



**ANNUAL INFORMATION FORM  
FOR THE FISCAL YEAR ENDED  
January 31, 2009**

April 29, 2009

## TABLE OF CONTENTS

	Page
<b>THE CORPORATION .....</b>	<b>2</b>
(a) Incorporation.....	2
(b) Subsidiaries.....	2
<b>BUSINESS OF THE CORPORATION.....</b>	<b>2</b>
(a) Introduction.....	2
(b) General Development of the Corporation Over the Last Five Years.....	2
(c) Stores.....	3
(d) Merchandising and Marketing.....	4
(e) Purchasing and Distribution.....	4
(f) Intangible Rights.....	6
(g) Competition.....	6
(h) Employees.....	6
(i) Principal Properties of the Corporation .....	6
<b>RISK FACTORS.....</b>	<b>6</b>
(a) Competitive and Economic Environment.....	6
(b) Leases.....	7
(c) Foreign Exchange .....	7
(d) Consumer Shopping Patterns.....	7
(e) Weather .....	7
(f) Seasonality .....	7
<b>DIVIDEND POLICY.....</b>	<b>8</b>
<b>DESCRIPTION OF CAPITAL STRUCTURE .....</b>	<b>8</b>
<b>MARKET FOR SECURITIES .....</b>	<b>9</b>
<b>DIRECTORS AND OFFICERS .....</b>	<b>10</b>
<b>CEASE TRADE ORDERS, BANKRUPTCIES, PENALTIES OR SANCTIONS.....</b>	<b>12</b>
<b>AUDIT COMMITTEE AND ACCOUNTANT’S FEES AND SERVICES.....</b>	<b>13</b>
(a) Composition of the Audit Committee.....	13
(b) Relevant Education and Experience .....	13
(c) Pre-Approval Policies and Procedures.....	14
(d) External Auditor Services Fees.....	15
<b>LEGAL PROCEEDINGS AND REGULATORY ACTIONS.....</b>	<b>15</b>
<b>INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS.....</b>	<b>16</b>
<b>MATERIAL CONTRACTS.....</b>	<b>16</b>
<b>TRANSFER AGENT AND REGISTRAR .....</b>	<b>16</b>
<b>INTEREST OF EXPERTS.....</b>	<b>16</b>
<b>ADDITIONAL INFORMATION .....</b>	<b>16</b>
<b>SCHEDULE A.....</b>	<b>17</b>

## THE CORPORATION

### (a) Incorporation

Reitmans (Canada) Limited (“Reitmans” or the “Corporation”) was incorporated under the laws of Canada on April 5, 1947 and continued under the *Canada Business Corporations Act* on May 23, 1980. By certificate of amendment dated June 22, 1983, the legal designation of the Class A shares of the capital stock of Reitmans was changed to “Class A non-voting” shares. On February 3, 1992 Reitmans was amalgamated with Reitmans Holdings Limited, a wholly-owned subsidiary. On August 2, 1998 Reitmans and its wholly-owned subsidiary, Reitmans Inc. were amalgamated. Subsequent to the Corporation’s 2003 year end, Shirmax Fashions Ltd. (see “Business of the Corporation – General Development of the Corporation over the Last Five Years”) and its subsidiaries were amalgamated and the resulting amalgamated corporation was subsequently wound-up into the Corporation. The registered office of Reitmans is located at 3300 Highway #7 West, Suite 702, Vaughan, Ontario L4K 4M3. The principal office of Reitmans is located at 250 Sauvé Street West, Montreal, Québec H3L 1Z2.

### (b) Subsidiaries

Reitmans had no subsidiaries as at January 31, 2009.

## BUSINESS OF THE CORPORATION

### (a) Introduction

The Corporation engages principally in the retail sale of women’s wearing apparel. The retail activities of the Corporation are conducted under various trade names through the retail store banners of the Corporation. The majority of Reitmans’ merchandise is moderately priced and targeted to appeal principally to young and contemporary customers. The merchandise offered by the Corporation includes coats, dresses, skirts, pants, sweaters, shirts, blouses, lingerie and accessories. The Corporation diversifies its sales by targeting different markets through each of its different store banners. See “Business of the Corporation-Stores”.

### (b) General Development of the Corporation Over the Last Five Years

On August 1, 2006, the Company opened the first store of its new ladies wear retail concept called Cassis. Cassis constitutes the Company’s seventh banner and consists of mall-based stores of approximately 3,700 sq. ft. Cassis features urban casual and career clothing that reflects the personality of our customer: charismatic and youthful. We offer styles, cuts and fabrics that flatter the figure of the 45-year-old woman while showcasing the energy and attitude of her 35-year-old mindset. The Company had opened 16 Cassis stores as of January 31, 2009.

In November 2007, the Company embarked on an e-commerce initiative in its plus-size banners and launched an e-commerce website for these banners. The Company is pleased with the acceptance shown by customers using the e-commerce website and anticipates that this initiative will represent an opportunity for the Company to enhance sales while offering customers the convenience of online purchasing.

**(c) Stores**

As at April 4, 2009, the Corporation operated a total of seven retail store banners consisting of 371 Reitmans, 165 Smart Set, 59 RW & CO., 76 Thyme Maternity, 17 Cassis, 163 Penningtons and 123 Addition Elle, for a total of 974 stores.

Depending on market conditions and other considerations, Reitmans currently expects to open a total of 30 new stores during the fiscal year ending January 31, 2010 under the following banners: 12 Reitmans, 4 Smart Set, 6 RW & CO., 2 Thyme Maternity, 1 Addition Elle, 4 Penningtons and 1 Cassis.

The majority of the Corporation's stores are located in enclosed shopping malls which are situated both in central and suburban metropolitan areas and in smaller towns in Canada.

Operating 371 stores averaging 4,400 sq. ft., Reitmans is Canada's largest ladies apparel specialty chain. Reitmans offers Canadian women affordable fashions "designed for real life" in regular, plus and petite sizes. Through highly effective merchandising strategies, superior and insightful marketing programs, the Reitmans brand has developed powerful consumer relationships and loyalty, steadily growing its base of 25-45 year old female customers.

The Smart Set brand, with 165 stores, averaging 3,400 sq. ft., is Canada's major fashion destination for young women in their mid-twenties and is newly positioned as a "do-it-yourself fashion toolbox". Smart Set offers current styles designed to mix and match for work, after hours and week-end wear. All of which are designed and manufactured specifically and exclusively for the chain and carry the Smart Set label.

Operating 59 stores, which average 4,300 sq. ft., in major malls, RW & CO. caters to junior (18 to 30) ladies and men, featuring fashionable, original and quality urban and casual wear at moderate prices. A unique and comfortable store environment, genuine customer care and exceptional marketing support distinguishes the RW & CO. lifestyle brand.

Thyme Maternity, Canada's largest specialty retailer of maternity clothing, operates 76 stores, averaging 2,200 sq. ft., in malls and power centres. Thyme Maternity sells clothing and accessories that are designed to meet an expectant mother's entire fashion needs including her career, casual, lingerie, special occasion and nursing apparel needs, all at affordable prices.

The newest of the Reitmans retail banners, Cassis, has 17 stores averaging 3,700 sq. ft., which are located in major regional malls. Cassis features urban casual and career clothing that reflects the personality of our customer: charismatic and youthful. Cassis offers styles, cuts and fabrics that flatter the figure of the 45-year-old woman while showcasing the energy and attitude of her 35-year-old mindset.

With 163 stores from coast to coast, Penningtons is a destination store averaging 5,900 sq. ft. located in strip plazas and power centre locations providing a broad assortment of career, casual, intimate apparel and accessories for the plus-size woman of all ages at competitive prices. The Penningtons brand stands for classic fashion, friendly warm service, quality and value. We also offer the junior plus-size product assortment known as MXM that caters to the trendy, young value-conscious plus-size customer is offered in all Penningtons stores.

Operating 123 stores, Addition Elle is Canada's fashion leader in ladies plus-size clothing, providing our customers with a contemporary collection of career, casual, intimate apparel and accessories at affordable prices. Our stores average 5,800 sq. ft. and are located in malls and power centre locations across Canada. The junior MXM assortment is available in 116 Addition Elle stores.

All of the Corporation's stores feature wall and selling-floor displays which coordinate merchandise in order to promote multiple sales. The number of apparel items being displayed in each store varies depending on the selling season and size of the store. The stores, which the Corporation believes must constantly present a fresh, contemporary shopping environment, are redecorated periodically or fully remodeled as necessary to augment sales. New store designs in Reitmans and Smart Set have proven successful in generating increased sales and will be implemented in new store locations and renovated stores, where appropriate.

The Corporation's stores accept a variety of tenders, including debit cards, a number of national credit cards, cash, gift certificates and credit notes, providing customers with convenient payment options.

**(d) Merchandising and Marketing**

The merchandise sold by the Corporation is produced by a large number of manufacturers in Canada, the Far East and Europe. While some branded merchandise is sold by the Corporation, most of the merchandise consists of items produced for one of the Corporation's private labels. The Corporation's private label program is aimed at satisfying the demand for better quality merchandise, comparable to certain national brands, at lower prices. The Corporation uses its buying power in the marketplace and directly with manufacturers to have goods specially made to the Corporation's specifications (construction, fabric, fit and style), which are sold at attractive prices while providing higher average mark-up for the Corporation than branded products.

The Corporation views its retail apparel market as having two principal selling seasons, spring/summer and fall/winter. As is generally the case in the women's apparel industry, the Corporation experiences its peak sales activity during the fall/winter season. This seasonal sales pattern results in increased inventory during the holiday selling period.

The Corporation follows a policy of continuous review of its inventory in order to identify slow-selling merchandise. If inventory exceeds customer demand for reasons of style, seasonal adaptation, adverse weather conditions or changes in customer preference, markdowns are taken to clear the merchandise. The Corporation emphasizes rapid turnovers and takes markdowns where required to keep merchandise fresh and current with customers' requirements and fashion trends.

The Corporation emphasizes customer service, including the presence of sales people in the stores, rather than self-service, and acceptance of merchandise returns for cash or credit within a reasonable time. Specific standards regarding customer service and employee conduct have been put in place throughout the Corporation.

**(e) Purchasing and Distribution**

Purchasing is conducted for each of the seven banners of the Corporation by a staff of merchandise managers and buyers dedicated to each different banner. The Corporation believes

that this specialization of buyers for each banner allows them to focus on the particular customers and marketplace of the banner, thereby maximizing sales and gross margin by banner.

Distribution is conducted through the Reitmans Distribution Centre where all merchandise is received and processed for distribution to stores throughout Canada, primarily by common carrier.

The Reitmans Distribution Centre, located in Montreal, has 566,000 square feet of working area, serving all 7 banners. Set on 1,100,000 sq. ft. of land, the facility has over 40 shipping and receiving docks and is capable of processing up to 500,000 garments a day in peak receiving and shipping season and more than 55,000,000 units of merchandise per year. Computerized sortation equipment for both hanging garments and flat items is capable of serving over 1,100 stores.

No supplier to the Corporation accounted for more than 10% of the Corporation's merchandise purchases (determined at cost) during the past fiscal year. The Corporation's merchandise is obtained from over 235 North American suppliers as well as a number of offshore suppliers. During the fiscal year ended January 31, 2009, approximately 21% of the Corporation's merchandise was purchased from Canadian sources and the balance was directly imported by the Corporation. The Corporation does not have any formal, long-term arrangements with any of its merchandise suppliers. This allows the Corporation flexibility in placing its purchase orders. The Corporation maintains buying offices in Montreal and a sourcing office in Hong Kong.

The Corporation's arrangements with its foreign suppliers are subject to the risks attendant to doing business abroad, including the imposition of export duties, increases in the rate of import duties, custom clearances, political and social instability, late deliveries, currency revaluations and fluctuations in exchange rates. The Corporation seeks to continually minimize its potential exposure to risks through, among other measures, geographical diversification of its sources of supply and shifts of purchases among countries and suppliers. The Corporation constantly monitors duty, tariff and quota-related developments. The Corporation believes that its operations have not been adversely affected by any of these factors to date. However, the imposition or reimposition, of new quotas, duties, tariffs or other restrictions, or the adverse adjustment of presently prevailing quota, duty or tariff levels, could have adverse effects upon the Corporation's operations and its ability to continue to import products at current or increased levels. The Corporation cannot predict with any degree of certainty the likelihood of any such events occurring.

The vast majority of the Corporation's non-Canadian sourced merchandise is priced and paid for in US dollars. The Corporation in its normal course of business must make long lead-time commitments for a significant proportion of its merchandise purchases, in some cases as long as eight months. The Corporation uses a variety of strategies designed to fix the cost of its continuing US dollar long-term commitments at the lowest possible cost while at the same time allowing itself the opportunity to take advantage of a positive swing in the value of the Canadian dollar vis-à-vis the US dollar.

The Corporation believes that the number and geographical diversity of its sources of supply minimize the risk of adverse consequences that would result from termination of its relationship with any of its larger suppliers. The Corporation also believes that it would have the ability to develop, over a reasonable period of time, adequate alternate sources of supply should

any of its existing arrangements terminate. To date, the Corporation has not experienced any significant difficulty in obtaining merchandise and considers its sources of supply to be adequate.

The Corporation's merchants obtain chain-wide inventory information for each of the Corporation's banners generated by the Corporation's merchandise information system utilizing point-of-sale terminals, through which merchandise can be followed from the placement of the order to the actual sale. Based upon this data, the merchandise managers compare budgeted to actual sales and make merchandising decisions, as required, including re-order, markdowns and changes in buying plans.

**(f) Intangible Rights**

The Corporation is the registered owner of approximately 300 trademarks in Canada. The Corporation considers that some of its registered trademarks have significant value in the marketing of its merchandise.

**(g) Competition**

The retail sale of women's apparel is a highly competitive business with numerous competitors, including individual and chain fashion specialty stores, department stores and e-commerce sellers. The Corporation cannot reasonably estimate the number of its competitors. However, the Corporation believes, based on such trade information as is available, that the Corporation is one of the largest Canadian retailers of women's apparel.

**(h) Employees**

As at January 31, 2009, the Corporation employed approximately 4,000 persons on a full time basis and approximately 7,150 persons on a part-time basis (fewer than 29 hours per week).

The Corporation is not a party to any collective bargaining contract with respect to its employees and the Corporation considers its employee relations to be highly satisfactory.

**(i) Principal Properties of the Corporation**

Other than the distribution centre described above, the Corporation leases all of its retail locations. In January 2006, the Corporation purchased its previously leased office premises comprising 385,000 sq. ft. located at 250 Sauvé West, Montreal, Québec H3L 1Z2.

## **RISK FACTORS**

The risks included here are not exhaustive. The Corporation operates in a very competitive and rapidly changing environment. New risk factors may emerge from time to time and it is not possible for management to predict all such risk factors, nor can it assess the impact of all such risk factors on the Corporation's business.

**(a) Competitive and Economic Environment**

Fashion retailing is a highly competitive global business that is subject to rapidly changing consumer demands. In addition, there are several external factors which affect the economic climate and consumer confidence over which the Corporation has no influence, including the disruptions in the international and regional credit markets and other financial

systems and the deterioration of global economic conditions over the course of the past year. Such disruptions continue to this day, and there is significant uncertainty as to the duration of current events and as to the further deterioration of these conditions.

This environment intensifies the importance of in-store differentiation, quality of service and continually exceeding customer expectations, thereby delivering a total customer experience.

**(b) Leases**

All of the Corporation's stores are held under leases, most of which can be renewed for additional terms at the Corporation's option. The Corporation has good relationships with its landlords. Any factor which would have the effect of impeding or affecting, in a material way, the Corporation's ability to lease prime locations or re-lease and/or renovate existing profitable locations, or retard the Corporation's ability to close undesirable locations could adversely impact the Corporation's operations.

**(c) Foreign Exchange**

The Corporation's foreign exchange risk is limited to currency fluctuations between the Canadian and US dollar. When merchandise is sourced offshore and must be paid for in US dollars, the Corporation uses a variety of defensive strategies to protect the continuing cost of US dollars against any material adverse fluctuations in the value of the Canadian dollar between the time the relevant merchandise is ordered and when it must be paid for.

**(d) Consumer Shopping Patterns**

Changes in customer shopping patterns could affect sales. Many of the Corporation's stores are located in enclosed shopping malls. The ability to sustain or increase the level of sales depends in part on the continued popularity of malls as shopping destinations and the ability of malls, tenants and other attractions to generate a high volume of customer traffic. Many factors that are beyond the control of the Corporation may decrease mall traffic, including economic downturns, closing of anchor department stores, weather, concerns of terrorist attacks, construction and accessibility, alternative shopping formats such as e-commerce, discount stores and lifestyle centres, among other factors. Any changes in consumer shopping patterns could adversely affect the Corporation's financial condition and operating results.

**(e) Weather**

Extreme changes in weather can affect the planned receipt and/or distribution of merchandise and the timing of consumer spending and may have an adverse effect upon the Corporation's results of operations. In particular, unseasonably warm weather, especially during the Corporation's peak selling seasons, may have an adverse effect on the Corporation's sales.

**(f) Seasonality**

The Corporation's business is somewhat seasonal, as are most retail businesses. Historically, approximately 52% or more of the Corporation's total annual sales have been generated during its fall/winter season, which includes the holiday season. The Corporation's results of operations depend significantly upon the sales generated during this period. Any material decrease in sales for such period could have a material adverse effect upon the

Corporation's profitability. The Corporation's quarterly results of operations may also fluctuate as a result of a variety of other factors, including the timing of new store openings and net sales contributed by new stores, the impact of new stores on existing stores within the same trade area, the merchandise mix and the timing and level of markdowns, the timing and level of markdowns and promotions by competitors and consumer shopping patterns and preferences.

## **DIVIDEND POLICY**

The Corporation has paid a quarterly cash dividend on its Common shares for 58 years and on its Class A non-voting shares for 48 years.

The cash dividends declared per Class A non-voting and Common share for the three most recently completed financial years amounted to \$0.72 per share for fiscal 2008-2009, \$0.66 per share for fiscal 2007-2008 and \$0.58 per share for fiscal 2006-2007.

A quarterly cash dividend of \$0.18 per share was declared on all Class A non-voting and Common shares outstanding, payable April 30, 2009 to shareholders of record on April 20, 2009.

## **DESCRIPTION OF CAPITAL STRUCTURE**

Holder of Common shares are entitled to receive notice, attend and vote at meetings of shareholders of the Corporation. Shareholders are entitled to one (1) vote for each Common share held in respect of all matters which may properly come before meetings of shareholders. The holders of Class A non-voting shares are not entitled to receive notice of, attend or vote at meetings of shareholders of the Corporation, except as expressly provided by law or in certain circumstances.

The Class A non-voting shares and the Common shares of the Corporation rank equally and *pari passu* with respect to the right to receive dividends and upon any distribution of the assets of the Corporation. However, in the case of stock dividends, the holders of Common shares shall have the right to receive Common shares and the holders of Class A non-voting shares shall have the right to receive Class A non-voting shares.

## MARKET FOR SECURITIES

The Common shares and the Class A non-voting shares of the capital of Reitmans are listed on the Toronto Stock Exchange.

The price ranges and volume of the Class A non-voting shares of the Company traded on the TSX on a monthly basis from February 2008 to January 31, 2009 were as follows:

### Class A Non-Voting Shares (RET.A)

<u>Month</u>	<u>High (\$)</u>	<u>Low (\$)</u>	<u>Volume Traded</u>
February 2008	17.34	16.05	1,947,669
March 2008	18.58	15.26	1,632,257
April 2008	19.37	16.65	4,203,390
May 2008	19.00	17.37	1,876,693
June 2008	18.66	14.61	4,859,657
July 2008	16.01	13.84	1,831,334
August 2008	16.90	15.58	1,523,874
September 2008	16.80	14.02	2,331,310
October 2008	16.25	13.01	1,990,443
November 2008	14.73	9.71	2,311,641
December 2008	11.92	8.09	3,617,608
January 2009 (Up to and including January 30)	12.22	10.10	3,195,274

The price ranges and volume of the Common shares of the Company traded on the TSX on a monthly basis from February 2009 to January 31, 2009 were as follows:

### Common Shares (RET)

<u>Month</u>	<u>High (\$)</u>	<u>Low (\$)</u>	<u>Volume Traded</u>
February 2008	16.75	15.75	98,339
March 2008	18.50	15.10	97,229
April 2008	19.00	16.41	79,228
May 2008	18.95	17.05	119,954
June 2008	18.18	14.00	649,840
July 2008	15.24	13.50	124,794
August 2008	15.50	14.63	108,987
September 2008	16.00	12.76	535,974
October 2008	15.00	10.50	98,657
November 2008	13.00	9.41	74,650
December 2008	10.07	8.05	394,170
January 2009 (Up to and including January 30)	10.89	8.14	321,240

## DIRECTORS AND OFFICERS

During the last five years, all of the directors and officers listed below have been engaged in their present principal occupations or in other executive capacities with the companies indicated opposite their names or with related or affiliated companies, except as noted below:

<u>Name and municipality of residence</u>	<u>Position held with Reitmans</u>	<u>Director since</u>	<u>Principal occupation during last 5 years if different than position held with Reitmans</u>
Cathryn Adeluca Ile Bizard, Québec, Canada	Vice-President - RW & CO.	N/A	-
Diane Archibald Montreal, Québec, Canada	Vice-President – Store Planning	N/A	-
H. Jonathan Birks <sup>(1),(3)</sup> Montreal, Québec, Canada	Director	1989	Business consultant
Stephanie Bleau Montreal, Québec, Canada	Vice-President - Reitmans	N/A	-
Frédéric Boivin St-Bruno, Québec, Canada	Vice-President, RW & CO.	N/A	Prior to April 2009, Mr. Boivin was Director of Planning and Allocation for RW & CO.
Domenic Carbone Montreal, Québec, Canada	Vice-President - Distribution and Logistics	N/A	Prior to June 2008, Mr. Carbone was Assistant Comptroller for Reitmans (Canada) Limited
Nadia Cerantola Montreal, Québec, Canada	Vice-President - Reitmans	N/A	-
Trudy Crane Montreal, Québec, Canada	Vice-President - Penningtons / Addition Elle	N/A	-
Cathy Cockerton Montreal, Québec, Canada	Vice-President - Smart Set	N/A	Prior to February 2008, Ms. Cockerton served as President for Children's Wear Division, Le Groupe San Francisco (retailer)
Douglas M. Deruchie, CA Montreal, Québec, Canada	Vice-President - Finance	N/A	-
Doug Edwards Montreal, Québec, Canada	Vice-President - Penningtons / Addition Elle	N/A	-
Henry Fiederer Montreal, Québec, Canada	President - Reitmans	N/A	-
Sylvain Forest Montreal, Québec, Canada	Vice-President - Smart Set	N/A	-
Donna Flynn Montreal, Québec, Canada	Vice-President - Reitmans	N/A	-
Marie Frenneaux Mississauga, Ontario, Canada	Vice-President - Thyme Maternity	N/A	Prior to March 2008, Ms. Frenneaux was Director of Operations and Business Development for Cotton Ginny Limited (ladies specialty retailer). Prior to August 2008, Ms. Frenneaux was General Manager and Director for Talbots (Canada) Corporation (ladies specialty retailer)
Fiona Horgan Hudson, Québec, Canada	Vice-President - RW & CO.	N/A	Prior to November 2005, Ms. Horgan served as General Manager of The Canadian Bra Company (U.K.) (lingerie and sleepwear wholesaler)
Stephen J. Kauser <sup>(1),(2)</sup> Ocean Ridge, Florida, United States	Director	1995	Business consultant
Max Konigsberg <sup>(3)</sup> Montreal, Québec, Canada	Director	2002	Business consultant

<b><u>Name and municipality of residence</u></b>	<b><u>Position held with Reitmans</u></b>	<b><u>Director since</u></b>	<b><u>Principal occupation during last 5 years if different than position held with Reitmans</u></b>
Bruce MacKeracher Ile Bizard, Québec, Canada	Vice-President - Reitmans	N/A	-
Claude Martineau Longueuil, Québec, Canada	Vice-President - Information Technology	N/A	-
Lesya McQueen Montreal, Québec, Canada	President – Smart Set	N/A	Prior to June 2006, Ms. McQueen served as President - Thyme Maternity
Samuel Minzberg <sup>(2),(3)</sup> Montreal, Québec, Canada	Director	2000	Partner, Davies Ward Phillips & Vineberg LLP (attorneys).
Kerry Mitchell Montreal, Québec, Canada	President - Penningtons / Addition Elle	N/A	-
Isabelle Oliva Montreal, Québec, Canada	Vice-President - Human Resources	N/A	Prior to January 2008, Ms. Oliva was Vice-President, Human Resources, of Emergis Inc. (e-commerce solutions provider)
Jonathan Plens Montreal, Québec, Canada	Vice-President - Penningtons / Addition Elle	N/A	-
Diane Randolph Montreal, Québec, Canada	Vice-President – Chief Information Officer	N/A	Prior to January 2005, Ms. Randolph served as Vice-President, Software Development, NSB Group (formerly STS Systems) (software and services provider)
Stefanie Ravenda Brossard, Québec, Canada	Vice-President - Reitmans	N/A	-
Jeremy H. Reitman Montreal, Québec, Canada	President and Director	1975	-
Stephen F. Reitman Montreal, Québec, Canada	Executive Vice-President and Director	1984	-
Stéphane Renauld Montreal, Québec, Canada	Vice-President - Cassis	N/A	Prior to July 2008, Mr. Renauld served as Vice-President of Smart Set
Allen F. Rubin Montreal, Québec, Canada	Vice-President - Operations	N/A	-
Saul Schipper Montreal, Québec, Canada	Vice-President – Real Estate and Secretary	N/A	Prior to June 2008, Mr. Schipper was Vice-President – Secretary for Reitmans (Canada) Limited
Kimberly Schumpert Montreal, Québec, Canada	President - Thyme Maternity	N/A	Prior to May 2008, Ms. Schumpert was President of Cassis. Prior to June 2006, Ms. Schumpert was Vice-President of Reitmans
Rhonda Sandler Montreal, Québec, Canada	Vice-President - Penningtons	N/A	Prior to April 2009, Ms. Sandler was Vice-President - Addition Elle
Howard Stotland <sup>(1),(2)</sup> Montreal, Québec, Canada	Director	2003	Business consultant
Fernanda Soussa Montreal, Québec, Canada	Vice-President - Thyme Maternity	N/A	-
John J. Swidler, FCA <sup>(1)</sup> Montreal, Québec, Canada	Director	2008	Partner, RSM Richter Chamberland LLP (accountants and consultants)
Jacqueline Tardif Ile Bizard, Québec, Canada	Vice-President - Reitmans	N/A	-
Isabelle Taschereau Montreal, Québec, Canada	President - Cassis	N/A	Prior to May 2008, Ms. Taschereau was President of Thyme Maternity. Prior to June 2006, Ms. Taschereau was President of Smart Set

<u>Name and municipality of residence</u>	<u>Position held with Reitmans</u>	<u>Director since</u>	<u>Principal occupation during last 5 years if different than position held with Reitmans</u>
Danielle Vallières Laval, Québec, Canada	Vice-President – Smart Set	N/A	-
Robert S. Vineberg <sup>(2),(3)</sup> Montreal, Québec, Canada	Director	1987	Partner, Davies Ward Phillips & Vineberg LLP (attorneys)
Suzana Vovko Montreal, Québec, Canada	President - RW & CO.	N/A	-
Richard Wait, CGA Montreal, Québec, Canada	Vice-President - Comptroller	N/A	-
Eric Williams, CA Montreal, Québec, Canada	Vice-President - Treasurer	N/A	-

NOTES:

- (1) Member of the Audit Committee of the Board of Directors of Reitmans.
- (2) Member of the Compensation Committee of the Board of Directors of Reitmans.
- (3) Member of the Corporate Governance Committee of the Board of Directors of Reitmans.

As a group, the directors and senior officers of Reitmans beneficially own, directly or indirectly, or have control or direction over approximately 7,706,000 Common shares, representing approximately 57% of the issued and outstanding Common shares and 7,191,000 Class A non-voting shares, representing approximately 13% of the issued and outstanding Class A non-voting shares.

The term of office of each director expires at the close of the annual meeting of shareholders, unless such director is re-elected at such meeting. There is no executive committee of the Board of Directors of Reitmans. There is an Audit Committee, Compensation Committee and Corporate Governance Committee of the Board of Directors of Reitmans.

## **CEASE TRADE ORDERS, BANKRUPTCIES, PENALTIES OR SANCTIONS**

To the knowledge of the directors and officers of the Corporation, except as set forth below, no director or executive officer of the Corporation.

- (a) is, as at the date of this Proxy Circular, or has been, within 10 years before the date of this Proxy Circular, a director, chief executive officer or chief financial officer of any company, that,
  - (i) was subject to a cease trade order, an order similar to a cease trade order or an order that denied the relevant company access to any exemption under securities legislation that was issued while the proposed director was acting in the capacity as director, chief executive officer or chief financial officer that was in effect for a period of more than 30 consecutive days; or
  - (ii) was subject to a cease trade order, an order similar to a cease trade order or an order that denied the relevant company access to any exemption under securities legislation that was issued after the proposed director ceased to be a director, chief executive officer or chief financial officer and which

resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer that was in effect for a period of more than 30 consecutive days; or

- (b) is, as at the date of this Proxy Circular, or has been within 10 years before the date of this Proxy Circular, a director or executive officer of any company, that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or
- (c) has, within the 10 years before the date of this Proxy Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold its assets.

Mr. Stephen F. Reitman was a director of Cinar Inc. (“Cinar”), now the Cookie Jar Group, until April 2002. On March 6, 2000, trading in Cinar’s stock was halted on both the Toronto Stock Exchange (“TSX”) and the NASDAQ National Market (“Nasdaq”). Trading resumed on March 7, 2000 and was halted again on March 9, 2000. Trading in the shares of Cinar has been halted on TSX and Nasdaq since March 9, 2000. On August 2, 2000, Cinar was de-listed from Nasdaq due to failure to comply with its continuous disclosure requirements. On August 30, 2000, trading in Cinar’s shares on TSX was suspended due to failure to meet the continued listing requirements.

## **AUDIT COMMITTEE AND ACCOUNTANT’S FEES AND SERVICES**

The Charter of the Audit Committee is attached hereto as Schedule A.

The mandate of the Audit Committee includes assisting the Board of Directors in its oversight of (i) the integrity of the Corporation’s financial statements, (ii) the Corporation’s compliance with, and process for monitoring compliance with, legal and regulatory requirements; (iii) the external auditor’s qualifications and independence; and (iv) the performance of the external auditors.

### **(a) Composition of the Audit Committee**

The Audit Committee is currently composed of Stephen J. Kauser (Chair), H. Jonathan Birks, Howard Stotland and John J. Swidler, FCA, each of whom is (i) independent and (ii) financially literate.

### **(b) Relevant Education and Experience**

The following is a description of the education and experience of each member of the Audit Committee that is relevant to the performance of his responsibilities or a member of the Committee.

**STEPHEN J. KAUSER** graduated from McGill University in 1963 with a Bachelor of Commerce Degree. He has served as an investment analyst with the Sunlife Insurance Company

and as Portfolio Manager with Capital Management Limited and Altimira Limited. He was a founding partner of Kauser, Lowenstein and Meade, Investment Managers. From 1973 to 1994, he served as President of Innocan. He currently serves as a business consultant.

**H. JONATHAN BIRKS** graduated from McGill University in 1967 with a Bachelor of Arts degree. He received a degree in law from the University of Laval, Quebec. From 1979 to 1993 he served as a director and a member of the Executive, Audit & Compensation Committees of Henry Birks & Sons, Montreal. From 1979 to 1997 he served as a director and a member of the Executive, Audit & Retirement Committees of Stone & Webster (Canada) Ltd. From 1987 to 1993, he served as a director and a member of the Executive & Audit Committees of Standard Broadcasting Corporation Ltd. From 1999 to 2003 he served as a director and Chairman of the Executive Committee and a member of the Audit & Compensation Committees of Allura International, Inc. From 1988 to 1992 he served as a director and a member of the Compensation Committee of Provigo Inc. He currently serves as a business consultant.

**HOWARD STOTLAND** graduated from McGill University in 1966 with a degree in Civil Engineering. He received a masters degree in engineering from the Massachusetts Institute of Technology in 1968. From 1972 to 2002, he was the Chief Executive Officer of STS Systems, a manufacturer of retail technology systems. From 2002 to the present, he has served as a business consultant.

**JOHN J. SWIDLER** graduated from McGill University in 1965 with a Bachelor of Commerce degree and in 1967 obtained his designation as a Chartered Accountant. He received a Bachelor of Civil Law degree from McGill University in 1969. He joined the firm of Richter, Usher & Vineberg in 1971 and was admitted to Partnership of the firm in June 1973. He has continued as a Partner of its successor firm RSM Richter Chamberland LLP since that date. From 1982 to 1996, he was the Chairman of the Executive Committee of RSM Richter Chamberland LLP and from 1996 to 2008 was the Managing Partner of RSM Richter Chamberland LLP. He received his Fellow Chartered Accountant (FCA) designation from the Ordre des comptables agréés du Québec in 1992. He was the President of the Canadian Association of Insolvency and Restructuring Professionals in 1984 and a founding member of The Insolvency Institute of Canada and member of the Board of Directors and Vice President of this organization in 2000.

Messrs. Kauser, Birks, Stotland and Swidler all have the ability to read and understand financial statements that present a breadth and complexity of accounting issues comparable to the breadth and complexity of the issues raised by the Corporation's own financial statements, understand the accounting principles the Corporation uses to prepare its financial statements and have the ability to assess the general application of such accounting principles in connection with the accounting for estimates, accruals and reserves.

All members of the Audit Committee have an understanding of internal controls and procedures for financial reporting.

### **(c) Pre-Approval Policies and Procedures**

The Corporation's Audit Committee pre-approves every engagement by KPMG LLP ("KPMG") to render audit or non-audit services. All of the services described below were approved by the Audit Committee.

**(d) External Auditor Services Fees**

KPMG, the Corporation's external auditors provided services and billed the Corporation, the following fees in each of the last two fiscal periods:

**Audit Fees**

The following sets forth the aggregate fees billed by KPMG for the audit of the annual financial statements, quarterly review of the Corporation's financial statements and for services normally provided by the external auditor, such as services in connection with statutory and regulatory filings or prospectus.

Fiscal year ended January 31, 2009	\$175,000
Fiscal year ended February 2, 2008	\$220,000

**Audit Related Fees**

The following sets forth the aggregate fees billed for assurance and related services by KPMG that are reasonably related to the performance of the audit or review of the financial statements, and are not reported under "Audit Fees", such as consultations related to accounting and reporting matters:

Fiscal year ended January 31, 2009	\$105,330
Fiscal year ended February 2, 2008	\$55,316

**Non-Audit and Tax Fees**

The following sets forth the aggregate fees billed in each of the last two fiscal periods for professional services rendered by KPMG for translation services related to annual and interim financial statements, municipal property tax consultation, tax compliance, tax advice and consultation on refund of sales taxes and tax planning:

Fiscal year ended January 31, 2009	\$330,265
Fiscal year ended February 2, 2008	\$89,250

**LEGAL PROCEEDINGS AND REGULATORY ACTIONS**

Currently, there are no outstanding material legal proceedings to which the Corporation is a party or of which any of its properties is the subject matter, and the Corporation's directors and officers are not aware of any material threatened or contemplated proceedings against the Corporation. In addition, during the fiscal year ended January 31, 2009, the Corporation was not subject to: any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority; any penalties or sanctions imposed by a court or regulatory body that would be considered important by a reasonable investor; or any settlement agreements relating to securities legislation or with a securities regulatory authority.

## **INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS**

The Corporation leases two retail locations, which are owned by Consol Holdings Canada Limited, an associate of Jeremy H. Reitman and Stephen F. Reitman. The leases for such premises were entered into on commercial terms similar to those for leases entered into with third parties for similar premises.

## **MATERIAL CONTRACTS**

The Corporation has not entered into any contract that would constitute a “material contract” for purposes of this Annual Information Form.

## **TRANSFER AGENT AND REGISTRAR**

Computershare Investor Services of Canada is the transfer agent and registrar for the Corporation’s Common shares and Class A non-voting shares. The registers of transfers of each class of securities are located at its principal offices in Montreal and Toronto.

## **INTEREST OF EXPERTS**

KPMG LLP has audited the Corporation’s consolidated financial statements for the year ended January 31, 2009. We are advised that, as of the date hereof, the members of KPMG LLP are independent in accordance with the Code of Ethics of L’Ordre des comptables Agréés du Québec.

## **ADDITIONAL INFORMATION**

Additional information relating to the Corporation may be found on Sedar at [www.sedar.com](http://www.sedar.com).

Additional information, including directors’ and officers’ remuneration and indebtedness, principal holders of the Corporation’s securities and securities authorized for issuance under equity compensation plans, if applicable, is contained in the Corporation’s information circular for its most recent annual meeting of securityholders that involved the election of directors.

Additional financial information is provided in the Corporation’s financial statements and management discussion and analysis for its most recently completed financial year.

## SCHEDULE A

### REITMANS (CANADA) LIMITED

#### AUDIT COMMITTEE CHARTER

#### 1. THE COMMITTEE

1.1 Audit Committee of the Board – The audit committee of the Board shall have the purpose, constitution and responsibilities set forth herein.

1.2 Certain Definitions – In this Charter:

- (a) “**Board**” means the board of directors of the Corporation;
- (b) “**Chair**” means the chairperson of the Committee;
- (c) “**Charter**” means this written charter of the Committee;
- (d) “**Committee**” means the audit committee of the Board;
- (e) “**Corporation**” means Reitmans (Canada) Limited;
- (f) “**Director**” means a member of the Board;
- (g) “**MD&A**” means Management’s Discussion & Analysis as contemplated in National Instrument 51-102 *Continuous Disclosure Obligations*, as same may be amended, supplemented or replaced from time to time; and
- (h) “**External Auditor**” means the Corporation's independent auditor.

1.3 Interpretation – The provisions of this Charter are subject to the provisions of the by-laws of the Corporation and to the applicable provisions of applicable legislation and regulation.

#### 2. PURPOSE

2.1 Purpose – The primary purpose of the Committee is to assist Board oversight of:

- (a) the integrity of the Corporation's financial statements;
- (b) the Corporation's compliance with legal and regulatory requirements;
- (c) the External Auditor's qualifications and independence; and
- (d) the performance of the External Auditor.

### 3. **CONSTITUTION AND FUNCTIONING OF THE COMMITTEE**

3.1 Number of Members – The Committee shall consist of not fewer than three members, each of whom shall be a Director.

3.2 Appointment and Removal of Members of the Committee –

- (a) *Board Appoints Members.* The members of the Committee shall be appointed by the Board, having considered the recommendation of the Corporate Governance Committee of the Board.
- (b) *Annual Appointments.* The appointment of members of the Committee shall take place annually at the first meeting of the Board after the annual meeting of the shareholders at which Directors are elected, provided that if the appointment of members of the Committee is not so made, the Directors who are then serving as members of the Committee shall continue as members of the Committee until their successors are appointed.
- (c) *Vacancies.* The Board may appoint a member to fill a vacancy which occurs in the Committee between annual elections of Directors.
- (d) *Removal of Member.* Any member of the Committee may be removed from the Committee by a resolution of the Board.

3.3 Independence of Members – Each member of the Committee shall be independent or unrelated, as the case may be, for the purposes of all applicable regulatory and stock exchange requirements.

3.4 Financial Literacy –

- (a) *Financial Literacy Requirement.* Each member of the Committee shall be financially literate or must become financially literate within a reasonable period of time after his or her appointment to the Committee.
- (b) *Definition of Financial Literacy.* “Financially literate” means the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Corporation's financial statements.

### 4. **COMMITTEE CHAIR**

4.1 Board to Appoint Chair – The Board shall appoint the Chair from the members of the Committee (or, if it fails to do so, the members of the Committee shall appoint the Chair of the Committee from among its members).

4.2 Chair to be Appointed Annually – The designation of the Committee's Chair shall take place annually at the first meeting of the Board after the annual meeting of the shareholders of the Corporation at which Directors are elected, provided that if the designation of Chair is not so

made, the Director who is then serving as Chair shall continue as Chair until his or her successor is appointed.

## 5. COMMITTEE MEETINGS

5.1 Quorum – A quorum of the Committee shall be a majority of its members.

5.2 Secretary – Subject to the by-laws of the Corporation, the Chair shall designate from time to time a person who may, but need not, be a member of the Committee, to be Secretary of the Committee.

5.3 Time and Place of Meetings – The time and place of the meetings of the Committee and the calling of meetings and the procedure in all things at such meetings shall be determined by the Committee; provided, however, the Committee shall meet at least quarterly.

5.4 In Camera Meetings – As part of each meeting of the Committee at which the Committee recommends that the Board approve the annual audited financial statements or at which the Committee approves the quarterly financial statements, the Committee shall meet separately with each of:

- (a) management; and
- (b) the External Auditor.

5.5 Right to Vote – Each member of the Committee shall have the right to vote on matters that come before the Committee.

5.6 Invitees – The Committee may invite Directors, officers and employees of the Corporation or any other person to attend meetings of the Committee to assist in the discussion and examination of the matters under consideration by the Committee.

## 6. AUTHORITY OF COMMITTEE

6.1 Retaining and Compensating Advisors – The Committee shall have the authority to engage independent counsel and other advisors as the Committee may deem appropriate in its sole discretion and to set and pay the compensation for any such advisors. The Committee shall not be required to obtain the approval of the Board in order to retain or compensate such counsel or advisors.

6.2 Recommendations to the Board – The Committee shall have the authority to make recommendations to the Board, but shall have no decision-making authority other than as specifically contemplated in this Charter.

## 7. REMUNERATION OF COMMITTEE MEMBERS

7.1 Remuneration of Committee Members – Members of the Committee and the Chair shall receive such remuneration for their service on the Committee as the Board may determine from time to time.

7.2 Directors' Fees – No member of the Committee may earn fees from the Corporation or any of its subsidiaries other than directors' fees (which fees may include cash and/or shares or options or other in-kind consideration ordinarily available to directors, as well as all of the regular benefits that other directors receive). For greater certainty, no member of the Committee shall accept, directly or indirectly, any consulting, advisory or other compensatory fee from the Corporation.

## 8. DUTIES AND RESPONSIBILITIES OF THE COMMITTEE

### 8.1 Review and Approval of Financial Information –

- (a) *Annual Financial Statements.* The Committee shall review and discuss with management and the External Auditor, the Corporation's audited annual financial statements and related MD&A together with the report of the External Auditor thereon and, if appropriate, recommend to the Board that it approve the audited annual financial statements.
- (b) *Interim Financial Statements.* The Committee shall review and discuss with management and the External Auditor and, if appropriate, approve, the Corporation's interim unaudited financial statements and related MD&A.
- (c) *Material Public Financial Disclosure.* The Committee shall, to the extent practicable, discuss with management and the External Auditor:
  - (i) the types of information to be disclosed and the type of presentation to be made in connection with earnings press releases;
  - (ii) financial information and earnings guidance (if any) provided to analysts and rating agencies; and
  - (iii) press releases containing financial information.
- (d) *Procedures for Review.* The Committee shall satisfy itself that adequate procedures are in place for the review of the Corporation's disclosure of financial information extracted or derived from the Corporation's financial statements (other than financial statements, MD&A and earnings press releases, which are dealt with elsewhere in this Charter) and shall periodically assess the adequacy of those procedures.
- (e) *Accounting Treatment.* The Committee shall review and discuss with management and the External Auditor:
  - (i) major issues regarding accounting principles and financial statement presentations, including any significant changes in the Corporation's selection or application of accounting principles and major issues as to the adequacy of the Corporation's internal controls and any special audit steps adopted in light of material control deficiencies;
  - (ii) analyses prepared by management and/or the External Auditor setting forth significant financial reporting issues and judgments made in

connection with the preparation of the financial statements, including analyses of the effects of alternative GAAP methods on the financial statements;

- (iii) the effect of regulatory and accounting initiatives, as well as off-balance sheet structures on the Corporation's financial statements;
- (iv) the management certifications of the financial statements as required under applicable securities laws in Canada or otherwise; and
- (v) pension plan financial statements, if any.

## 8.2 External Auditor –

- (a) *Authority with Respect to External Auditor.* The Committee shall be directly responsible for the oversight of the work of the External Auditor engaged for the purpose of preparing or issuing an audit report or performing other audit, review or attest services for the Corporation. In the discharge of this responsibility, the Committee shall:
  - (i) have responsibility for recommending to the Board the person or firm to be proposed to the Corporation's shareholders for appointment as External Auditor for the above-described purposes as well as the responsibility for recommending such External Auditor's compensation and determining at any time whether the Board should recommend to the Corporation's shareholders whether the incumbent External Auditor should be removed from office;
  - (ii) review the terms of the External Auditor's engagement, discuss the audit fees with the External Auditor and be responsible for approving such audit fees; and
  - (iii) require the External Auditor to confirm in its engagement letter each year that the External Auditor is accountable to the Board and the Committee as representatives of shareholders.
- (b) *Independence.* The Committee shall satisfy itself as to the independence of the External Auditor. As part of this process the Committee shall:
  - (i) unless and until the Committee adopts pre-approval policies and procedures and subject to subsection 8.2(d)(ii), approve any non-audit services to be provided by the External Auditor and
  - (ii) review and approve the policy setting out the restrictions on the Corporation hiring partners, employees and former partners and employees of the Corporation's current or former External Auditor.

- (c) *Issues Between External Auditor and Management.* The Committee shall:
- (i) review any problems or concerns experienced by the External Auditor in conducting the audit, including any restrictions on the scope of the External Auditor's activities or an access to requested information;
  - (ii) review any significant disagreements with management and, to the extent possible, resolve any disagreements between management and the External Auditor; and
  - (iii) review with the External Auditor:
    - (A) any accounting adjustments that were proposed by the External Auditor, but were not made by management;
    - (B) any communications between the audit team and audit firm's national office respecting auditing or accounting issues presented by the engagement; and
    - (C) any management or internal control letter issued, or proposed to be issued by the External Auditor to the Corporation.
- (d) *Non-Audit Services.*
- (i) The Committee shall either:
    - (A) approve any non-audit services provided by the External Auditor or the external auditor of any subsidiary of the Corporation to the Corporation (including its subsidiaries); or
    - (B) adopt specific policies and procedures for the engagement of non-audit services, provided that such pre-approval policies and procedures are detailed as to the particular service, the audit committee is informed of each non-audit service and the procedures do not include delegation of the audit committee's responsibilities to management.
  - (i) The Committee may delegate to one or more members of the Committee the authority to pre-approve non-audit services in satisfaction of the requirement in the previous section, provided that such member or members must present any non-audit services so approved to the full Committee at its first scheduled meeting following such pre-approval.
  - (ii) The Committee shall instruct management to promptly bring to its attention any services performed by the External Auditor which were not recognized by the Corporation at the time of the engagement as being non-audit services.

- (e) *Evaluation of External Auditor.* The Committee shall evaluate the External Auditor each year, and present its conclusions to the Board. In connection with this evaluation, the Committee shall:
  - (i) review and evaluate the performance of the lead partner of the External Auditor; and
  - (ii) obtain the opinions of management with respect to the performance of the External Auditor.
- (f) *Review of Management's Evaluation and Response.* The Committee shall:
  - (i) review management's evaluation of the External Auditor's audit performance;
  - (ii) review the External Auditor's recommendations, and review management's response to and subsequent follow-up on any identified weaknesses; and
  - (iii) review management's response to significant internal control recommendations of the External Auditor.

8.3 Whistle Blowing – The Committee shall put in place procedures for:

- (a) the receipt, retention and treatment of complaints received by the Corporation regarding accounting, internal accounting controls or auditing matters; and
- (b) the confidential, anonymous submission by employees of the Corporation of concerns regarding questionable accounting or auditing matters.

8.4 Special Outside Advisors – The Committee shall consider and, if determined to be appropriate, approve requests from Directors or committees of the Board for the engagement of special outside advisors from time to time (in addition to any right that a Director or committee of the Board may have to engage outside advisors under general corporate law).

## 9. **SUBCOMMITTEES**

9.1 Delegation to Subcommittees – The Committee may form and delegate authority to subcommittees if deemed appropriate by the Committee.

## 10. **REPORTING TO THE BOARD**

10.1 Regular Reporting – The Committee shall report to the Board following each meeting of the Committee and at such other times as the Chair may determine to be appropriate.

## 11. **PERFORMANCE EVALUATION**

11.1 Performance Evaluation – The Committee shall follow the process established by the Corporate Governance Committee for all committees of the Board for assessing the performance and effectiveness of the Committee.

12. **CHARTER REVIEW**

12.1 Charter Review – The Committee shall review and assess the adequacy of this Charter on a regular basis and recommend to the Board any changes it deems appropriate.