Company or another wholly-owned Subsidiary of the Company or of the Company to another wholly-owned Subsidiary of the Company; provided that any indebtedness created, incurred, refinanced, assumed or for which the Company or any Subsidiary becomes liable in accordance with the foregoing shall be prepayable at the Effective Time without premium, penalty or other incremental costs (including breakage costs) in excess of $1,000,000, in the aggregate;

(n) enter into any equity or commodity swaps, hedges, derivatives, forward sales contracts or similar financial instruments or, except in the Ordinary Course, enter into any interest rate or currency swaps, hedges, derivatives, forward sales contracts or similar financial instruments;

(o) make any bonus or profit sharing distribution or similar payment of any kind, other than in accordance with an Employee Plan, as provided in the Company 2016 Budget or as disclosed in Section 4.1(1)(o) of the Company Disclosure Letter, or except as may be required by the terms of a Collective Agreement;

(p) make any material change in the Company's methods of accounting, except as required by concurrent changes in GAAP or pursuant to written instructions, comments or orders of a Securities Authority;

(q) grant any general increase in the rate of wages, salaries, bonuses or other remuneration of any Company Employees, other than as disclosed in Section 4.1(1)(o) and Section 4.1(1)(q) of the Company Disclosure Letter, or as may be required by the terms of a Collective Agreement;

(r) except as required by Law or as disclosed in Section 4.1(1)(r) of the Company Disclosure Letter: (i) adopt, enter into or amend any Employee Plan (other than in conjunction with entering into an employment agreement in the Ordinary Course with a new employee who was not employed by the Company or a Subsidiary on the date of this Agreement); (ii) pay any benefit to any director or officer

of the Company or any of its Subsidiaries or to any Company Employee that is not required under the terms of any Employee Plan in effect on the date of this Agreement; (iii) grant, accelerate, increase or otherwise amend any payment, award or other benefit payable to, or for the benefit of, any director or officer of the Company or any of its Subsidiaries or to any Company Employee (other than in the Ordinary Course or as provided herein); (iv) make any material determination under any Employee Plan that is not in the Ordinary Course; or (v) take or propose any action to effect any of the foregoing;

(s) cancel, waive, release, assign, settle or compromise any material claims or rights other than insured claims;

(t) commence, waive, release, assign, settle or compromise any litigation, proceedings or governmental investigations in excess of an amount of $1,000,000 individually or $2,500,000 in the aggregate or which would reasonably be expected to impede, prevent or delay the consummation of the transactions contemplated by this Agreement, other than insured claims;

(u) except as disclosed in Section 4.1(1)(u) of the Company Disclosure Letter and other than entering into new Leases that represent less than $3,000,000 in total future payments individually or $10,000,000 in the aggregate, amend or modify or terminate or waive any material right under any Material Contract or enter into any contract or agreement that would be a Material Contract if in effect on the date hereof, provided that the foregoing shall not apply in respect of any Contract with customers, dealers or suppliers relating to the purchase or supply of goods or the purchase or sale of inventory or services by the Company or any of its Subsidiaries, in each case, in the Ordinary Course, which would not be a Material Contract pursuant to clauses (i) through (iv) or (vi) through (xii) of the definition thereof;

(v) except as required by Law, enter into, amend or modify any union recognition agreement, Collective Agreement or similar agreement with any trade union or representative body, other than those listed in Section 3.1(34)(a) of the Company Disclosure Letter;

(w) except as contemplated in Section 4.9 and except for scheduled renewals in the Ordinary Course, amend, modify, terminate, cancel or let lapse any material insurance (or re-insurance) policy of the Company or any Subsidiary in effect on the date of this Agreement, unless simultaneously with such termination, cancellation or lapse, replacement policies underwritten by insurance and re-insurance companies of nationally recognized standing providing coverage equal to or greater than the coverage under the terminated, cancelled or lapsed policies for substantially similar premiums are in full force and effect;

(x) in respect of any Company Assets, waive, release, surrender, let lapse, grant or transfer any material right or value or amend, modify or change, or agree to amend, modify or change, in any material respect any existing material Authorization, production sharing agreement, Intellectual Property, other than in the Ordinary Course;

(y) abandon or fail to diligently pursue any application for any material Authorizations or registrations or take any action, or fail to take any action, that could lead to the termination of any material Authorizations or registrations;

(z) enter into or amend any Contract with any broker, finder or investment banker (other than a real estate broker), including any amendment of any of the Contracts listed in Section 4.1(1)(z) of the Company Disclosure Letter, provided that the foregoing shall not prohibit the Company from entering into an agreement with any dealer and proxy solicitation services firm for purposes of soliciting proxies in connection with the Arrangement; or

(aa) authorize, agree, resolve or otherwise commit, whether or not in writing, to do any of the foregoing.

(2) If, on or after the date of this Agreement, the Company declares or pays any dividend or other distribution on the Company Shares prior to the Effective Time (other than Permitted Dividends), the Consideration per Company Share shall be reduced by the amount of such dividends or distributions.

Section 4.2 Covenants of the Company Relating to the Arrangement

(1) The Company shall perform, and shall cause its Subsidiaries to perform, all obligations required or desirable to be performed by the Company or any of its Subsidiaries under this Agreement, cooperate with the Purchaser and the Parent in connection therewith, and do all such other commercially reasonable acts and things as may be necessary or desirable in order to consummate and make effective, as soon as reasonably practicable, the transactions contemplated by this Agreement and, without limiting the generality of the foregoing, the Company shall and, where appropriate, shall cause each of its Subsidiaries to:

(a) use all commercially reasonable efforts to satisfy all conditions precedent in this Agreement and take all steps set forth in the Interim Order and Final Order applicable to it;

(b) use all commercially reasonable efforts to obtain and maintain all third party or other consents, waivers, permits, exemptions, orders, approvals, agreements, amendments or confirmations that are (A) necessary to be obtained under the Material Contracts in connection with the Arrangement or (B) required in order to maintain the Material Contracts in full force and effect following completion of the Arrangement, in each case, on terms that are reasonably satisfactory to the Purchaser, and without paying, and without committing itself or the Purchaser to pay, any consideration or incur any liability or obligation without the prior written consent of the Purchaser;

(c) use all commercially reasonable efforts to effect all necessary registrations, filings and submissions of information required by Governmental Entities from the Company and its Subsidiaries relating to the Arrangement;

(d) use all commercially reasonable efforts to, upon reasonable consultation with the Purchaser, oppose, lift or rescind any injunction, restraining or other order, decree, judgment or ruling seeking to restrain, enjoin or otherwise prohibit or adversely affect the consummation of the Arrangement and defend, or cause to be defended, any proceedings to which it is a party or brought against it or its directors or officers challenging the Arrangement or this Agreement;

(e) not take any action, or refrain from taking any commercially reasonable action, or permitting any action to be taken or not taken, which is inconsistent with this Agreement or which would reasonably be expected to prevent, materially delay or otherwise impede the consummation of the Arrangement or the transactions contemplated by this Agreement;

(f) assist in obtaining the resignations and releases (in a form satisfactory to the Purchaser, acting reasonably) of each member of the Board and each member of the board of directors of the Company's Subsidiaries, and causing them to be replaced by Persons nominated by the Purchaser effective as of the Effective Time; and

(g) use all commercially reasonable efforts to cause each of its directors to comply with and perform his or her obligations under their respective Voting Agreement.

(2) The Company shall promptly notify the Purchaser in writing of:

(a) any Material Adverse Effect or any change, effect, event, development, occurrence, circumstance or state of facts which could reasonably be expected to have a Material Adverse Effect, subject to compliance with applicable competition or antitrust Laws;

(b) any notice or other communication from any Person alleging that the consent (or waiver, permit, exemption, order, approval, agreement, amendment or confirmation) of such Person (or another Person) is or may be required in connection with this Agreement or the Arrangement;

(c) any notice or other communication from any supplier, marketing partner, licensor of Intellectual Property or Technology, customer, distributor, dealer-owner or reseller to the effect that such supplier, marketing partner, licensor of Intellectual Property or Technology, customer, distributor, dealer-owner or reseller is terminating, may terminate or is otherwise materially adversely modifying or may

materially adversely modify its relationship with the Company or any of its Subsidiaries as a result of this Agreement or the Arrangement;

(d) any notice or other communication from a customer alleging a defect or claim in respect of any products supplied or sold by the Company or its Subsidiaries to the customer which is reasonably likely to be reflective of a material recurring product defect, to lead to a product recall or to form the basis for a potential class action recourse by customers;

(e) any notice or other communication from any bargaining agent representing Company Employees giving notice to bargain and as permitted by Law, copies of any proposals tabled by any such bargaining agent that, if implemented, would materially modify the terms of a Collective Agreement;

(f) any notice or other communication from any Governmental Entity in connection with the Agreement (and, subject to Law, contemporaneously provide a copy of any such written notice or communication to the Purchaser); or

(g) any material filing, actions, suits, claims, investigations or proceedings commenced or, to its knowledge, threatened against, relating to or involving or otherwise affecting the Company, its Subsidiaries or the Company Assets.

(3) The Company will, in all material respects, subject to applicable Law, conduct itself so as to keep the Purchaser and the Parent informed as to the material decisions outside of the Ordinary Course required to be made or actions required to be taken outside of the Ordinary Course with respect to the operation of its business, provided that such disclosure is not otherwise prohibited by reason of confidentiality obligation owed to a third party in which case it will be provided, subject to Law, to the Purchaser's outside counsel on an "external counsel" basis.

(4) The Company shall keep the Purchaser informed of the status of any ongoing collective bargaining negotiations with any union between the date of the Agreement and the Effective Time and provide the Purchaser with copies of all material documents tabled by either party in the course of collective bargaining negotiations, in a timely fashion during said designed period.

(5) The Company shall discharge the Liens listed in Section 3.1(27)(k) of the Company Disclosure Letter and to deliver to the Purchaser satisfactory evidence of same.

Section 4.3 Covenants of the Purchaser and the Parent Relating to the Arrangement

(1) Each of the Purchaser and the Parent shall perform all obligations required or desirable to be performed by it under this Agreement, cooperate with the Company in connection therewith, and do all such other commercially reasonable acts and things as may be necessary or desirable in order to consummate and make effective, as soon as reasonably practicable, the transactions contemplated by this Agreement and, without limiting the generality of the foregoing, each of the Purchaser and the Parent shall:

(a) use all commercially reasonable efforts to satisfy all conditions precedent in this Agreement and take all steps set forth in the Interim Order and Final Order applicable to it;

(b) use all commercially reasonable efforts to effect all necessary registrations, filings and submissions of information required by Governmental Entities from it relating to the Arrangement;

(c) use all commercially reasonable efforts, upon reasonable consultation with the Company, to oppose, lift or rescind any injunction, restraining or other order, decree, judgment or ruling seeking to restrain, enjoin or otherwise prohibit or adversely affect the consummation of the Arrangement and defend, or cause to be defended, any proceedings to which it is a party or brought against it or its directors or officers challenging the Arrangement or this Agreement; and

(d) subject to Section 4.4 in respect of Regulatory Approvals, not take any action, or refrain from taking any commercially reasonable action, or permit any action to be taken or not taken, which is

inconsistent with this Agreement or the Arrangement or which would reasonably be expected to prevent, delay or otherwise impede the consummation of the Arrangement or the transactions contemplated by this Agreement, provided that nothing in this Agreement prevents the Purchaser and the Parent and all of their affiliates from conducting business in the ordinary course.

(2) In addition, in connection with the Debentures: (i) to the extent the Effective Time shall have occurred before October 20, 2016, being the date on which the Debentures are due, each of the Purchaser and the Parent covenant and agree, and after the Effective Time will cause the Company and any successor to the Company to covenant and agree, to cause the Company to take all such actions as are necessary in order to ensure that the Company has the necessary available funds to effect the repayment at maturity of the Debentures in accordance with their terms, and (ii) each of the Purchaser and the Parent covenant and agree to ensure compliance with the trust indenture dated as of October 20, 2006 among the Company, Computershare Trust Company of Canada and the guarantors thereto.

(3) Each of the Purchaser and the Parent shall promptly notify the Company in writing of (i) any notice or other communication from any Person alleging that the consent (or waiver, permit, exemption, order, approval, agreement, amendment or confirmation) of such Person (or another Person) is or may be required in connection with this Agreement or the Arrangement, or (ii) any material filings, actions, suits, claims, investigations or proceedings commenced or, to its knowledge, threatened against, relating to or involving the Parent or the Purchaser that relate to this Agreement or the Arrangement, in the case of each of (i) and (ii) to the extent that such notice, communication, filing, action, suit, claim, investigation or proceeding would reasonably be expected to impair, impede, materially delay or prevent the Parent or the Purchaser from performing their obligations under this Agreement.

Section 4.4 Regulatory Approvals

(1) As soon as reasonably practicable but not later than 15 Business Days after the date hereof:

(a) (i) the Purchaser and the Company shall each file with the Commissioner of Competition the notice and information required under Subsection 114(1) of the Competition Act, and (ii) the Purchaser shall file with the Commissioner of Competition a submission requesting that an advance ruling certificate be issued under Section 102 of the Competition Act or, in the alternative, that the Commissioner of Competition issue a No Action Letter in respect of the transactions contemplated by this Agreement;

(b) the Purchaser will file an application for review pursuant to Part IV of the ICA with the Industry Minister in respect of the transactions contemplated by this Agreement; and

(c) the Purchaser will file an application for review pursuant to Part IV of the ICA with the Heritage Minister in respect of the transactions contemplated by this Agreement.

(2) The Parties shall cooperate in good faith to obtain the Regulatory Approvals but, in the case of a disagreement over the strategy, tactics or decisions relating to obtaining the Regulatory Approvals, the Parent and the Purchaser shall have the final and ultimate authority over the appropriate strategy, tactics and decisions. To this end the Parties shall cooperate in connection with obtaining the Regulatory Approvals including providing or submitting on a timely basis, and as promptly as practicable, all documentation and information that is required, or in the opinion of the Purchaser, acting reasonably, advisable, and shall cooperate in the preparation and submission of all applications, notices, filings, and submissions to Governmental Entities.

(3) Subject to Section 4.4(4), each Party will:

(a) promptly inform the other Party of any material communication received by that Party in respect of obtaining or concluding the Regulatory Approvals;

(b) use commercially reasonable efforts to respond promptly to any request or notice from any Governmental Entity requiring the Parties, or any one of them, to supply additional information that is

relevant to the review of the transactions contemplated by this Agreement in respect of obtaining or concluding the Regulatory Approvals;

(c) permit the other Party to review in advance any proposed applications, notices, filings and submissions to Governmental Entities (including responses to requests for information and inquiries from any Governmental Entity) in respect of obtaining or concluding the Regulatory Approvals, and will provide the other Parties a reasonable opportunity to comment thereon and consider those comments in good faith;

(d) promptly provide the other Party with any filed copies of applications, notices, filings and submissions, (including responses to requests for information and inquiries from any Governmental Entity) that were submitted to a Governmental Entity in respect of obtaining or concluding the Regulatory Approvals;

(e) not participate in any substantive meeting or discussion (whether in person, by telephone or otherwise) with Governmental Entities in respect of obtaining or concluding the Regulatory Approvals unless it consults with the other Party in advance and gives the other Party or its legal counsel the opportunity to attend and participate thereat, unless a Governmental Entity requests otherwise; and

(f) keep the other Party promptly informed of the status of discussions relating to obtaining or concluding the Regulatory Approvals.

(4) Notwithstanding any other requirement in this Section 4.4, where a Party (a "**Disclosing Party**") is required under this Section 4.4 to provide information to another Party (a "**Receiving Party**") that the Disclosing Party deems to be competitively sensitive information or otherwise reasonably determines in respect thereof that disclosure should be restricted, the Disclosing Party may restrict the provision of such competitively sensitive and other information only to external legal counsel of the Receiving Party, provided that the Disclosing Party also provides the Receiving Party a redacted version of such information which does not contain any such competitively sensitive or other restricted information.

(5) The Parent and the Purchaser shall use their commercially reasonable efforts to obtain the Regulatory Approvals. For greater certainty, in relation to the ICA Approvals, commercially reasonable efforts shall require that: (i) the application for review submitted by the Parent and the Purchaser include a package of substantial proposed undertakings; and, (ii) if required to secure ICA Approvals, the Parent and the Purchaser agree to propose enhanced and/or additional commitments that are acceptable to the Parent and the Purchaser, acting in good faith and reasonably. For greater certainty, in relation to the Competition Act Approval, commercially reasonable efforts shall not require the Parent and the Purchaser to take any action, and shall not permit the Company to take any action without the express written consent of the Purchaser and the Parent, that would result in a material negative impact on the Company, the Parent and the Purchaser, taken together.

(6) In no circumstance shall the Company state or suggest that the Purchaser and the Parent are prepared to provide or agree to particular undertakings or requirements without the prior consent of the Purchaser and the Parent.

(7) The Parent and the Purchaser will pay the government filing fee required in connection with making a filing under the Competition Act.

Section 4.5 Access to Information; Confidentiality

(1) From the date hereof until the earlier of the Effective Time and the termination of this Agreement, subject to applicable Law and the terms of any existing Contracts, and strictly for the purposes of business integration, the Company shall, upon reasonable prior notice: (a) give the Purchaser and the Parent and their respective officers, employees, advisors and representatives reasonable access during normal business hours to its and its Subsidiaries' offices, properties, officers, books and records; and (b) furnish to the Purchaser and the Parent and their respective officers, employees, advisors and representatives such financial and operating data or other information with respect to the assets or business of the Company as the Purchaser may

reasonably request, including for the purpose of facilitating integration planning; provided that the Company's compliance with any request under this Section 4.5(1) shall not unduly interfere with the conduct of the Company's business. Without limiting the foregoing: (a) the Purchaser and the Parent and their officers, employees, agents, advisors, representatives, lenders and potential lenders shall, upon reasonable prior notice, have the right to conduct inspections of each of the Owned Properties and Leased Properties; and (b) the Company shall, upon either of the Parent's or the Purchaser's request, facilitate discussions between the Parent or the Purchaser and any third party from whom consent may be required.

(2) None of the Purchaser, the Parent or any of their representatives will contact any Company Employee, agent, customer, dealer, supplier, or other person having a business relationship with the Company except after consultation with the President and Chief Executive Officer or the Executive Vice President and Chief Financial Officer.

(3) Investigations made by or on behalf of the Purchaser, whether under this Section 4.5 or otherwise, will not waive, diminish the scope of, or otherwise affect any representation or warranty made by the Company in this Agreement.

(4) This Section 4.5 shall not require the Company or its Subsidiaries to permit any access, or to disclose any information that in the reasonable good faith judgment of the Company, after consultation with outside legal counsel, is likely to result in the breach of any Contract, any violation of any Law or cause any privilege (including attorney-client privilege) that the Company or its Subsidiaries would be entitled to assert to be undermined with respect to such information; provided that, the Parties hereto shall cooperate in seeking to find a way to allow disclosure of such information to the extent doing so could reasonably (in the good faith belief of such disclosing Party, after consultation with counsel) be managed through the use of customary "clean-room" arrangements.

(5) The Purchaser acknowledges that the Confidentiality Agreement continues to apply and that any information provided under Section 4.5(1) above that is non-public and/or proprietary in nature shall be subject to the terms of the Confidentiality Agreement; provided that to the extent any provision of the Confidentiality Agreement conflicts with the terms of this Agreement, the terms of this Agreement shall prevail. For greater certainty, if this Agreement is terminated in accordance with its terms, any obligations of the Parties and their respective representatives under the Confidentiality Agreement shall survive the termination of this Agreement in accordance with the terms of the Confidentiality Agreement.

Section 4.6 Pre-Acquisition Reorganization

(1) Subject to Section 4.6(2), the Company agrees that, upon request of the Purchaser, the Company shall use its commercially reasonable efforts to (i) perform such reorganizations of its corporate structure, capital structure, business, operations and assets or such other transactions as the Purchaser may request, acting reasonably (each a "Pre-Acquisition Reorganization"), (ii) cooperate with the Purchaser and its advisors to determine the nature of the Pre-Acquisition Reorganizations that might be undertaken and the manner in which they would most effectively be undertaken, and (iii) cooperate with the Purchaser and its advisors to seek to obtain consents or waivers which might be required from the Company's lenders under its existing credit facilities in connection with the Pre-Acquisition Reorganizations, if any, provided that any costs, fees or expenses associated therewith shall be at the Purchaser's sole expense.

(2) The Company will not be obligated to participate in any Pre-Acquisition Reorganization under Section 4.6(1) unless the Company determines in good faith that such Pre-Acquisition Reorganization:

(a) can be completed prior to the Effective Date, and can be reversed or unwound in the event the Arrangement does not become effective without adversely affecting the Company, any of its Subsidiaries, the Company Securityholders or holders of Debentures;

(b) is not prejudicial to the Company, any of its Subsidiaries, the Company Securityholders or holders of Debentures;

(c) does not impair, impede, delay or prevent the receipt of any Regulatory Approvals or the satisfaction of any conditions set forth in Article 6 or the ability of the Company, the Parent or the Purchaser to consummate, and will not materially delay the consummation of, the Arrangement;

(d) does not require the Company to obtain the approval of any Company Securityholders or holders of Debentures or, after the mailing of the Company Circular, to require any amendment thereto;

(e) is effected as close as reasonably practicable prior to the Effective Time;

(f) does not require the Company or its Subsidiaries to take any action that could reasonably be expected to result in Taxes being imposed on, or any adverse Tax or other consequences to, any Company Securityholders or holders of Debentures incrementally greater than the Taxes or other consequences to such party in connection with the completion of the Arrangement in the absence of action being taken pursuant to this Section 4.6;

(g) does not result in any material breach by the Company or any of its Subsidiaries of any Contract or any breach by the Company or any of its Subsidiaries of their respective organizational documents or Law;

(h) does not require the directors, officers, employees or agents of the Company or its Subsidiaries to take any action in any capacity other than as a director, officer, employee or agent; and

(i) shall not become effective unless the Parent and the Purchaser each has irrevocably waived or confirmed in writing the satisfaction of all conditions in its favour under Section 6.1 and Section 6.2 and shall have confirmed in writing that each of them is prepared to promptly and without condition (other than compliance with this Section 4.6) proceed to effect the Arrangement.

(3) The Purchaser must provide written notice to the Company of any proposed Pre-Acquisition Reorganization at least 15 Business Days prior to the Effective Date. Upon receipt of such notice, the Company and the Purchaser shall work cooperatively and use their commercially reasonable efforts to prepare prior to the Effective Time all documentation necessary and do such other acts and things as are necessary to give effect to such Pre-Acquisition Reorganization, including any amendment to this Agreement or the Plan of Arrangement (provided that such amendments do not require the Company to obtain approval of Company Securityholders or holders of Debentures). Such Pre-Acquisition Reorganization shall be made effective as of the last moment of the Business Day ending immediately prior to the Effective Date.

(4) The Purchaser agrees that (i) it will be responsible, pay for, reimburse and indemnify the Company and each Subsidiary, for all direct and indirect costs and expenses, losses, liabilities, fees and Taxes associated with any proposed Pre-Acquisition Reorganization (including out-of-pocket costs and expenses for filing fees and external counsel and auditors which may be incurred) and (ii) if the Arrangement is not completed as contemplated herein, it shall indemnify and save harmless the Company, its affiliates, Company Securityholders and holders of Debentures from and against any and all direct and indirect liabilities, losses, Taxes, damages, claims, costs, expenses, interest awards, judgements and penalties suffered or incurred by any of them in connection with or as a result of any Pre-Acquisition Reorganization if after participating in any Pre-Acquisition Reorganization the Arrangement is not completed other than due to a breach by the Company of the terms and conditions of this Agreement, including any reasonable costs incurred by the Company in order to restore the organizational structure of the Company to a substantially identical structure of the Company as at the date hereof.

(5) The Purchaser and the Parent waive any breach of a representation, warranty or covenant by the Company, where such breach is a result of an action taken by the Company or a Subsidiary in good faith pursuant to a request by the Purchaser in accordance with this Section 4.6.

Section 4.7 Public Communications

The Parties shall cooperate in the preparation of presentations, if any, to the Company Securityholders regarding the Arrangement. A Party must not issue any press release or make any other public statement or

disclosure with respect to this Agreement or the Arrangement without the consent of the other Parties (which consent shall not be unreasonably withheld, conditioned or delayed), and the Company must not make any filing with any Governmental Entity (subject in each case to the Company's overriding obligations to make any disclosure or filing required by Laws or as contemplated by Section 4.4) with respect to this Agreement or the Arrangement without the consent of the Purchaser (which consent shall not be unreasonably withheld, conditioned or delayed); provided that any Party that, in the opinion of its outside legal counsel, is required to make disclosure by Law (other than in connection with the Regulatory Approvals contemplated by Section 4.4) shall use its best efforts to give the other Parties prior oral or written notice and a reasonable opportunity to review or comment on the disclosure or filing (other than with respect to confidential information contained in such disclosure or filing). The Party making such disclosure shall give reasonable consideration to any comments made by the other Parties or their counsel, and if such prior notice is not possible, shall give such notice immediately following the making of such disclosure or filing. For greater certainty, the foregoing shall not prevent either Party from making internal announcements to employees and having discussions with Company Securityholders and financial analysts and other stakeholders so long as such statements and announcements are consistent with the most recent press releases, public disclosures or public statements made by the Parties.

Section 4.8 Notice and Cure Provisions

(1) Each Party shall promptly notify the other Parties of the occurrence, or failure to occur, of any event or state of facts which occurrence or failure would, or would be reasonably likely to:

(a) cause any of the representations or warranties of such Party (and, in the case of the Parent, any of the representations or warranties of the Purchaser) contained in this Agreement to be untrue or inaccurate in any material respect at any time from the date of this Agreement to the Effective Time; or

(b) result in the failure, in any material respect, to comply with or satisfy any covenant, condition or agreement to be complied with or satisfied by such Party (and, in the case of the Parent, likely to result in the failure, in any material respect, to comply with or satisfy any covenant, condition or agreement to be complied with or satisfied by the Purchaser) under this Agreement.

(2) Notification provided under this Section 4.8 will not affect the representations, warranties, covenants, agreements or obligations of the Parties (or remedies with respect thereto) or the conditions to the obligations of the Parties under this Agreement.

(3) The Parent and the Purchaser may not elect to exercise their right to terminate this Agreement pursuant to Section 7.2(1)(d)(i) and the Company may not elect to exercise its right to terminate this Agreement pursuant to Section 7.2(1)(c)(i), unless the Party seeking to terminate the Agreement (the "**Terminating Party**") has delivered a written notice ("**Termination Notice**") to the other Party (the "**Breaching Party**") specifying in reasonable detail all breaches of covenants, representations and warranties or other matters which the Terminating Party asserts as the basis for termination. After delivering a Termination Notice, provided the Breaching Party is proceeding diligently to cure such matter and such matter is capable of being cured prior to the Outside Date, the Terminating Party may not exercise such termination right until the earlier of (a) the Outside Date, and (b) the date that is 15 Business Days following receipt of such Termination Notice by Breaching Party, if such matter has not been cured by such date. If the Terminating Party delivers a Termination Notice prior to the date of the Company Meeting, unless the Parties agree otherwise, the Company shall postpone or adjourn the Company Meeting to the earlier of (a) five (5) Business Days prior to the Outside Date and (b) the date that is 15 Business Days following receipt of such Termination Notice by the Breaching Party.

Section 4.9 Insurance and Indemnification

(1) Prior to the Effective Date, the Company shall purchase customary "tail" policies of directors' and officers' liability insurance providing protection no less favourable in the aggregate than the protection provided by the policies maintained by the Company and its Subsidiaries which are in effect immediately prior to the

Effective Date and providing protection in respect of claims arising from facts or events which occurred on or prior to the Effective Date and the Purchaser will, or will cause the Company and its Subsidiaries to maintain such tail policies in effect without any reduction in scope or coverage for six (6) years from the Effective Date; provided that the Purchaser will not be required to pay any amounts in respect of such coverage prior to the Effective Time and provided further that the cost of such policies shall not exceed 200% of the Company's and its Subsidiaries' current annual aggregate premium for policies currently maintained by the Company and its Subsidiaries.

(2) The Parent and the Purchaser shall honour all rights to indemnification or exculpation now existing in favour of present and former employees, officers and directors of the Company and its Subsidiaries to the extent that they are disclosed in Section 4.9(2) of the Company Disclosure Letter, and acknowledges that such rights, to the extent that they are disclosed in Section 4.9(2) of the Company Disclosure Letter, shall survive the completion of the Plan of Arrangement and shall continue in full force and effect in accordance with their terms for a period of not less than six (6) years from the Effective Date. The provisions of this Section 4.9 shall be binding, jointly and severally, on all successors of the Purchaser and the Parent.

(3) If the Company or any of its Subsidiaries or any of their respective successors or assigns (i) consolidates or amalgamates with or merges or liquidates into any other Person and is not a continuing or surviving corporation or entity of such consolidation, amalgamation, merger or liquidation, or (ii) transfers all or substantially all of its properties and assets to any Person, the Purchaser and the Parent shall ensure that any such successor or assign (including, as applicable, any acquirer of substantially all of the properties and assets of the Company or its Subsidiaries) assumes all of the obligations set forth in this Section 4.9.

ARTICLE 5
ADDITIONAL COVENANTS REGARDING NON-SOLICITATION

Section 5.1 Non-Solicitation

(1) Except as expressly provided in this Article 5, the Company, shall not, and shall cause its Subsidiaries not to, directly or indirectly, through any officer, director, employee, representative (including any financial or other adviser) or agent of the Company or of any of its Subsidiaries (collectively "**Representatives**"), or otherwise, and not permit any such Person to:

(a) solicit, assist, initiate, encourage or otherwise knowingly facilitate (including by way of furnishing or providing copies of, access to, or disclosure of, any confidential information, properties, facilities, books or records of the Company or any Subsidiary or entering into any form of agreement, arrangement or understanding) any inquiry, proposal or offer that constitutes or may reasonably be expected to constitute or lead to, an Acquisition Proposal;

(b) enter into or otherwise engage or participate in any discussions or negotiations with any Person (other than the Parent, the Purchaser and their affiliates) regarding any inquiry, proposal or offer that constitutes or may reasonably be expected to constitute or lead to, an Acquisition Proposal;

(c) withdraw, amend, modify or qualify, or publicly propose or state an intention to withdraw, amend, modify or qualify, the Board Recommendation;

(d) accept, approve, endorse or recommend, or publicly propose to accept, approve, endorse or recommend, or take no position or remain neutral with respect to, any Acquisition Proposal (it being understood that publicly taking no position or a neutral position with respect to a publicly announced, or otherwise publicly disclosed, Acquisition Proposal for a period of no more than five Business Days following such public announcement or public disclosure will not be considered to be in violation of this Section 5.1 (or in the event that the Company Meeting is scheduled to occur within such five Business Day period, prior to the third Business Day prior to the date of the Company Meeting)); or

(e) accept or enter into (other than a confidentiality agreement permitted by and in accordance with Section 5.3) or publicly propose to accept or enter into any agreement, understanding or arrangement in respect of an Acquisition Proposal.

(2) The Company shall, and shall cause its Subsidiaries and its Representatives to, immediately cease and terminate, and cause to be terminated, any solicitation, encouragement, discussion, negotiation, or other activities commenced prior to the date of this Agreement with any Person (other than the Parent, the Purchaser and their affiliates) with respect to any inquiry, proposal or offer that constitutes, or may reasonably be expected to constitute or lead to, an Acquisition Proposal, and in connection therewith, the Company will:

(a) discontinue access to and disclosure of all information regarding the Company or any of its Subsidiaries in respect of any inquiry, proposal or offer that constitutes, or may reasonably be expected to constitute or lead to, an Acquisition Proposal, including any data room and any confidential information, properties, facilities, books and records of the Company or any of its Subsidiaries; and

(b) to the extent that such information has not previously been returned, promptly request, and exercise all rights it has to require, (i) the return or destruction of all copies of any confidential information regarding the Company or its Subsidiaries and (ii) the destruction of all material including or incorporating or otherwise reflecting such confidential information regarding the Company of any Subsidiary, in each case, provided to any Person other than the Parent and the Purchaser since January 1, 2014 in respect of any inquiry, proposal or offer that constitutes, or may reasonably be expected to constitute or lead to, an Acquisition Proposal, using its commercially reasonable efforts to ensure that such requests are fully complied with in accordance with the terms of such rights or entitlements.

(3) The Company represents and warrants that the Company has not waived any confidentiality, standstill or similar agreement or restriction in effect as of the date of this Agreement to which the Company or any Subsidiary is a Party, and further covenants and agrees (i) that the Company shall take all necessary action to enforce each confidentiality, standstill, non-disclosure, non-solicitation, use, business purpose or similar agreement or covenant to which the Company or any Subsidiary is a party, and (ii) not release, and cause its Subsidiaries not to release, any Person from, or waive, amend, suspend or otherwise modify such Person's obligations respecting the Company, or any of its Subsidiaries, under any confidentiality, standstill, non-disclosure, non-solicitation, use, business purpose or similar agreement or covenant to which the Company or any Subsidiary is a party, without the prior written consent of the Purchaser (which may be withheld or delayed in the Purchaser's sole and absolute discretion) (it being acknowledged by the Purchaser that the automatic termination or release of any standstill restrictions of any such agreements as a result of entering into and announcing this Agreement shall not be a violation of this Section 5.1(3)), nor will the Company waive the application of the Rights Plan in favour of any third party.

Section 5.2 Notification of Acquisition Proposals

(1) If the Company or any of its Subsidiaries or any of their respective Representatives, receives or otherwise becomes aware of any inquiry, proposal or offer that constitutes or may reasonably be expected to constitute or lead to an Acquisition Proposal, or any request for copies of, access to, or disclosure of, confidential information relating to the Company or any Subsidiary in connection with an Acquisition Proposal, including but not limited to information, access, or disclosure relating to the properties, facilities, books or records of the Company or any Subsidiary, the Company shall promptly notify the Purchaser, at first orally, and then as soon as practicable and in any event within 24 hours in writing, of such Acquisition Proposal, inquiry, proposal, offer or request, including a description of its material terms and conditions, the identity of all Persons making the Acquisition Proposal, inquiry, proposal, offer or request, and shall provide the Purchaser with copies of all written documents, material or substantive correspondence or other material received in respect of, from or on behalf of any such Persons. The Company shall keep the Purchaser fully informed on a current basis of the status of material developments and (to the extent permitted by

Section 5.3) negotiations with respect to such Acquisition Proposal, inquiry, proposal, offer or request, including any changes, modifications or other amendments to any such Acquisition Proposal, inquiry, proposal, offer or request and shall provide to the Purchaser copies of all material or substantive correspondence if in writing or electronic form, and if not in writing or electronic form, a description of the material terms of such correspondence communicated to the Company by or on behalf of any Person making any such Acquisition Proposal, inquiry, proposal, offer or request.

Section 5.3 Responding to an Acquisition Proposal

(1) Notwithstanding Section 5.1, if at any time prior to obtaining the approval by the Common Shareholders of the Arrangement Resolution, the Company receives a written Acquisition Proposal, the Company may (i) contact the Person making such Acquisition Proposal and its Representatives solely for the purpose of clarifying the terms and conditions of such Acquisition Proposal, and (ii) engage in or participate in discussions or negotiations with such Person regarding such Acquisition Proposal, and may provide copies of, access to or disclosure of information, properties, facilities, books or records of the Company or its Subsidiaries, if and only if, in the case of this clause (ii):

(a) the Board first determines in good faith, after consultation with its financial advisors and its outside legal counsel, that such Acquisition Proposal constitutes or would reasonably be expected to constitute or lead to a Superior Proposal;

(b) such Person was not restricted from making such Acquisition Proposal pursuant to an existing confidentiality, standstill, non-disclosure, use, business purpose or similar restriction with the Company or any of its Subsidiaries;

(c) the Company has been, and continues to be, in compliance with its obligations under this Article 5;

(d) prior to providing any such copies, access, or disclosure, the Company enters into a confidentiality and standstill agreement with such Person that contains a standstill provision that is no less onerous or more beneficial to such Person than that in the Confidentiality Agreement and is otherwise on terms that are no less favourable to the Company than those found in the Confidentiality Agreement, and any such copies, access or disclosure provided to such Person shall have already been (or simultaneously be) provided to the Purchaser (by posting such information to the Data Room or otherwise); and

(e) prior to providing any such copies, access or disclosure, the Company provides the Purchaser with a true, complete and final executed copy of the confidentiality and standstill agreement referred to in Section 5.3(1)(d).

Section 5.4 Right to Match

(1) If the Company receives an Acquisition Proposal that constitutes a Superior Proposal prior to the approval of the Arrangement Resolution by the Common Shareholders the Board may, subject to compliance with Article 7 and Section 8.2, enter into a definitive agreement with respect to such Superior Proposal, if and only if:

(a) the Person making the Superior Proposal was not restricted from making such Superior Proposal pursuant to an existing confidentiality, standstill, non-disclosure, use, business purpose or similar restriction with the Company or any of its Subsidiaries;

(b) the Company has been, and continues to be, in compliance with its obligations under this Article 5;

(c) the Company has delivered to the Purchaser a written notice of the determination of the Board that such Acquisition Proposal constitutes a Superior Proposal and of the intention of the Board to enter into such definitive agreement with respect to such Superior Proposal, together with a written notice from the Board regarding the value and financial terms that the Board, in consultation with its financial advisors, has determined should be ascribed to any non-cash consideration offered under such Superior Proposal (the "**Superior Proposal Notice**");

(d) the Company has provided the Purchaser a copy of the proposed definitive agreement for the Superior Proposal and all supporting materials, including any financing documents supplied to the Company in connection therewith;

(e) at least five Business Days (the "**Matching Period**") have elapsed from the date that is the later of the date on which the Purchaser received the Superior Proposal Notice and the date on which the Purchaser received all of the materials set forth in Section 5.4(1)(d);

(f) during any Matching Period, the Purchaser has had the opportunity (but not the obligation), in accordance with Section 5.4(2), to offer to amend this Agreement and the Arrangement in order for such Acquisition Proposal to cease to be a Superior Proposal;

(g) after the Matching Period, the Board (i) has determined in good faith, after consultation with its outside legal counsel and financial advisors, that such Acquisition Proposal continues to constitute a Superior Proposal (if applicable, compared to the terms of the Arrangement as proposed to be amended by the Purchaser under Section 5.4(2)) and (ii) has determined in good faith, after consultation with its outside legal counsel, that the failure by the Board to recommend that the Company enter into a definitive agreement with respect to such Superior Proposal would be inconsistent with its fiduciary duties; and

(h) prior to or concurrently with entering into such definitive agreement the Company terminates this Agreement pursuant to Section 7.2(1)(c)(ii) and pays the Termination Fee pursuant to Section 8.2.

(2) During the Matching Period, or such longer period as the Company may approve (in its sole discretion) in writing for such purpose: (a) the Board shall review any offer made by the Purchaser under Section 5.4(1)(e) to amend the terms of this Agreement and the Arrangement in good faith in order to determine whether such proposal would, upon acceptance, result in the Acquisition Proposal previously constituting a Superior Proposal ceasing to be a Superior Proposal; and (b) the Company shall negotiate in good faith with the Purchaser to make such amendments to the terms of this Agreement and the Arrangement as would enable the Purchaser to proceed with the transactions contemplated by this Agreement on such amended terms. If the Board determines that such Acquisition Proposal would cease to be a Superior Proposal, the Company shall promptly so advise the Purchaser and the Company and the Purchaser shall amend this Agreement to reflect such offer made by the Purchaser, and shall take and cause to be taken all such actions as are necessary to give effect to the foregoing.

(3) Each successive amendment or modification to any Acquisition Proposal that results in an increase in, or modification of, the consideration (or value of such consideration) to be received by the Company Shareholders or other material terms or conditions thereof shall constitute a new Acquisition Proposal for the purposes of this Section 5.4, and the Purchaser shall be afforded a new five Business Day Matching Period from the later of the date on which the Purchaser received the Superior Proposal Notice and the date on which the Purchaser received all of the materials set forth in Section 5.4(1)(d) with respect to the new Superior Proposal from the Company.

(4) The Board shall promptly reaffirm the Board Recommendation by press release after any Acquisition Proposal which the Board has determined not to be a Superior Proposal is publicly announced or publicly disclosed or the Board determines that a proposed amendment to the terms of this Agreement as contemplated under Section 5.4(2) would result in an Acquisition Proposal no longer being a Superior Proposal. The Company shall provide the Purchaser and its outside legal counsel with a reasonable opportunity to review the form and content of any such press release and shall make all reasonable amendments to such press release as requested by the Purchaser and its counsel.

(5) If the Company provides a Superior Proposal Notice to the Purchaser on a date that is less than 10 Business Days before the Company Meeting, the Company shall either proceed with or postpone the Company Meeting to a date that is not more than 15 Business Days after the scheduled date of the Company Meeting, as directed by the Purchaser.

(6) Nothing contained in this Agreement shall prevent the Board from complying with Section 2.17 of Multilateral Instrument 62-104 – *Takeover Bids and Issuer Bids* and similar provisions under Securities Laws relating to the provision of a directors' circular in respect of an Acquisition Proposal.

ARTICLE 6
CONDITIONS

Section 6.1 Mutual Conditions Precedent

The Parties are not required to complete the Arrangement unless each of the following conditions is satisfied on or prior to the Effective Time, which conditions may only be waived, in whole or in part, by the mutual consent of each of the Parties:

(1) **Arrangement Resolution.** The Arrangement Resolution has been approved and adopted by the Common Shareholders at the Company Meeting in accordance with the Interim Order.

(2) **Interim and Final Order.** The Interim Order and the Final Order have each been obtained on terms consistent with this Agreement, and have not been set aside or modified in a manner unacceptable to either the Company or the Purchaser, each acting reasonably, on appeal or otherwise.

(3) **Illegality.** No Governmental Authority of competent jurisdiction shall have enacted, issued, promulgated, enforced or entered any Law or Order (whether temporary, preliminary or permanent), in any case which is in effect and which prevents, prohibits or makes the consummation of the Arrangement illegal or otherwise prohibits or enjoins the Company, the Parent or the Purchaser from consummating the Arrangement or any of the other transactions contemplated in this Agreement.

Section 6.2 Additional Conditions Precedent to the Obligations of the Purchaser

The Purchaser is not required to complete the Arrangement unless each of the following conditions is satisfied on or before the Effective Time, which conditions are for the exclusive benefit of the Purchaser and may only be waived, in whole or in part, by the Purchaser in its sole discretion:

(1) **Representations and Warranties.** (i) The representations and warranties of the Company set forth in this Agreement were true and correct as of the date of this Agreement and are true and correct as of the Effective Time (except for representations and warranties made as of a specified date, the accuracy of which shall be determined as of such specified date), except to the extent that the failure or failures of such representations and warranties to be so true and correct, individually or in the aggregate, would not have a Material Adverse Effect (and, for this purpose, any reference to "material", "Material Adverse Effect" or other concepts of materiality in such representations and warranties shall be ignored), (ii) the representations and warranties of the Company set forth in Paragraphs (1), (2), (3), (5)(a), (8), (9) and (24) of Schedule D were true and correct as of the date of this Agreement and are true and correct as of the Effective Time in all material respects (and, for this purpose, any reference to "material", "Material Adverse Effect" or other concepts of materiality in such representations and warranties shall be ignored) and (iii) the representations and warranties of the Company set forth in Paragraph (6) of Schedule D were true and correct as of the date of this Agreement and are true and correct as of the Effective Time in all but *de minimis* respects, in each case except for representations and warranties made as of a specified date, the accuracy of which shall be determined as of such specified date, and the Company has delivered a certificate confirming same to the Purchaser, executed by two senior officers of the Company (in each case without personal liability) addressed to the Purchaser and dated the Effective Date.

(2) **Performance of Covenants.** The Company has fulfilled or complied in all material respects with each of the covenants of the Company contained in this Agreement to be fulfilled or complied with by it on or prior to the Effective Time, and the Company has delivered a certificate confirming same to the Purchaser, executed by two senior officers of the Company (in each case without personal liability) addressed to the Purchaser and dated the Effective Date.

(3) **Regulatory Approvals.** Each of the Regulatory Approvals has been made, given or obtained on terms acceptable to the Purchaser taking into account the covenants of the Parent and the Purchaser in this respect at Section 4.4, and each such Regulatory Approval is in force and has not been modified.

(4) **No Legal Action.** There is no action or proceeding (whether, for greater certainty, by a Governmental Entity or any other Person) pending or threatened in any jurisdiction to:

(a) cease trade, enjoin, prohibit, or impose any limitations, damages or conditions on, the Parent's or the Purchaser's ability to acquire, hold, or exercise full rights of ownership over, any Company Shares, including the right to vote the Common Shares;

(b) impose terms or conditions on completion of the Arrangement or on the ownership or operation by the Parent or the Purchaser of the business or assets of the Parent, the Purchaser, their affiliates and related entities, the Company or any of the Company's Subsidiaries and related entities, or compel the Parent or the Purchaser to dispose of or hold separate any of the business or assets of the Parent, the Purchaser, their affiliates and related entities, the Company or any of the Company's Subsidiaries and related entities as a result of the Arrangement, in each case, beyond what the Parent and the Purchaser are required to accept or agree to pursuant to Section 4.4; or

(c) prevent or materially delay the consummation of the Arrangement, or if the Arrangement were to be consummated, have a Material Adverse Effect.

(5) **Dissent Rights.** Dissent Rights have not been exercised with respect to more than 10% of the issued and outstanding Common Shares.

(6) **Material Adverse Effect.** There shall not have been or occurred a Material Adverse Effect.

Section 6.3 Additional Conditions Precedent to the Obligations of the Company

The Company is not required to complete the Arrangement unless each of the following conditions is satisfied on or before the Effective Time, which conditions are for the exclusive benefit of the Company and may only be waived, in whole or in part, by the Company in its sole discretion:

(1) **Representations and Warranties.** The representations and warranties of the Parent and the Purchaser which are qualified by references to materiality and the representations and warranties set forth in Paragraphs (1), (2), (3), (5)(a) and (9) of Schedule E were true and correct as of the date of this Agreement and are true and correct as of the Effective Time, in all respects, and all other representations and warranties of the Parent and the Purchaser were true and correct as of the date of this Agreement and are true and correct as of the Effective Time, in all material respects, in each case except for representations and warranties made as of a specified date, the accuracy of which shall be determined as of such specified date, except where the failure of such representations and warranties to be true and correct, individually or in the aggregate, would not materially impede completion of the Arrangement, and the Parent and the Purchaser have delivered a certificate confirming same to the Company, executed by two senior officers of the Parent and the Purchaser (in each case without personal liability) addressed to the Company and dated the Effective Date.

(2) **Performance of Covenants.** The Parent and the Purchaser have fulfilled or complied in all material respects with each of the covenants of the Parent and the Purchaser contained in this Agreement to be fulfilled or complied with by them on or prior to the Effective Time, and the Parent and the Purchaser have delivered a certificate confirming same to the Company, executed by two senior officers of the Parent and the Purchaser (in each case without personal liability) addressed to the Company and dated the Effective Date.

(3) **Deposit of Consideration.** Subject to obtaining the Final Order and the satisfaction or waiver of the other conditions precedent contained herein in its favour (other than conditions which, by their nature, are only capable of being satisfied as of the Effective Time), the Purchaser has deposited or caused to be deposited

with the Depositary in escrow in accordance with Section 2.9 the funds required to effect payment in full of the aggregate Consideration to be paid pursuant to the Arrangement and the Depositary has confirmed to the Company receipt of such funds.

Section 6.4 Satisfaction of Conditions

The conditions precedent set out in Section 6.1, Section 6.2 and Section 6.3 will be conclusively deemed to have been satisfied, waived or released when the Certificate of Arrangement is issued by the Enterprise Registrar. For greater certainty, and notwithstanding the terms of any escrow arrangement entered into between the Purchaser and the Depositary, all funds held in escrow by the Depositary pursuant to Section 2.9 hereof shall be deemed to be released from escrow when the Certificate of Arrangement is issued.

ARTICLE 7
TERM AND TERMINATION

Section 7.1 Term

This Agreement shall be effective from the date hereof until the earlier of the Effective Time and the termination of this Agreement in accordance with its terms.

Section 7.2 Termination

(1) This Agreement may be terminated prior to the Effective Time by:

(a) the mutual written agreement of the Parties; or

(b) either the Company, on the one hand, or the Parent or the Purchaser, on the other hand, if:

(i) the Arrangement Resolution is not approved by the Common Shareholders at the Company Meeting in accordance with the Interim Order provided that a Party may not terminate this Agreement pursuant to this Section 7.2(1)(b)(i) if the failure to obtain the approval of the Common Shareholders has been caused by, or is a result of, a breach by such Party of any of its representations or warranties or the failure of such Party to perform any of its covenants or agreements under this Agreement;

(ii) after the date of this Agreement, any Law is enacted, made, enforced or amended, as applicable, that makes the consummation of the Arrangement illegal or otherwise permanently prohibits or enjoins the Company, the Parent or the Purchaser from consummating the Arrangement, and such Law has, if applicable, become final and non-appealable, provided the Party seeking to terminate this Agreement pursuant to this Section 7.2(1)(b)(ii) has used its commercially reasonable efforts to, as applicable, appeal or overturn such Law or otherwise have it lifted or rendered non-applicable in respect of the Arrangement; or

(iii) the Effective Time does not occur on or prior to the Outside Date, provided that a Party may not terminate this Agreement pursuant to this Section 7.2(1)(b)(iii) if the failure of the Effective Time to so occur has been caused by, or is a result of, a breach by such Party (including, in the case of the Purchaser, the Parent) of any of its representations or warranties or the failure of such Party (including, in the case of the Purchaser, the Parent) to perform any of its covenants or agreements under this Agreement.

(c) the Company if:

(i) a breach of any representation or warranty or failure to perform any covenant or agreement on the part of the Parent or the Purchaser under this Agreement occurs that would cause any condition in Section 6.3(1) or Section 6.3(2) not to be satisfied, and such breach or failure is incapable of being

cured on or prior to the Outside Date or is not cured in accordance with the terms of Section 4.8(3); provided that any wilful breach shall be deemed to be incurable and the Company is not then in breach of this Agreement so as to cause any condition in Section 6.2(1) or Section 6.2(2) not to be satisfied; or

(ii) prior to the approval by the Common Shareholders of the Arrangement Resolution, the Board authorizes the Company to enter into a written agreement (other than a confidentiality agreement permitted by and in accordance with Section 5.3) with respect to a Superior Proposal in accordance with Section 5.4, provided the Company is then in compliance with Article 5 and that prior to or concurrent with such termination the Company pays the Termination Fee in accordance with Section 8.2.

(d) the Parent or the Purchaser if:

(i) a breach of any representation or warranty or failure to perform any covenant or agreement on the part of the Company under this Agreement occurs that would cause any condition in Section 6.2(1) or Section 6.2(2) not to be satisfied, and such breach or failure is incapable of being cured on or prior to the Outside Date or is not cured in accordance with the terms of Section 4.8(3); provided that any wilful breach shall be deemed to be incurable and the Parent and the Purchaser are not then in breach of this Agreement so as to cause any condition in Section 6.3(1) or Section 6.3(2) not to be satisfied;

(ii) (A) the Board or any committee of the Board fails to unanimously recommend or withdraws, amends, modifies or qualifies, or publicly proposes or states an intention to withdraw, amend, modify or qualify, the Board Recommendation, (B) the Board or any committee of the Board accepts, approves, endorses or recommends, or publicly proposes to accept, approve, endorse or recommend an Acquisition Proposal or takes no position or remains neutral with respect to a publicly announced, or otherwise publicly disclosed, Acquisition Proposal for more than five Business Days (or beyond the third Business Day prior to the date of the Company Meeting, if sooner)), (C) the Board or any committee of the Board accepts or enters into (other than a confidentiality agreement permitted by and in accordance with Section 5.3) or publicly proposes to accept or enter into any agreement, understanding or arrangement in respect of an Acquisition Proposal, (D) the Board or any committee of the Board fails to publicly recommend or reaffirm the Board Recommendation within five Business Days after having been requested in writing by the Purchaser to do so (or in the event that the Company Meeting is scheduled to occur within such five Business Day period, prior to the third Business Day prior to the date of the Company Meeting), or (E) the Company breaches Article 5 in any material respect;

(iii) the condition set forth in Section 6.2(5) is not capable of being satisfied by the Outside Date; or

(iv) there has occurred a Material Adverse Effect which is incapable of being cured on or prior to the Outside Date.

(2) The Party desiring to terminate this Agreement pursuant to this Section 7.2 (other than pursuant to Section 7.2(1)(a)) shall give notice of such termination to the other Party, specifying in reasonable detail the basis for such Party's exercise of its termination right.

Section 7.3 Effect of Termination/Survival

(1) If this Agreement is terminated pursuant to Section 7.1 or Section 7.2, this Agreement shall become void and of no further force or effect without liability of any Party (or any shareholder, director, officer, employee, agent, consultant or representative of such Party) to any other Party to this Agreement, except that: (a) in the event of termination under Section 7.1 as a result of the Effective Time occurring, Section 2.7 and Section 4.9 shall survive for a period of six (6) years following such termination; (b) in the event of termination under Section 7.1 as a result of the Effective Time occurring, Section 4.6(4), Section 4.6(5) shall survive any termination hereof for the maximum limitation period permitted under the Law and, (c) in

the event of termination under Section 7.2, Section 4.6(4), Section 4.6(5), this Section 7.3 and Section 8.2 through to and including Section 8.16 shall survive, and provided further that, subject to Section 8.2(4), no Party shall be relieved of any liability for any wilful breach by it of this Agreement.

ARTICLE 8
GENERAL PROVISIONS

Section 8.1 Amendments

This Agreement and the Plan of Arrangement may, at any time and from time to time before or after the holding of the Company Meeting but not later than the Effective Time, be amended by mutual written agreement of the Parties, without further notice to or authorization on the part of the Company Shareholders, and any such amendment may, subject to the Interim Order and Final Order and Laws, without limitation:

(a) change the time for performance of any of the obligations or acts of the Parties;

(b) modify any representation or warranty contained in this Agreement or in any document delivered pursuant to this Agreement;

(c) modify any of the covenants contained in this Agreement and waive or modify performance of any of the obligations of the Parties; and/or

(d) modify any mutual conditions contained in this Agreement.

Notwithstanding anything to the contrary contained herein, if the Preferred Shareholder Resolution is not approved by the Preferred Shareholders in accordance with the Interim Order prior to the Final Order being obtained, the Plan of Arrangement shall be amended to exclude the Preferred Shares from the Plan of Arrangement along with matters ancillary thereto (including, for greater certainty, the Dissent Rights in favour of the Preferred Shareholders).

Section 8.2 Termination Fees

(1) Despite any other provision in this Agreement relating to the payment of fees and expenses, including the payment of brokerage fees, if a Termination Fee Event occurs, the Company shall pay the Purchaser the Termination Fee in accordance with Section 8.2(3).

(2) For the purposes of this Agreement, "**Termination Fee**" means $100,000,000, and "**Termination Fee Event**" means the termination of this Agreement:

(a) by the Parent or the Purchaser, pursuant to Section 7.2(1)(d)(ii);

(b) by the Company, pursuant to Section 7.2(1)(c)(ii);

(c) pursuant to any Subsection of Section 7.2(1) if at such time the Parent or the Purchaser is entitled to terminate this Agreement pursuant to Section 7.2(1)(d)(ii); or

(d) by the Company or the Parent or the Purchaser pursuant to Section 7.2(1)(b)(i) or Section 7.2(1)(b)(iii), or by the Parent or the Purchaser pursuant to Section 7.2(1)(d)(i) (due to a willful breach or fraud), if;

(i) prior to such termination, an Acquisition Proposal is made or publicly announced or otherwise publicly disclosed by any Person (other than the Purchaser, the Parent or any of their respective affiliates) or any Person (other than the Parent, the Purchaser or any of their respective affiliates) shall have publicly announced an intention to make an Acquisition Proposal; and

(ii) within 365 days following the date of such termination (A) an Acquisition Proposal (whether or not such Acquisition Proposal is the same Acquisition Proposal referred to in clause (i) above) is consummated or effected, or (B) the Company or one or more of its Subsidiaries, directly or

indirectly, in one or more transactions, enters into a contract, other than a confidentiality agreement permitted by and in accordance with Section 5.3, in respect of an Acquisition Proposal (whether or not such Acquisition Proposal is the same Acquisition Proposal referred to in clause (i) above) and such Acquisition Proposal is later consummated or effected (whether or not such Acquisition Proposal is later consummated or effected within 365 days after such termination).

For purposes of the foregoing, the term "Acquisition Proposal" shall have the meaning assigned to such term in Section 1.1, except that references to "20% or more" shall be deemed to be references to "50% or more".

(3) If a Termination Fee Event occurs due to a termination of this Agreement by the Company pursuant to Section 7.2(1)(c)(ii), the Termination Fee shall be paid prior to or simultaneously with the occurrence of such Termination Fee Event. If a Termination Fee Event occurs (i) due to a termination of this Agreement by the Parent or the Purchaser pursuant to Section 7.2(1)(d)(ii) or (ii) in the circumstances set out in Section 8.2(2)(c), the Termination Fee shall be paid within two Business Days following such Termination Fee Event. If a Termination Fee Event occurs in the circumstances set out in Section 8.2(2)(d), the Termination Fee shall be paid upon the consummation/closing of the Acquisition Proposal referred to therein. Any Termination Fee shall be paid by the Company to the Purchaser (or as the Purchaser may direct by notice in writing), by wire transfer in immediately available funds to an account designated by the Purchaser.

(4) The Company acknowledges that the agreements contained in Section 8.2 are an integral part of the transactions contemplated by this Agreement, and that without these agreements the Parent and the Purchaser would not enter into this Agreement, and that the amounts set out in this Section 8.2 represent liquidated damages which are a genuine pre-estimate of the damages, including opportunity costs, reputational damage, and out-of-pocket expenditures, which the Parent and the Purchaser will suffer or incur as a result of the event giving rise to such damages and resultant termination of this Agreement, and are not penalties. The Company irrevocably waives any right it may have to raise as a defence that any such liquidated damages are excessive or punitive. In the event the Termination Fee is paid in full to the Purchaser (or as it directs) in the manner provided in this Section 8.2, the Parent and the Purchaser agree that the payment of the Termination Fee is the sole and exclusive remedy of the Parent and the Purchaser in connection with this Agreement (and the termination hereof), the transactions contemplated hereby or any matter forming the basis for such termination, and following such receipt neither the Parent nor the Purchaser shall be entitled to bring or maintain any claim, action or proceeding against the Company or any of its affiliates arising out of or in connection with this Agreement (or the termination thereof) or the transactions contemplated herein and neither the Company nor any of its affiliates shall have any further liability with respect to this Agreement or the transactions contemplated hereby to the Parent or the Purchaser or any of their respective affiliates. Notwithstanding anything in this Agreement to the contrary, while the Parent and the Purchaser may pursue both a grant of specific performance in accordance with Section 8.6 and the payment of the Termination Fee under Section 8.2, under no circumstances shall the Parent or the Purchaser be permitted or entitled to receive both a grant of specific performance of the Company's obligation to consummate the transactions contemplated hereby and any monetary damages, including all or any portion of the Termination Fee.

Section 8.3 Expenses and Expense Reimbursement

(1) Except as expressly otherwise provided in this Agreement, all out-of-pocket third party transaction expenses incurred in connection with this Agreement and the Plan of Arrangement and the transactions contemplated hereunder and thereunder, including all costs, expenses and fees of the Company incurred prior to or after the Effective Time in connection with, or incidental to, the Plan of Arrangement, shall be paid by the Party incurring such expenses, whether or not the Arrangement is consummated. Except as provided in Section 4.4(7), the Purchaser and the Company shall each pay one-half of the filing fees required to obtain Regulatory Approvals, including applicable Taxes.

(2) In addition to the rights of the Purchaser under Section 8.2(1), if this Agreement is terminated by the Parent or the Purchaser pursuant to Section 7.2(1)(d)(i), then the Company shall, within two Business Days of such termination, pay or cause to be paid to the Purchaser (or as the Purchaser may direct by notice in writing), by wire transfer in immediately available funds to an account designated by the Purchaser, an expense reimbursement fee of $15,000,000. In no event shall the Company be required to pay under Section 8.2(1), on the one hand, and this Section 8.3(2), on the other hand, in the aggregate, an amount in excess of the Termination Fee.

(3) The Company confirms that other than the fees disclosed in Section 8.3(3) of the Company Disclosure Letter, no broker, finder or investment banker is or will be entitled to any brokerage, finder's or other fee or commission in connection with the transactions contemplated by this Agreement.

Section 8.4 Notices

Any notice, or other communication given regarding the matters contemplated by this Agreement must be in writing, sent by personal delivery, courier, facsimile or electronic mail (provided confirmation of receipt is acknowledged by return electronic mail from the recepient) addressed:

(a) to the Purchaser and the Parent at:

Lowe's Companies, Inc.
1000 Lowe's Boulevard
Mooresville, NC 28117
Attention: Chief Development Officer and President - International
Facsimile: (704) 757-0805
E-mail: Richard.D.Maltsbarger@lowes.com

and

Lowe's Companies Canada, ULC
5160 Yonge Street, Suite 200
Toronto, Ontario, Canada
Facsimile: (416) 730-7371
Attention: President
E-mail: Sylvain.Prud'homme@lowes.com

with a copy to:

Office of the General Counsel
Lowe's Companies, Inc.
1000 Lowe's Boulevard
Mooresville, NC 28117
Facsimile: (704) 757-0675

with a copy to:

Stikeman Elliott LLP
5300 Commerce Court West
199 Bay Street
Toronto, Canada M5L 1B9

Attention: William J. Braithwaite
Facsimile: (416) 947-0866
E-mail: WBraithwaite@stikeman.com

(b) to the Company at:

220 Chemin du Tremblay,
Boucherville,
Québec, Canada J4B 8H7

Attention: DominiqueBoies
Facsimile: (514) 599-5126
E-mail: dominique.boies@rona.ca

with a copy to:

Norton Rose Fulbright Canada LLP
1, Place Ville-Marie
Suite 2500
Montréal, Québec H3B 1R1

Attention: Francis R. Legault
Facsimile: (514) 286-5474
E-mail: francis.legault@nortonrosefulbright.com

Any notice or other communication is deemed to be given and received (i) if sent by personal delivery or same day courier, on the date of delivery if it is a Business Day and the delivery was made prior to 4:00 p.m. (local time in place of receipt) and otherwise on the next Business Day, (ii) if sent by overnight courier, on the next Business Day, (iii) if sent by facsimile, on the Business Day following the date of confirmation of transmission by the originating facsimile or (iv) if sent by electronic mail, upon confirmation of receipt by the recipient if it is a Business Day and confirmation was received prior to 5:00 p.m. (local time in place of delivery of receipt), and otherwise on the Business Day following receipt of the confirmation. Sending a copy of a notice or other communication to a Party's legal counsel as contemplated above is for information purposes only and does not constitute delivery of the notice or other communication to that Party. The failure to send a copy of a notice or other communication to legal counsel does not invalidate delivery of that notice or other communication to a Party.

Section 8.5 Time of the Essence

Time is of the essence in this Agreement.

Section 8.6 Injunctive Relief

The Parties agree that irreparable harm would occur for which money damages would not be an adequate remedy at law in the event that any of the provisions of this Agreement were not performed in accordance with their specific terms or were otherwise breached. It is accordingly agreed that the Parties shall be entitled to injunctive and other equitable relief to prevent breaches or threatened breaches of this Agreement, and to enforce compliance with the terms of this Agreement without any requirement for the securing or posting of any bond in connection with the obtaining of any such injunctive or other equitable relief, this, subject to Section 8.2(4), being in addition to any other remedy to which the Parties may be entitled at law or in equity.

Section 8.7 Third Party Beneficiaries

(1) Except as provided in Section 4.6(4) and Section 4.9 which, without limiting their terms, are intended as stipulations for the irrevocable benefit of, and shall be enforceable by, the third Persons mentioned in such provisions (such third Persons referred to in this Section 8.7 as the "**Indemnified Persons**"), the Company, the Purchaser and the Parent intend that this Agreement will not benefit or create any right or cause of action in favour of any Person, other than the Parties and that no Person, other than the Parties, shall be entitled to rely on the provisions of this Agreement in any action, suit, proceeding, hearing or other forum.

(2) Despite the foregoing, the Parties acknowledge to each of the Indemnified Persons their direct rights against the applicable Party under Section 4.6(4) and Section 4.9, respectively, of this Agreement, which (i) are intended for the irrevocable benefit of, and shall be enforceable by, each Indemnified Person, his or her heirs, executors, administrators and legal representatives, and for such purpose, the Company or the Purchaser, as applicable, confirms that it is acting as trustee on their behalf, and agrees to enforce such provisions on their behalf, and (ii) shall not be deemed exclusive of any other rights to which an Indemnified Party has under Law, Contract or otherwise, and shall be binding on the Purchaser, the Parent and any of their successors. The Parties reserve their right to vary or rescind the rights at any time and in any way whatsoever, if any, granted by or under this Agreement to any Person who is not a Party, without notice to or consent of that Person, including any Indemnified Person.

Section 8.8 Waiver

No waiver of any of the provisions of this Agreement will constitute a waiver of any other provision (whether or not similar). No waiver will be binding unless executed in writing by the Party to be bound by the waiver. A Party's failure or delay in exercising any right under this Agreement will not operate as a waiver of that right. A single or partial exercise of any right will not preclude a Party from any other or further exercise of that right or the exercise of any other right.

Section 8.9 Entire Agreement

This Agreement, together with the Confidentiality Agreement, constitutes the entire agreement between the Parties with respect to the transactions contemplated by this Agreement and supersedes all prior agreements, understandings, negotiations and discussions, whether oral or written, of the Parties; provided that to the extent any provisions of the Confidentiality Agreement conflict with the terms of this Agreement, the terms of this Agreement shall prevail. There are no representations, warranties, covenants, conditions or other agreements, express or implied, collateral, statutory or otherwise, between the Parties in connection with the subject matter of this Agreement, except as specifically set forth in this Agreement. The Parties have not relied and are not relying on any other information, discussion or understanding in entering into and completing the transactions contemplated by this Agreement.

Section 8.10 Successors and Assigns

(1) This Agreement becomes effective only when executed by the Company, the Purchaser and the Parent. After that time, it will be binding upon and enure to the benefit of the Company, the Purchaser, the Parent and their respective successors and permitted assigns.

(2) Neither this Agreement nor any of the rights or obligations under this Agreement are assignable or transferable by any Party without the prior written consent of the other Party, provided that the Purchaser may assign all or part of its rights under this Agreement to, and its obligations under this Agreement may be assumed by, any of its affiliates, provided that if such assignment and/or assumption takes place, the Purchaser shall continue to be liable joint and severally with such affiliate, as the case may be, for all of its obligations hereunder.

Section 8.11 Severability

If any provision of this Agreement is determined to be illegal, invalid or unenforceable by any court of competent jurisdiction, that provision will be severed from this Agreement and the remaining provisions shall remain in full force and effect. Upon such determination that any term or other provision is invalid, illegal or incapable of being enforced, the Parties shall negotiate in good faith to modify this Agreement so as to effect the original intent of the Parties as closely as possible in an acceptable manner to the end that the transactions contemplated hereby are fulfilled to the fullest extent possible.

Section 8.12 Governing Law

(1) This Agreement will be governed by and interpreted and enforced in accordance with the laws of the Province of Québec and the federal laws of Canada applicable therein.

(2) Each Party irrevocably attorns and submits to the non-exclusive jurisdiction of the Québec courts situated in the City of Montreal and waives objection to the venue of any proceeding in such court or that such court provides an inconvenient forum.

Section 8.13 Rules of Construction

The Parties to this Agreement waive the application of any Law or rule of construction providing that ambiguities in any agreement or other document shall be construed against the party drafting such agreement or other document.

Section 8.14 No Liability

No director or officer of the Parent or the Purchaser shall have any personal liability whatsoever to the Company under this Agreement or any other document delivered in connection with the transactions contemplated hereby on behalf of the Parent or the Purchaser. No director or officer of the Company or any of its Subsidiaries shall have any personal liability whatsoever to the Parent or the Purchaser under this Agreement or any other document delivered in connection with the transactions contemplated hereby on behalf of the Company or any of its Subsidiaries.

Section 8.15 Language

The Parties expressly acknowledge that they have requested that this Agreement and all ancillary and related documents thereto be drafted in the English language only. Les parties aux présentes reconnaissent avoir exigé que la présente entente et tous les documents qui y sont accessoires soient rédigés en anglais seulement.

Section 8.16 Counterparts

This Agreement may be executed in any number of counterparts (including counterparts by facsimile) and all such counterparts taken together shall be deemed to constitute one and the same instrument. The Parties shall be entitled to rely upon delivery of an executed facsimile or similar executed electronic copy of this Agreement, and such facsimile or similar executed electronic copy shall be legally effective to create a valid and binding agreement between the Parties.

[Remainder of page intentionally left blank. Signature page follows.]

IN WITNESS WHEREOF the Parties have executed this Arrangement Agreement.

RONA INC.

By: *(signed) Robert Sawyer*

Name: Robert Sawyer
Title: President and Chief Executive Officer

By: *(signed) Dominique Boies*

Name: Dominique Boies
Title: Executive Vice-President and Chief Financial Officer

LOWE'S COMPANIES, INC.

By: *(signed) Richard D. Maltsbarger*

Name: Richard D. Maltsbarger
Title: Chief Development Officer and
President - International

LOWE's COMPANIES CANADA, ULC

By: *(signed) Sylvain Prud'homme*

Name: Sylvain Prud'homme
Title: President

Schedule A – Plan of Arrangement

[*Intentionally Omitted – Please refer to Appendix "D" of the Information Circular]*

Schedule B – Arrangement Resolution

[Intentionally Omitted – Please refer to Appendix "A" of the Information Circular]

Schedule C – Preferred Shareholder Resolution

[Intentionally Omitted – Please refer to Appendix "B" of the Information Circular]

Schedule D – Representations and Warranties of the Company

(1) **Organization and Qualification.** The Company and each of its Subsidiaries is a corporation or other entity duly incorporated or organized, as applicable, validly existing and in good standing under the laws of the jurisdiction of its incorporation, organization or formation, as applicable, and has all requisite power and authority to own, lease and operate its assets and properties and conduct its business as now owned and conducted. The Company, each of its Subsidiaries is duly qualified, licensed or registered to carry on business and is in good standing in each jurisdiction in which the character of its assets and properties, owned, leased, licensed or otherwise held, or the nature of its activities make such qualification, licensing or registration necessary, and has all Authorizations required to own, lease and operate its properties and assets and to conduct its business as now owned and conducted, except for those Authorizations the absence of which do not have and would not be reasonably expected to have, individually or in the aggregate, a Material Adverse Effect.

(2) **Corporate Authorization.** The Company has the requisite corporate power and authority to enter into and perform its obligations under this Agreement. The execution, delivery and performance by the Company of its obligations under this Agreement and the consummation of the Arrangement and the other transactions contemplated hereby have been duly authorized by all necessary corporate action on the part of the Company and no other corporate proceedings on the part of the Company are necessary to authorize this Agreement or the consummation of the Arrangement and the other transactions contemplated hereby other than approval by the Common Shareholders in the manner required by the Interim Order and Law and approval by the Court.

(3) **Execution and Binding Obligation.** This Agreement has been duly executed and delivered by the Company, and constitutes a legal, valid and binding agreement of the Company enforceable against it in accordance with its terms subject only to any limitation under bankruptcy, insolvency or other Laws affecting the enforcement of creditors' rights generally and the discretion that a court may exercise in the granting of equitable remedies such as specific performance and injunction.

(4) **Governmental Authorization.** The execution, delivery and performance by the Company of its obligations under this Agreement and the consummation of the Arrangement and the other transactions contemplated hereby do not require any Authorization or other action by or in respect of, or filing with, or notification to, any Governmental Entity by the Company or by any of its Subsidiaries other than: (i) the Interim Order and any approvals required by the Interim Order; (ii) the Final Order; (iii) filings with the Enterprise Registrar under the QBCA; (iv) in relation to the Regulatory Approvals; and (v) filings with the Securities Authorities and the Exchange.

(5) **Non-Contravention.** The execution, delivery and performance by the Company of its obligations under this Agreement and the consummation of the Arrangement and the other transactions contemplated hereby do not and will not (or would not with the giving of notice, the lapse of time or the happening of any other event or condition):

(a) contravene, conflict with, or result in any violation or breach of the Company's Constating Documents or the organizational documents of any of its Subsidiaries;

(b) assuming compliance with the matters referred to in Paragraph (4) above, contravene, conflict with or result in a violation or breach of Law;

(c) except as disclosed in Section 3.1(5)(c) of the Company Disclosure Letter, allow any Person to exercise any rights, require any consent or other action by any Person, or constitute a default under, or cause or permit the termination, cancellation, acceleration or other change of any right or obligation or the loss of any benefit to which the Company or any of its Subsidiaries are entitled (including by triggering any rights of first refusal or first offer, change in control provision or other restriction or limitation) under any Contract, lease or other instrument, indenture, deed of trust, mortgage, bond or any Authorization to which the Company or any of its Subsidiaries is a party or by which the Company or any of its Subsidiaries is bound; or

(d) result in the creation or imposition of any Lien upon any of the properties or assets of the Company or its Subsidiaries;

with such exceptions, in the case of clauses (b) through (d), as would not be reasonably expected to have, individually or in the aggregate, a Material Adverse Effect.

(6) **Capitalization.**

(a) The authorized capital of the Company consists of an unlimited number of Common Shares and an unlimited number of Class "A", Class "B", Class "C" and Class "D" preferred shares, of which classes "A" and "C" are issuable in series. As of the close of business on the date of this Agreement, there were 106,904,501 Common Shares issued and outstanding, 6,900,000 Series 6 Class A Preferred Shares issued and outstanding and no Series 7 Class A Preferred Shares issued and outstanding. In addition, as of the date hereof, the Company has issued and outstanding $116,829,000 aggregate principal amount of Debentures. All outstanding Common Shares and Preferred Shares have been duly authorized and validly issued, are fully paid and non-assessable. All of the Common Shares issuable upon the exercise of rights under the Stock Option Plans, including outstanding Options, have been duly authorized and, upon issuance in accordance with their respective terms, will be validly issued as fully paid and non-assessable and are not and will not be subject to or issued in violation of, any pre-emptive rights. No Common Shares or Preferred Shares have been issued and no Options have been granted in violation of any Law or any pre-emptive or similar rights applicable to them.

(b) Section 3.1(6)(b) of the Company Disclosure Letter sets forth, in respect of each Option outstanding as of the date of this Agreement: (i) the number of Common Shares issuable upon exercise (including the aggregate total of all Common Shares issuable upon exercise of all outstanding Options); (ii) the purchase price payable; (iii) the date of grant; (iv) the date of expiry; and (v) the name of the registered holder, identifying whether such holder is not an employee of the Company or of its Subsidiaries. The Stock Option Plans and the issuance of Common Shares under such plan (including all outstanding Options) have been duly authorized by the Board in compliance with Law and the terms of the applicable Stock Option Plan, and have been recorded on the Company's financial statements in accordance with GAAP, and no such grants involved any "back dating," "forward dating," "spring loading" or similar practices.

(c) Section 3.1(6)(c) of the Company Disclosure Letter sets forth, as of the date of this Agreement, the number of outstanding DSUs, RSUs and PSUs, the name of the holder of each DSU, RSU and PSU, identifying whether such holder is not an employee of the Company or of its Subsidiaries and the exercise price or issuance price, vesting schedule, vested percentage and expiration dates, as applicable, of such DSUs, RSUs and PSUs.

(d) Except for rights under the Stock Option Plans, including outstanding Options, the rights under the Rights Plan and pursuant to the terms of the Preferred Shares as set out in Section 3.1(6)(d) of the Company Disclosure Letter, there are no issued, outstanding or authorized options, equity-based awards, warrants, calls, conversion, pre-emptive, redemption, repurchase, stock appreciation or other rights, or any other agreements, arrangements, instruments or commitments of any kind that obligate the Company or any of its Subsidiaries to, directly or indirectly, issue or sell any securities of the Company or of any of its Subsidiaries, or give any Person a right to subscribe for or acquire, any securities of the Company or of any of its Subsidiaries.

(e) There are no issued, outstanding or authorized:

(i) obligations to repurchase, redeem or otherwise acquire any securities of the Company or of any of its Subsidiaries, or qualify securities for public distribution in Canada, the U.S. or elsewhere, or with respect to the voting or disposition of any securities of the Company or of any of its Subsidiaries; or

(ii) notes, bonds, debentures or other evidences of indebtedness or any other agreements, arrangements, instruments or commitments of any kind that give any Person, directly or indirectly, the right to vote with holders of Common Shares on any matter.

(f) All dividends or distributions on securities of the Company that have been declared or authorized have been paid in full.

(7) **Shareholders' and Similar Agreements.** Except as disclosed in Section 3.1(7) of the Company Disclosure Letter, neither the Company nor any of its Subsidiaries is subject to, or affected by, any unanimous shareholders agreement and is not a party to any shareholder, pooling, voting, or other similar arrangement or agreement relating to the ownership or voting of the securities of the Company or of any of its Subsidiaries or pursuant to which any Person may have any right or claim in connection with any existing or past equity interest in the Company or in any of its Subsidiaries.

(8) **Rights Plan.** The Company has taken all necessary action so that neither the execution and delivery of this Agreement nor the consummation of the Arrangement and the transactions contemplated hereby will: (i) cause the rights under the Rights Plan to become exercisable; (ii) cause any person to become an Acquiring Person (as defined in the Rights Plan); or (iii) give rise to a Separation Time or a Flip-in Event (each as defined in the Rights Plan).

(9) **Subsidiaries.**

(a) The following information with respect to each Subsidiary of the Company is accurately set out in Section 3.1(9)(a) of the Company Disclosure Letter: (i) its name; (ii) the number, type and principal amount, as applicable, of its outstanding equity securities or other equity interests and a list of registered holders of capital stock or other equity interests; and (iii) its jurisdiction of incorporation, organization or formation.

(b) Except as disclosed in Section 3.1(9)(b)(i) of the Company Disclosure Letter, the Company is, directly or indirectly, the registered and beneficial owner of all of the outstanding common shares or other equity interests of each of its Subsidiaries, free and clear of any Liens, all such shares or other equity interests so owned by the Company have been validly issued and are fully paid and non-assessable, as the case may be, and no such shares or other equity interests have been issued in violation of any pre-emptive or similar rights. Except for the shares or other equity interests owned by the Company in any Subsidiary and except as disclosed in Section 3.1(9)(b)(ii) of the Company Disclosure Letter, the Company does not own, beneficially or of record, any equity interests of any kind in any other Person.

(10) **Securities Law Matters.** The Company is a "reporting issuer" under Canadian Securities Laws in each of the provinces of Canada. The Common Shares and the Preferred Shares are listed and posted for trading on the Exchange. None of the Company's Subsidiaries are subject to any continuous or periodic, or other disclosure requirements under any securities laws in any jurisdiction. The Company is not in default of any material requirements of any Securities Laws or the rules and regulations of the Exchange. The Company has not taken any action to cease to be a reporting issuer in any province of Canada nor has the Company received notification from any Securities Authority seeking to revoke the reporting issuer status of the Company. No delisting, suspension of trading or cease trade or other order or restriction with respect to any securities of the Company is pending, in effect, has been threatened, or is expected to be implemented or undertaken, and to the knowledge of the Company, the Company is not subject to any formal or informal review, enquiry, investigation or other proceeding relating to any such order or restriction. The Company has timely filed or furnished with any Governmental Entity all material forms, reports, schedules, statements and other documents required to be filed or furnished by the Company pursuant to Securities Laws with the appropriate Governmental Entity since January 1, 2013. The documents comprising the Company Filings complied as filed in all material respects with Securities Laws and did not, as of the date filed (or, if amended or superseded by a subsequent filing prior to the date of this Agreement, on the date of such filing), contain any Misrepresentation. The Company has not filed any confidential material change report (which at the date of this Agreement remains confidential) or any other confidential filings (except for

redactions permitted by Securities Laws) filed to or furnished with, as applicable, any Securities Authority. There are no outstanding or unresolved comments in comments letters from any Securities Authority with respect to any of the Company Filings and, to the knowledge of the Company, neither the Company nor any of the Company Filings is subject of an ongoing audit, review, comment or investigation by any Securities Authority or the Exchange.

(11) **U.S. Securities Law Matters.**

(a) The Company does not have, nor is it required to have, any class of securities registered under the *Securities Exchange Act of 1934* of the United States of America, nor is the Company subject to any reporting obligation (whether active or suspended) pursuant to section 15(d) of the *Securities Exchange Act of 1934* of the United States of America.

(b) The Company is not, and has never been, subject to any requirement to register any class of its equity securities pursuant to Section 12(g) of the *Securities Exchange Act of 1934* of the United States of America, is not an investment company registered or required to be registered under the *Investment Company Act of 1940* of the United States of America, and is a "foreign private issuer" (as such term is defined in Rule 3b-1 under the *Securities Exchange Act of 1934* of the United States of America).

(c) No securities of the Company are listed on any national securities exchange in the United States.

(12) **Financial Statements.**

(a) The audited consolidated financial statements and the consolidated interim financial statements of the Company (including, in each case, any the notes or schedules to and the auditor's report on such financial statements) included in the Company Filings: (i) were prepared or shall be prepared, as applicable, in accordance with GAAP and Law; (ii) complied or shall comply, as applicable, as to form in all material respects with applicable accounting requirements in Canada; and (iii) fairly present or shall fairly present, as applicable, in all material respects, the assets, liabilities (whether accrued, absolute, contentment or otherwise), consolidated financial position, results of operations or financial performance and cash flows of the Company and its Subsidiaries as of their respective dates and the consolidated financial position, results of operations or financial performance and cash flows of the Company and its Subsidiaries for the respective periods covered by such financial statements (except as may be expressly indicated in the notes to such financial statements). The Company does not intend to correct or restate, nor, to the knowledge of the Company is there any basis for any correction or restatement of, any aspect of any of the financial statements referred to in this Paragraph (12). There are no, nor are there any commitments to become a party to, any off-balance sheet transaction, arrangement, obligation (including contingent obligations) or other relationship of the Company or of any of its Subsidiaries with unconsolidated entities or other Persons, other than operating leases for equipment and inventory buy-back agreements in the Ordinary Course and the Leases.

(b) The financial books, records and accounts of the Company and each of its Subsidiaries: (i) have been maintained, in all material respects, in accordance with GAAP; (ii) are stated in reasonable detail; (iii) accurately and fairly reflect all the material transactions, acquisitions and dispositions of the Company and its Subsidiaries; and (iv) accurately and fairly reflect the basis of the Company's financial statements.

(13) **Disclosure Controls and Internal Control over Financial Reporting.**

(a) The Company has established and maintains a system of disclosure controls and procedures that are designed to provide reasonable assurance that information required to be disclosed by the Company in its annual filings, interim filings or other reports filed or submitted by it under Securities Laws is recorded, processed, summarized and reported within the time periods specified in Securities Laws. Such disclosure controls and procedures include controls and procedures designed to ensure that

information required to be disclosed by the Company in its annual filings, interim filings or other reports filed or submitted under Securities Laws are accumulated and communicated to the Company's management, including its chief executive officer and chief financial officer, as appropriate, to allow timely decisions regarding required disclosed.

(b) The Company has established and maintains a system of internal control over financial reporting that is designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with GAAP.

(c) To the knowledge of the Company, there is no material weakness (as such term is defined in National Instrument 52-109 – Certification of Disclosure in Issuers' Annual and Interim Filings)) relating to the design, implementation or maintenance of its internal control over financial reporting, or fraud, whether or not material, that involves management or other employees who have a significant role in the internal control over financial reporting of the Company. To the knowledge of the Company, none of the Company, any of its Subsidiaries or any director, officer, auditor, accountant or representative of the Company or any of its Subsidiaries has received or otherwise obtained knowledge of any material complaint, allegation, assertion, or claim, whether written or oral, regarding accounting, internal accounting controls or auditing matters, including any material complaint, allegation, assertion, or claim that the Company or any of its Subsidiaries has engaged in questionable accounting or auditing practices, or any expression of concern from its employees regarding questionable accounting or auditing matters.

(14) **Auditors.** The auditors of the Company are independent public accountants as required by applicable Laws and there is not now, and there has never been, any reportable event (as defined in National Instrument 51-102 – *Continuous Disclosure Obligations*) with the present or any former auditors of the Company.

(15) **No Undisclosed Liabilities.** There are no material liabilities or obligations of the Company or of any of its Subsidiaries of any kind whatsoever, whether accrued, contingent, absolute, determined, determinable or otherwise, other than liabilities or obligations: (i) disclosed in the Company's financial statements or in the notes thereto; (ii) incurred in the Ordinary Course since December 31, 2014; or (iii) incurred in connection with this Agreement. The principal amount of all indebtedness for borrowed money of the Company and its Subsidiaries as of the date hereof, including capital leases, is disclosed in Section 3.1(15) of the Company Disclosure Letter.

(16) **Absence of Certain Changes or Events.** Since December 31, 2014, other than the transactions contemplated in this Agreement, the business of the Company and its Subsidiaries has been conducted in the Ordinary Course and there has not occurred a Material Adverse Effect.

(17) **Ordinary Course.**

(a) Except as disclosed in Section 3.1(17)(a) of the Company Disclosure Letter, since December 31, 2014:

(i) the Company and each of its Subsidiaries has conducted their respective business only in the Ordinary Course;

(ii) no liability or obligation of any nature (whether absolute, accrued, contingent or otherwise) which has had, or is reasonably likely to have, a Material Adverse Effect has been incurred;

(iii) there has not been any material change in the accounting practices used by the Company and its Subsidiaries;

(iv) except for Ordinary Course adjustments to employees (other than directors or officers), there has not been any increase in the salary, bonus, or other remuneration payable to any non-executive employees of any of Company or its Subsidiaries;

(v) there has not been a material change in the level of accounts receivable or payable, inventories or employees, other than those changes in the Ordinary Course;

(vi) there has not been any entering into, or an amendment of, any Material Contract other than in the Ordinary Course;

(vii) there has not been any satisfaction or settlement of any material claims or material liabilities that were not reflected in the Company's audited financial statements, other than the settlement of claims or liabilities incurred in the Ordinary Course; and

(viii) except for Ordinary Course adjustments, there has not been any increase in the salary, bonus, or other remuneration payable to any officers of the Company or its Subsidiaries or any amendment or modification to the vesting or exercisability schedule or criteria, including any acceleration, right to accelerate or acceleration event or other entitlement under any stock option, restricted stock, deferred compensation or other compensation award of any officer of the Company or any of its Subsidiaries.

(18) **Long-Term and Derivative Transactions.** Neither the Company nor any of its Subsidiaries have any material obligations or liabilities, direct or indirect, vested or contingent in respect of any rate swap transactions, basis swaps, forward rate transactions, commodity swaps, commodity options, equity or equity index swaps, equity or equity index options, bond options, interest rate options, foreign exchange transactions, cap transactions, floor transactions, collar transactions, currency swap transactions, cross-currency rate swap transactions or currency options or any other similar transactions (including any option with respect to any of such transactions) or any combination of such transactions, except in the Ordinary Course.

(19) **Related Party Transactions.** Neither the Company nor any of its Subsidiaries is indebted to any director, officer, employee or agent of, or independent contractor to, the Company or any of its Subsidiaries or any of their respective affiliates or associates (except for amounts due in the Ordinary Course as salaries, bonuses and director's fees or the reimbursement of Ordinary Course expenses). There are no Contracts (other than employment arrangements) with, or advances, loans, guarantees, liabilities or other obligations to, on behalf or for the benefit of, any shareholder, officer or director of the Company or any of its Subsidiaries, or any of their respective affiliates or associates.

(20) **No** "**Collateral Benefit**". To the knowledge of the Company, no related party of the Company (within the meaning of Multilateral Instrument 61-101) together with its associated entities, beneficially owns or exercises control or direction over 1% or more of the outstanding Common Shares, except for related parties who will not receive a "collateral benefit" (within the meaning of such instrument) as a consequence of the transactions contemplated by this Agreement.

(21) **Compliance with Laws.** Each of the Company and each of its Subsidiaries is, and since January 1, 2011 has been, in compliance in all material respects with Law. Since January 1, 2013, neither the Company nor any of its Subsidiaries is or has been, to the knowledge of the Company, under any investigation with respect to, is or has been charged or, to the knowledge of the Company, threatened to be charged with, or has received notice of, any violation or potential violation of any Law or disqualification by a Governmental Entity.

(22) **Authorizations and Licenses.**

(a) The Company and each of its Subsidiaries own, possess or have obtained all Authorizations that are required by Law in connection with the operation of the business of the Company and its Subsidiaries as presently or previously conducted, or in connection with the ownership, operation or use of the Company Assets, except as would not, individually or in the aggregate, have a Material Adverse Effect.

(b) The Company or its Subsidiaries, as applicable, lawfully hold, own or use, and have complied with, all such Authorizations, except as would not, individually or in the aggregate, have a Material Adverse Effect. Each Authorization is valid and in full force and effect, and is renewable by its terms or in the Ordinary Course, except as would not, individually or in the aggregate have a Material Adverse Effect.

(c) Except as disclosed in Section 3.1(22)(c) of the Company Disclosure Letter, to the knowledge of the Company, no action, investigation or proceeding is, (i) pending in respect of or regarding any such Authorization and (ii) none of the Company or any of its Subsidiaries has received notice, whether written or oral, of revocation, non-renewal or material amendments of any such Authorization, or of the intention of any Person to revoke, refuse to renew or materially amend any such Authorization.

(23) **Opinions of Financial Advisors.**

The Board and the Special Committee have received the Fairness Opinions. A true and complete copy of the engagement letter between the Company and Scotia Capital Inc. has been disclosed to Stikeman Elliott LLP and the Company has made true and complete disclosure to the Purchaser of all fees, commissions or other payments that may be incurred pursuant to such engagement or that may otherwise be payable to Scotia Capital Inc.

(24) **Finders' Fees.**

Except for the engagement letter between the Company and Scotia Capital Inc. and the fees payable under or in connection with such engagement, no investment banker, broker, finder, financial adviser or other intermediary has been retained by or is authorized to act on behalf of the Company or any of its Subsidiaries, or any of their respective officers, directors or employees, or is entitled to any fee, commission or other payment from the Company or any of its Subsidiaries, or any of their respective officers, directors or employees, in connection with the Agreement.

(25) **Board and Special Committee Approval**.

(a) The Special Committee, after consultation with its financial and legal advisors, has unanimously recommended that the Board approve the Arrangement and that the Common Shareholders vote in favour of the Arrangement Resolution and the Preferred Shareholders vote in favour of the Preferred Shareholder Resolution.

(b) The Board, acting on the unanimous recommendation in favour of the Arrangement by the Special Committee, has unanimously: (i) determined that the Consideration to be received by the Company Shareholders pursuant to the Arrangement and this Agreement is fair to such holders and that the Arrangement is in the best interests of the Company and the Company Shareholders; (ii) resolved to unanimously recommend that the Common Shareholders vote in favour of the Arrangement Resolution and the Preferred Shareholders vote in favour of the Preferred Shareholder Resolution; and (iii) authorized the entering into of this Agreement and the performance by the Company of its obligations under this Agreement, and no action has been taken to amend, or supersede such determinations, resolutions, or authorizations.

(c) Each of the directors and executive officers of the Company listed in Section 1.2(6) of this Agreement has advised the Company and the Company believes that they intend to vote or cause to be voted all Company Shares beneficially held by them in favour of the Arrangement Resolution and the Preferred Shareholder Resolution, as applicable, and the Company shall make a statement to that effect in the Company Circular.

(26) **Material Contracts.**

(a) Section 3.1(26)(a) of the Company Disclosure Letter sets out a complete and accurate list of all Material Contracts other than Leases. True and complete copies of the Material Contracts other than Leases have been disclosed in the Data Room and no such Contract has, since such disclosure, been modified, rescinded or terminated.

(b) Each Material Contract other than Leases is legal, valid, binding and in full force and effect and is enforceable by the Company or a Subsidiary, as applicable, in accordance with its terms (subject to bankruptcy, insolvency and other Laws affecting creditors' rights generally, and to general principles of equity).

(c) Except as disclosed in Section 3.1(26)(c) of the Company Disclosure Letter, each of the Company and each of its Subsidiaries has performed in all material respects all respective obligations required to be performed by them to date under the Material Contracts other than the Leases and neither the Company nor any of its Subsidiaries is in material breach or default under any Material Contract other than the Leases, nor does the Company have knowledge of any condition that with the passage of time or the giving of notice or both would result in such a material breach or default.

(d) Except as disclosed in Section 3.1(26)(d) of the Company Disclosure Letter, none of the Company or any of its Subsidiaries knows of, or has received any notice (whether written or oral) of, any breach or default under nor, to the knowledge of the Company, does there exist any condition which with the passage of time or the giving of notice or both would result in such a breach or default under any such Material Contract by any other party to a Material Contract.

(e) None of the Company or any of its Subsidiaries has received any written notice, that any party to a Material Contract other than Leases intends to cancel, terminate or otherwise modify or not renew its relationship with the Company or with any of its Subsidiaries, and, to the knowledge of the Company, no such action has been threatened.

(27) **Real Property.**

(a) Section 3.1(27)(a) of the Company Disclosure Letter sets out a complete and accurate list of all real and immoveable property owned by the Company and/or its Subsidiaries (each such property disclosed, or required to be disclosed, in Section 3.1(27)(a) of the Company Disclosure Letter, an "**Owned Property**"), in each case by reference to their municipal addresses.

(b) Other than as disclosed in Section 3.1(27)(b) of the Company Disclosure Letter, (i) the Company or one of its Subsidiaries has valid, good and marketable title to the Owned Properties and leasehold title to the Leased Properties free and clear of all Liens except for Permitted Liens, (ii) there are no options or rights of first refusal to purchase the Owned Properties or any portion thereof or interest therein, and (iii) neither the Company nor any of its Subsidiaries is the owner of, or is bound by or subject to any agreement or option to own, any real or immoveable property other than the Owned Properties.

(c) Section 3.1(27)(c) of the Company Disclosure Letter sets out a complete and accurate list of all real and immoveable property leased, subleased, licensed and/or (other than the Owned Properties) occupied by the Company and/or its Subsidiaries, other than *de minimis* leases for immaterial, non-retail, leased premises within joint venture entities which premises are not used in the operation of the business of the Company (each such property disclosed, or required to be disclosed, in Section 3.1(27)(c) of the Company Disclosure Letter, a "**Leased Property**"), in each case by reference to their municipal addresses.

(d) Section 3.1(27)(d) of the Company Disclosure Letter sets out a complete and accurate list of all of the Leases. True and complete copies of the Leases have been disclosed in the Data Room and no Lease has been modified, rescinded or terminated since such disclosure and other than as disclosed in Section 3.1(27)(e) of the Company Disclosure Letter.

(e) Except as disclosed in Section 3.1(27)(e) of the Company Disclosure Letter, neither the Company nor any of its Subsidiaries is a party to, or under any agreement to become a party to, any lease, licence or occupancy agreement with respect to real or immoveable property other than the Leases in respect of the Leased Properties.

(f) Each Lease creates a good and valid leasehold estate in the Leased Properties thereby demised and is in full force and effect without amendment.

(g) With respect to each Lease (i) except as disclosed in Section 3.1(27)(g) of the Company Disclosure Letter, all rents and additional rents have been paid, (ii) no waiver, indulgence or postponement of the lessee's obligations has been granted by the lessor, (iii) there exists no event of default or event, occurrence, condition or act (including the transactions contemplated herein) which, with the giving of notice, the lapse of time or the happening of any other event or condition, would become a default under the Lease, and (iv) to the knowledge of the Company, all of the covenants to be performed by any other party under the Lease have been performed in all material respects.

(h) No third party has repudiated or has the right to terminate or repudiate any such lease, sublease, license or occupancy agreement (except for the normal exercise of remedies in connection with a default thereunder or any termination rights set forth in the lease, sublease, license or occupancy agreement) or any provision thereof.

(i) Except as disclosed in Section 3.1(27)(i) of the Company Disclosure Letter, none of the Leases has been assigned, and none of the Leased Properties or Owned Properties has been leased, subleased or sublicensed by the Company or any of its Subsidiaries, to any Person.

(j) None of the Leased Properties or Owned Properties or the buildings and/or fixtures thereon, nor their use, operation or maintenance for the purpose of carrying on the business of the Company in the ordinary course violates in any material respect any restrictive covenant binding upon the Company or any Owned Property or any Leased Property or any provision of any Law.

(k) Neither the Company nor any of its Subsidiaries owes any sums in respect of the Liens described in Section 3.1(27)(k) of the Company Disclosure Letter and such Liens are not in respect of any current binding obligation of the Company and its Subsidiaries.

(28) **Personal Property.** The Company and/or its Subsidiaries have valid, good and marketable title to all material personal or movable property of any kind or nature which the Company or any of its Subsidiaries purports to own, free and clear of all Liens (other than Permitted Liens), except as would not, individually or in the aggregate, have a Material Adverse Effect. The Company and its Subsidiaries, as lessees, have the right under valid and subsisting leases to use, possess and control all personal or movable property leased by and material to the Company or any of its Subsidiaries as used, possessed and controlled by the Company or its Subsidiaries, as applicable, except as would not, individually or in the aggregate, have a Material Adverse Effect.

(29) **Intellectual Property.** Except as would not and would not be reasonably expected to have, individually or in the aggregate, a Material Adverse Effect: (i) the Company, and/or its Subsidiaries own all right, title and interest in and to, or have validly licensed (and are not in material breach of such licenses), all Intellectual Property that is material to the conduct of the business, as presently conducted, of the Company and its Subsidiaries (collectively, the "**Intellectual Property Rights**"); (ii) all such Intellectual Property Rights that are owned by or licensed to the Company, and/or its Subsidiaries are sufficient, in all material respects, for conducting the business, as presently conducted, of the Company and its Subsidiaries; (iii) to the knowledge of the Company, all Intellectual Property Rights owned or leased by the Company and/or its Subsidiaries are valid and enforceable, and to the knowledge of the Company, the carrying on of the business of the Company and its Subsidiaries and the use by the Company and its Subsidiaries of any of the Intellectual Property Rights or Technology (as defined below) owned by or licensed to them does not breach, violate, infringe or interfere with any rights of any other Person; (iv) except as disclosed in Section 3.1(29)(iv) of the Company Disclosure Letter, to the knowledge of the Company, no third party is infringing upon the Intellectual Property Rights owned or licensed by the Company or its Subsidiaries; (v) all computer hardware and associated firmware and operating systems, application software, database engines and processed data, technology infrastructure and other computer systems used in connection with the conduct of the business, as presently conducted, of the Company and its Subsidiaries (collectively, the "**Technology**") are sufficient, in all material respects, for conducting the business, as presently conducted, of the Company and its Subsidiaries; and (vi) the Company and its Subsidiaries own or have validly licensed or leased (and are not in material breach of such licenses or leases) such Technology.

(30) **Restrictions on Conduct of Business.** Except as disclosed in Section 3.1(30) of the Company Disclosure Letter, neither the Company nor any of its Subsidiaries is a party to or bound by any non-competition agreement, any non-solicitation agreement, or any other agreement, obligation, judgment, injunction, order or decree which purports to: (i) limit in any material respect the manner or the localities in which all or any portion of the business of the Company or its Subsidiaries are conducted; (ii) limit any business practice of the Company or of any of its Subsidiaries in any material respect; or (iii) restrict any acquisition or disposition of any property by the Company or by any of its Subsidiaries in any material respect. Neither the Company nor any of its Subsidiaries or any of their respective properties or assets is subject to any outstanding judgment, order, writ, injunction or decree that would have or would be reasonably expected to have, individually or in the aggregate, a Material Adverse Effect or that would or would be reasonably expected to prevent or delay the consummation of the Arrangement or the transactions contemplated hereby.

(31) **Litigation.** There are no claims, actions, suits, arbitrations, inquiries, investigations or proceedings pending, or, to the knowledge of the Company threatened, against or relating to the Company or any of its Subsidiaries, the business of the Company or of any of its Subsidiaries or affecting any of their respective current or former properties or assets by or before any Governmental Entity that, if determined adverse to the interests of the Company or its Subsidiaries, could potentially result in criminal sanction, have or would be reasonably expected to have, individually or in the aggregate, a Material Adverse Effect, would or would be reasonably expected to prevent or delay the consummation of the Arrangement or the transactions contemplated hereby, nor to the knowledge of the Company are there any events or circumstances which could reasonably be expected to give rise to any such claim, action, suit, arbitration, inquiry, investigation or proceeding. There is no bankruptcy, liquidation, winding-up or other similar proceeding pending or in progress, or, to the knowledge of the Company, threatened against or relating to the Company or any of its Subsidiaries before any Governmental Entity.

(32) **Environmental Matters.**

(a) Except as disclosed in Section 3.1(32)(a) of the Company Disclosure Letter, no written notice, order, complaint or penalty has been received by the Company or any of its Subsidiaries alleging that the Company or any of its Subsidiaries is in violation of, or has any liability or potential liability under, any Environmental Law, and there are no judicial, administrative or other actions, suits or proceedings pending or, to the knowledge of the Company, threatened against the Company or any of its Subsidiaries which allege a violation of, or any liability or potential liability under, any Environmental Laws; and except as disclosed in Section 3.1(32)(a) of the Company Disclosure Letter, the Company is not aware of any facts or circumstances that reasonably could be expected to give rise to any such notice, claim, order, complaint or penalty.

(b) The Company and each of its Subsidiaries has all material environmental permits necessary for the operation of their respective businesses and to comply with all Environmental Laws;

(c) The operations of the Company and each of its Subsidiaries are, and since January 1, 2011 have been, in compliance in all material respects with Environmental Laws.

(d) Except as disclosed in Section 3.1(32)(d) of the Company Disclosure Letter, to the knowledge of the Company, there are no Hazardous Substances in the soil or groundwater at any Owned Property or Leased Property that would result or reasonably be expected to result in material liability to the Company or any of its Subsidiaries.

(33) **Employees.**

(a) Section 3.1(33)(a) of the Company Disclosure Letter sets out (without names or employee numbers) a true and complete list of all Senior Management Employees, whether actively at work or not, including their respective location, hire date and cumulative length of service, position, compensation (including but not limited to salary, bonus and commissions), eligibility to participate in short-term and long-term

incentive plans (and grants received under these plans, if any), benefits, vacation entitlement in days, current status (full time or part-time, active or non-active (and if non-active, the reason for leave)) and whether they are subject to a written employment Contract as well as a list of all former Senior Management Employees to whom the Company or any of its Subsidiaries has or may have any outstanding obligations, indicating the nature and the value of such obligations.

(b) Section 3.1(33)(b) of the Company Disclosure Letter contains a correct and complete list of each independent contractor engaged by the Company or any subsidiary with an aggregate annual compensation in excess of $100,000, including their consulting fees, any other forms of compensation or benefits to which they are entitled and whether they are subject to a written Contract. Current and complete copies of all such independent contractor Contracts that provide for base fees in excess of $100,000 per annum have been disclosed in the Data Room. Each independent contractor of the Company has been properly classified as an independent contractor and neither the Company nor any Subsidiary has received any notice from any Governmental Entity disputing such classification.

(c) All written Contracts in relation to Senior Management Employees have been disclosed in the Data Room. No such employee has indicated to the Company or its Subsidiaries that he or she intends to resign, retire or terminate his or her engagement with the Company as a result of the transactions contemplated by this Agreement or otherwise.

(d) The Company and its Subsidiaries are in material compliance with all terms and conditions of employment and all Law respecting employment, including pay equity, wages, hours of work, overtime, vacation, human rights and occupational health and safety, and, other than as disclosed in Section 3.1(33)(d) of the Company Disclosure Letter there are no outstanding claims, complaints, investigations or orders under any such Law and there is no basis for such claim.

(e) All amounts due or accrued due for all salary, wages, bonuses, commissions, vacation with pay, sick days and benefits under Employee Plans and other similar accruals have either been paid or are accurately reflected in the books and records of the Company or of the applicable Subsidiary.

(f) Except as disclosed in Section 3.1(33)(f) of the Company Disclosure Letter, no Company Employee has any agreement as to length of notice or severance payment required to terminate his or her employment, other than such as results from Law from the employment of an employee without an agreement as to notice or severance.

(g) Except as disclosed in Section 3.1(33)(g) of the Company Disclosure Letter, there are no change of control payments, golden parachutes, severance payments, retention payments, Contracts or other agreements with current or former Company Employees providing for cash or other compensation or benefits upon the consummation of, or relating to, the Arrangement, including a change of control of the Company or of any of its Subsidiaries.

(h) Except as disclosed in Section 3.1(33)(h) of the Company Disclosure Letter, there are no material outstanding assessments, penalties, fines, liens, charges, surcharges, or other amounts due or owing pursuant to any workplace safety and insurance legislation and neither the Company nor any Subsidiary has been reassessed in any material respect under such legislation during the past three years and, to the knowledge of the Company, no audit of the Company or any Subsidiary is currently being performed pursuant to any applicable workplace safety and insurance legislation. As of the date of this Agreement, there are no claims or potential claims which may materially adversely affect the Company or any Subsidiary's accident cost experience.

(i) The Company has disclosed in the Data Room all orders and material inspection reports under applicable occupational health and safety legislation ("**OHSA**"). There are no charges pending under OHSA. The Company has complied in all material respects with any orders issued under OHSA and there are no appeals of any orders under OHSA currently outstanding.

(j) The Company and its Subsidiaries are in compliance with all terms and conditions of any work permits and Labour Market Impact Assessments received in respect of the engagement of foreign workers. No audit by any Governmental Authority is being conducted, or to the knowledge of the Company pending, in respect of any foreign workers and no such prior audit has resulted in the revocation of any work permit or Labour Market Impact Assessment.

(34) **Collective Agreements.**

(a) Section 3.1(34)(a) of the Company Disclosure Letter sets forth a complete list of all Collective Agreements. The Company and its Subsidiaries are in compliance in all material respects with the terms and conditions of such Collective Agreements.

(b) Other than the Collective Agreements disclosed in Section 3.1(34)(b) of the Company Disclosure Letter, no Collective Agreement is currently being negotiated in respect of Company Employees. The only Collective Agreements in force with respect to the Company Employees are the Collective Agreements, true, correct and complete copies of which have been disclosed in the Data Room, except for documents which do not materially modify any term or condition of employment of any Company Employees.

(c) Other than as disclosed in Section 3.1(34)(c) of the Company Disclosure Letter, neither the Company nor any of its Subsidiaries has any material unresolved grievances, notice of default or statement of offence or material pending proceedings outstanding under any Collective Agreement or decree.

(d) Other than the Collective Agreements disclosed in Section 3.1(34)(d) of the Company Disclosure Letter, neither the Company nor any of its Subsidiaries is a party, either directly or indirectly, or by operation of law to any other Collective Agreement and there are no outstanding material labour tribunal proceedings of any kind, including any proceedings which could result in certification of a trade union as bargaining agent for any Company Employees not already covered by a Collective Agreement, other than as disclosed in Section 3.1(34)(c) of the Company Disclosure Letter.

(e) Except in respect of the Collective Agreements disclosed in Section 3.1(34)(d) of the Company Disclosure Letter, no trade union, council of trade unions, employee bargaining agency or affiliated bargaining agent holds bargaining rights with respect to any of the employees of the Company by way of certification, interim certification, voluntary recognition, or succession rights, or has applied or, to the knowledge of the Company, threatened to apply to be certified as the bargaining agent of any employees of the Company.

(f) There are no pending or, to the Knowledge of the Company, threatened union organizing activities involving any Company Employees. There is no labour strike, dispute, work slowdown or stoppage pending or involving or, to the knowledge of the Company, threatened against the Company and, except as disclosed in in Section 3.1(34)(f) of the Company Disclosure Letter, no such event has occurred within the last five (5) years.

(g) None of the Company or any of its Subsidiaries has engaged in any lay-off activities within the past three (3) years that would violate group termination or lay-off requirements of the applicable provincial employment standards Law or other Law.

(h) The Company has not and is not engaged in any unfair labour practice and no unfair labour practice complaint, grievance or arbitration proceeding is pending or, to the knowledge of the Company, threatened against the Company.

(i) There are no outstanding labour tribunal proceedings of any kind or other event of any nature whatsoever, including any proceedings which could result in certification, interim certification, voluntary recognition, or succession rights of a trade union, council of trade unions, employee bargaining agencies, affiliated bargaining agent or any other Person as bargaining agent for any Company Employees not already covered by a Collective Agreement.

(j) To the knowledge of the Company, no trade union has applied to have the Company or any of its Subsidiaries declared a common, related or successor employer pursuant to the *Labour Relations Act* (Ontario), the *Labour Code* (Quebec) or any similar legislation in any jurisdiction in which the Company or any of its Subsidiaries carries on business.

(35) **Employee Plans.**

(a) Section 3.1(35)(a) of the Company Disclosure Letter lists all material Employee Plans. The Company has disclosed in the Data Room true, correct and complete copies of all such material Employee Plans as amended as of the date hereof, together with all related documentation including, without limitation, funding and investment management agreements, summary plan descriptions, the most recent actuarial reports (including, for greater certainty, actuarial valuations in respect of any multi-employer pension plan), financial statements, asset statements, and all material opinions and memoranda (whether externally or internally prepared) and material correspondence with all regulatory authorities or other relevant Persons. No changes have occurred or are reasonably expected to occur which would materially affect the information contained in the actuarial reports, financial statements or asset statements required to be provided to the Purchaser pursuant to this provision.

(b) Each material Employee Plan is and has been established, registered, administered, communicated, invested and qualified in accordance with Law, and in accordance with their terms, the terms of the material documents that support such Employee Plan and the terms of agreements between the Company and/or any of the Subsidiaries, as the case may be, and their respective employees and former employees who are members of, or beneficiaries under, the Employee Plan. No fact or circumstance exists which could adversely affect the registered status of any such material Employee Plan. Neither the Company, nor any of its agents or delegates, has breached any fiduciary obligation with respect to the administration or investment of any material Employee Plan.

(c) The Company and/or its Subsidiaries, as the case may be, have made all contributions and paid all premiums and taxes in respect of each material Employee Plan in a timely fashion in accordance with Law, the terms of each Employee Plan, and the Collective Agreements.

(d) No material Employee Plan, no administrator of any material Employee Plan, and no member of any body which administers any material Employee Plan, nor the Company nor any of its Subsidiaries, is subject to any pending investigation, examination, action, claim (including claims for income taxes, interest, penalties, fines or excise taxes) or any other proceeding initiated by any Person (other than routine claims for benefits) and, to the knowledge of the Company, there exists no state of facts which could reasonably be expected to give rise to any such investigation, examination, action, claim or other proceeding.

(e) No insurance policy or any other agreement affecting any material Employee Plan requires or permits a retroactive increase in contributions, premiums or other payments due under such insurance policy or agreement. The level of insurance reserves under each insured material Employee Plan is reasonable and sufficient to provide for all incurred but unreported claims.

(f) None of the Employee Plans (other than pension plans) and none of the Collective Agreements provide for retiree or post-termination benefits or for benefits to retired or terminated employees or to the beneficiaries or dependants of retired or terminated employees, except as required by Law.

(g) Subject to the requirements of Laws and Collective Agreements, no provision of any material Employee Plan or of any agreement, and no act or omission of the Company or its Subsidiaries, in any way limits, impairs, modifies or otherwise affects the right of the Company or its Subsidiaries to unilaterally amend or terminate any material Employee Plan, and no commitments to improve or otherwise amend any material Employee Plan have been made.

(h) No advance tax rulings been sought or received in respect of any material Employee Plan.

(i) All employee data necessary to administer each material Employee Plan in accordance with its terms and conditions and Law is in possession of the Company and, to the knowledge of the Company, such data is complete, correct, and in a form which is sufficient for the proper administration of each Employee Plan.

(j) Except as disclosed in Section 3.1(35)(j) of the Company Disclosure Letter, each Employee Plan that is a funded plan is fully funded on both a going concern pursuant to the actuarial assumptions and methodology utilized in the most recent actuarial valuation therefore and solvency basis.

(k) With respect to each material Employee Plan that is a registered pension plan: (i) all contribution holidays under and surplus withdrawals from the Employee Plan have been taken in accordance with Law; (ii) no Employee Plan that is a defined benefit pension plan has received a transfer of assets from or been merged with another registered pension plan; (iii) no Employee Plan that is a defined benefit pension plan has been subject to a partial wind-up in respect of which surplus assets relating to the partial wind-up group were not dealt with at the time of partial wind-up; (iv) no assets have been applied other than for proper payments of benefits, refunds of over-contributions and permitted payments of reasonable expenses incurred by or in respect of an Employee Plan; and (v) no conditions have been imposed by any Person and no undertakings or commitments have been given to any employee, union or any other Person concerning the use of assets relating to any Employee Plan or any related funding medium.

(l) With respect to any Employee Plan that is a multi-employer pension plan, no current or former employee, officer or director of the Company is or was ever a member of the administrative body of any such Employee Plan.

(m) No Employee Plan is a multi-employer pension plan with participants who are resident in Quebec.

(36) **Insurance.**

(a) Each of the Company and each of its Subsidiaries is, and has been continuously since January 1, 2013, insured by reputable third party insurers with reasonable and prudent policies appropriate for the size and nature of the business of the Company and its Subsidiaries and their respective assets.

(b) A true and complete list of all material insurance policies currently in effect that insure the physical properties, business, operations and assets of the Company and its Subsidiaries has been provided in the Data Room. To the knowledge of the Company each material insurance policy currently in effect that insures the physical properties, business, operations and assets of the Company and its Subsidiaries is valid and binding and in full force and effect and there is no material claim pending under any such policies as to which coverage has been questioned, denied or disputed. There is no material claim pending under any insurance policy of the Company or its Subsidiaries that has been denied, rejected, questioned or disputed by any insurer or as to which any insurer has made any reservation of rights or refused to cover all or any material portion of such claims. All material proceedings covered by any insurance policy of the Company or its Subsidiaries have been properly reported to and accepted by the applicable insurer.

(37) **Taxes.**

(a) Except as disclosed in Section 3.1(37)(a) of the Company Disclosure Letter, the Company and each of its Subsidiaries has duly and timely filed all material Tax Returns required to be filed by them prior to the date hereof and all such material Tax Returns are complete and correct in all material respects.

(b) Except as disclosed in Section 3.1(37)(b) of the Company Disclosure Letter, the Company and each of its Subsidiaries has paid all material Taxes which are due and payable, all assessments and reassessments, and all other material Taxes due and payable by them on or before the date hereof, other than those which are being or have been contested in good faith and in respect of which reserves have

been provided in the most recently published consolidated financial statements of the Company. The Company and its Subsidiaries have provided adequate accruals in accordance with GAAP in the most recently published consolidated financial statements of the Company for any Taxes of the Company and each of its Subsidiaries for the period covered by such financial statements that have not been paid whether or not shown as being due on any Tax Returns. Since such publication date, no material liability in respect of Taxes not reflected in such statements or otherwise provided for has been assessed, proposed to be assessed, incurred or accrued, other than in the ordinary course of business. None of the Company or its Subsidiaries has received a refund to which it was not entitled.

(c) Except as disclosed in Section 3.1(37)(c) of the Company Disclosure Letter, no material deficiencies, litigation, proposed adjustments or matters in controversy exist or have been asserted with respect to Taxes of the Company or any of its Subsidiaries, and neither the Company nor any of its Subsidiaries is a party to any action or proceeding for assessment or collection of Taxes and no such event has been asserted or, to the knowledge of the Company, threatened against the Company or any of its Subsidiaries or any of their respective assets.

(d) No claim has been made by any Government Entity in a jurisdiction where the Company and any of its Subsidiaries does not file Tax Returns that the Company or any of its Subsidiaries is or may be subject to Tax by that jurisdiction.

(e) There are no Liens (other than Permitted Liens) with respect to Taxes upon any of the assets of the Company or any of its Subsidiaries.

(f) The Company and each of its Subsidiaries has withheld or collected all material amounts required to be withheld or collected by it on account of Taxes and has remitted all such amounts to the appropriate Governmental Entity when required by Law to do so.

(g) Except as disclosed in Section 3.1(37)(g) of the Company Disclosure Letter, there are no outstanding agreements extending or waiving the statutory period of limitations applicable to any claim for, or the period for the collection or assessment or reassessment of Taxes due from the Company or any of its Subsidiaries for any taxable period and no request for any such waiver or extension is currently pending.

(h) The Company and each of its Subsidiaries has made available to the Purchaser true, correct and complete copies of all Tax Returns for which the applicable statutory periods of limitations have not expired.

(i) Except as disclosed in Section 3.1(37)(i) of the Company Disclosure Letter, neither the Company nor any of its Subsidiaries has ever directly or indirectly transferred any property to or supplied any services to or acquired any property or services from a non-resident of Canada (within the meaning of the Tax Act) with whom it was not dealing at arm's length for consideration other than consideration equal to the fair market value of the property or services at the time of transfer, supply or acquisition of the property or services.

(j) There are no circumstances in which the Company or a Subsidiary could be liable under Section 160 of the Tax Act for the Taxes of another Person.

(k) The tax attributes of the assets of the Company and each of its Subsidiaries are accurately reflected, in all material respects, in the Tax Returns of the Company and each of its Subsidiaries, as applicable, and have not materially and adversely changed since the date of such Tax Returns.

(l) Except as disclosed in Section 3.1(37)(l) of the Company Disclosure Letter, there are no circumstances existing which could result in the application of Section 78 or Sections 80 to 80.04 of the Tax Act, or any equivalent provision under provincial Law, to the Company or any of its Subsidiaries.

(38) **Disclosure.** The Company has made available to the Purchaser all material information concerning the Company, its Subsidiaries and their respective businesses through SEDAR, information disclosed in the Data Room or the Company Disclosure Letter and all such information as made available to the Purchaser is

accurate, true and correct in all material respects. No forecast, budget or projection provided by or on behalf of the Company to the Purchaser contains any Misrepresentation and such forecasts, budgets and projections were prepared in good faith and at the time they were prepared contained reasonable estimates of the prospects of the business of the Company and its Subsidiaries.

(39) **Confidentiality Agreements**. All agreements entered into by the Company or any of its Subsidiaries with Persons other than the Parent regarding the confidentiality of information provided to such Person or reviewed by such Persons with respect to any transaction in the nature described in the definition of Acquisition Proposal contain customary provisions, including standstill provisions, which do not provide for any waiver or release thereof other than with the consent of the Company or its Subsidiary and the Company or, if applicable, its Subsidiary has not waived, released or amended the standstill or other provisions of any such agreements. The Company or any of its Subsidiaries have not negotiated or engaged in any discussions with respect to any such proposal with any Person who has not entered into such a confidentiality agreement.

(40) **Funds Available.** The Company has sufficient funds available to pay the Termination Fee.

Schedule E – Representations and Warranties of the Parent and the Purchaser

(1) **Organization and Qualification.** Each of the Parent and the Purchaser is a corporation duly incorporated, validly existing and in good standing under the laws of the jurisdiction of its incorporation and has all requisite power and authority to own, lease and operate its assets and properties and conduct its business as now owned and conducted.

(2) **Corporate Authorization.** Each of the Parent and the Purchaser has the requisite corporate power and authority to enter into and perform its obligations under this Agreement. The execution, delivery and performance by each of the Parent and the Purchaser of their respective obligations under this Agreement and the consummation of the Arrangement and the other transactions contemplated hereby have been duly authorized by all necessary corporate action on the part of each of the Parent and the Purchaser and no other corporate proceedings on the part of each of the Parent and the Purchaser are necessary to authorize this Agreement or the consummation of the Arrangement and the other transactions contemplated hereby.

(3) **Execution and Binding Obligation.** This Agreement has been duly executed and delivered by each of the Parent and the Purchaser, and constitutes a legal, valid and binding agreement of each of them enforceable against each of them in accordance with its terms subject only to any limitation under bankruptcy, insolvency or other Laws affecting the enforcement of creditors' rights generally and the discretion that a court may exercise in the granting of equitable remedies such as specific performance and injunction.

(4) **Governmental Authorization.** The execution, delivery and performance by each of the Parent and the Purchaser of their respective obligations under this Agreement and the consummation by the Parent and the Purchaser of the Arrangement and the transactions contemplated hereby do not require any Authorization or other action by or in respect of, or filing with, or notification to, any Governmental Entity by the Parent and the Purchaser other than: (i) the Interim Order and any approvals required by the Interim Order; (ii) the Final Order; (iii) filings with the Enterprise Registrar under the QBCA; (iv) in relation to the Regulatory Approvals; (v) filings with the U.S. Securities and Exchange Commission; and (vi) any Authorizations which, if not obtained, or any other actions by or in respect of, or filings with, or notifications to, any Governmental Entity which, if not taken or made, would not, individually or in the aggregate, materially impede the ability of the Parent or the Purchaser to consummate the Arrangement and the transactions contemplated hereby.

(5) **Non-Contravention.** The execution, delivery and performance by the Parent and the Purchaser of their respective obligations under this Agreement and the consummation of the Arrangement and the transactions contemplated hereby do not and will not (or would not with the giving of notice, the lapse of time or the happening of any other event or condition):

(a) contravene, conflict with, or result in any violation or breach of the organizational documents of the Parent or the Purchaser; or

(b) assuming compliance with the matters referred to in Paragraph (4) above, contravene, conflict with or result in a violation or breach of Law except as would not, individually or in the aggregate, materially impede the ability of the Parent or the Purchaser to consummate the Arrangement and the transactions contemplated hereby.

(6) **Litigation.** There are no claims, actions, suits, arbitrations, inquiries, investigations or proceedings pending, or, to the knowledge of the Parent and the Purchaser threatened, against or relating to the Parent or the Purchaser before any Governmental Entity nor are the Parent or the Purchaser subject to any outstanding judgment, order, writ, injunction or decree that, either individually or in the aggregate, is reasonably likely to prevent or materially delay consummation of the Arrangement or the transactions contemplated hereby.

(7) **Funds Available.** The Parent has, and the Purchaser will have at the Effective Time, sufficient funds available to satisfy the aggregate Consideration payable by the Purchaser pursuant to the Arrangement in accordance with the terms of this Agreement and the Plan of Arrangement, to effect the repayment at maturity of the Debentures in accordance with their terms, and to satisfy all other obligations payable by the Purchaser pursuant to this Agreement and the Arrangement.

(8) **Security Ownership.** Neither the Parent, nor any of its affiliates (including the Purchaser) or any Person acting jointly or in concert with the Parent, beneficially owns or exercises control or direction over any securities of the Company.

(9) **Ownership of the Purchaser.** The Parent is, directly or indirectly, the registered and beneficial owner of all of the outstanding securities of the Purchaser.

Appendix "D"
Plan of Arrangement

PLAN OF ARRANGEMENT UNDER CHAPTER XVI – DIVISION II
OF THE *BUSINESS CORPORATIONS ACT* (QUÉBEC)

ARTICLE 1
INTERPRETATION

Section 1.1 Definitions

Unless indicated otherwise, where used in this Plan of Arrangement, capitalized terms used but not defined shall have the meanings specified in the Arrangement Agreement and the following terms shall have the following meanings (and grammatical variations of such terms shall have corresponding meanings):

"**Arrangement**" means the arrangement under Chapter XVI – Division II of the QBCA on the terms and subject to the conditions set out in this Plan of Arrangement, subject to any amendments or variations made in accordance with the terms of the Arrangement Agreement or Section 5.1 of this Plan of Arrangement or made at the direction of the Court in the Final Order with the prior written consent of the Company and the Purchaser, each acting reasonably.

"**Arrangement Agreement**" means the arrangement agreement made as of February 2, 2016 among the Parent, the Purchaser and the Company (including the Schedules thereto) as it may be amended, modified or supplemented from time to time in accordance with its terms.

"**Arrangement Resolution**" means the special resolution approving this Plan of Arrangement to be considered at the Company Meeting by Common Shareholders.

"**Articles of Arrangement**" means the articles of arrangement of the Company in respect of the Arrangement, required by the QBCA to be sent to the Enterprise Registrar after the Final Order is made, which shall include this Plan of Arrangement and otherwise be in a form and content satisfactory to the Company and the Purchaser, each acting reasonably.

"**Business Day**" means any day of the year, other than a Saturday, Sunday, a public holiday or any day when banks in Montreal, Québec or Mooresville, North Carolina are not generally open for business.

"**Certificate of Arrangement**" means the certificate of arrangement issued by the Enterprise Registrar in accordance with the QBCA in respect of the Articles of Arrangement.

"**Common Shareholders**" means the registered and/or beneficial holders of Common Shares, as the context requires.

"**Common Shares**" means the common shares in the capital of the Company.

"**Company**" means RONA inc., a corporation incorporated under the laws of Québec.

"**Company Circular**" means the notice of the Company Meeting and accompanying management information circular, including all schedules, appendices and exhibits to, and information incorporated by reference in, such management information circular, to be sent to Company Shareholders in connection with the Company Meeting, as amended, supplemented or otherwise modified from time to time in accordance with the terms of the Arrangement Agreement.

"**Company Meeting**" means the special meeting of Common Shareholders and Preferred Shareholders, including any adjournment or postponement of such special meeting in accordance with the terms of the Arrangement Agreement, to be called and held in accordance with the Interim Order to consider the Arrangement Resolution and the Preferred Shareholder Resolution.

"**Company Securityholders**" means, collectively, the Common Shareholders, the Preferred Shareholders, the holders of Options, the holders of DSUs, the holders of RSUs and the holders of PSUs.

"**Consideration**" means $24.00 in cash per Common Share, without interest, and $20.00 in cash per Preferred Share (together with an amount equal to all accrued and unpaid dividends thereon up to, but excluding, the Effective Date), without interest, as applicable.

"**Court**" means the Québec Superior Court, or other court as applicable.

"**Depositary**" means Computershare Investor Services Inc.

"**Dissent Rights**" has the meaning specified in Section 3.1.

"**Dissenting Holder**" means a registered Common Shareholder or registered Preferred Shareholder, as applicable, who has validly exercised its Dissent Rights and has not withdrawn or been deemed to have withdrawn such exercise of Dissent Rights, but only in respect of the Common Shares or Preferred Shares, as applicable, in respect of which Dissent Rights are validly exercised by such registered Common Shareholder or registered Preferred Shareholder.

"**DSU Plan**" means the Company's deferred share unit plan for external directors of the board of directors dated February 21, 2006.

"**DSUs**" means the outstanding deferred share units issued under the DSU Plan.

"**Effective Date**" means the date shown on the Certificate of Arrangement giving effect to the Arrangement.

"**Effective Time**" means 12:01 a.m. (Montreal time) on the Effective Date, or such other time as the Parties agree to in writing before the Effective Date.

"**Enterprise Registrar**" means the Enterprise Registrar appointed by the Minister of Revenue of Québec.

"**Final Order**" means the final order of the Court in a form acceptable to the Company and the Purchaser, each acting reasonably, approving the Arrangement, as such order may be amended by the Court (with the consent of both the Company and the Purchaser, each acting reasonably) at any time prior to the Effective Date or, if appealed, then, unless such appeal is withdrawn or denied, as affirmed or as amended (provided that any such amendment is acceptable to both the Company and the Purchaser, each acting reasonably) on appeal.

"**Governmental Entity**" means (i) any international, multinational, national, federal, provincial, state, regional, municipal, local or other government, governmental or public department, central bank, court, tribunal, arbitral body, commission, board, bureau, commissioner, minister, cabinet, governor in council, ministry, agency or instrumentality, domestic or foreign, (ii) any subdivision or authority of any of the above, (iii) any quasi-governmental or private body exercising any regulatory, expropriation or taxing authority under or for the account of any of the foregoing or (iv) any stock exchange.

"**Interim Order**" means the interim order of the Court in a form acceptable to the Company and the Purchaser, each acting reasonably, providing for, among other things, the calling and holding of the Company Meeting, as such order may be amended by the Court with the consent of the Company and the Purchaser, each acting reasonably.

"**Law**" means, with respect to any Person, any and all applicable law (statutory, civil, common or otherwise), constitution, treaty, convention, ordinance, code, rule, regulation, order, injunction, judgment, decree, ruling or other similar requirement, whether domestic or foreign, enacted, adopted, promulgated or applied by a Governmental Entity that is binding upon or applicable to such Person or its business, undertaking, property or

securities, and to the extent that they have the force of law, policies, guidelines, notices and protocols of any Governmental Entity, as amended unless expressly specified otherwise.

"**Lien**" means any mortgage, charge, pledge, hypothec, security interest, prior claim, encroachment, option, right of first refusal or first offer, occupancy right, covenant, assignment, lien (statutory or otherwise), defect of title, or restriction or adverse right or claim, or other third party interest or encumbrance of any kind, in each case, whether contingent or absolute.

"**Letter of Transmittal**" means the letter of transmittal sent to holders of Common Shares or Preferred Shares, as applicable, for use in connection with the Arrangement.

"**Options**" means the outstanding options to purchase Common Shares issued pursuant to the Stock Option Plans.

"**Parent**" means Lowe's Companies, Inc., a corporation incorporated under the laws of North Carolina.

"**Parties**" means the Company, the Parent and the Purchaser and "**Party**" means any one of them.

"**Person**" includes any individual, partnership, association, body corporate, organization, trust, estate, trustee, executor, administrator, legal representative, government (including Governmental Entity), syndicate or other entity, whether or not having legal status.

"**Plan of Arrangement**" means this plan of arrangement under Chapter XVI – Division II of the QBCA, and any amendments or variations made in accordance with the Arrangement Agreement or Section 5.1 or made at the direction of the Court in the Final Order with the prior written consent of the Company and the Purchaser, each acting reasonably.

"**Preferred Shareholder Resolution**" means the special resolution approving the Plan of Arrangement to be considered at the Company Meeting by Preferred Shareholders.

"**Preferred Shareholders**" means the registered and/or beneficial holders of Preferred Shares, as the context requires.

"**Preferred Shares**" means the sixth series of preferred shares designated as "Cumulative 5-Year Rate Reset Series 6 Class A Preferred Shares" and the seventh series of preferred shares designated as " Cumulative Floating Rate Series 7 Class A Preferred Shares" in the capital of the Company, as constituted on the date hereof.

"**PSUs**" means the performance share units issued under the Share Unit Plans.

"**Purchaser**" means Lowe's Companies Canada, ULC, an unlimited liability company incorporated under the laws of Nova Scotia.

"**QBCA**" means the *Business Corporations Act* (Québec).

"**Rights Plan**" means the shareholder rights plan agreement between the Company and Computershare Trust Company of Canada, as rights agent, dated as of March 10, 2011 and ratified by the Common Shareholders on May 13, 2014.

"**RSUs**" means the restricted share units issued under the Share Unit Plans.

"**Share Unit Plans**" means the Company's share unit plan adopted on May 8, 2007, as amended on March 11, 2009, and the Company's share unit plan adopted on February 15, 2015.

"**Stock Option Plans**" means the share option plan for designated senior executives of the Company adopted on October 24, 2002, as amended on December 14, 2005, March 8, 2007 and February 19, 2008, and the share option plan for designated employees of the Company adopted on March 12, 2015.

"**Tax Act**" means the *Income Tax Act* (Canada).

Section 1.2 Certain Rules of Interpretation

In this Plan of Arrangement, unless otherwise specified:

(1) **Headings, etc.** The division of this Plan of Arrangement into Articles and Sections and the insertion of headings are for convenient reference only and do not affect the construction or interpretation of this Plan of Arrangement.

(2) **Currency.** All references to dollars or to $ are references to Canadian dollars, unless specified otherwise.

(3) **Gender and Number.** Any reference to gender includes all genders. Words importing the singular number only include the plural and vice versa.

(4) **Certain Phrases, etc.** The words (i) "including", "includes" and "include" mean "including (or includes or include) without limitation," (ii) "the aggregate of", "the total of", "the sum of", or a phrase of similar meaning means "the aggregate (or total or sum), without duplication, of," and (iii) unless stated otherwise, "Article", "Section", and "Schedule" followed by a number or letter mean and refer to the specified Article or Section of or Schedule to this Plan of Arrangement.

(5) **Statutes.** Any reference to a statute refers to such statute and all rules, resolutions and regulations made under it, as it or they may have been or may from time to time be amended or re-enacted, unless stated otherwise.

(6) **Computation of Time.** A period of time is to be computed as beginning on the day following the event that began the period and ending at 4:30 p.m. on the last day of the period, if the last day of the period is a Business Day, or at 4:30 p.m. on the next Business Day if the last day of the period is not a Business Day. If the date on which any action is required or permitted to be taken under this Plan of Arrangement by a Person is not a Business Day, such action shall be required or permitted to be taken on the next succeeding day which is a Business Day.

(7) **Time References.** References to time herein or in any Letter of Transmittal are to local time, Montreal, Québec.

ARTICLE 2
THE ARRANGEMENT

Section 2.1 Arrangement Agreement

This Plan of Arrangement is made pursuant to the Arrangement Agreement.

Section 2.2 Binding Effect

This Plan of Arrangement and the Arrangement, upon the filing of the Articles of Arrangement and the issuance of the Certificate of Arrangement, will become effective, and be binding on the Parent, the Purchaser, the Company, all holders and beneficial owners of Common Shares, Preferred Shares, Options, DSUs, RSUs and PSUs, including Dissenting Holders, the registrar and transfer agent of the Company, the Depositary and all

other Persons, at and after, the Effective Time without any further act or formality required on the part of any Person.

Section 2.3 Arrangement

(a) At the Effective Time each of the following events shall occur and shall be deemed to occur sequentially as set out below without any further authorization, act or formality, in each case, unless stated otherwise, effective as at five minute intervals starting at the Effective Time:

(b) notwithstanding the terms of the Rights Plan, the Rights Plan shall be terminated and all rights issued pursuant to the Rights Plan shall be cancelled without any payment in respect thereof;

(c) each Option outstanding immediately prior to the Effective Time (whether vested or unvested), notwithstanding the terms of the Stock Option Plans, shall be deemed to be unconditionally vested and exercisable, and such Option shall, without any further action by or on behalf of a holder of Options, be deemed to be assigned and transferred by such holder to the Company in exchange for a cash payment from the Company equal to the amount (if any) by which the Consideration per Common Share exceeds the exercise price of such Option less applicable withholdings, and such Option shall immediately be cancelled and, for greater certainty, where such amount is a negative, neither the Company nor the Purchaser shall be obligated to pay the holder of such Option any amount in respect of such Option;

(d) each DSU, RSU or PSU outstanding immediately prior to the Effective Time (whether vested or unvested), notwithstanding the terms of the DSU Plan or the Share Unit Plans, as applicable, shall, without any further action by or on behalf of a holder of DSUs, RSUs or PSUs, be deemed to be assigned and transferred by such holder to the Company in exchange for a cash payment from the Company equal to the Consideration per Common Share in respect of each DSU, RSU or PSU, except that the Consideration per Common Share in respect of each PSU granted in calendar 2013 shall be multiplied by ●%, in each case, less applicable withholdings, and each such DSU, RSU or PSU shall immediately be cancelled;

(e) (i) each holder of Options, DSUs, RSUs or PSUs shall cease to be a holder of such Options, DSUs, RSUs or PSUs, (ii) such holder's name shall be removed from each applicable register, (iii) the Stock Option Plans, the DSU Plan and the Share Unit Plans and all agreements relating to the Options, DSUs, RSUs and PSUs shall be terminated and shall be of no further force and effect, and (iv) such holder shall thereafter have only the right to receive the consideration to which they are entitled pursuant to Section 2.3(c) and Section 2.3(d) at the time and in the manner specified in Section 2.3(c) and Section 2.3(d);

(f) each of the Common Shares or Preferred Shares held by Dissenting Holders in respect of which Dissent Rights have been validly exercised shall be deemed to have been transferred without any further act or formality to the Purchaser (free and clear of all Liens) in consideration for the right to be paid the fair value of their Common Shares or Preferred Shares, as applicable, in accordance with Article 3, and:

(i) such Dissenting Holders shall cease to be the holders of such Common Shares or Preferred Shares, as applicable, and to have any rights as holders of such Common Shares or Preferred Shares, as applicable, other than the right to be paid fair value for such Common Shares or Preferred Shares, as applicable, as set out in Section 3.1;

(ii) such Dissenting Holders' names shall be removed as the holders of such Common Shares or Preferred Shares, as applicable, from the registers of Common Shares and Preferred Shares, as applicable, maintained by or on behalf of the Company; and

(iii) the Purchaser shall be deemed to be the transferee of such Common Shares and Preferred Shares, as applicable, free and clear of all Liens, and shall be entered in the registers of Common Shares and Preferred Shares, as applicable, maintained by or on behalf of the Company;

(g) each Common Share outstanding immediately prior to the Effective Time, other than Common Shares held by a Dissenting Holder who has validly exercised such holder's Dissent Right, shall, without any further action by or on behalf of a holder of Common Shares, be deemed to be assigned and transferred by the holder thereof to the Purchaser (free and clear of all Liens) in exchange for the applicable Consideration for each Common Share held, and:

(i) the holders of such Common Shares shall cease to be the holders thereof and to have any rights as holders of such Common Shares other than the right to be paid the Consideration per Common Share in accordance with this Plan of Arrangement;

(ii) such holders' names shall be removed from the register of the Common Shares maintained by or on behalf of the Company; and

(iii) the Purchaser shall be deemed to be the transferee of such Common Shares (free and clear of all Liens) and shall be entered in the register of the Common Shares maintained by or on behalf of the Company; and

(h) simultaneously with Section 2.3(g), each Preferred Share outstanding immediately prior to the Effective Time, other than Preferred Shares held by a Dissenting Holder who has validly exercised such holder's Dissent Right, shall, without any further action by or on behalf of a holder of Preferred Shares, be deemed to be assigned and transferred by the holder thereof to the Purchaser (free and clear of all Liens) in exchange for the applicable Consideration for each Preferred Share held, and:

(i) the holders of such Preferred Shares shall cease to be the holders thereof and to have any rights as holders of such Preferred Shares other than the right to be paid the Consideration per Preferred Share in accordance with this Plan of Arrangement;

(ii) such holders' names shall be removed from the register of the Preferred Shares maintained by or on behalf of the Company; and

(iii) the Purchaser shall be deemed to be the transferee of such Preferred Shares (free and clear or all Liens) and shall be entered in the register of the Preferred Shares maintained by or on behalf of the Company.

Section 2.4 Adjustment to Consideration

If, on or after the date of the Arrangement Agreement, the Company sets a record date for any dividend or other distribution on the Common Shares or the Preferred Shares (other than Permitted Dividends) that is prior to the Effective Time or the Company pays any dividend or other distribution on the Common Shares or Preferred Shares (other than Permitted Dividends) prior to the Effective Time: (i) to the extent that the amount of such dividends or distributions per Common Share or Preferred Share, as applicable, does not exceed the Consideration per Common Share or Preferred Share, as applicable, the Consideration per Common Share or Preferred Share, as applicable, shall be reduced by the amount of such dividends or distributions, as applicable; and (ii) to the extent that the amount of such dividends or distributions per Common Share or Preferred Share, as applicable, exceeds the Consideration per Common Share or Preferred Share, as applicable, such excess amount shall be placed in escrow for the account of the Purchaser or another Person designated by the Purchaser. For greater certainty, any declared dividend on the Preferred Shares with a record date prior to the Effective Date and a payment date after the Effective Date, shall not be considered an "accrued and unpaid dividend" for purposes of

the definition of "Consideration" and shall be paid to the holder of record as of the applicable record date on the applicable payment date in the ordinary course.

ARTICLE 3
RIGHTS OF DISSENT

Section 3.1 Rights of Dissent

Registered Common Shareholders and registered Preferred Shareholders, respectively, may exercise dissent rights with respect to the Common Shares and Preferred Shares held by such holders ("**Dissent Rights**") in connection with the Arrangement pursuant to and in the manner set forth in Chapter XIV of the QBCA, as modified by the Interim Order and this Section 3.1; provided that, notwithstanding Section 376 of the QBCA, the written notice of intent to exercise the right to demand the repurchase of Common Shares or Preferred Shares, as applicable, contemplated by Section 376 of the QBCA must be received by the Company not later than 5:00 p.m. (Montreal time) two Business Days immediately preceding the date of the Company Meeting, and provided that such notice of intent must otherwise comply with the requirements of the QBCA. Dissenting Holders who duly exercise their Dissent Rights shall be deemed to have transferred the Common Shares and Preferred Shares, as applicable, held by them and in respect of which Dissent Rights have been validly exercised to the Purchaser free and clear of all Liens, as provided in Section 2.3(f) and if they:

(a) ultimately are entitled to be paid fair value for such Common Shares or Preferred Shares, as applicable: (i) shall be deemed not to have participated in the transactions in Article 2 (other than Section 2.3(f)); (ii) will be entitled to be paid the fair value of such Common Shares and Preferred Shares, as applicable, which fair value, notwithstanding anything to the contrary contained in Chapter XIV of the QBCA, shall be determined as of the close of business, in respect of the Common Shares, on the day before the Arrangement Resolution was adopted and, in respect of the Preferred Shares, on the day before the Preferred Shareholder Resolution was adopted; and (iii) will not be entitled to any other payment or consideration, including any payment that would be payable under the Arrangement had such holders not exercised their Dissent Rights in respect of such Common Shares or Preferred Shares; or

(b) ultimately are not entitled, for any reason, to be paid fair value for such Common Shares or Preferred Shares, as applicable, shall be deemed to have participated in the Arrangement on the same basis as a non-dissenting holder of Common Shares or Preferred Shares, as applicable.

Section 3.2 Recognition of Dissenting Holders

(a) In no circumstances shall the Parent, the Purchaser, the Company or any other Person be required to recognize a Person exercising Dissent Rights unless such Person is the registered holder of those Common Shares or Preferred Shares, as applicable, in respect of which such rights are sought to be exercised.

(b) For greater certainty, in no case shall the Parent, the Purchaser, the Company or any other Person be required to recognize Dissenting Holders as holders of Common Shares or Preferred Shares in respect of which Dissent Rights have been validly exercised after the completion of the transfer under Section 2.3(f), and the names of such Dissenting Holders shall be removed from the registers of holders of the Common Shares and Preferred Shares, as applicable, in respect of which Dissent Rights have been validly exercised at the same time as the event described in Section 2.3(f) occurs. In addition to any other restrictions under Chapter XIV of the QBCA, none of the following shall be entitled to exercise Dissent Rights: (i) holders of Options, holders of DSUs, holders of RSUs or holders of PSUs; (ii) Common Shareholders who have failed to exercise all the voting rights carried by the Common Shares held by such holders against the Arrangement Resolution; and (iii) Preferred Shareholders who

have failed to exercise all the voting rights carried by the Preferred Shares held by such holders against the Preferred Shareholder Resolution.

ARTICLE 4
CERTIFICATES AND PAYMENTS

Section 4.1 Payment of Consideration

(a) Prior to the filing of the Articles of Arrangement the Purchaser shall deposit, or arrange to be deposited, for the benefit of holders of Common Shares and for the benefit of holders of Preferred Shares, cash with the Depositary in the aggregate amount equal to the payments in respect thereof required by this Plan of Arrangement, with the amount per Common Share and Preferred Share, as applicable, in respect of which Dissent Rights have been exercised being deemed to be the Consideration per Common Share or Preferred Share, as applicable, for this purpose, net of applicable withholdings for the benefit of the holders of Common Shares and Preferred Shares, as applicable. The cash deposited with the Depositary by or on behalf of the Purchaser shall be held in an interest-bearing account, and any interest earned on such funds shall be for the account of the Purchaser.

(b) Upon surrender to the Depositary for cancellation of a certificate which immediately prior to the Effective Time represented outstanding Common Shares and Preferred Shares that were transferred pursuant to Section 2.3(g) and Section 2.3(h), respectively, together with a duly completed and executed Letter of Transmittal and such additional documents and instruments as the Depositary may reasonably require, the Common Shareholders and Preferred Shareholders, as the case may be, represented by such surrendered certificate shall be entitled to receive in exchange therefor, and the Depositary shall deliver to such holder, the cash which such holder has the right to receive under the Arrangement for such Common Shares and Preferred Shares, as applicable, less any amounts withheld pursuant to Section 4.3, and any certificate so surrendered shall forthwith be cancelled.

(c) As soon as practicable after the Effective Date, the Company shall pay the amounts, net of applicable withholdings, to be paid to holders of Options, DSUs, RSUs and PSUs, either (i) pursuant to the normal payroll practices and procedures of the Company, or (ii) in the event that payment pursuant to the normal payroll practices and procedures of the Company is not practicable for any such holder, by cheque (delivered to such holder of Options, DSUs, RSUs or PSUs, as applicable, as reflected on the register maintained by or on behalf of the Company in respect of the Options, DSUs, RSUs and PSUs).

(d) Until surrendered as contemplated by this Section 4.1, each certificate that immediately prior to the Effective Time represented Common Shares or Preferred Shares, as applicable, shall be deemed after the Effective Time to represent only the right to receive upon such surrender a cash payment in lieu of such certificate as contemplated in this Section 4.1, less any amounts withheld pursuant to Section 4.3. Any such certificate formerly representing Common Shares or Preferred Shares, as applicable, not duly surrendered on or before the third anniversary of the Effective Date shall cease to represent a claim by or interest of any former holder of Common Shares or Preferred Shares, as applicable, of any kind or nature against or in the Company, the Parent or the Purchaser. On such date, all cash to which such former holder was entitled shall be deemed to have been surrendered to the Purchaser or the Company, as applicable, and shall be paid over by the Depositary to the Purchaser or as directed by the Purchaser.

(e) Any payment made by way of cheque by the Depositary (or the Company, if applicable) pursuant to this Plan of Arrangement that has not been deposited or has been returned to the Depositary (or the Company) or that otherwise remains unclaimed, in each case, on or before the third anniversary of the Effective Time, and any right or claim to payment hereunder that remains outstanding on the third anniversary of the Effective Time shall cease to represent a right or claim of any kind or nature and the right of the holder to receive the applicable consideration for the Common Shares, the Preferred Shares,

the Options, the DSUs, the RSUs and the PSUs pursuant to this Plan of Arrangement shall terminate and be deemed to be surrendered and forfeited to the Purchaser or the Company, as applicable, for no consideration.

(f) No holder of Common Shares, Preferred Shares, Options, DSUs, RSUs or PSUs shall be entitled to receive any consideration with respect to such Common Shares, Preferred Shares, Options, DSUs, RSUs or PSUs other than any cash payment to which such holder is entitled to receive in accordance with Section 2.3 and this Section 4.1 and, for greater certainty, no such holder will be entitled to receive any interest, dividends, premium or other payment in connection therewith.

Section 4.2 Lost Certificates

In the event any certificate which immediately prior to the Effective Time represented one or more outstanding Common Shares or Preferred Shares that were transferred pursuant to Section 2.3 shall have been lost, stolen or destroyed, upon the making of an affidavit of that fact by the Person claiming such certificate to be lost, stolen or destroyed, the Depositary will issue in exchange for such lost, stolen or destroyed certificate, cash deliverable in accordance with such holder's Letter of Transmittal. When authorizing such payment in exchange for any lost, stolen or destroyed certificate, the Person to whom such cash is to be delivered shall as a condition precedent to the delivery of such cash, give a bond satisfactory to the Purchaser and the Depositary (acting reasonably) in such sum as the Purchaser may direct, or otherwise indemnify the Purchaser and the Company in a manner satisfactory to the Purchaser and the Company, acting reasonably, against any claim that may be made against the Purchaser and the Company with respect to the certificate alleged to have been lost, stolen or destroyed.

Section 4.3 Withholding Rights

The Purchaser, the Company or the Depositary shall be entitled to deduct and withhold from any amount payable to any Person under this Plan of Arrangement (including, without limitation, any amounts payable pursuant to Section 3.1), such amounts as the Purchaser, the Company or the Depositary determines, acting reasonably, are required or permitted to be deducted and withheld with respect to such payment under the Tax Act, the United States Internal Revenue Code of 1986 or any provision of any other Law. To the extent that amounts are so withheld, such withheld amounts shall be treated for all purposes hereof as having been paid to the Person in respect of which such withholding was made, provided that such amounts are actually remitted to the appropriate taxing authority.

Section 4.4 No Liens

Any exchange or transfer of securities pursuant to this Plan of Arrangement shall be free and clear of any Liens or other claims of third parties of any kind.

Section 4.5 Paramountcy

From and after the Effective Time: (a) this Plan of Arrangement shall take precedence and priority over any and all Common Shares, Preferred Shares, Options, DSUs, RSUs and PSUs issued or outstanding prior to the Effective Time, (b) the rights and obligations of the Company Securityholders, the Company, the Parent, the Purchaser, the Depositary and any transfer agent or other depositary therefor in relation thereto, shall be solely as provided for in this Plan of Arrangement, and (c) all actions, causes of action, claims or proceedings (actual or contingent and whether or not previously asserted) based on or in any way relating to any Common Shares, Preferred Shares, Options, DSUs, RSUs or PSUs shall be deemed to have been settled, compromised, released and determined without liability except as set forth in this Plan of Arrangement.

ARTICLE 5
AMENDMENTS

Section 5.1 Amendments to Plan of Arrangement

(a) The Company and the Purchaser may amend, modify and/or supplement this Plan of Arrangement at any time and from time to time prior to the Effective Time, provided that each such amendment, modification and/or supplement must (i) be set out in writing, (ii) be approved by the Company and the Purchaser, each acting reasonably, (iii) filed with the Court and, if made following the Company Meeting, approved by the Court, and (iv) communicated to the Company Shareholders if and as required by the Court.

(b) Any amendment, modification or supplement to this Plan of Arrangement may be proposed by the Company or the Purchaser at any time prior to the Company Meeting (provided that the Company or the Purchaser, as applicable, shall have consented thereto) with or without any other prior notice or communication, and if so proposed and accepted by the Persons voting at the Company Meeting (other than as may be required under the Interim Order), shall become part of this Plan of Arrangement for all purposes.

(c) Any amendment, modification or supplement to this Plan of Arrangement that is approved or directed by the Court following the Company Meeting shall be effective only if (i) it is consented to in writing by each of the Company and the Purchaser (in each case, acting reasonably), and (ii) if required by the Court, it is consented to by some or all of the Common Shareholders and/or Preferred Shareholders voting in the manner directed by the Court.

(d) The Company and the Purchaser may, at any time following the Effective Date, amend, modify or supplement this Plan of Arrangement without the approval of Company Shareholders provided that each amendment, modification or supplement (i) must be set out in writing, (ii) must concern a matter which, in the reasonable opinion of each of the Company and the Purchaser is of an administrative nature required to better give effect to the implementation of this Plan of Arrangement, (iii) is not adverse to the economic interests of any former Common Shareholders and/or former Preferred Shareholders, and (iv) need not be filed with the Court or communicated to former Common Shareholders and/or former Preferred Shareholders.

ARTICLE 6
FURTHER ASSURANCES

Section 6.1 Further Assurances

Notwithstanding that the transactions and events set out in this Plan of Arrangement shall occur and shall be deemed to occur in the order set out in this Plan of Arrangement without any further act or formality, each of the Parties shall make, do and execute, or cause to be made, done and executed, all such further acts, deeds, agreements, transfers, assurances, instruments or documents as may reasonably be required by either of them in order to further document or evidence any of the transactions or events set out in this Plan of Arrangement.

Appendix "E"
Interim Order

CANADA

PROVINCE DE QUÉBEC
DISTRICT DE MONTRÉAL

N° 500-11-050221-163

COUR SUPÉRIEURE
Chambre commerciale

Montréal, le 25 février 2016

Sous la présidence de : l'Honorable Chantal Corriveau, J.C.S.

DANS L'AFFAIRE D'UN ARRANGEMENT PROPOSÉ CONCERNANT :

RONA INC.

Demanderesse

et

LOWE'S COMPANIES, INC.

et

LOWE'S COMPANIES CANADA, ULC

Mises en cause

ORDONNANCE PROVISOIRE

CONSIDÉRANT la demande d'ordonnances provisoire et définitive relativement à l'arrangement proposé présentée par RONA inc. conformément à la *Loi sur les sociétés par actions*, LRQ, c S-31.1 (la « **LSA** »), la déclaration assermentée de Dominique Boies (la « **demande** ») et les pièces produites à l'appui de celle-ci;

CONSIDÉRANTque la demande a été dûment notifiée à l'Autorité des marchés financierset que celle-ci a accusé réception de la demande et n'a pas comparu;

CONSIDÉRANTles dispositions de la LSA;

CONSIDÉRANT les représentations des avocats de la demanderesse;

CONSIDÉRANT quel'opération projetée constitue un « arrangement » au sens de l'article 415de la LSA;

CONSIDÉRANTqu'il est difficilement réalisable ou trop onéreux dans les circonstances pour la demanderesse de procéder à l'arrangement projeté en vertu de toute autre disposition de la LSA;

CONSIDÉRANTque la demanderesse est en mesure d'acquitter son passif à échéance et qu'elle satisfait aux exigences énoncées à l'article 414 de la LSA;

CONSIDÉRANTque l'arrangement est proposé de bonne foi et qu'en toute vraisemblance, il poursuit un objectif commercial légitime;

POUR CES MOTIFS, LE TRIBUNAL :

[1] **PRONONCE** l'ordonnance provisoire demandée dans la demande;

[2] **DISPENSE**RONA inc. (« **RONA** » ou la « **Société** »)de l'obligation, le cas échéant, d'aviser toute personne autre que l'Autorité des marchés financiersrelativement à l'ordonnance provisoire;

[3] **ORDONNE** que tous les porteurs (les « **porteurs d'actions ordinaires** ») des actions ordinaires (les « **actions ordinaires** ») de la Société, les porteurs (collectivement, les « **porteurs d'actions privilégiées** » et, avec les porteurs d'actions ordinaires, les « **actionnaires** ») des actions privilégiées catégorie A, série 6, à taux rajusté tous les cinq ans et à dividende cumulatif, et des actions privilégiées catégorie A, série 7, à taux variable et à dividende cumulatif de la Société alors en circulation (collectivement, les « **actions privilégiées** » et, avec les actions ordinaires, les « **actions** »), les titulaires d'options visant l'acquisition d'actions ordinaires (les « **options** ») et les titulaires d'UANR, d'UAD et d'UAR de la Société soient réputés être des parties mises en cause dans le cadre des présentes procédures et qu'ils soient liés par les modalités de toute ordonnance rendue aux termes des présentes;

L'assemblée de la Société

[4] **ORDONNE** que RONA puisse convoquer, tenir et diriger une assemblée extraordinaire des actionnaires (l'« **assemblée de la Société** ») qui aura lieu le 31 mars 2016 à compter de 10 h 30 (heure de Montréal) à l'Hôtel Omni Mont-Royal, 1050, rue Sherbrooke Ouest, Montréal (Québec) Canada H3A 2R6, au cours de laquelle :

a) les porteurs d'actions ordinaires seront invités notamment à examiner et, s'ils le jugent souhaitable, à adopter, avec ou sans modification, une résolution spéciale (la « **résolution relative à l'arrangement** ») essentiellement conforme au modèle figurant à titre d'annexe A de la circulaire (pièce P-1);

b) les porteurs d'actions privilégiées seront invités notamment à examiner et, s'ils le jugent souhaitable, à adopter, avec ou sans

modification, une résolution spéciale (la « **résolution relative aux porteurs d'actions privilégiées** ») essentiellement conforme au modèle figurant à titre d'annexe B de la circulaire;

afin, notamment, d'autoriser, d'approuver et d'adopter l'arrangement proposé par RONA (l'« **arrangement** ») et de délibérer de toute autre question dont l'assemblée de la Société pourrait être régulièrement saisie, le tout conformément aux statuts et aux règlements administratifs de RONA, à la LSA et à la présente ordonnance provisoire, étant entendu que la présente ordonnance provisoire l'emporte sur les statuts et les règlements administratifs de RONAou la LSA en cas d'incompatibilité avec l'ordonnance provisoire;

[5] **ORDONNE** que, dans le cadre du vote sur la résolution relative à l'arrangement, la résolution relative aux porteurs d'actions privilégiées ou sur toute question que le président de l'assemblée de la Société juge comme étant reliée à l'arrangement, chaque porteur inscrit d'actions ordinaires et chaque porteur inscrit d'actions privilégiées puisse exprimer une voix à l'égard de chacune des actions ordinaires ou des actions privilégiées qu'il détient;

[6] **ORDONNE** que, dans le cadre du scrutin sur la résolution relative à l'arrangement, le quorum à l'assemblée de la Société soit fixé à deux personnes présentes, chacune étant un porteur d'actions ordinaires ayant droit de voter à l'assemblée de la Société ou un fondé de pouvoir dûment nommé et qui, ensemble, détiennent ou représentent par procuration au moins 25 % de la totalité des actions ordinaires en circulation;

[7] **ORDONNE** que, dans le cadre du scrutin sur la résolution relative aux porteurs d'actions privilégiées, le quorum à l'assemblée de la Société soit fixé au nombre de porteurs d'actions privilégiées ayant le droit de voter à l'assemblée de la Société présents ou représentés par un fondé de pouvoir dûment nommé qui, ensemble, détiennent ou représentent par procuration au moins 25 % de la totalité des actions privilégiées en circulation;

[8] **ORDONNE** que les porteurs d'actions ordinaires et les porteurs d'actions privilégiées inscrits à 17 h (heure de Montréal) le 25 février 2016 (la « **date de clôture des registres** »), leurs fondés de pouvoir, ainsi que les administrateurs et les conseillers de RONA, de Lowe's Companies, Inc. (« **Lowe's** ») et de Lowe's Companies Canada, ULC (« **Lowe's Canada** » ou l'« **acquéreur** ») soient les seules personnes ayant le droit d'assister ou d'être entendues à l'assemblée de la Société (ou à toute reprise de celle-ci en cas d'ajournement ou de report), pourvu, toutefois, que toutes autres personnes ayant la permission du président de l'assemblée de la Société aient également le droit d'assister et d'être entendues à l'assemblée de la Société;

[9] **ORDONNE** que, aux fins du scrutin sur la résolution relative à l'arrangement et sur la résolution relative aux porteurs d'actions privilégiées, ou de tout autre scrutin tenu à l'assemblée de la Société, les votes annulés, illisibles ou irréguliers soient réputés ne pas constituer des voix exprimées par les porteurs d'actions ordinaires ou les porteurs d'actions privilégiées, et **ORDONNE** de plus que les procurations dûment signées et datées mais ne contenant aucune instruction de vote soient exercées en faveur de la résolution relative à l'arrangement ou de la résolution relative aux porteurs d'actions privilégiées;

[10] **ORDONNE** que RONA, si ellele juge souhaitable, soit autorisée à ajourner ou à reporter l'assemblée de la Société à une ou plusieurs reprises (que le quorum soit atteint ou non), sans autre ordonnance de ce tribunal et sans avoir à convoquer d'abord l'assemblée de la Société ou à obtenir au préalable le vote des porteurs d'actions ordinaires ou des porteurs d'actions privilégiées relativement à l'ajournement ou au report, le tout conformément aux modalités de la convention d'arrangement; **ORDONNE** de plus que l'avis de convocation à l'égard de toute reprise de l'assemblée de la Société en cas d'ajournement ou de report soit donné par communiqué de presse, annonce dans un journal ou par la poste, selon le mode de communication que RONA jugera le plus approprié; **ORDONNE** de plus que l'ajournement ou le report de l'assemblée de la Société n'ait pas pour effet de modifier la date de clôture des registres des porteurs d'actions ordinaires et des porteurs d'actions privilégiées ayant le droit d'être convoqués à l'assemblée de la Société et d'y voter, à moins que la loi ne l'exige; et **ORDONNE** de plus qu'à l'occasion de toute assemblée ainsi convoquée ultérieurement, les procurations soient exercées de la même manière qu'elles l'auraient été à l'assemblée de la Société convoquée à l'origine, sauf dans le cas de procurations qui ont été valablement révoquées ou retirées avant la reprise de l'assemblée de la Société;

[11] **ORDONNE**que RONA puisse, au besoin, amender, modifier et/ou compléter le plan d'arrangement essentiellement conforme aux modèle figurant à titre d'annexe D de la circulaire (pièce P-1) (le « plan d'arrangement »), pourvu que de tels amendements, modifications et/ou ajouts soient faits conformément à l'article 5 du plan d'arrangement et :

a) s'ils sont effectués avant ou pendant l'assemblée de la Société, que de tels amendements, modifications et/ou ajouts soient communiqués aux porteurs d'actions ordinaires et aux porteurs d'actions privilégiées, si et comme le tribunal le demande, et à l'Autorité des marchés financiers dès que possible et à tout événement au plus tard à l'assemblée de la Société;

b) s'ils sont effectués avant l'audience sur la demande d'ordonnance définitive (telle que définie ci-après), que de tels amendements,

modifications et/ou ajouts soient approuvés par le tribunal et assujettis aux modalités et aux conditions que le tribunal peut juger appropriées et requises dans les circonstances;

c) s'ils sont effectués après l'audience sur la demande d'ordonnance définitive, que de tels amendements, modifications et/ou ajouts soient approuvés par le tribunal et assujettis aux modalités et aux conditions que le tribunal peut juger appropriées et requises dans les circonstances, à moins qu'ils ne soient pas importants et qu'ils aient trait à une question de nature administrative nécessaire pour faciliter la mise en œuvre du plan d'arrangement.

[12] **ORDONNE** que si la résolution relative aux porteurs d'actions privilégiées n'est pas approuvée par les porteurs d'actions privilégiées conformément à l'ordonnance provisoire avant le prononcé de l'ordonnance définitive, le plan d'arrangement soit modifié pour exclure les actions privilégiées du plan d'arrangement ainsi que les questions connexes (y compris, pour plus de certitude, le droit au rachat (tel que défini ci-après) en faveur des porteurs d'actions privilégiées).

[13] **ORDONNE** que RONA soit autoriséeà utiliser des procurations à l'assemblée de la Société; que RONA soit autorisée, à ses frais, à solliciter des procurations au nom de sa direction, directement ou par l'intermédiaire de ses dirigeants, administrateurs ou employés, ainsi que par les mandataires ou représentants dont elle peut retenir les services à cette fin, ou encore par la poste ou par un autre moyen de communication personnel ou électronique qu'elle peut choisir; et que RONA puisse renoncer, à sa discrétion, à l'échéance relative au dépôt des procurations par les porteurs d'actions ordinaires et les porteurs d'actions privilégiées si elle est d'avis qu'il est souhaitable de le faire;

[14] **ORDONNE** que les porteurs d'actions ordinaires inscrits et les porteurs d'actions privilégiées inscrits à 17 h à la date de clôture des registres ou leurs fondés de pouvoir soient les seules personnes ayant le droit de voter à l'assemblée de la Société (ou à sa reprise en cas d'ajournement ou de report);

[15] **ORDONNE** que, pour qu'elle prenne effet, la résolution relative à l'arrangement doive être approuvée, avec ou sans modification, par le vote affirmatif d'au moins les deux tiers (66 ⅔ %) de l'ensemble des voix exprimées à l'égard de la résolution relative à l'arrangement par les porteurs d'actions ordinaires, présents ou représentés par fondés de pouvoir à l'assemblée de la Société et ayant le droit de voter à l'assemblée de la Société; et **ORDONNE** de plus que, pour qu'elle prenne effet, la résolution relative aux porteurs d'actions privilégiées doive être approuvée, avec ou sans modification, par le vote affirmatif d'au moins les deux tiers (66 ⅔ %) de l'ensemble des voix exprimées à l'égard de la

résolution relative aux porteurs d'actions privilégiées par les porteurs d'actions privilégiées, votant ensemble en tant que catégorie distincte, présents ou représentés par fondés de pouvoir à l'assemblée de la Société et ayant le droit de voter à l'assemblée de la Société; et **ORDONNE** de plus que l'approbation de la résolution relative à l'arrangement par les porteurs d'actions ordinaires soit suffisante pour autoriser RONA et lui donner instructions de prendre toutes les mesures nécessaires ou souhaitables afin de donner effet à l'arrangement et au plan d'arrangement d'une manière conforme à ce qui est présenté aux porteurs d'actions ordinaires et aux porteurs d'actions privilégiées dans les documents d'avis (au sens attribué à ce terme ci-dessous);

Les documents d'avis

[16] **ORDONNE** que RONA donne l'avis de convocation à l'assemblée de la Société et qu'elle signifie la demande d'ordonnance définitive, en envoyant par la poste ou en faisant livrer par un service de messagerie, de la manière prévue ci-après et aux personnes précisées ci-après, une copie de la présente ordonnance provisoire ainsi que les documents suivants avec les modifications non importantes que RONA pourra juger nécessaires ou souhaitables, à condition que ces modifications ne soient pas incompatibles avec les modalités de la présente ordonnance provisoire (collectivement, les « **documents d'avis** »):

a) l'avis de convocation à l'assemblée de la Société, essentiellement conforme au modèle figurant à la **pièce P-1**, en liasse;

b) la circulaire, essentiellement conforme au modèle figurant à la **pièce P-1**, en liasse;

c) des formulaires de procuration, essentiellement conformes au modèle figurant à la **pièce P-2**, en liasse, à être finalisés au moyen de l'insertion des dates et autres renseignements pertinents;

d) une lettre d'envoi, essentiellement conforme au modèle figurant à la **pièce P-3**;

e) un avis d'audition définitive essentiellement en la forme du projet produit à titre d'annexe I de la **pièce P-1**, indiquant notamment la date, l'heure et la salle où la demande d'ordonnance définitive sera entendue, et qu'une copie de la demande figure sur le site Web de RONA et sur SEDAR (l'« **avis de présentation** »);

[17] **ORDONNE** que les documents d'avis soient distribués aux personnes suivantes :

a) les porteurs d'actions ordinaires inscrits et les porteurs d'actions privilégiées inscrits, au moyen de l'envoi postal de ces documents

d'avis à ces personnes conformément à la LSA et aux règlements administratifs de RONA au moins vingt-et-un (21) jours avant la date de l'assemblée de la Société;

b) les actionnaires non inscrits, conformément au *Règlement 54-101 sur la communication avec les propriétaires véritables des titres d'un émetteur assujetti*;

c) les membres du conseil et les auditeurs de RONA, en main propre ou par un service de messagerie reconnu, au moins vingt-et-un (21) jours avant la date de l'assemblée de la Société; et

d) l'Autorité des marchés financiers, en main propre ou par un service de messagerie reconnu, au moins vingt-et-un (21) jours avant la date de l'assemblée de la Société;

[18] **ORDONNE**qu'une copie de l'ordonnance provisoire soit affichée sur le site Web de RONA (www.rona.ca)et sur SEDARsimultanément à la mise à la poste des documents d'avis;

[19] **ORDONNE** que la date de clôture des registres pour déterminer l'identité des porteurs d'actions ordinaires et des porteurs d'actions privilégiées ayant le droit de recevoir les documents d'avis et d'assister et d'être entendus à l'assemblée de la Société et de voter sur la résolution relative à l'arrangement et la résolution relative aux porteurs d'actions privilégiées soit fixée à 17 h (heure de Montréal) le 25 février 2016;

[20] **ORDONNE**que RONA puisse faire, conformément à la présente ordonnance provisoire et à la convention d'arrangement, les ajouts, modifications ou révisions aux documents d'avis qu'elle juge pertinents (les « **documents supplémentaires** »), qui seront distribués aux personnes ayant le droit de recevoir les documents d'avis aux termes de la présente ordonnance provisoire par les moyens et dans les délais que RONA jugera les plus raisonnablement réalisables dans les circonstances;

[21] **DÉCLARE**que l'envoi postal ou la remise des documents d'avis et des documents supplémentaires conformément à la présente ordonnance provisoire de la manière décrite ci-dessus constitue un avis de convocation à l'assemblée de la Société suffisant et valablement donné à toute personne, et qu'aucune autre forme de signification des documents d'avis et des documents supplémentaires ou d'une partie de ceux-ci, ou de la demande, ni aucun autre avis donné ou document signifié à toute personne à l'égard de l'assemblée de la Société, n'est requis;

[22] **ORDONNE**que les documents d'avis et les documents supplémentaires soient réputés, aux fins des présentes procédures, avoir été reçus et signifiés:

a) dans le cas de l'envoi par la poste, trois (3) jours ouvrables après la remise des documents au bureau de poste;

b) dans le cas de la remise en main propre ou par messager, au moment de la réception des documents à l'adresse du destinataire;

c) dans le cas de la transmission par télécopieur ou par courriel, le jour de la transmission;

[23] **DÉCLARE** que l'omission accidentelle de donner un avis de convocation à l'assemblée de la Société à une ou plusieurs des personnes précisées dans l'ordonnance provisoire, ou la non-réception de cet avis par celles-ci, n'aura pas pour effet d'invalider les résolutions adoptées à l'assemblée de la Société ou les procédures engagées aux termes des présentes, et que cette omission ne sera pas considérée constituer un manquement à l'ordonnance provisoire ou un défaut à l'égard de la convocation de l'assemblée de la Société, étant entendu que si une telle omission est portée à l'attention de RONA, celle-cidevra faire des efforts raisonnables afin de corriger cette omission par le moyen et dans les délais qu'elle jugera les plus raisonnablement réalisables dans les circonstances;

Droits au rachat

[24] **ORDONNE**, que conformément à l'article 416, al 2(5) de la LSA, les porteurs d'actions ordinaires et les porteurs d'actions privilégiées (pourvu que la résolution relative aux porteurs d'actions privilégiées soit approuvée par les porteurs d'actions privilégiées) pourront exercer le droit d'exiger le rachat de leurs actions ordinaires ou de leurs actions privilégiées (le « **droit au rachat** »), et que les articles 377 à 388 de la LSA (sous réserve des modalités du plan d'arrangement et de la présente ordonnance provisoire) s'appliqueront,*mutatis mutandis*, à l'exercice du ce droit au rachat;

[25] **ORDONNE**que, conformément au droit au rachat tel qu'il est énoncé dans le plan d'arrangement, tout porteur d'actions ordinaires inscrit ou porteur d'actions privilégiées inscrit qui souhaite se prévaloir du droit au rachat doive remettre un avis écrit visant à informer RONA de son intention d'exercer ce droit au rachat (l'« **avis d'exercice du droit au rachat** ») qui devra être reçu par le secrétaire corporatif de RONA au 220, chemin du Tremblay, Boucherville (Québec) J4B 8H7, télécopieur : 514-599-5927, et une copie à Norton Rose Fulbright Canada S.E.N.C.R.L., s.r.l., 1 Place Ville-Marie, bureau 2500, Montréal (Québec) H3B 1R1, télécopieur : 514-286-5474, à l'attention de M^{e} Francis R. Legault, au plus tard à 17 h (heure de Montréal) deux jours ouvrables avant la date de l'assemblée de la Société (ou de sa reprise en cas d'ajournement ou de report), et que cet avis d'exercice du droit au rachat soit par ailleurs conforme aux exigences de la LSA;

[26] **DÉCLARE** que tout porteur d'actions ordinaires ou tout porteur d'actions privilégiées qui a remis un avis d'exercice du droit au rachat et qui a omis d'exercer tous les droits de vote qui lui sont conférés contre la résolution relative à l'arrangement ou la résolution relative aux porteurs d'actions privilégiées, selon le cas, n'a plus le droit d'exercer de droit au rachat, et qu'un vote exercé à l'encontre de la résolution relative à l'arrangement ou de la résolution relative aux porteurs d'actions privilégiées, selon le cas, ou une abstention de vote ne constitue pas un avis d'exercice du droit au rachat;

[27] **ORDONNE**que tout porteur d'actions ordinaires ou tout porteur d'actions privilégiées qui souhaite demander au tribunal de fixer la juste valeur des actions ordinaires ou des actions privilégiées à l'égard desquelles un droit au rachat a été dûment exercé doive faire sa demande à la Cour supérieure du Québec;

Audience portant sur l'ordonnance définitive

[28] **ORDONNE**que, sous réserve de l'approbation par les porteurs d'actions ordinaires de la résolution relative à l'arrangement comme il est prévu dans la présente ordonnance provisoire, RONA peut demander au tribunal d'approuver l'arrangement par voie de jugement définitif (la « **demande d'ordonnance définitive** »);

[29] **ORDONNE** que la demande d'ordonnance définitive soit présentée le 7 avril2016 à la Cour supérieure du Québec, siégeant en Chambre commerciale, dans et pour le district de Montréal au Palais de justice de Montréal, sis au 1, rue Notre-Dame Est, Montréal (Québec), dans la salle 15.07, à 14 h (heure de Montréal) ou dès que les procureurs pourront être entendus, ou à une autre date que le tribunal jugera appropriée;

[30] **ORDONNE** que l'envoi postal ou la remise des documents d'avis constitue une signification valable de la demande ainsi qu'un avis de présentation suffisant de la demande d'ordonnance définitiveà toutes personnes, que ces personnes résident au Québec ou ailleurs;

[31] **ORDONNE**que les seules personnes ayant le droit de comparaître et d'être entendues à l'audition de la demande d'ordonnance définitivesoient RONA, Lowe's, Lowe's Canada et leurs représentants, et toute personne qui s'acquitte de ce qui suit :

a) elle doit produire un acte de comparution au greffe du tribunal et en donne signification aux procureurs deRONA, M^{e} Julie Himo, Norton Rose Fulbright Canada S.E.N.C.R.L., s.r.l., 1 Place Ville-Marie, bureau 2500, Montréal (Québec) H3B 1R1, courriel : julie.himo@nortonrosefulbright.com, télécopieur : 514-286-5474, au plus tard à 16 h 30, le 25 mars 2016;

b) si la personne susmentionnée souhaite comparaître pour contester la demande d'ordonnance définitive, elle doit donner signification aux procureurs de RONA (à l'adresse, au courriel et au numéro de télécopieur susmentionnés), au plus tard à 16 h 30, le 1er avril 2016, d'une contestation écrite dont les faits allégués sont appuyés par un ou des déclarations assermentées et une ou des pièces, le cas échéant;

Divers

[32] **DÉCLARE**que RONA a le droit de demander l'autorisation de modifier la présente ordonnance provisoire selon les modalités et avis que le tribunal jugera appropriés;

[33] **ORDONNE**l'exécution provisoire de la présente ordonnance provisoire nonobstant tout appel qui pourrait en être fait et sans qu'il soit nécessaire de fournir une caution;

[34] **LE TOUT** sans frais.

Chantal Corriveau, J.C.S.

E-10

[Translation]

CANADA

PROVINCE OF QUÉBEC
DISTRICT OF MONTREAL

SUPERIOR COURT
Commercial Division

No: 500-11-050221-163

Montreal, February 25, 2016

Present: The Honourable Chantal Corriveau, J.S.C.

IN THE MATTER OF A PROPOSED ARRANGEMENT CONCERNING:

RONA INC.

Applicant

and

LOWE'S COMPANIES, INC.

and

LOWE'S COMPANIES CANADA, ULC

Impleaded Parties

INTERIM ORDER[1]

GIVEN RONA inc.'s Application for Interim and Final Order in Connection with a Proposed Arrangement pursuant to the *Business Corporations Act* (Québec), CQLR, c S-31.1 (the **BCA**), the affidavit of Dominique Boies (the **Application**) and the Exhibits filed in support thereof;

GIVEN that the Autorité des marchés financiers has been duly notified with the Application and has acknowledged receipt thereof and did not appear;

GIVEN the provisions of the BCA;

GIVEN the representations of counsel for the Applicant;

GIVEN that the proposed transaction is an "arrangement" within the meaning of Section 415 of the BCA;

[1] All capitalized terms not otherwise defined herein shall have the meaning ascribed to them in the Arrangement Agreement and in the Circular.

GIVEN that it is impracticable or too onerous in the circumstances for the Applicant to effect the arrangement proposed under any other provision of the BCA;

GIVEN that the Applicant is solvent and meets the requirements set out in Section 414 of the BCA;

GIVEN that the arrangement is put forward in good faith and, in all likelihood, for a valid business purpose;

FOR THESE REASONS, THE COURT:

[1] **GRANTS** the Interim Order sought in the Application;

[2] **DISPENSES** RONA Inc. (**RONA** or **Company**) of the obligation, if any, to notify any person other than the Autorité des marchés financiers with respect to the Interim Order;

[3] **ORDERS** that all holders (the **Common Shareholders**) of common shares (the **Common Shares**) of the Company, holders (collectively, the **Preferred Shareholders**, and together with the Common Shareholders, the **Shareholders**) of Cumulative 5-Year Rate Reset Series 6 Class A Preferred Shares and any then outstanding Cumulative Floating Rate Series 7 Class A Preferred Shares of the Company (collectively, the **Preferred Shares**, and together with the Common Shares, the **Shares**), holders of options to acquire Common Shares (the **Options**) and holders of RSUs, DSUs and PSUs of the Company, be deemed parties, as Impleaded Parties, to the present proceedings and be bound by the terms of any Order rendered herein;

The Company Meeting

[4] **ORDERS** that RONA may convene, hold and conduct a special meeting of Shareholders (the **Company Meeting**) on March 31, 2016, commencing at 10:30 a.m. (Montreal time) at the following location at Hotel Omni Mont-Royal, 1050 Sherbrooke Street West, Montreal, Québec, H3A 2R6, Canada, at which time:

(a) the Common Shareholders will be asked, among other things, to consider and, if thought appropriate, to pass, with or without variation, a special resolution (the **Arrangement Resolution**) substantially in the form set forth in Appendix "A" to the Circular (Exhibit P-1); and

(b) the Preferred Shareholders will be asked, among other things, to consider and, if thought appropriate, to pass, with or without variation, a special resolution (the **Preferred Shareholder Resolution**) substantially in the form set forth in Appendix "B" to the Circular;

to, among other things, authorize, approve and adopt the arrangement proposed by RONA (the **Arrangement**), and to transact such other business as may properly come before the Company Meeting, the whole in accordance with the articles and by-laws of RONA, the BCA, and this Interim Order, provided that to the extent there is any inconsistency between this Interim Order and the articles and by-laws of RONA or the BCA, this Interim Order shall govern;

[5] **ORDERS** that, in respect of the vote on the Arrangement Resolution, the Preferred Shareholder Resolution or any matter determined by the Chair of the Company Meeting to be related to the Arrangement, each registered Common Shareholder and each registered Preferred Shareholder shall be entitled to cast one vote in respect of each such Common Share or Preferred Share held;

[6] **ORDERS** that, in respect of the vote on the Arrangement Resolution, the quorum for the Company Meeting be fixed at two persons present in person, each being a Common Shareholder entitled to vote at the Company Meeting or a duly appointed proxyholder, and together holding or representing by proxy no less than 25% of the outstanding Common Shares;

[7] **ORDERS** that, in respect of the vote on the Preferred Shareholder Resolution, the quorum for the Company Meeting be fixed at Preferred Shareholders entitled to vote at the Company Meeting present in person or duly appointed proxyholders, together holding or representing by proxy no less than 25% of the outstanding Preferred Shares;

[8] **ORDERS** that the registered Common Shareholders and Preferred Shareholders at 5:00 p.m. (Montreal time) on February 25, 2016 (**Record Date**), their proxy holders, and the directors and advisors of RONA, Lowe's Companies, Inc. (**Lowe's**) and Lowe's Companies Canada, ULC (**Lowe's Canada** or **Purchaser**), shall be the only persons entitled to attend or be heard at the Company Meeting (as it may be adjourned or postponed), provided however that such other persons having the permission of the Chair of the Company Meeting shall also be entitled to attend and be heard at the Company Meeting;

[9] **ORDERS** that for the purpose of the vote on the Arrangement Resolution and the Preferred Shareholder Resolution, or any other vote taken by ballot at the Company Meeting, any spoiled ballots, illegible ballots and defective ballots shall be deemed not to be votes cast by Common Shareholders or Preferred Shareholders and further **ORDER** that proxies that are properly signed and dated but which do not contain voting instructions shall be voted in favour of the Arrangement Resolution or the Preferred Shareholder Resolution;

[10] **ORDERS** that RONA, if it deems it advisable, be authorized to adjourn or postpone the Company Meeting on one or more occasions (whether or not a quorum is present), without further order of this Court and without the necessity of first convening the Company Meeting or first obtaining any vote of Common Shareholders or Preferred Shareholders respecting the adjournment or postponement, the whole in accordance with the terms of the Arrangement Agreement, further **ORDERS** that notice of any such adjournment or postponement shall be given by press release, newspaper advertisement or by mail, as determined to be the most appropriate method of communication by RONA; further **ORDERS** that any adjournment or postponement of the Company Meeting will not change the Record Date for Common Shareholders and Preferred Shareholders entitled to notice of, and to vote at, the Company Meeting unless required by law, and further **ORDERS** that any subsequent reconvening of the Company Meeting, all proxies will be voted in the same manner as the proxies would have been voted at the original convening of the Company Meeting, except for any proxies that have been effectively revoked or withdrawn prior to the subsequent reconvening of the Company Meeting;

[11] **ORDERS** that RONA may, as needed, amend, modify and/or supplement the Plan of Arrangement substantially in the form set forth in Appendix "D" to the Circular (Exhibit P-1) (the "Plan of Arrangement"), provided that any such amendment, modification and/or supplement is made in accordance with Section 5 of the Plan of Arrangement and:

(a) If made before or at the Company Meeting, such amendment, modification and/or supplement shall be communicated to the Common Shareholders and Preferred Shareholders if and as required by the Court, and to the Autorité des marchés financiers as soon as possible and in any event prior to or at the Company Meeting;

(b) If made before the hearing of the Application for the Final Order (as defined below), such amendment, modification and/or supplement shall be approved by this Court and subject to such terms and conditions this Court may deem appropriate and required in the circumstances; and

(c) If made after the hearing of the Application for the Final Order, such amendment, modification and/or supplement shall be approved by this Court and subject to such terms and conditions this Court may deem appropriate and required in the circumstances, unless it is non-material and concerns a matter which is of an administrative nature required to better give effect to the implementation of the Plan of Arrangement.

[12] **ORDERS** that, if the Preferred Shareholder Resolution is not approved by the Preferred Shareholders in accordance with the Interim Order prior to the Final Order being obtained, the Plan of Arrangement shall be amended to exclude the Preferred Shares from the Plan of Arrangement along with matters ancillary thereto (including, for greater certainty, the Repurchase Right (as defined below) in favour of the Preferred Shareholders).

[13] **ORDERS** that RONA be authorized to use proxies at the Company Meeting; that RONA be authorized, at its expense, to solicit proxies on behalf of its management, directly or through its officers, directors and

employees, and through such agents or representatives as it may retain for that purpose, and by mail or such other forms of personal or electronic communication as it may determine; and that RONA may waive, in its discretion, the time limits for the deposit of proxies by the Common Shareholders and Preferred Shareholders if it considers it advisable to do so;

[14] ORDERS that the registered Common Shareholders and Preferred Shareholders at 5:00 p.m. on the Record Date or their proxyholders shall be the only persons entitled to vote at the Company Meeting (as it may be adjourned or postponed);

[15] ORDERS that, to be effective, the Arrangement Resolution must be approved, with or without variation, by the affirmative vote of not less than two-thirds ($66^{2/3}\%$) of the total votes cast on the Arrangement Resolution by the Common Shareholders present in person or represented by proxy at the Company Meeting and entitled to vote at the Company Meeting; further **ORDER** that, to be effective, the Preferred Shareholder Resolution must be approved, with or without variation, by the affirmative vote of not less than two-thirds ($66^{2/3}\%$) of the total votes cast on the Preferred Shareholder Resolution by the Preferred Shareholders, voting together as a single class, present in person or represented by proxy at the Company Meeting and entitled to vote at the Company Meeting; and further **ORDER** that the approval of the Arrangement Resolution by the Common Shareholders shall be sufficient to authorize and direct RONA to do all such acts and things as may be necessary or desirable to give effect to the Arrangement and the Plan of Arrangement on a basis consistent with what has been disclosed to the Common Shareholders and the Preferred Shareholders in the Notice Materials (as this term is defined below);

The Notice Materials

[16] ORDERS that RONA shall give notice of the Company Meeting, and that service of the Application for a Final Order shall be made by mailing or delivering, in the manner hereinafter described and to the persons hereinafter specified, a copy of this Interim Order, together with the following documents, with such non-material amendments thereto as they may deem to be necessary or desirable, provided that such amendments are not inconsistent with the terms of this Interim Order (collectively, the **Notice Materials**):

(a) the Notice of Company Meeting substantially in the same form as contained in Exhibit P-1, *en liasse*;

(b) the Circular substantially in the same form as contained in Exhibit P-1, *en liasse*;

(c) Forms of Proxy substantially in the same form as contained in **Exhibit P-2**, *en liasse*, which shall be finalized by inserting the relevant dates and other information;

(d) a Letter of Transmittal substantially in the form as contained in **Exhibit P-3**;

(e) a notice of final hearing substantially in the form of the draft filed as Appendix I of Exhibit P-1 providing, among other things, the date, time and room where the Application for a Final Order will be heard, and that a copy of the Application can be found on RONA's website and SEDAR (the **Notice of Presentation**);

[17] ORDERS that the Notice Materials shall be distributed:

(a) to the registered Common Shareholders and Preferred Shareholders by mailing the same to such persons in accordance with the BCA and RONA's by-laws at least twenty-one (21) days prior to the date of the Company Meeting;

(b) to the non-registered Shareholders, in compliance with National Instrument 54-101 – *Communication with Beneficial Owners of Securities of a Reporting Issuer*;

(c) to RONA's directors and auditors, by delivering same at least twenty-one (21) days prior to the date of the Company Meeting in person or by recognized courier service; and

(d) to the Autorité des marchés financiers, by delivering same at least twenty-one (21) days prior to the date of the Company Meeting in person or by recognized courier service;

[18] ORDERS that a copy of the Interim Order be posted on RONA's website (www.rona.ca) and SEDAR at the same time the Notice Materials are mailed;

[19] ORDERS that the Record Date for the determination of Common Shareholders and Preferred Shareholders entitled to receive the Notice Materials and to attend and be heard at the Company Meeting and vote on the Arrangement Resolution and the Preferred Shareholder Resolution shall be 5:00 p.m. (Montreal time) on February 25, 2016;

[20] ORDERS that RONA may make, in accordance with this Interim Order and the Arrangement Agreement, such additions, amendments or revision to the Notice Materials as it determines to be appropriate (the **Additional Materials**), which shall be distributed to the persons entitled to receive the Notice Materials pursuant to this Interim Order by the method and in the time determined by RONA to be most practicable in the circumstances;

[21] DECLARES that the mailing or delivery of the Notice Materials and any Additional Materials in accordance with this Interim Order as set out above constitutes good and sufficient notice of the Company Meeting upon all persons, and that no other form of service of the Notice Materials and any Additional Materials or any portion thereof, or of the Application need be made, or notice given or other material served in respect of the Company Meeting to any persons;

[22] ORDERS that the Notice Materials and any Additional Materials shall be deemed, for the purposes of the present proceedings, to have been received and served upon:

(a) in the case of distribution by mail, three (3) business days after delivery thereof to the post office;

(b) in the case of delivery in person or by courier, upon receipt thereof at the intended recipient's address; and

(c) in the case of delivery by facsimile transmission or by e-mail, on the day of transmission;

[23] DECLARES that the accidental failure or omission to give notice of the Company Meeting to, or the non-receipt of such notice by one or more of the persons specified in the Interim Order shall not invalidate any resolution passed at the Company Meeting or the proceedings herein, and shall not constitute a breach of the Interim Order or defect in the calling of the Company Meeting, provided that if any such failure or omission is brought to the attention of RONA, it shall use reasonable efforts to rectify such failure or omission by the method and in the time it determines to be most reasonably practicable in the circumstances;

Repurchase Right

[24] ORDERS, pursuant to Subsection 416, al 2(5) of the BCA, that the Common Shareholders and Preferred Shareholders (provided the Preferred Shareholder Resolution is approved by the Preferred Shareholders) shall be entitled to exercise the right to demand the repurchase of their Common Shares or Preferred Shares (the Repurchase Right), and that Sections 377 to 388 of the BCA (subject to the terms of the Plan of Arrangement and this Interim Order) shall apply *mutatis mutandis* to the exercise of such Repurchase Right;

[25] ORDERS that, in accordance with the Repurchase Right set forth in the Plan of Arrangement, any registered Common Shareholder or Preferred Shareholder who wishes to exercise the Repurchase Right must provide a written notice to inform RONA of its intention to exercise such Repurchase Right (the Notice of Exercise of Repurchase Right) so that it is received by the Secretary of RONA at 220 Chemin Du Tremblay, Boucherville, Québec, J4B 8H7, Fax number : 514?599?5927, with copy to Norton Rose Fulbright Canada LLP, Suite 2500, 1 Place Ville-Marie, Montreal, Québec, H3B 1R1, Fax number : 514-286-5474, Attention: Mtre. Francis R. Legault, on or prior to 5:00 p.m. (Montreal time) two business days immediately preceding the date of the Company Meeting (as it may be adjourned or postponed from time to time), and that such Notice of Exercise of Repurchase Right otherwise conforms with the requirements of the BCA;

[26] DECLARES that a Common Shareholder or a Preferred Shareholder who has submitted a Notice of Exercise of Repurchase Right and who has failed to exercise all the voting rights carried by the Common Shares or Preferred Shares held by such holder against the Arrangement Resolution or Preferred Shareholder Resolution, as applicable, shall not be entitled to exercise the Repurchase Right, and that a vote against the Arrangement Resolution or the Preferred Shareholder Resolution, as applicable, or an abstention shall not constitute a Notice of Exercise of Repurchase Right;

[27] ORDERS that any Common Shareholder or Preferred Shareholder wishing to apply to a Court to fix a fair value for Common Shares or Preferred Shares in respect of which the Repurchase Right has been duly exercised must apply to the Superior Court of Québec;

The Final Order Hearing

[28] ORDERS that, subject to the approval by the Common Shareholders of the Arrangement Resolution in the manner set forth in this Interim Order, RONA may apply for this Court to sanction the Arrangement by way of a final judgment (the **Application for a Final Order**);

[29] ORDERS that the Application for a Final Order be presented on April 7, 2016, before the Superior Court of Québec, sitting in the Commercial Division in and for the district of Montreal, at the Montreal Courthouse, located at 1 Notre-Dame Street East, Québec, Room 15.07 at 2:00 P.M. (Montreal time) or so soon thereafter as counsel may be heard, or at any other date this Court may see fits;

[30] ORDERS that the mailing or delivery of the Notice Materials constitutes good and sufficient service of the Application and good and sufficient notice of presentation of the Application for a Final Order to all persons, whether those persons reside within Québec or in another jurisdiction;

[31] ORDERS that the only persons entitled to appear and be heard at the hearing of the Application for a Final Order shall be RONA, Lowe's, Lowe's Canada and their representatives, and any person that:

(a) files an appearance with this Court's registry and serve same on RONA's counsel, Mtre. Julie Himo, Norton Rose Fulbright Canada LLP, at 1 Place Ville-Marie, e-mail address: julie.himo@nortonrosefulbright.com, facsimile 514-286-5474, no later than 4:30 p.m. on March 25, 2016; and

(b) if such appearance is with a view to contesting the Application for a Final Order, serves on RONA's counsel (at the above address, e-mail address and facsimile number), no later than 4:30 p.m. on April 1st, 2016, a written contestation supported as to the facts alleged by affidavit(s) and exhibit(s), if any;

Miscellaneous

[32] DECLARES that RONA shall be entitled to seek leave to vary this Interim Order upon such terms and such notice as this Court deems just;

[33] ORDERS provisional execution of this Interim Order notwithstanding any appeal therefrom and without the necessity of furnishing any security;

[34] THE WHOLE without costs.

"Signed" Chantal Corriveau

Chantal Corriveau, S.C.J.

Appendix "F"
Fairness Opinion

Scotia Capital Inc.
Scotia Plaza
40 King Street West
Box 4085, Station "A"
Toronto, Ontario
Canada M5W 2X6

Scotia Capital

February 2, 2016

Special Committee of the Board of Directors
The Board of Directors
RONA inc.
220, chemin Du Tremblay
Boucherville, Québec
J4B 8H7

To the Members of the Special Committee of the Board and the Members of the Board:

We understand that RONA inc. (the "Company") and Lowe's Companies, Inc. (the "Acquirer"), have entered into an agreement dated February 2, 2016, (the "Arrangement Agreement"), whereby the Acquirer will acquire by way of a court-approved plan of arrangement (the "Plan of Arrangement"): (i) all of the issued and outstanding common shares (the "Common Shares") of the Company and (ii) all of the issued and outstanding cumulative 5-year rate reset Series 6 Class A preferred shares (the "Preferred Shares") of the Company (the "Transaction"). Pursuant to the terms of the Arrangement Agreement and related Plan of Arrangement, holders of the Common Shares (the "Common Shareholders") will receive C$24.00 in cash per Common Share (the "Common Share Consideration") and holders of the Preferred Shares (the "Preferred Shareholders") will receive C$20.00 in cash per Preferred Share (together with an amount equal to all accrued and unpaid dividends thereon up to, but excluding, the effective date of the Plan of Arrangement) (the "Preferred Share Consideration"). The terms of the Arrangement Agreement relating to the proposed Transaction are to be more fully described in a disclosure document (the "Disclosure Document"), which will be mailed to the Common Shareholders and the Preferred Shareholders.

Background and Engagement of Scotia Capital

Scotia Capital was initially retained by the Board of Directors of the Company on December 29, 2011 pursuant to an engagement letter (the "Original Engagement Agreement") to perform certain financial advisory and investment banking services for the Company including assisting the Company in analyzing strategic alternatives and, if requested, structuring, negotiating and effecting a Transaction (as defined in the Original Engagement Agreement). The Original Engagement Agreement was subsequently replaced by a new engagement agreement (the "Agreement") on January 1, 2013, and was subsequently amended and extended on October 28, 2013 and January 23, 2015. Pursuant to the Agreement, the Special Committee has requested that Scotia Capital provide its opinion (the "Opinion") as to the fairness, from a financial point of view, of (i) the Common Share Consideration to be received by the Common Shareholders (other than the Acquirer and its affiliates) and (ii) the Preferred Share Consideration to be received by the Preferred Shareholders (other than the Acquirer and its

affiliates). The terms of the Engagement Agreement provide that Scotia Capital is to be paid a fee for its services as financial advisor, including fees that are contingent on the completion of such transaction(s) and fees payable upon delivery of an Opinion. In addition, Scotia Capital is to be reimbursed for its reasonable out-of-pocket expenses and to be indemnified in certain circumstances.

The Special Committee and the Board of Directors has not instructed Scotia Capital to prepare, and Scotia Capital has not prepared, a formal valuation of the Company or any of its securities or assets, and the Opinion should not be construed as such. Scotia Capital has, however, conducted such analyses as it considered necessary in the circumstances to prepare and deliver the Opinion.

Subject to the terms of the Engagement Agreement, Scotia Capital consents to the inclusion of the Opinion in its entirety and a summary thereof in the Disclosure Document and to the filing of the Opinion, as necessary, with the securities commissions, stock exchanges and other similar regulatory authorities in Canada and in the United States.

Overview of RONA inc.

RONA inc. is a major Canadian distributor and retailer of hardware, building materials and home renovation products. The Company operates a network of nearly 500 corporate and independent affiliate stores of complementary formats. With its nine distribution centers, RONA serves its own network as well as many independent dealers operating under different banners, including Ace, for which RONA owns the licensing rights and is the exclusive distributor in Canada. With the support of its nearly 22,000 employees, the Company generates annual consolidated sales of $4.1 billion.

Credentials of Scotia Capital

Scotia Capital represents the global corporate and investment banking and capital markets business of Scotiabank Group ("Scotiabank"), one of North America's premier financial institutions. In Canada, Scotia Capital is one of the country's largest investment banking firms with operations in all facets of corporate and government finance, mergers and acquisitions, equity and fixed income sales and trading and investment research. Scotia Capital has participated in a significant number of transactions involving private and public companies and has extensive experience in preparing fairness opinions.

The Opinion expressed herein represents the opinion of Scotia Capital as a firm. The form and content of the Opinion have been approved for release by a committee of directors and other professionals of Scotia Capital, all of whom are experienced in merger, acquisition, divestiture, fairness opinion and valuation matters.

Relationships of Scotia Capital

Neither Scotia Capital nor any of its affiliates, is an insider, associate or affiliate (as those terms are defined in the Securities Act (Ontario)) of the Company, Acquirer or any of their respective associates or affiliates. Subject to the following, there are no understandings, agreements or commitments between Scotia Capital and the Company, Acquirer or any of their respective associates or affiliates with respect to any future business dealings. Scotia Capital is currently a top lender to the Company and has in the past provided, and may in the future provide, traditional banking, financial advisory or investment banking services to the Company or any of its affiliates and may in the future provide similar services to the Acquirer or its affiliates.

Scotia Capital acts as a trader and dealer, both as principal and agent, in the financial markets in Canada, the United States and elsewhere and, as such, it and Scotiabank, may have had and may have positions in the securities of the Company, or its affiliates from time to time and may have executed or may execute transactions on behalf of such companies or clients for which it receives compensation. As an investment dealer, Scotia Capital conducts research on securities and may, in the ordinary course of business, provide research reports and

investment advice to its clients on investment matters, including with respect to the Company or any of its affiliates, or with respect to the Transaction.

Scope of Review

In preparing the Opinion, Scotia Capital has reviewed, considered and relied upon, without attempting to verify independently the completeness or accuracy thereof, among other things:

(a) The most recent draft of the Arrangement Agreement dated February 2, 2016;

(b) annual reports of the Company for the fiscal years ended December 30, 2012, December 29, 2013 and December 28, 2014;

(c) the Notice of Annual Meeting of Shareholders and the Management Information Circular of the Company for the fiscal years ended December 30, 2012, December 29, 2013 and December 28, 2014;

(d) audited financial statements of the Company for the fiscal years ended December 30, 2012, December 29, 2013 and December 28, 2014;

(e) annual information forms of the Company for the fiscal years ended December 30, 2012, December 29, 2013 and December 28, 2014;

(f) unaudited quarterly reports of the Company for the three-month periods ended March 29, 2015, June 28, 2015 and September 27, 2015;

(g) the Company's budget for the fiscal years ending December 27, 2015 and December 31, 2016;

(h) the Company's financial projections for the fiscal years ending December 31, 2017, December 31, 2018, December 31, 2019 and December 31, 2020;

(i) various detailed internal Company management reports;

(j) discussions with senior management of the Company;

(k) discussions with the Company's legal counsel;

(l) public information relating to the business, operations, financial performance and stock trading history of the Company and other selected public companies considered by us to be relevant;

(m) public information regarding the Preferred Shares, including their financial terms and conditions;

(n) public information with respect to other transactions of a comparable nature considered by us to be relevant;

(o) representations contained in separate certificates addressed to Scotia Capital, as of the date hereof, from senior officers of the Company as to the completeness, accuracy and fair presentation of the information upon which the Opinion is based; and

(p) such other corporate, industry, competitive landscape and financial market information, investigations and analyses as Scotia Capital considered necessary or appropriate in the circumstances.

Scotia Capital has not, to the best of its knowledge, been denied access by the Company to any information requested by Scotia Capital.

Prior Valuations

The Company has represented to Scotia Capital that, to the best of its knowledge, there have been no valuations or appraisals of the Company or any material property of the Company or any of its subsidiaries or affiliates, made in the preceding twenty-four (24) months and in the possession or control or knowledge of the Company other than those provided to Scotia Capital or, in the case of valuations known to the Company which it does not have within its control, notice of which has been given to Scotia Capital.

Assumptions and Limitations

The Opinion is subject to the assumptions, explanations and limitations set forth below.

Scotia Capital has, subject to the exercise of its professional judgment, relied, without independent verification, upon the completeness, accuracy and fair presentation of all of the financial and other information, data, advice, opinions and representations obtained by it from public sources, or that was provided to us, by the Company, and its associates and affiliates and advisors (collectively, the "Information"), and we have assumed that this Information did not omit to state any material fact or any fact necessary to be stated to make that information not misleading. The Opinion is conditional upon the completeness, accuracy and fair presentation of such Information. With respect to the Company's financial projections provided to Scotia Capital by management of the Company and used in the analysis supporting the Opinion, we have assumed that they have been reasonably prepared on bases reflecting the best currently available estimates and judgments of management of the Company as to the matters covered thereby, and in rendering the Opinion we express no view as to the reasonableness of such forecasts or budgets or the assumptions on which they are based.

Senior management of the Company has represented to Scotia Capital in certificates delivered as at the date hereof, among other things, that to the best of their knowledge (a) the Company has no information or knowledge of any facts public or otherwise not specifically provided to Scotia Capital relating to the Company or any of its subsidiaries or affiliates which would reasonably be expected to affect materially the Opinion; (b) with the exception of forecasts, projections or estimates referred to in (d), below, the written Information provided to Scotia Capital by or on behalf of the Company in respect of the Company and its subsidiaries or affiliates, in connection with the Transaction is or, in the case of historical information or data, was, at the date of preparation, true and accurate in all material respects, and no additional material, data or information would be required to make the data provided to Scotia Capital by the Company not misleading in light of circumstances in which it was prepared; (c) to the extent that any of the Information identified in (b), above, is historical, there have been no changes in material facts or new material facts since the respective dates thereof which have not been disclosed to Scotia Capital or updated by more current Information that has been disclosed; and (d) any portions of the Information provided to Scotia Capital which constitute forecasts, projections or estimates were prepared using the assumptions identified therein, which, in the reasonable opinion of the Company, are (or were at the time of preparation) reasonable in the circumstances.

The Opinion is rendered on the basis of the securities markets, economic, financial and general business conditions prevailing as at the date hereof and the conditions and prospects, financial and otherwise, of the Company and its subsidiaries and affiliates, as they were reflected in the Information. In its analyses and in preparing the Opinion, Scotia Capital made numerous assumptions with respect to industry performance, general business and economic conditions and other matters, which Scotia Capital believes to be reasonable and appropriate in the exercise of its professional judgment, many of which are beyond the control of Scotia Capital or any party involved in the Transaction.

For the purposes of rendering the Opinion, Scotia Capital has also assumed that the representations and warranties of each party contained in the Arrangement Agreement are true and correct in all material respects and that each party will perform all of the covenants and agreements required to be performed by it under the Transaction and that the Company will be entitled to fully enforce its rights under the Arrangement Agreement and receive the benefits therefrom in accordance with the terms thereof.

The Opinion has been provided for the sole use and benefit of the Special Committee and the Board of Directors of the Company in connection with, and for the purpose of, its consideration of the Transaction and may not be relied upon by any other person. Our opinion does not constitute a recommendation to any shareholder of the Company as to how such shareholder should vote or act with respect to the Transaction. The Opinion is given as of the date hereof, and Scotia Capital disclaims any undertaking or obligation to advise any person of any change in any fact or matter affecting the Opinion which may come or be brought to the attention

of Scotia Capital after the date hereof. Without limiting the foregoing, in the event that there is any material change in any fact or matter affecting the Opinion after the date hereof, Scotia Capital reserves the right to change, modify or withdraw the Opinion.

Our opinion does not address the relative merits of the Transaction as compared to other business strategies or transactions that might be available with respect to the Company or the Company's underlying business decision to effect the Transaction. At your direction, we have not been asked to, nor do we, offer any opinion as to the material terms (other than the Common Share Consideration and the Preferred Share Consideration) of the Arrangement Agreement, the Plan of Arrangement or the form of the Transaction.

Value Considerations

Common Shares

In support of the Opinion as to the fairness, from a financial point of view, of the Common Share Consideration to be received by the Common Shareholders, Scotia Capital has performed certain value analyses on the Company, based on the methodologies and assumptions that Scotia Capital considered appropriate in the circumstances for the purposes of providing its Opinion. As part of the analyses and investigations carried out in the preparation of the Opinion, Scotia Capital reviewed and considered the items outlined under "Scope of Review". In the context of the Opinion, Scotia Capital has considered the following principal methodologies:

(i) Precedent Transactions;

(ii) Precedent Premia;

(iii) Comparable Company Trading; and

(iv) Discounted Cash Flow.

Scotia Capital also compared the proposed financial terms of the Transaction to corresponding financial terms, to the extent publicly available, of selected merger and acquisitions transactions in the retail and distribution industry ("Precedent Transactions") which Scotia Capital believed were comparable to the Transaction. When considering the Precedent Transactions, Scotia Capital considered enterprise value to last twelve months ("LTM") earnings before income taxes, depreciation and amortization ("EBITDA") to be the primary valuation metric. Based on this data, Scotia Capital developed a valuation analysis for the Company based on a range of multiples. The range of multiples used was 9.0x-11.5x LTM EBITDA. Based on the foregoing, this analysis yielded a range of values of approximately C$17.50 to C$23.75 per common share.

Scotia Capital also compared the Common Share Consideration premium of the Transaction to premia of transactions for Canadian-based targets with market capitalizations over C$100 million in the last 5 years (the "Precedent Premia"). When considering Precedent Premia, Scotia Capital considered the premium to the last closing price prior to the announcement of the Transaction (the "Premium") to be the primary valuation metric. Based on the analysis, the selected premium range was 30% to 50%, which when applied to the Transaction yielded a value range of approximately C$15.30 to C$17.65 per common share.

Scotia Capital also calculated an implied valuation for the Company based on an analysis of companies that Scotia Capital believed to be generally comparable to the Company ("Comparable Company Trading"), despite the fact that several companies are substantially larger. In performing this analysis, Scotia Capital analyzed certain publicly available financial information including estimated financial information for the selected public companies which was based on research analyst estimates. When considering Comparable Company Trading, Scotia Capital considered enterprise value to the forecasted 2016 EBITDA to be the primary valuation metric. Scotia Capital relied on its professional judgment to exclude select multiples it deemed outliers. The multiple range selected was 8.0x-10.0x 2016 EBITDA. Based on the foregoing, this analysis yielded a range of values of approximately C$17.25 to C$22.75 per common share.

The Discounted Cash Flow ("DCF") employed by Scotia Capital involved the calculation of the enterprise value of the Company by discounting to a present value the unlevered free cash flows ("UFCFs") of the Company expected to be generated between 2016 and 2020 as well as a terminal value, such value also having been discounted to a present value. In determining the UFCFs, Scotia Capital reviewed management prepared projected financial statements of the Company for fiscal year 2016 to 2020 (the "Company Forecasts"). The Company Forecasts included 2 scenarios: 1) a higher case based on the current competitive environment, and 2) a lower case based on an increased competitive environment. The projected UFCFs of the Company were discounted at the estimated weighted average cost of capital for the Company, calculated based upon the Company's after-tax cost of debt and equity and weighted based upon an assumed optimal capital structure for the Company. To arrive at an equity value for the Company, Scotia Capital deducted from the enterprise value the projected net debt of the Company and the minority interest as at December 31, 2015 as well as the preferred share value. Based on the foregoing, the analysis produced values per common share below the high end but generally consistent with the value ranges produced by the other methodologies used. As part of the DCF, Scotia Capital performed sensitivity analyses on certain key assumptions, including, but not limited to, discount rates and terminal growth rates.

Preferred Shares

In support of the Opinion as to the fairness, from a financial point of view, of the Preferred Share Consideration to be received by the Preferred Shareholders, Scotia Capital compared the Preferred Share Consideration to the pro forma expected trading value of the preferred shares based on 2 scenarios: 1) the Preferred Shares trade post Transaction based on the Acquirer's A- corporate rating, which is equivalent to a P-2 preferred share rating (assumes a contractual or implicit guarantee by the Acquirer) resulting in a yield of 5% to 6%, and 2) the Preferred Shares trade post Transaction based on the Company's current P-4 preferred share rating (assumes no contractual or implicit guarantee by the Acquirer) resulting in a yield of 6% to 8%. The analysis assumes the Company's post reset (March 31, 2016) annual dividend per preferred share is C$0.84 based on an anticipated 5-year Canada yield of 0.69% plus a spread of 2.65%. This analysis yielded an implied range of values of approximately C$14.00 to C$16.75 per preferred share under scenario 1 and C$10.50 to C$14.00 per preferred share under scenario 2.

Fairness Considerations

Common Shares

In preparing the Opinion as to the fairness, from a financial point of view, of the Common Share Consideration to be received by the Common Shareholders, Scotia Capital has considered, among other things, the following factors:

(a) the Common Share Consideration represented a premium of 104% over the closing price per common share, respectively on the Toronto Stock Exchange (the "TSX") on February 2, 2016, the trading day corresponding to the date of this Opinion and a premium of 110% over the volume weighted average price per common share, respectively on the TSX over the 20 business day period ended on the date of this Opinion;

(b) the implied transaction multiples derived from the Common Share Consideration compare favourably with the Precedent Transactions and, while considered less relevant, the Common Share Consideration compares favourably with the Comparable Company Trading;

(c) the Common Share Consideration is above the range of values for the Common Shares as indicated by the DCF; and

(d) the Common Share Consideration is all cash and will provide Common Shareholders with immediate liquidity.

Preferred Shares

In preparing the Opinion as to the fairness, from a financial point of view, of the Preferred Share Consideration to be received by the Preferred Shareholders, Scotia Capital has considered, among other things, the following factors:

(a) the Preferred Share Consideration (excluding any accrued and unpaid dividends thereon up to, but excluding, the effective date of the Plan of Arrangement) represented a premium of 59% to the closing trading price of the Preferred Shares of C$12.61 per preferred share on the TSX on February 2, 2016, the last trading day prior to the date of the Arrangement Agreement;

(b) the Preferred Share Consideration is above the implied range of values for the Preferred Shares after reset and credit re-rating of C$14.00 to C$16.75 per preferred share under scenario 1 and C$10.50 to C$14.00 per preferred share under scenario 2; and

(c) under the Arrangement Agreement, the Preferred Shareholders will receive any accrued and unpaid dividends up to, but excluding, the effective date of the Plan of Arrangement.

Fairness Conclusion

Common Shares

Based upon and subject to the foregoing, Scotia Capital is of the opinion that, as of the date hereof, the Common Share Consideration to be received by the Common Shareholders pursuant to the Transaction is fair from a financial point of view to such Common Shareholders.

Preferred Shares

Based upon and subject to the foregoing, Scotia Capital is of the opinion that, as of the date hereof, the Preferred Share Consideration to be received by the Preferred Shareholders pursuant to the Transaction is fair from a financial point of view to such Preferred Shareholders.

Yours very truly,

SCOTIA CAPITAL INC.

Appendix "G"
Provisions of Chapter XIV of the QBCA relating to Dissent Rights

CHAPTER XIV
RIGHT TO DEMAND REPURCHASE OF SHARES

DIVISION I

GENERAL PROVISIONS

§ 1. — Conditions giving rise to right

372. The adoption of any of the resolutions listed below confers on a shareholder the right to demand that the corporation repurchase all of the person's shares if the person exercised all the voting rights carried by those shares against the resolution:

(1) an ordinary resolution authorizing the corporation to carry out a squeeze-out transaction;

(2) a special resolution authorizing an amendment to the articles to add, change or remove a restriction on the corporation's business activity or on the transfer of the corporation's shares;

(3) a special resolution authorizing an alienation of corporation property if, as a result of the alienation, the corporation is unable to retain a significant part of its business activity;

(4) a special resolution authorizing the corporation to permit the alienation of property of its subsidiary;

(5) a special resolution approving an amalgamation agreement;

(6) a special resolution authorizing the continuance of the corporation under the laws of a jurisdiction other than Québec; or

(7) a resolution by which consent to the dissolution of the corporation is withdrawn if, as a result of the alienation of property begun during the liquidation of the corporation, the corporation is unable to retain a significant part of its business activity.

The adoption of a resolution referred to in any of subparagraphs 3 to 7 of the first paragraph confers on a shareholder whose shares do not carry voting rights the right to demand that the corporation repurchase all of the person's shares.

373. The adoption of a special resolution described in section 191 confers on a shareholder holding shares of the class or series specified in that section the right to demand that the corporation repurchase all of the person's shares of that class or series. That right is subject to the shareholder having exercised all the person's available voting rights against the adoption and approval of the special resolution.

That right also exists if all the shares held by the shareholders are of the same class; in that case, the right is subject to the shareholder having exercised all of the person's available voting rights against the adoption of the special resolution.

373.1. Despite section 93, non fully paid shares also confer the right to demand a repurchase.

374. The right to demand a repurchase conferred by the adoption of a resolution is subject to the corporation carrying out the action approved by the resolution.

375. A notice of a shareholders meeting at which a special resolution that could confer the right to demand a repurchase may be adopted must mention that fact.

The action approved by the resolution is not invalidated solely because of the absence of such a mention in the notice of meeting.

Moreover, if the meeting is called to adopt a resolution described in section 191 or in any of subparagraphs 3 to 7 of the first paragraph of section 372, the corporation notifies the shareholders whose shares do not carry voting rights of the possible adoption of a resolution that could give rise to the right to demand a repurchase of shares.

§ 2. — Conditions for exercise of right and terms of repurchase

I. — Prior notices

376. Shareholders intending to exercise the right to demand the repurchase of their shares must so inform the corporation; otherwise, they are deemed to renounce their right, subject to Division II.

To inform the corporation of the intention to exercise the right to demand the repurchase of shares, a shareholder must send a notice to the corporation before the shareholders meeting or advise the chair of the meeting during the meeting. In the case of a shareholder described in the second paragraph of section 372 none of whose shares carry voting rights, the notice must be sent to the corporation not later than 48 hours before the shareholders meeting.

377. As soon as a corporation takes the action approved by a resolution giving rise to the right to demand a repurchase of shares, it must give notice to all shareholders who informed the corporation of their intention to exercise that right.

The repurchase notice must mention the repurchase price offered by the corporation for the shares held by each shareholder and explain how the price was determined.

If the corporation is unable to pay the full redemption price offered because there are reasonable grounds for believing that it is or would be unable to pay its liabilities as they become due, the repurchase notice must mention that fact and indicate the maximum amount of the price offered the corporation will legally be able to pay.

378. The repurchase price is the fair value of the shares as of the close of the offices of the corporation on the day before the resolution conferring the right to demand a repurchase is adopted.

When the action approved by the resolution is taken following a take-over bid with respect to all the shares of a class of shares issued by a corporation that is a reporting issuer and the bid is closed within 120 days before the resolution is adopted, the repurchase price may be determined to be the fair value of the shares on the day before the take-over bid closed if the offeror informed the shareholders, on making the take-over bid, that the action would be submitted to shareholder authorization or approval.

379. The repurchase price of all shares of the same class or series must be the same, regardless of the shareholder holding them.

However, in the case of a shareholder holding non-fully paid shares, the corporation must subtract the unpaid portion of the shares from the repurchase price offered or, if it cannot pay the full repurchase price offered, the maximum amount that it can legally pay for those shares.

The repurchase notice must mention the subtraction and show the amount that can be paid to the shareholder.

380. Within 30 days after receiving a repurchase notice, shareholders must confirm to the corporation that they wish to exercise their right to demand a repurchase. Otherwise, they are deemed to have renounced their right.

The confirmation may not be limited to only part of the repurchasable shares. It does not affect a shareholder's right to demand an increase in the repurchase price offered.

II. — Payment of repurchase price

381. A corporation must pay the offered repurchase price to all shareholders who confirmed their decision to exercise their right to demand the repurchase of their shares within 10 days after such confirmation.

However, a corporation that is unable to pay the full repurchase price offered because there are reasonable grounds for believing that it is or would be unable to pay its liabilities as they become due is only required to pay the maximum amount it may legally pay the shareholders. In that case, the shareholders remain creditors of the corporation for the unpaid balance of the repurchase price and are entitled to be paid as soon as the corporation is legally able to do so or, in the event of the liquidation of the corporation, are entitled to be collocated after the other creditors but by preference over the other shareholders.

III. — Increase in repurchase price

382. To contest a corporation's appraisal of the fair value of their shares, shareholders must notify the corporation within the time given to confirm their decision to exercise their right to demand a repurchase.

Such contestation is a confirmation of a shareholder's decision to exercise the right to demand a repurchase.

383. A corporation may increase the repurchase price offered within 30 days after receiving a notice of contestation.

The increase in the repurchase price of the shares of the same class or series must be the same, regardless the shareholder holding them.

384. If a corporation does not follow up on a shareholder's contestation within 30 days after receiving a notice of contestation, the shareholder may ask the court to determine the increase in the repurchase price. The same applies when a shareholder contests the increase in the repurchase price offered by the corporation.

The shareholder must, however, make the application within 90 days after receiving the repurchase notice.

385. As soon as an application is filed under section 384, it must be notified by the corporation to all the other shareholders who are still contesting the appraisal of the fair value of their shares or the increase in the repurchase price offered by the corporation.

386. All shareholders to whom the corporation notified the application are bound by the court judgment.

387. The court may entrust the appraisal of the fair value of the shares to an expert.

388. The corporation must, without delay, pay the increase in the repurchase price to all shareholders who did not contest the increase offered. It must pay the increase determined by the court to all shareholders who, under section 386, are bound by the court judgment, within 10 days after the judgment.

However, a corporation that is unable to pay the full increase in the repurchase price because there are reasonable grounds for believing that it is or would be unable to pay its liabilities as they become due is only required to pay the maximum amount it may legally pay the shareholders. In such a case, the shareholders remain creditors of the corporation for the unpaid balance of the repurchase price and are entitled to be paid as soon as the corporation is legally able to do so or, in the event of the liquidation of the corporation, are entitled to be collocated after the other creditors but by preference over the other shareholders.

DIVISION II

SPECIAL PROVISIONS FOLLOWING FAILURE TO NOTIFY SHAREHOLDERS

389. If shareholders were unable to inform the corporation of their intention to exercise the right to demand the repurchase of their shares within the period prescribed by section 376 because the corporation failed to notify them of the possible adoption of a resolution giving rise to that demand, they may demand the repurchase of their shares as though they had informed the corporation and had voted against the resolution.

Shareholders entitled to vote may not exercise the right to demand the repurchase of their shares if they voted in favour of the resolution or were present at the meeting but abstained from voting on the resolution.

A shareholder is presumed to have been notified of the proposed adoption of the resolution if notice of the shareholders meeting was sent to the address entered in the security register for that shareholder.

390. A shareholder must demand the repurchase of shares within 30 days after becoming aware that the action approved by the resolution conferring the right to demand a repurchase has been taken.

However, the repurchase demand may not be made later than 90 days after that action is taken.

391. As soon as the corporation receives a repurchase demand, it must notify the shareholder of the repurchase price it is offering for the shareholder's shares.

The repurchase price offered for the shares of a class or series must be the same as that offered to shareholders, if any, who exercised their right to demand a repurchase after informing the corporation of their intention to do so in accordance with Division I.

392. The corporation may not pay the repurchase price offered to the shareholder if such payment would make it unable to pay the maximum amount mentioned in the repurchase notice sent to the shareholders who informed the corporation, in accordance with section 376, of their intention to exercise their right to demand the repurchase of their shares.

If the corporation cannot pay to the shareholder the full amount offered to the shareholder, the directors are solidarily liable for payment to the shareholder of the sums needed to complete the payment of that amount. The directors are subrogated to the shareholder's rights against the corporation, up to the sums they have paid.

DIVISION III

SPECIAL PROVISIONS WITH RESPECT TO BENEFICIARY

393. A beneficiary who may give instructions to a shareholder as to the exercise of rights attaching to a share has the right to demand the repurchase of that share as though the beneficiary were a shareholder; however, the beneficiary may only exercise that right by giving instructions for that purpose to the shareholder.

The beneficiary's instructions must allow the shareholder to exercise the right in accordance with this chapter.

394. A shareholder is required to notify the beneficiary of the calling of any shareholders meeting at which a resolution that could give rise to the right to demand a repurchase may be adopted, specifying that the beneficiary may exercise that right as though the beneficiary were a shareholder.

The shareholder is presumed to have fulfilled that obligation if the beneficiary is notified in accordance with any applicable regulations under the Securities Act (chapter V-1.1).

395. A shareholder must inform the corporation of the identity of a beneficiary who intends to demand the repurchase of shares, and of the number of shares to be repurchased, within the period prescribed by section 376.

396. A shareholder who demands the repurchase of shares in accordance with the instructions of a beneficiary may demand the repurchase of part of the shares to which that right is attached.

397. The beneficiary's claim with respect to shares for which the full repurchase price could not be paid, as well as the other rights granted to a beneficiary under this chapter, may be exercised directly against the corporation.

Likewise, after the repurchase price has been fully paid, the rights granted to a beneficiary under this chapter regarding an increase in the repurchase price may be exercised directly against the corporation.

Appendix "H"
Voting Information

Capitalized terms used but not specifically defined in this Appendix shall have the meanings ascribed thereto in the *"Glossary of Terms*" section of the Information Circular to which this Appendix is attached.

If you are a Common Shareholder or Preferred Shareholder and have any questions or require more information with regard to voting your Common Shares or Preferred Shares, please contact the Corporation's proxy solicitation agent, Kingsdale Shareholder Services, either (i) by mail at Kingsdale Shareholder Services, The Exchange Tower, 130 King Street West, Suite 2950, P.O. Box 361, Toronto, Ontario, M5X 1E2, (ii) by toll-free telephone in North America at 1-866-851-2743 or call collect outside North America at 416-867-2272 or (iii) by email at contactus@kingsdaleshareholder.com.

Who is soliciting my proxy?

The management of the Corporation is soliciting your proxy for use at the Meeting.

What will I be voting on?

If you are a Common Shareholder, you will be voting on the Arrangement Resolution to approve the Arrangement, and if you are a Preferred Shareholder, you will be voting on the Preferred Shareholder Resolution to approve the Arrangement, in each case, as more particularly described in the Information Circular to which this Appendix is attached.

Which classes of securities are voting?

There will be two class votes. The Common Shareholders will vote as a single class and the Preferred Shareholders will vote as a single class. Approval of the Arrangement Resolution by the Common Shareholders is a condition to the closing of the Arrangement. Approval of the Preferred Shareholder Resolution by the Preferred Shareholders is not a condition to the closing of the Arrangement. If the Preferred Shareholder Resolution is not approved by the Preferred Shareholders voting as a single class, and the conditions to closing, including approval of the Arrangement Resolution by the Common Shareholders, are satisfied or waived, the Preferred Shares will remain outstanding following the completion of the Arrangement.

How many votes do I have?

Subject to the voting restrictions noted below, the Common Shareholders and the Preferred Shareholders will each have one vote for each Common Share and Preferred Share, as applicable, owned as at 5:00 p.m. (Montreal time) on February 25, 2016, which is the Record Date for the Meeting.

How many Shares are eligible to vote?

The number of Common Shares and Preferred Shares outstanding on February 25, 2016 is 106,904,501 and 6,900,000, respectively.

How do I vote?

If you are eligible to vote and your Common Shares or Preferred Shares are registered in your name, you can vote your Common Shares or Preferred Shares in person at the Meeting or be represented by proxy, as explained below. As noted in the Information Circular, the Preferred Shares and some, but not all, of the Common Shares have been issued in the form of a global certificate in the name of CDS & Co. and, as such, CDS & Co. is the sole registered holder of the Preferred Shares and some, but not all, of the Common Shares.

If your Common Shares or Preferred Shares are held in the name of a nominee such as a broker or financial institution, please see the instructions below under the headings "*How can a non-registered Shareholder vote?*" and "*How can a non-registered Shareholder vote in person at the Meeting?*"

Voting by proxy

Whether or not you attend the Meeting, you can appoint someone else to vote for you as your proxyholder. You can use the enclosed form of proxy or any other proper form of proxy to appoint your proxyholder. The persons named in the enclosed form of proxy are directors and/or officers of the Corporation. However, you can choose another person to be your proxyholder, including someone who is not a Common Shareholder or Preferred Shareholder. You may do so by crossing out the names printed on the proxy and inserting another person's name in the blank space provided. If you choose another person to be your proxyholder, for your vote to count, please make sure the person you appoint is aware that he or she has been appointed and attends the Meeting and registers with the transfer agent, Computershare Investor Services Inc., upon arrival at the Meeting.

Voting by Internet for Registered Common Shareholders

Registered holders of Common Shares may use the internet website at investorvote.com to transmit their voting instructions. Registered holders of Common Shares should have the enclosed form of proxy in hand when they access the internet website. You will be prompted to enter your Control Number, which is located on the form of proxy. If you vote by internet, your vote for the Meeting must be received by no later than 10:30 a.m. (Montreal time) on March 29, 2016 or at least 48 hours (excluding Saturdays, Sundays and holidays) prior to the any adjournment or postponement of the Meeting. The internet website may be used to appoint a proxy holder to attend and vote on a registered Shareholder's behalf at the Meeting and to convey a registered Common Shareholder's voting instructions. Please note that if a registered Common Shareholder appoints a proxy holder and submits their voting instructions and subsequently wishes to change their appointment, the registered Common Shareholder may resubmit their proxy and/or voting direction, prior to the deadline noted above. When resubmitting a proxy, the most recently submitted proxy will be recognized as the only valid one, and all previous proxies submitted will be disregarded and considered as revoked, provided that the last proxy is submitted by the deadline noted above. Preferred Shares have been issued in the form of a global certificate in the name of CDS & Co. and, as such, CDS & Co. is the sole registered holder of the Preferred Shares. CDS & Co. may only vote the Preferred Shares in accordance with instructions received from the non-registered holders of the Preferred Shares.

How will my proxy be voted?

On the form of proxy, you can indicate how you want your proxyholder to vote, or you can let your proxyholder decide for you.

If you have specified on the form of proxy how you want to vote, (by marking FOR or AGAINST) the applicable resolution then your proxyholder must vote accordingly.

If you have not specified on the form of proxy how you want to vote, then your proxyholder can vote as he or she sees fit.

Unless contrary instructions are provided, Shares represented by proxies received by management will be voted FOR the Arrangement Resolution and the Preferred Shareholder Resolution.

What if there are amendments or if other matters are brought before the Meeting?

The enclosed form of proxy gives the persons named on it authority to use their discretion in voting on other business, including amendments or variations to the matters identified in the Notice of Meeting, as may properly be brought before the Meeting or any adjournment or postponement thereof.

As of the time of printing this Information Circular, management of the Corporation is not aware that any other matter is to be brought before the Meeting. If, however, other matters properly come before the Meeting, the persons named in the enclosed form of proxy will vote on them in accordance with their judgment, pursuant to the discretionary authority conferred by the form of proxy with respect to such matters.

What if I change my mind and want to revoke my proxy?

You can revoke your proxy at any time before it is acted upon.

You can do this by stating clearly, in writing, that you want to revoke your proxy and by delivering this written statement to the head office of the Corporation not later than the last business day before the day of the Meeting (or any adjournment, or postponement, thereof) or to the Chairman of the Meeting on the day of the Meeting (or any adjournment or postponement thereof).

Who counts the votes?

Proxies are counted by the Corporation's transfer agent, Computershare Investor Services Inc.

How are proxies solicited?

The Corporation's management requests that you sign and return the enclosed form of proxy to ensure your votes are exercised at the Meeting. The solicitation of proxies will be primarily by mail. However, the directors, officers and employees of the Corporation may also solicit proxies by telephone, in writing or in person.

The Corporation has also retained Kingsdale Shareholder Services to assist it in connection with communicating to Shareholders in respect of the Arrangement. In connection with these services, Kingsdale Shareholder Services is expected to receive a fee of $50,000 and will be reimbursed for its reasonable out-of-pocket expenses. The entire cost of the solicitation will be borne by the Corporation.

How can a non-registered Shareholder vote?

If your Common Shares or Preferred Shares are not registered in your own name, they will be held in the name of a "nominee", which is usually a trust company, securities broker or other financial institution. Your nominee is required to seek your instructions as to how to vote your Common Shares or Preferred Shares. For that reason, you have received this Information Circular from your nominee together with a Voting Instruction Form. Each nominee has its own signing and return instructions, which you should follow carefully to ensure your Common Shares or Preferred Shares will be voted. If you are a non-registered holder of Common Shares or Preferred Shares who has voted and you want to change your mind and vote in person, contact your nominee to discuss whether this is possible and what procedure to follow.

How can a non-registered Shareholder vote in person at the Meeting?

Since the Corporation may not have access to the names of its non-registered Common Shareholders and non-registered Preferred Shareholders, if you attend the Meeting, the Corporation will have no record of your holdings or of your entitlement to vote, unless your nominee has appointed you as the proxyholder. Therefore, if you are a non-registered holder of Common Shares or a non-registered holder of Preferred Shares and wish to vote in person at the Meeting, please insert your own name in the space provided on the Voting Instruction Form sent to you by your nominee. By doing so, you are instructing your nominee to appoint you as proxyholder. Then sign and return the form, following the instructions provided by your nominee. Do not otherwise complete the form, as you will be voting at the Meeting. Please register with the transfer agent, Computershare Investor Services Inc., when you arrive at the Meeting.

Appendix "I"
Notice of Presentation of the Final Order

TAKE NOTICE that RONA inc. (**RONA**) has filed an *Application for Interim and Final Orders in Connection with a Proposed Arrangement* (**Application**) before the Superior Court of Québec, district of Montreal.

The Application is expected to be presented for adjudication of the Final Order sought therein to the Superior Court of Québec (Commercial Division), sitting in the district of Montreal, on April 7, 2016, in room 15.07 of the Courthouse located at 1 Rue Notre-Dame E, Montreal, (Québec) H2Y 1B6 (or such other room or location that the Court may determine), at 2:00 p.m. (Montreal Time) (or as soon as counsel may be heard).

Pursuant to the Interim Order issued by the Superior Court of Québec on February 25, 2016, if you wish to make representations before the Court, you are required to file a notice of appearance with the Court's registry and serve same on RONA's counsel, Mtre. Julie Himo, no later than 4:30 p.m. on March 25, 2016 at the following addresses and fax numbers:

NORTON ROSE FULBRIGHT CANADA LLP

1 Place Ville-Marie, Suite 2500,
Montreal, Québec H3B 1R1
c/o Me Julie Himo (514) 286-5474

If you wish to contest the issuance by the Superior Court of Québec of the Final Order, you are also required, pursuant to the terms of the Interim Order, to prepare a written contestation containing the reasons why the Court should not issue the Final Order. This written contestation must be supported as to the facts by affidavit(s), and exhibit(s) if any, and must be served on RONA's counsel (at the above address and facsimile number) no later than 4:30 p.m. on April 1st, 2016.

TAKE FURTHER NOTICE that if you do not file and serve a written contestation and/or notice of appearance within the above-mentioned time limit, you will not be entitled to contest the Application or make representations before the Court, and the Applicant RONA may be granted a judgment without further notice or extension.

If you wish to make representations or contest the issuance by the Court of the Final Order, it is important that you take action within the time limit indicated, either by retaining the services of an attorney who will represent you and act in your name, or by doing so yourself in accordance with the formalities of the Law.

A copy of the Final Order issued by the Superior Court of Québec will be filed on SEDAR under RONA's issuer profile at www.sedar.com.

PLEASE ACT ACCORDINGLY.

MONTREAL, February 25, 2016

(signed) "*Norton Rose Fulbright Canada LLP*"

Norton Rose Fulbright Canada LLP

Counsel for the Applicant, RONA inc.

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

The Exchange Tower
130 King Street West, Suite 2950, P.O. Box 361
Toronto, Ontario
M5X 1E2
www.kingsdaleshareholder.com

North American Toll Free Phone:

1-866-851-2743

Email: contactus@kingsdaleshareholder.com

Facsimile: 416-867-2271

Toll Free Facsimile: 1-866-545-5580

Outside North America, Banks and Brokers Call Collect: 416-867-2272