

This document is important and requires your immediate attention. If you are in doubt as to how to deal with it, you should consult your investment dealer, stock broker, bank manager, lawyer, accountant or other professional advisor.

The Offer has not been approved or disapproved by any securities regulatory authority nor has any securities regulatory authority passed upon the fairness or merits of the Offer or upon the adequacy of the information contained in this document. Any representation to the contrary is unlawful.

This document does not constitute an offer or a solicitation to any person in any jurisdiction in which such offer or solicitation is unlawful. The Offer is not being made to, nor will deposits be accepted from or on behalf of, holders of Shares in any jurisdiction in which the making or acceptance of the Offer would not be in compliance with the laws of such jurisdiction. However, Reitmans (Canada) Limited may, in its sole discretion, take such action as it may deem necessary to extend the Offer to such shareholders in such jurisdiction.

REITMANS

(CANADA) LIMITED

REITMANS (CANADA) LIMITED

OFFER TO PURCHASE FOR CASH UP TO 15,000,000 OF ITS CLASS A NON-VOTING SHARES AT A PURCHASE PRICE OF \$3.00 PER CLASS A NON-VOTING SHARE

Reitmans (Canada) Limited (“**Reitmans**” or the “**Corporation**”) hereby offers (the “**Offer**”) to purchase from holders (“**Shareholders**”) of Class A non-voting shares of Reitmans (the “**Shares**”) in Canada up to 15,000,000 Shares at a purchase price of \$3.00 per Share (the “**Purchase Price**”), upon the terms and subject to the conditions set forth in this offer to purchase (the “**Offer to Purchase**”) and circular (the “**Circular**” and, together with the Offer to Purchase, the “**Offer and Circular**”), and in the accompanying letter of transmittal (the “**Letter of Transmittal**”) and notice of guaranteed delivery (the “**Notice of Guaranteed Delivery**”).

The Offer expires at 5:00 p.m. (Montréal time) (the “Expiry Time”) on July 26, 2019, unless withdrawn, extended or varied by Reitmans (the “Expiry Date”).

The Offer is not conditional upon any minimum number of Shares being deposited. However, the Offer is subject to certain conditions that are customary for transactions of this nature. Reitmans reserves the right to withdraw the Offer and not take up and pay for any Shares deposited under the Offer unless the conditions described in Section 6 of the Offer to Purchase entitled “Conditions of the Offer” are satisfied or waived.

Each Shareholder who has validly deposited Shares pursuant to the Offer and who has not validly withdrawn such Shares will receive the Purchase Price, payable in cash (subject to applicable withholding taxes, if any), for all Shares purchased upon the terms and subject to the conditions of the Offer, including the provisions relating to pro-rata described herein. The Corporation will first accept for purchase Shares validly deposited by any Shareholder who beneficially holds, as of the close of business on the Expiry Date, fewer than 100 Shares (“**Odd Lots**”) and who deposits all such Shares pursuant to the Offer and who checks Box A captioned “Odd Lots” in the accompanying Letter of Transmittal and, if applicable, the Notice of Guaranteed Delivery.

If more than 15,000,000 Shares are validly deposited pursuant to the Offer, the deposited Shares will be purchased on a *pro rata* basis according to the number of Shares validly deposited, or deemed to be deposited, by Shareholders pursuant to the Offer, except that deposits by holders of Odd Lots will not be subject to pro-rata. See Section 3 of the Offer to Purchase entitled “Number of Shares and Pro-Ration”.

Reitmans will return or will arrange to be returned all Shares not purchased under the Offer, including Shares not purchased because of pro-rata, promptly after the Expiry Date.

(continued on the inside cover)

The Shares are listed and posted for trading on the Toronto Stock Exchange (“TSX”) under the symbol “RET.A”. On June 17, 2019, the last trading day immediately prior to the announcement of Reitmans’ intention to make the Offer, the closing price per Share on the TSX was \$2.36. The Purchase Price represents a premium of approximately 29.7% over the volume weighted average trading price of the Shares on the TSX of \$2.31 for the last ten trading days preceding the date of Reitmans’ announcement.

The Board of Directors of Reitmans has authorized and approved the Offer. None of the Corporation, its Board of Directors or Computershare Trust Company of Canada, the Depositary for the Offer, makes any recommendation to Shareholders as to whether to deposit or refrain from depositing any or all of such Shareholders’ Shares to the Offer. Shareholders are strongly urged to review and evaluate carefully all information in this Offer and Circular, to consult their own financial, tax and legal advisors, and to make their own decisions as to whether to deposit Shares to the Offer and, if so, how many Shares to deposit.

In accordance with Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions*, the Corporation has determined that: (i) a liquid market existed for the Shares at the time the Offer was announced and as at the date hereof, and (ii) it is reasonable to conclude that, following the completion of the Offer in accordance with its terms, there will be a market for holders of Shares who do not tender to the Offer that is not materially less liquid than the market that existed at the time of the making of the Offer. The Board of Directors of Reitmans has also obtained an opinion from GMP Securities L.P. that, subject to the qualifications, assumptions and restrictions set out therein, confirms the determination of the Board of Directors of Reitmans with respect to the market liquidity of the Shares. A copy of the opinion is attached to this Offer and Circular as Schedule “A”. Reitmans is making the Offer to provide enhanced liquidity for all of the Shareholders. Future values and liquidity of the Shares cannot be assured and are subject to risks. The intention of the directors and officers of the Corporation to deposit any Shares held by them pursuant to the Offer is discussed in Section 6 of the Circular entitled “Ownership of Reitmans Securities; Transactions in Reitmans Securities – Acceptance of the Offer”.

Shareholders should carefully consider the income tax consequences of accepting the Offer and depositing Shares to the Offer. See Section 8 of the Circular entitled “Certain Canadian Federal Income Tax Considerations”.

No person has been authorized to make any recommendation on behalf of Reitmans as to whether Shareholders should deposit or refrain from depositing Shares pursuant to the Offer. No person has been authorized to give any information or to make any representations in connection with the Offer other than as set forth in the Offer to Purchase or the accompanying Circular, Letter of Transmittal and Notice of Guaranteed Delivery. If given or made, any such recommendation or any such information or representation must not be relied upon as having been authorized by Reitmans, its Board of Directors or the Depositary.

Shareholders who wish to deposit all or any portion of their Shares pursuant to the Offer must comply in all respects with the delivery procedures described herein. See Section 4 of the Offer to Purchase entitled “Procedure for Depositing Shares” and the Letter of Transmittal and Notice of Guaranteed Delivery accompanying this Offer and Circular for further details.

Any questions or requests for assistance may be directed to the Depositary at the address, telephone number and email address set forth on the back cover page of this Offer and Circular.

June 20, 2019

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CURRENCY

Except where otherwise indicated, all dollar amounts set forth in the Offer and Circular are expressed in Canadian dollars and all references to “\$”, “Cdn\$” and “dollars” shall mean Canadian dollars.

The Purchase Price will be denominated in Canadian dollars. The Depositary’s currency exchange services will be used to convert payment of these amounts that each Shareholder is entitled to receive based on the address of record of such Shareholder. Each Shareholder with an address outside of Canada will receive payment in U.S. dollars. Each Shareholder with an address in Canada will receive payment in Canadian dollars. There is no additional fee payable by Shareholders in relation to such conversions of payments. A Shareholder may request that his, her or its Purchase Price be paid in a different currency from that specified above. Shareholders can elect to receive Canadian dollars or U.S. dollars by checking the applicable box on the Letter of Transmittal.

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

NOTICE TO HOLDERS OF COMMON SHARES AND OPTIONS

The Offer is made only for Shares and is not made for any common shares of Reitmans (“**Common Shares**”) or options to acquire Shares (the “**Options**”). A holder of such Common Shares will not be able to accept the Offer and deposit its Common Shares thereunder. Any holder of such Options who wishes to accept the Offer must, to the extent permitted by the terms thereof and applicable laws, exercise the Options in order to obtain certificates representing Shares and deposit those Shares in accordance with the terms of the Offer. Any such exercise must be completed sufficiently in advance of the Expiry Time to ensure that the holder of such Options will have the Shares issued and, if applicable, will have received the certificate(s) representing the Shares, on such exercise available for deposit at or prior to the Expiry Time, or in sufficient time to comply with the procedures referred to below in Section 4 of the Offer to Purchase entitled “Procedure for Depositing Shares”. Any such exercise will be irrevocable, including where the Shares tendered are subject to pro-rata.

UNITED STATES SHAREHOLDERS

The Offer is made by Reitmans, a Canadian issuer, for its own securities, and the Offer and Circular are subject to the disclosure requirements of applicable Canadian law. Shareholders in the United States should be aware that these disclosure requirements may be different from those of the United States or other jurisdictions.

Financial statements of Reitmans have been prepared in accordance with International Financial Reporting Standards and are subject to Canadian auditing and auditor independence standards and, therefore, they may not be comparable to financial statements of U.S. companies prepared in accordance with United States generally accepted accounting principles.

The enforcement by Shareholders of civil liabilities under the U.S. federal securities laws may be adversely affected by the fact that Reitmans is a corporation organized under the laws of Canada, that all of its directors and officers are residents of Canada, that the experts named in the Offer and Circular are residents of Canada, and that all or substantially all of the Corporation’s and such persons’ assets are located outside of the United States. Shareholders in the United States may not be able to sue Reitmans or its directors or officers in a foreign court for violations of U.S. securities laws. It may be difficult to compel such parties to subject themselves to the jurisdiction of a court in the United States or to enforce any judgment obtained from a court of the United States.

Shareholders should be aware that acceptance of the Offer and disposition of the Shares as described herein may have tax consequences both in the United States and in Canada. U.S. income tax consequences are not described herein and Shareholders are urged to consult their tax and legal advisors as to the application of U.S. federal income tax laws to their particular circumstances, as well as any state, local or foreign income or other tax consequences of a disposition of Shares pursuant to the Offer. If a Shareholder in the United States fails to provide the Depositary with the information solicited on the Internal Revenue Service Form W-9 set out in the accompanying Letter of Transmittal or the appropriate Internal Revenue Service Form W-8, or fails to certify that

such Shareholder is not subject to U.S. backup withholding, the Depositary may be required to withhold U.S. income tax from payments made to such U.S. Shareholder pursuant to this Offer. U.S. Shareholders also are urged to review Section 8 of the Circular entitled “Certain Canadian Federal Income Tax Considerations”, and in particular, the information under the heading “Non-Residents of Canada” for certain general discussions of Canadian federal income tax consequences applicable to acceptance of the Offer and a disposition of the Shares as described herein.

Neither the U.S. Securities and Exchange Commission nor any state, provincial or foreign securities commission has approved or disapproved of the Offer or passed upon the adequacy or accuracy of the information contained herein. Any representation to the contrary is a criminal offense.

FORWARD LOOKING INFORMATION

The Offer and Circular, including the statements and information contained in the Offer to Purchase under the Sections entitled “The Offer”, “Purchase Price”, “Number of Shares and Pro-Ration”, “Acceptance for Payment and Payment for Shares” and “Extension and Variation of the Offer” and in the Circular under the Sections entitled “Ownership of Reitmans Securities; Transactions in Reitmans Securities – Acceptance of the Offer”, “Ownership of Reitmans Securities; Transactions in Reitmans Securities – Effect of the Offer on Voting and Equity Interests”, “Material Changes in the Affairs of Reitmans and Other Material Facts”, “Certain Canadian Federal Income Tax Considerations” and “Fees and Expenses”, may contain statements that, to the extent they are not statements of historical fact, constitute forward-looking information and forward-looking statements which reflect the current view of Reitmans with respect to the Corporation’s objectives, plans, goals, strategies, future growth, results of operations, financial and operating performance and business prospects and opportunities. Wherever used, the words “may”, “will”, “anticipate”, “intend”, “expect”, “estimate”, “plan”, “believe” and similar expressions identify forward-looking statements and forward-looking information. Forward-looking statements and forward-looking information should not be read as guarantees of future events, performance or results, and will not necessarily be accurate indications of whether, or the times at which, such events, performance or results will be achieved. All of the statements and information in the Offer and Circular containing forward-looking statements or forward-looking information are qualified by these cautionary statements.

Forward-looking statements and forward-looking information are based on information available at the time they are made, underlying estimates and assumptions made by management and management’s good faith belief with respect to future events, performance and results, and are subject to inherent risks and uncertainties surrounding future expectations generally. Such risks and uncertainties include, but are not limited to, changes in economic conditions, including economic recession or changes in the rate of inflation or deflation, employment rates, interest rates, currency exchange rates or derivative prices, heightened competition, whether from current competitors or new entrants to the marketplace, the changing consumer preferences toward e-commerce, online retailing and the introduction of new technologies, seasonality and weather, the inability of the Reitmans’ information technology infrastructure to support the requirements of the Corporation’s business, or the occurrence of any internal or external security breaches, denial of service attacks, viruses, worms and other known or unknown cyber security or data breaches, failure to realize benefits from investments in the Corporation’s new information technology systems, the inability of the Corporation to manage inventory to minimize the impact of obsolete or excess inventory and to control shrinkage, failure to realize anticipated results, including revenue growth, anticipated cost savings or operating efficiencies associated with the Corporation’s major initiatives, including those from restructuring, changes in the Corporation’s income, capital, property and other tax and regulatory liabilities, including changes in tax laws, regulations or future assessments, changes or disruptions in the securities markets or volatility in the market price or liquidity of the Common Shares or the Shares, satisfaction or waiver of the conditions to the Offer, the extent to which holders of Shares determine to deposit their Shares pursuant to the Offer and the anticipated benefits of the Offer, among other things.

Reitmans cautions readers that this list of factors is not exhaustive and that should certain risks or uncertainties materialize, or should underlying estimates or assumptions prove incorrect, actual events, performance and results may vary significantly from those expected. There can be no assurance that the actual results, performance, events or activities anticipated by the Corporation will be realized or, even if substantially realized, that they will have the expected consequences to, or effects on, the Corporation. Potential investors and other readers are urged to consider these factors carefully in evaluating forward-looking information and forward-looking statements and are cautioned not to place undue reliance on any forward-looking information or forward-looking statements.

For additional information with respect to certain of these and other risks or uncertainties, reference should be made to Reitmans' continuous disclosure materials filed from time to time with the Canadian securities regulatory authorities, including the Corporation's annual information form, quarterly and annual reports and financial statements and notes thereto, and supplementary information, which are available under the Corporation's profile on SEDAR at www.sedar.com and in the Financials & News section of the Corporation's website at www.reitmanscanadalimited.com. Additional risks and uncertainties not presently known to the Corporation or that Reitmans currently believes to be less significant may also adversely affect the Corporation. Reitmans disclaims any intention or obligation to update or revise any forward-looking information or forward-looking statements, whether as a result of new information, future events or otherwise, except as required under applicable securities laws.

NOTICE REGARDING INFORMATION

Certain information contained in this Offer and Circular is based solely upon, and Reitmans has relied, without independent verification, exclusively upon information that has been provided by third party sources or that is otherwise publicly available. None of the Corporation or its Board of Directors assumes any responsibility for the accuracy or completeness of such information or for any failure by any such third party to disclose events or facts that may have occurred or may affect the significance or accuracy of any such information.

SUMMARY

The following is a summary of information contained elsewhere in this Offer to Purchase and accompanying Circular and does not fully describe all of the details of the Offer. This summary is provided for convenience only and should be read in conjunction with, and is qualified in its entirety by, the more detailed information appearing or referred to elsewhere in the Offer and Circular, the Letter of Transmittal and the Notice of Guaranteed Delivery. Certain capitalized words and defined terms used in this summary are defined in the Glossary section of this Offer to Purchase found on pages 5 to 7.

WHO IS OFFERING TO PURCHASE MY SHARES?

Reitmans is offering to purchase your Shares.

WHAT WILL THE PURCHASE PRICE FOR THE SHARES BE?

The Purchase Price is \$3.00 per Share.

All Shares purchased by Reitmans will be purchased at the Purchase Price.

HOW MANY SHARES WILL REITMANS PURCHASE IN THE OFFER?

Reitmans will purchase a maximum of 15,000,000 Shares, or such fewer number of Shares as are properly deposited and not withdrawn prior to the Expiry Date. The Offer is not conditional on any minimum number of Shares being tendered.

If more than 15,000,000 Shares are validly deposited pursuant to the Offer, the Corporation will pro-rate the number of Shares purchased from each Shareholder. However, a tender of Shares by a Shareholder who owns less than 100 Shares (known as “Odd Lots”) will not be pro-rated if all such Shareholder’s Shares are validly tendered into the Offer.

See Section 3 of this Offer to Purchase entitled “Number of Shares and Pro-Ration” for further details.

WHY IS REITMANS MAKING THE OFFER?

Reitmans is making the Offer to provide enhanced liquidity for all of the Shareholders. Future values and liquidity of the Shares cannot be assured and are subject to risks. The Corporation also believes that purchasing Shares under the Offer represents an efficient means of providing value to its Shareholders and is in the best interests of the Corporation. See Sections 2 and 3 of the Circular entitled “Background to the Offer” and “Purpose of the Offer and Recommendation of the Board”, respectively, for further details.

IF I AM A HOLDER OF COMMON SHARES OR OPTIONS CAN I ACCEPT THE OFFER?

The Offer is made only for Shares and is not made for any Common Shares or Options. A holder of Common Shares will not be able to accept the Offer and deposit its Common Shares thereunder. Any holder of Options who wishes to accept the Offer must, to the extent permitted by the terms thereof and applicable laws, exercise the Options in order to obtain certificates representing Shares and deposit those Shares in accordance with the terms of the Offer. Any such exercise must be completed sufficiently in advance of the Expiry Time. Any such exercise will be irrevocable, including where the Shares tendered are subject to pro-ration.

HOW WILL REITMANS PAY FOR THE SHARES?

The Corporation has adequate freely available cash on hand in its corporate account and marketable securities in its investment portfolio to pay for the maximum number of Shares that could be purchased under the Offer.

**HOW LONG DO I HAVE TO
TENDER MY SHARES?**

You may deposit your Shares until the Offer expires. The Offer will expire on July 26, 2019 at 5:00 p.m. (Montréal time), unless the Corporation extends it. The Corporation may choose to extend the Offer for any reason, subject to applicable laws. See Section 8 of this Offer to Purchase entitled “Extension and Variation of the Offer” for further details.

**HOW WILL I BE NOTIFIED IF
REITMANS EXTENDS OR
AMENDS THE OFFER?**

The Corporation will issue a public announcement of any extension, delay, termination or amendment of the Offer promptly to the extent and in the manner required by applicable laws. See Section 8 of this Offer to Purchase entitled “Extension and Variation of the Offer” for further details.

**ARE THERE ANY CONDITIONS
TO THE OFFER?**

Yes. The Offer is subject to certain conditions that are customary for transactions of this nature and are set forth in Section 6 of this Offer to Purchase entitled “Conditions of the Offer”. The Offer is not conditional on any minimum number of Shares being deposited to the Offer.

**FOLLOWING THE OFFER,
WILL REITMANS CONTINUE
AS A PUBLIC COMPANY?**

Yes. The completion of the Offer in accordance with its terms and conditions will not cause the Shares to be delisted from the TSX or cause the Corporation to no longer be subject to the continuous disclosure obligations of the applicable Canadian securities laws.

**HOW DO I DEPOSIT MY
SHARES TO THE OFFER?**

To deposit your Shares:

- if you are a Registered Shareholder, you must deliver your share certificates(s) and a properly completed and duly executed Letter of Transmittal to the Depositary at its Toronto, Ontario office address appearing on the back cover page of this Offer and Circular, or you must comply with the guaranteed delivery procedure or the book-entry transfer procedures outlined in Section 4 of this Offer to Purchase entitled “Procedure for Depositing Shares”; or
- if you are a Non-Registered Shareholder, you must request your investment dealer, stock broker, commercial bank, trust company or other nominee to effect the transaction on your behalf.

Contact the Depositary or, if applicable, your investment dealer, stock broker, commercial bank, trust company or other nominee for assistance. See also Section 4 of this Offer to Purchase entitled “Procedure for Depositing Shares” and the instructions set out in the Letter of Transmittal and the Notice of Guaranteed Delivery.

**ONCE I HAVE DEPOSITED
SHARES TO THE OFFER, CAN
I WITHDRAW MY DEPOSIT?**

You may withdraw any Shares you have deposited at any time before the Corporation takes up the Shares and in the other circumstances described in Section 5 of this Offer to Purchase entitled “Withdrawal Rights”. Generally, if the Corporation has taken up but not paid for your Shares within three business days, you may withdraw your Shares. Furthermore, if the Corporation amends the Offer, you will have 10 days to withdraw your Shares from the date notice is given of the amendment in accordance with Section 8 of this Offer to Purchase entitled “Extension and Variation of the Offer”. However, if the amendment consists solely of an increase in the consideration offered for the Shares and the Offer is not extended for more than 10 days or the amendment consists solely of a waiver of a condition of the Offer, the amendment will not entitle you to withdraw your Shares. See Sections 4 and 5 of this Offer to Purchase entitled “Procedure for Depositing Shares” and “Withdrawal Rights”, respectively.

**HAS REITMANS OR ITS
BOARD OF DIRECTORS
ADOPTED A POSITION ON
THE OFFER?**

The Board of Directors of Reitmans has authorized and approved the Offer. However, none of Reitmans, its Board of Directors or the Depositary is making any recommendation to you as to whether you should deposit or refrain from depositing your Shares or as to the Purchase Price. You must make your own decision as to whether to deposit your Shares and, if so, how many Shares to deposit. No director or officer of Reitmans has indicated any present intention to deposit any of his or her Shares pursuant to the Offer. See Section 6 of the Circular entitled "Ownership of Reitmans Securities; Transactions in Reitmans Securities – Acceptance of the Offer" for further details.

**WHEN WILL REITMANS PAY
FOR THE SHARES I DEPOSIT?**

Promptly after the Expiry Time, the Corporation will take up and pay for Shares to be purchased pursuant to the Offer. See Section 7 of this Offer to Purchase entitled "Acceptance for Payment and Payment for Deposited Shares" for further details.

**WILL I HAVE TO PAY
BROKERAGE COMMISSIONS
IF I DEPOSIT MY SHARES?**

If you are a Registered Shareholder and you deposit your Shares directly to the Depositary, you will not be obligated to pay any brokerage fees or commissions. If you are a Non-Registered Shareholder who holds your Shares through an investment dealer, stock broker, commercial bank, trust company or other nominee, you should consult with such persons regarding whether any fees or commissions will apply in connection with a deposit of Shares pursuant to the Offer.

**ARE THERE CANADIAN
INCOME TAX
CONSEQUENCES IF I TENDER
MY SHARES?**

Yes. The material Canadian federal income tax consequences of accepting the Offer are discussed in Section 8 of the Circular entitled "Certain Canadian Federal Income Tax Considerations". **In view of the deemed dividend tax treatment that should generally apply under Canadian tax law upon the sale of a Share to Reitmans pursuant to the Offer, as opposed to capital gains treatment which would generally apply to a sale of Shares in the market, Shareholders who wish to sell their Shares under the Offer should carefully consider the income tax consequences of accepting the Offer. All Shareholders are urged to consult their own tax and legal advisors as to the application of Canadian income tax laws to their particular circumstances.**

TRADING INFORMATION:

On June 17, 2019, the last trading day immediately prior to the announcement of Reitmans' intention to make the Offer, the closing price of the Shares on the TSX was \$2.36. The Purchase Price under the Offer represents a premium of approximately 29.7% over the volume weighted average trading price of the Shares on the TSX of \$2.31 for the last ten trading days preceding the date of Reitmans' announcement.

**WHAT WILL HAPPEN IF I DO
NOTHING?**

If you do nothing, you will continue to hold the number of Shares that you owned before the Offer and your proportionate Share ownership interest in Reitmans will increase following the successful completion of the Offer.

**WHOM CAN I TALK TO IF I
HAVE QUESTIONS?**

You may contact the Depositary for further information and assistance. The Depositary is Computershare Trust Company of Canada, whose contact information is set forth on the back cover page of this Offer and Circular.

NO PERSON HAS BEEN AUTHORIZED TO MAKE ANY RECOMMENDATION ON BEHALF OF REITMANS AS TO WHETHER SHAREHOLDERS SHOULD DEPOSIT OR REFRAIN FROM DEPOSITING SHARES PURSUANT TO THE OFFER. NO PERSON HAS BEEN AUTHORIZED TO

GIVE ANY INFORMATION OR TO MAKE ANY REPRESENTATIONS IN CONNECTION WITH THE OFFER, OTHER THAN AS SET FORTH IN THIS OFFER AND CIRCULAR OR IN THE RELATED LETTER OF TRANSMITTAL AND NOTICE OF GUARANTEED DELIVERY. IF ANY SUCH RECOMMENDATION, REPRESENTATION OR INFORMATION IS GIVEN OR MADE, ANY SUCH RECOMMENDATION OR ANY SUCH INFORMATION OR REPRESENTATION MUST NOT BE RELIED UPON AS HAVING BEEN AUTHORIZED BY REITMANS, ITS BOARD OF DIRECTORS OR THE DEPOSITARY.

GLOSSARY

This Glossary forms part of the Offer and Circular. In the Offer and Circular, including the Summary and the accompanying Letter of Transmittal and Notice of Guaranteed Delivery, unless the subject matter or context is inconsistent therewith, the following terms have the meanings set forth below and grammatical variations thereof have the corresponding meanings.

“**affiliate**” has the meaning ascribed thereto in the QSA;

“**Agent’s Message**” has the meaning ascribed thereto under Section 4 of the Offer to Purchase entitled “Procedure for Depositing Shares – Proper Deposit of Shares”;

“**associate**” has the meaning ascribed thereto in the QSA;

“**Board**” or “**Board of Directors**” means the board of directors of Reitmans and “**director**” means a director of Reitmans;

“**Book-Entry Confirmation**” has the meaning ascribed thereto under Section 4 of the Offer to Purchase entitled “Procedure for Depositing Shares – Proper Deposit of Shares”;

“**business day**” means any day of the year, other than a Saturday, Sunday or day observed as a statutory holiday in Montréal, Québec;

“**CBCA**” means the *Canada Business Corporations Act* and the regulations made thereunder, all as amended, supplemented or replaced from time to time;

“**CDS**” means CDS Clearing and Depository Services Inc. or its nominee, which at the date hereof is CDS & Co.;

“**CDSX**” means the CDS on-line tendering system pursuant to which book-entry transfers may be effected;

“**CRA**” means the Canada Revenue Agency;

“**Circular**” means the issuer bid circular accompanying and forming part of the Offer to Purchase;

“**Common Shares**” means the issued and outstanding common shares of Reitmans, each of which carries one vote per share;

“**Depository**” means Computershare Trust Company of Canada, the depository for the Offer, or such other person as may be appointed to act as depository for the purposes of the Offer by Reitmans;

“**Deposited Shares**” means Shares validly deposited pursuant to the Offer, and to deposit Shares pursuant to the Offer means to validly deposit Shares to the Offer;

“**Eligible Institution**” means a Canadian Schedule I chartered bank, a major trust company in Canada, a member of the Securities Transfer Agents Medallion Program (STAMP), a member of the Stock Exchange Medallion Program (SEMP) or a member of the New York Stock Exchange Inc. Medallion Signature Program (MSP). Members of these programs are usually members of a recognized stock exchange in Canada or the United States, members of the Investment Industry Regulatory Organization of Canada, members of the Financial Industry Regulatory Authority or banks and trust companies in the United States;

“**Expiry Date**” means July 26, 2019, or such later date or dates as may be fixed by Reitmans from time to time as provided under Section 8 of the Offer to Purchase entitled “Extension and Variation of the Offer”, in which event the term “**Expiry Date**” shall refer to the date on which the Offer, as so extended by Reitmans, will expire;

“Expiry Time” means 5:00 p.m. (Montréal time) on the Expiry Date, or such later time or times as may be fixed by Reitmans from time to time as provided under Section 8 of the Offer to Purchase entitled “Extension and Variation of the Offer”, in which event the term **“Expiry Time”** shall refer to the time at which the Offer, as so modified by Reitmans, will expire;

“formal valuation” has the meaning ascribed thereto in MI 61-101;

“GMP” means GMP Securities L.P.;

“Letter of Transmittal” means the letter of transmittal (printed on YELLOW paper) in the form accompanying the Offer and Circular;

“Liquidity Opinion” has the meaning set out in Section 3 of the Circular entitled “Purpose of the Offer and Recommendation of the Board – Liquidity of the Market”;

“MI 61-101” means Multilateral Instrument 61-101 — *Protection of Minority Security Holders in Special Transactions*, as amended, supplemented or replaced from time to time;

“NI 62-104” means National Instrument 62-104 – *Take-Over Bids and Issuer Bids*, as amended, supplemented or replaced from time to time;

“Non-Registered Shareholder” means a Shareholder whose Shares are held through an intermediary, including an investment dealer, stock broker, commercial bank, trust company or other nominee;

“Non-Resident Shareholder” has the meaning set out in Section 8 of the Circular entitled “Certain Canadian Federal Income Tax Considerations”;

“Notice of Guaranteed Delivery” means the notice of guaranteed delivery (printed on GREEN paper) in the form accompanying the Offer and Circular;

“Odd Lot” means a beneficial shareholding of fewer than 100 Shares in the aggregate;

“Offer” means the offer by Reitmans hereunder to purchase from the Shareholders for cash up to 15,000,000 Shares at the Purchase Price, upon the terms and subject to the conditions set forth in the Offer and Circular and the accompanying Letter of Transmittal and Notice of Guaranteed Delivery;

“Offer and Circular” means the Offer to Purchase and the accompanying Circular, including the Summary, the Glossary and all schedules to the Offer and Circular;

“Offer to Purchase” means the formal offer to purchase which is accompanied by the Circular, and which, together with the Letter of Transmittal and Notice of Guaranteed Delivery, sets forth the terms and conditions of the Offer;

“Options” means any options to acquire Shares granted pursuant to the Share Option Plan;

“PSU Plan” means the Performance Share Unit Plan of Reitmans dated as of June 8, 2016;

“PSUs” means any performance share units issued pursuant to the PSU Plan;

“Purchase Price” means \$3.00 per Share that Reitmans will pay for Shares validly deposited pursuant to the Offer and not withdrawn;

“QSA” means the *Securities Act* (Québec) and the regulations made thereunder, all as amended, supplemented or replaced from time to time;

“Registered Shareholder” means a Shareholder in whose name Shares are registered as recorded in Reitmans’ shareholder register(s) maintained by the Depositary;

“**Reitmans**” and the “**Corporation**” mean Reitmans (Canada) Limited, a corporation existing under the CBCA, and its successors;

“**Resident Shareholder**” has the meaning set out in Section 8 of the Circular entitled “Certain Canadian Federal Income Tax Considerations”;

“**SEDAR**” means the System for Electronic Document Analysis and Retrieval maintained by the Canadian Securities Administrators;

“**SEDI**” means the System for Electronic Disclosure by Insiders;

“**Shares**” means the issued and outstanding Class A non-voting shares of Reitmans that trade on the TSX under the symbol “RET.A” and “**Share**” means any one Class A non-voting share of Reitmans;

“**Shareholders**” means, collectively, the holders of Shares, whether registered or beneficial and “**Shareholder**” means any one of them;

“**Share Option Plan**” means the Amended and Restated Share Option and Incentive Plan of Reitmans dated as of June 8, 2016;

“**take up**” in reference to Shares means to accept such Shares for payment by giving written notice of such acceptance to the Depositary and “**taking up**” and “**taken up**” have corresponding meanings;

“**Tax Act**” means the *Income Tax Act* (Canada) and all regulations made thereunder, all as amended or replaced from time to time; and

“**TSX**” means the Toronto Stock Exchange, and its successors.

OFFER TO PURCHASE

To the Shareholders of Reitmans (Canada) Limited:

1. THE OFFER

Reitmans hereby offers to purchase from Shareholders for cash up to 15,000,000 Shares at a price of \$3.00 per Share, upon the terms and subject to the conditions set forth in the Offer and Circular and the accompanying Letter of Transmittal and Notice of Guaranteed Delivery.

The Offer will expire at 5:00 p.m. (Montréal time) on July 26, 2019, or at such later time and date to which the Offer may be extended.

The Offer is not conditional upon any minimum number of Shares being deposited. The Offer is, however, subject to certain other conditions customary for transactions of this nature. Reitmans reserves the right to withdraw the Offer and not take up and pay for any Shares deposited under the Offer if the conditions of the Offer are not satisfied. See Section 6 of this Offer to Purchase entitled “Conditions of the Offer”.

Subject to the satisfaction or waiver by Reitmans of the conditions of the Offer, all Shareholders who have validly deposited and have not withdrawn their Shares pursuant to the Offer will receive the Purchase Price, payable in cash, for all Shares taken up and purchased by Reitmans, upon the terms of the Offer, including the provisions relating to pro-ration and Odd Lots described herein. All payments for purchased Shares will be subject to deduction of any applicable withholding taxes. See Section 8 of the Circular entitled “Certain Canadian Federal Income Tax Considerations”.

Reitmans will return all Shares not purchased under the Offer, including Shares not purchased because of pro-ration, promptly after the Expiry Date. Registered Shareholders who deposit their Shares directly to the Depositary will not be obligated to pay any brokerage fees or commissions. Non-Registered Shareholders who hold their Shares through an investment dealer, stock broker, commercial bank, trust company or other nominee should consult with such persons regarding whether any fees or commissions will apply in connection with a deposit of Shares pursuant to the Offer.

The Board of Directors has authorized and approved the Offer. None of the Corporation, its Board of Directors or the Depositary makes any recommendation to Shareholders as to whether to deposit or refrain from depositing any or all of such Shareholder's Shares pursuant to the Offer. **Shareholders are strongly urged to review and evaluate carefully all information in the Offer and Circular, to consult their own financial, tax and legal advisors and to make their own decisions as to whether to deposit Shares to the Offer and, if so, how many Shares to deposit.** Reitmans is making the Offer to provide enhanced liquidity for all of the Shareholders. Future values and liquidity of the Shares cannot be assured and are subject to risks. Shareholders must decide for themselves whether to deposit Shares under the Offer and should refer to the “Operating Risk Management” and “Financial Risk Management” sections of Reitmans' management's discussion & analysis filed in respect of Reitmans' fiscal year ended February 2, 2019 available under Reitmans' profile on SEDAR at www.sedar.com.

The accompanying Circular, which is incorporated into and forms part of this Offer to Purchase, and the related Letter of Transmittal and Notice of Guaranteed Delivery all contain important information which should be read carefully before making a decision with respect to the Offer. Shareholders are also urged to carefully consider the income tax consequences of depositing Shares under the Offer. See Section 8 of the Circular entitled “Certain Canadian Federal Income Tax Considerations” for further details.

2. PURCHASE PRICE

Upon the terms and subject to the conditions of the Offer (including the pro-ration provisions and the preferential acceptance of Odd Lots described herein), all Shareholders who have validly deposited and not withdrawn their Shares pursuant to the Offer will receive the Purchase Price, payable in cash (but subject to

applicable withholding taxes, if any), for all Shares purchased. The Purchase Price is stated and will be paid in Canadian dollars.

3. NUMBER OF SHARES AND PRO-RATION

As at June 17, 2019, there were 49,890,266 Shares issued and outstanding. The Offer may result in the purchase by Reitmans of up to 15,000,000 Shares, representing approximately 30.1% of the total number of issued and outstanding Shares on such date (assuming no exercise of Options).

If the number of Shares validly deposited (and not withdrawn in accordance with Section 5 of this Offer to Purchase entitled “Withdrawal Rights”) pursuant to the Offer on the Expiry Date is less than or equal to 15,000,000 Shares, Reitmans will, upon the terms and subject to the conditions of the Offer, purchase at the Purchase Price all of the Deposited Shares.

If the number of Deposited Shares (not withdrawn in accordance with Section 5 of this Offer to Purchase entitled “Withdrawal Rights”) is in excess of 15,000,000 Shares, then such Deposited Shares will be purchased on a *pro rata* basis according to the number of Shares deposited or deemed to be deposited by the depositing Shareholders (with adjustments to avoid the purchase of fractional Shares), except that Odd Lot deposits will not be subject to pro-rata. For the purposes of the foregoing, an Odd Lot deposit is a deposit by a Shareholder beneficially owning in the aggregate fewer than 100 Shares as of the close of business on the Expiry Date, who validly deposits all such Shares prior to the Expiry Time pursuant to the Offer and who checks (or ticks) Box A captioned “Odd Lots” in either the Letter of Transmittal or the Notice of Guaranteed Delivery, as the case may be. As set forth above, Odd Lots will be accepted for purchase before any pro-rata. Odd Lot holders therefore have the opportunity to sell their Shares without incurring brokerage commissions or the odd lot discounts that they might otherwise incur if they were to sell their Shares in a transaction on the TSX.

The Odd Lot acceptance preference is not available to holders of 100 or more Shares even if holders have separate share certificates for fewer than 100 Shares or hold fewer than 100 Shares in different accounts.

4. PROCEDURE FOR DEPOSITING SHARES

Proper Deposit of Shares

To validly deposit Shares pursuant to the Offer, (i) the certificates for all Deposited Shares in proper form for transfer, together with a properly completed and duly executed Letter of Transmittal (or a manually executed photocopy thereof) relating to such Shares with signatures guaranteed by an Eligible Institution if so required in accordance with the Letter of Transmittal, and any other documents required by the Letter of Transmittal, must be received by the Depositary at its Toronto, Ontario office address listed in the Letter of Transmittal by the Expiry Time, or (ii) the guaranteed delivery procedure described below must be followed, or (iii) such Shares must be transferred pursuant to the procedures for book-entry transfer described below (and a confirmation of such tender must be received by the Depositary, including a Book-Entry Confirmation (as defined below) if the depositing Shareholder has not delivered a Letter of Transmittal). The term “**Book-Entry Confirmation**” means a confirmation of a book-entry transfer of a Shareholder’s Shares into the Depositary’s account at CDS.

A Non-Registered Shareholder who wishes to deposit Shares under the Offer should immediately contact such person’s investment dealer, stock broker, commercial bank, trust company or other nominee in order to take the necessary steps to be able to deposit such Shares under the Offer.

Participants of CDS should contact such depositary, or any other applicable depositary, to obtain instructions as to the method of depositing Shares under the terms of the Offer. CDS will be issuing instructions to their respective participants as to the method of depositing Shares under the terms of the Offer.

The Offer is made only for Shares and is not made for any Common Shares or Options. Any holder of Options who wishes to accept the Offer must, to the extent permitted by the terms of the Options and applicable laws, exercise the Options in order to obtain certificates representing Shares and deposit those Shares in accordance

with the terms of the Offer. Any such exercise must be completed sufficiently in advance of the Expiry Time to ensure that the holder of such Options will have the Shares issued and, if applicable, will have received the certificate(s) representing the Shares, on such exercise available for deposit at or prior to the Expiry Time, or in sufficient time to comply with the procedures referred to below under “Procedure for Guaranteed Delivery”. Any such exercise will be irrevocable, including where the Shares tendered are subject to pro-ration or otherwise are not taken up.

In accordance with Instruction 5 of the Letter of Transmittal, or the Book-Entry Confirmation in lieu thereof, each Shareholder desiring to deposit Shares pursuant to the Offer should indicate whether the Shareholder is making an Odd Lot deposit by completing Box A captioned “Odd Lots” in such Letter of Transmittal, or the Book-Entry Confirmation in lieu thereof, in order to qualify for the preferential treatment available to Odd Lot holders.

Signature Guarantees

No signature guarantee is required on the Letter of Transmittal if either (i) the Letter of Transmittal is signed by the Registered Shareholder(s) exactly as the name(s) of the Registered Shareholder(s) appears on the Share certificate deposited therewith and payment and delivery is to be made directly to such Registered Shareholder(s) or (ii) Shares are deposited for the account of an Eligible Institution. See Instruction 4 of the Letter of Transmittal. In all other cases, all signatures on the Letter of Transmittal must be guaranteed by an Eligible Institution.

If a certificate representing Shares is registered in the name of a person other than the person signing the Letter of Transmittal, or if payment or delivery is to be made, or certificates representing Shares not purchased or deposited are to be issued to a person other than the Registered Shareholder, the certificate must be endorsed or accompanied by an appropriate share transfer power of attorney, in either case, duly and properly completed and signed exactly as the name of the Registered Shareholder appears on the certificate with the signature on the certificate or share transfer power of attorney guaranteed by an Eligible Institution.

Book-Entry Transfer Procedures – CDS

The Depositary intends to establish an account with respect to the Shares at CDS for purposes of the Offer. Any financial institution that is a participant in CDS may make book-entry delivery of the Shares through CDSX by causing CDS to transfer such Shares into the Depositary’s account in accordance with CDS procedures for such transfer. Delivery of Shares to the Depositary by means of a book-entry transfer through CDSX will constitute a valid tender under the Offer.

Shareholders may accept the Offer by following the procedures for a book-entry transfer established by CDS, provided that a Book-Entry Confirmation through CDSX is received by the Depositary at its Toronto, Ontario office address set forth on the back cover page of the Offer and Circular prior to the Expiry Time. Shareholders, through their respective CDS participants, who utilize CDSX to accept the Offer through a book-entry transfer of their holdings into the Depositary’s account with CDS shall be deemed to have completed and submitted a Letter of Transmittal and to be bound by the terms thereof and therefore such instructions received by the Depositary are considered a valid tender in accordance with the terms of the Offer. **Delivery of documents to CDS does not constitute delivery to the Depositary.**

Procedure for Guaranteed Delivery

If a Shareholder wishes to deposit Shares pursuant to the Offer and cannot deliver certificates for such Shares, or the book-entry transfer procedures described above cannot be completed prior to the Expiry Time, or time will not permit all required documents to reach the Depositary prior to the Expiry Time, such Shares may nevertheless be deposited if all the following conditions are met:

- (a) such deposit is made by or through an Eligible Institution;

- (b) a properly completed and duly executed Notice of Guaranteed Delivery, or a manually executed photocopy thereof, in the form provided by Reitmans is received by the Depositary at its office in Toronto, Ontario as set out in the Notice of Guaranteed Delivery, prior to the Expiry Time; and
- (c) the certificates for all Deposited Shares in proper form for transfer, together with a properly completed and duly executed Letter of Transmittal, or a manually executed photocopy thereof, relating to such Shares, with signatures guaranteed by an Eligible Institution if so required in accordance with the Letter of Transmittal, and any other documents required by the Letter of Transmittal, are received by the Depositary at its Toronto, Ontario office address as set out in the Notice of Guaranteed Delivery before 5:00 p.m. (Montréal time) on or before the third trading day on the TSX after the Expiry Date.

The Notice of Guaranteed Delivery may be delivered by hand or transmitted by email or by mail to the office of the Depositary in Toronto, Ontario, as set out therein, and must include a guarantee by an Eligible Institution in the form set forth in the Notice of Guaranteed Delivery.

The tender information specified in a Notice of Guaranteed Delivery by a person completing such Notice of Guaranteed Delivery will, in all circumstances, take precedence over any inconsistent tender information that is specified in the related Letter of Transmittal that is subsequently deposited.

Notwithstanding any other provision hereof, payment for Shares deposited and accepted for payment pursuant to the Offer will be made only after timely receipt by the Depositary of certificates for such Shares, a properly completed and duly executed Letter of Transmittal (or a manually executed photocopy thereof) relating to such Shares, with signatures guaranteed if required, and any other documents required by the Letter of Transmittal.

Method of Delivery

The method of delivery of Shares and all other required documents is at the option and risk of the depositing Shareholder. If certificates representing Shares are to be sent by mail, registered mail with return receipt requested, properly insured, is recommended and the mailing must be made sufficiently in advance of the Expiry Date to permit delivery to the Depositary at or prior to the Expiry Time. Delivery will be made only upon actual receipt of such Shares by the Depositary.

Determination of Validity

All questions as to the number of Shares to be accepted and taken up, the form of documents and the validity, eligibility (including time of receipt) and acceptance for payment of any deposit of Shares, will be determined by Reitmans, in its sole discretion, which determination shall be final and binding on all parties. The Corporation reserves the absolute right to reject any or all deposits of Shares judged by it not to be in proper form or which, in the opinion of its counsel, may be unlawful for it to accept under the laws of any jurisdiction. The Corporation also reserves the absolute right to waive any of the conditions of the Offer or any defect or irregularity in any deposit of Shares. No deposit of Shares will be deemed to be validly made until all defects and irregularities have been cured or waived. None of the Corporation, the Depositary or any other person will be under any duty to give notification of any defect or irregularity in deposits or incur any liability for failure to give any such notice. The Corporation's interpretation of the terms and conditions of the Offer (including the Letter of Transmittal and the Notice of Guaranteed Delivery) will be final and binding.

Under no circumstances will interest accrue or be paid by Reitmans or the Depositary on the Purchase Price to any person depositing Shares regardless of any delay in making payment, including any delay in making payment to any person using the guaranteed delivery procedures, and the payment for Shares deposited pursuant to the guaranteed delivery procedures will be the same as that for Shares delivered to the Depositary on or prior to the Expiry Date, even if the Shares to be delivered pursuant to the guaranteed delivery procedures are not so delivered to the Depositary at such date and, therefore, payment by the Depositary on account of such Shares is not made until after the date the payment for the Deposited Shares accepted for payment pursuant to the Offer is to be made by the Corporation.

Formation of Agreement

The proper deposit of Shares pursuant to any one of the procedures described above will constitute a binding agreement between the depositing Shareholder and the Corporation, effective as of the time at which Reitmans takes up Shares deposited by the depositing Shareholder, upon the terms and subject to the conditions of the Offer contained herein and in the Letter of Transmittal.

Further Assurances

Each Shareholder accepting the Offer covenants under the terms of the Letter of Transmittal to execute, upon request of Reitmans, any additional documents, transfers and other assurances as may be necessary or desirable to complete the sale, assignment and transfer of the Deposited Shares to the Corporation. Each authority therein conferred or agreed to be conferred may be exercised during any subsequent legal incapacity of such Shareholder and shall, to the extent permitted by law, survive the death or incapacity, bankruptcy or insolvency of the Shareholder and all obligations of the Shareholder therein shall be binding upon the heirs, personal representatives, successors and assigns of such Shareholder.

5. WITHDRAWAL RIGHTS

Except as otherwise expressly provided in this Section 5 or otherwise required or permitted by applicable laws, all deposits of Shares pursuant to the Offer will be irrevocable. Shares deposited pursuant to the Offer may be withdrawn by or on behalf of the depositing Shareholder: (a) at any time up to and including the Expiry Date; (b) at any time when the Shares have not been taken up by Reitmans; (c) at any time before the expiration of 10 days from the date that a notice of change or variation (other than a variation that (i) consists solely of an increase in the consideration offered for the Shares under the Offer where the time for deposit is not extended for greater than 10 days, or (ii) consists solely of the waiver of a condition of the Offer) has been given in accordance with Section 8 of this Offer to Purchase entitled "Extension and Variation of the Offer"; or (d) if the Shares have not been paid for by Reitmans within three business days after having been taken up.

For a withdrawal to be effective, a written notice of withdrawal must be actually physically received in a timely manner by the Depositary at the place of deposit of the relevant Shares. Any such notice of withdrawal must be signed by or on behalf of the person(s) who signed the Letter of Transmittal or Notice of Guaranteed Delivery that accompanied the Shares being withdrawn and must specify the name of the person(s) who deposited the Shares to be withdrawn, the name of the Registered Shareholder(s), if different from that of the person(s) who deposited such Shares, and the number of Shares to be withdrawn. If the certificates have been delivered or otherwise identified to the Depositary then, prior to the release of such certificates, the depositing Shareholder must submit the serial numbers shown on the particular certificates evidencing the Shares to be withdrawn and the signature on the notice of withdrawal must be guaranteed by an Eligible Institution, except in the case of Shares deposited by an Eligible Institution or if the notice of withdrawal is signed by the Registered Shareholder(s) exactly as the name(s) of the Registered Shareholder(s) appears on the certificate representing the Shares deposited with the Letter of Transmittal. **A withdrawal of Shares deposited pursuant to the Offer can be accomplished only in accordance with the foregoing procedure. The withdrawal will take effect only upon actual receipt by the Depositary of the properly completed and executed written notice.**

All questions as to the form and validity (including time of receipt) of notices of withdrawal will be determined by Reitmans, in its sole discretion, which determination shall be final and binding on all parties. None of the Corporation, the Depositary or any other person shall be obligated to give any notice of any defects or irregularities in any notice of withdrawal and none of them shall incur any liability for failure to give any such notice.

A Non-Registered Shareholder who wishes to withdraw Shares under the Offer and whose certificate is registered in the name of an investment dealer, stock broker, bank, trust company or other nominee should immediately contact such nominee in order to take the necessary steps to be able to withdraw such Shares under the Offer.

Any Shares validly withdrawn will thereafter be deemed not to have been deposited for purposes of the Offer. However, withdrawn Shares may be redeposited prior to the Expiry Time by again following any of the procedures described in Section 4 of this Offer to Purchase entitled “Procedure for Depositing Shares”.

If Reitmans extends the period of time during which the Offer is open, is delayed in its purchase of Shares or is unable to purchase Shares pursuant to the Offer for any reason, then, without prejudice to Reitmans’ rights under the Offer, the Depositary may, subject to applicable law, retain on behalf of the Corporation all Deposited Shares, and such Deposited Shares may not be withdrawn except to the extent depositing Shareholders are entitled to withdrawal rights as described in this Section 5.

6. CONDITIONS OF THE OFFER

Notwithstanding any other provision of the Offer, Reitmans shall not be required to accept for purchase, to purchase or pay for any Shares deposited and may withdraw, terminate, cancel or amend the Offer or may postpone the take up and payment for Shares deposited if, at any time before the payment for any such Shares, any of the following events shall have occurred (or shall have been determined by the Corporation, in its sole judgment, to have occurred) which, in the Corporation’s sole judgment in any such case and regardless of the circumstances, makes it inadvisable to proceed with the Offer or with such acceptance for purchase or payment:

- (a) there shall have been threatened, instituted or pending any action or proceeding by any government or governmental authority or regulatory or administrative agency in any jurisdiction, or by any other person in any jurisdiction, before any court or governmental authority or regulatory or administrative agency in any jurisdiction, (i) challenging or seeking to cease trade, make illegal, delay or otherwise directly or indirectly restrain or prohibit the making of the Offer, the acceptance for payment of some or all of the Shares by the Corporation or otherwise directly or indirectly relating in any manner to or affecting the Offer, or (ii) that has or may have a material adverse effect on the Shares or the business, income, assets, liabilities, condition (financial or otherwise), properties, operations, results of operations or prospects of the Corporation or its subsidiaries taken as a whole, or has or may materially impair the contemplated benefits of the Offer to the Corporation;
- (b) there shall have been any approval withheld or any action or proceeding threatened, pending or taken or any statute, rule, regulation, stay, decree, judgment or order or injunction proposed, sought, enacted, enforced, promulgated, amended, issued or deemed applicable to the Offer or the Corporation or any of its subsidiaries, by any court, government or governmental authority or regulatory or administrative agency or any statute, rule or regulation shall become operative or applicable in any jurisdiction that might directly or indirectly result in any of the consequences referred to in clauses (i) or (ii) of paragraph (a) above or that would or might prohibit, prevent, restrict or delay consummation of the Offer or would or might materially impair the contemplated benefits of the Offer to the Corporation or otherwise make it inadvisable to proceed with the Offer;
- (c) there shall have occurred (i) any general suspension of trading in, or limitation on prices for, securities on any securities exchange or in the over-the-counter market in Canada or the United States, (ii) the declaration of a banking moratorium or any suspension of payments in respect of banks in Canada or the United States or any other region where the Corporation maintains significant business activities (whether or not mandatory), (iii) a natural disaster or the commencement or material worsening of a war, armed hostilities, act of terrorism or other international or national calamity directly or indirectly involving Canada or the United States or any other region where the Corporation maintains significant business activities, (iv) any limitation by any governmental, regulatory or administrative authority or agency or any other event that might affect the extension of credit by banks or other lending institutions, (v) any significant decrease or increase in the market price of the Shares after the close of business on June 17, 2019, (vi) any change in the general political, market, economic or financial conditions that has or may have a material adverse effect on the Corporation’s business, operations or prospects or the trading in, or value of, the Shares, (vii) any decline in any of the S&P/TSX Composite Index, the Dow Jones Industrial Average or the S&P 500 by an amount in excess of 10%, measured from the close of business on June 17, 2019, or (viii) in the case of any of the

foregoing existing at the time of the commencement of the Offer, a material acceleration or worsening thereof;

- (d) there shall have occurred any change or changes (or any development involving any prospective change or changes) in the business, earnings, assets, liabilities, condition (financial or otherwise), properties, operations, results of operations or prospects of the Corporation or its subsidiaries that, individually or in the aggregate, has, have or may have a material adverse effect on the Corporation and its subsidiaries taken as a whole;
- (e) any take-over bid or tender or exchange offer with respect to some or all of the securities of Reitmans, or any amalgamation, arrangement, merger, business combination or acquisition proposal, disposition of assets, or other similar transaction with or involving Reitmans or any of its affiliates, other than the Offer, or any solicitation of proxies, other than by management, to seek to control or influence the Board of Directors, shall have been proposed, announced or made by any individual or entity;
- (f) GMP shall have withdrawn its Liquidity Opinion or amended its conclusions therein;
- (g) any change shall have occurred or been proposed to the Tax Act or the current published administrative policies or assessing practices of the CRA or other relevant taxing authority or to relevant tax jurisprudence that is detrimental to the Corporation or its subsidiaries or affiliates, or any one or more Shareholders, or with respect to making the Offer or taking up and paying for the Shares pursuant to the Offer;
- (h) the Corporation shall have determined that the Purchase Price for a Share exceeds the fair market value of such Share at the time the Shares are to be acquired by the Corporation pursuant to the Offer, determined without reference to the Offer;
- (i) the Corporation shall have concluded that the Offer or the taking up and payment for any or all of the Shares by the Corporation is illegal or otherwise not in compliance with applicable laws, or that necessary exemptions under applicable securities legislation in Canada, including exemptions are not available on acceptable terms to the Corporation in respect of the Offer and, if required under any such legislation, the Corporation shall not have received the necessary exemptions from or waivers of the appropriate courts or securities regulatory authorities in respect of the Offer;
- (j) the consummation of the Offer is reasonably likely to cause the Shares to be delisted from the TSX;
- (k) it shall have been determined that the Corporation would be subject to Part VI.1 tax under the Tax Act in connection with the Offer; or
- (l) the completion of the Offer subjects Reitmans to any material tax liability.

The foregoing conditions are for the sole benefit of Reitmans and may be asserted by the Corporation, in its sole discretion, regardless of the circumstances (including any action or inaction by the Corporation) giving rise to any such conditions, or may be waived by the Corporation, in its sole discretion, in whole or in part at any time. The failure by the Corporation at any time to exercise its rights under any of the foregoing conditions shall not be deemed a waiver of any such right; the waiver of any such right with respect to particular facts and circumstances shall not be deemed a waiver with respect to any other facts and circumstances; and each such right shall be deemed an ongoing right which may be asserted at any time or from time to time. Any determination by the Corporation concerning the events described in this Section 6 shall be final and binding on all parties.

Any waiver of a condition by Reitmans, or the withdrawal of the Offer by the Corporation, shall be deemed to be effective on the date on which written notice of such waiver or withdrawal is delivered or otherwise communicated to the Depositary at its principal office in Toronto, Ontario. The Corporation, after giving notice to the Depositary of any waiver of a condition or the withdrawal of the Offer, shall forthwith thereafter make a public

announcement of such waiver or withdrawal and provide or cause to be provided notice of such waiver or withdrawal to the TSX and the applicable Canadian securities regulatory authorities. If the Offer is withdrawn, the Corporation shall not be obligated to take up, accept for purchase or pay for any of the Deposited Shares, and the Depositary will, as soon as practicable, return all certificates for Deposited Shares, Letters of Transmittal and Notices of Guaranteed Delivery and any related documents to the persons by whom they were deposited.

7. ACCEPTANCE FOR PAYMENT AND PAYMENT FOR DEPOSITED SHARES

If all conditions referred to in Section 6 of this Offer to Purchase entitled “Conditions of the Offer” have been satisfied or waived by Reitmans at or prior to the Expiry Time, the Corporation will take up Shares validly deposited pursuant to the Offer and not withdrawn promptly after the Expiry Time upon the terms of the Offer and subject to and in accordance with applicable securities laws. The Corporation will pay for Deposited Shares within three business days after taking up such Deposited Shares.

For the purposes of the Offer, Reitmans will be deemed to have taken up and accepted for payment, subject to pro-rata, up to 15,000,000 Deposited Shares that are validly deposited and not withdrawn pursuant to the Offer if, as and when the Corporation gives oral (to be confirmed in writing) or written notice to the Depositary of its acceptance of such Shares for payment pursuant to the Offer.

The Purchase Price payable by Reitmans, and thus the amount owing to any depositing Shareholder, will be stated and paid in Canadian dollars and net of any applicable withholding taxes. All cash payable under the Offer will be denominated in Canadian dollars. Shares taken up and paid for by Reitmans will be promptly cancelled by Reitmans.

The Purchase Price will be denominated in Canadian dollars. The Depositary’s currency exchange services will be used to convert payment of these amounts that each Shareholder is entitled to receive based on the address of record of such Shareholder. Each Shareholder with an address outside of Canada will receive payment in U.S. dollars. Each Shareholder with an address in Canada will receive payment in Canadian dollars. There is no additional fee payable by Shareholders in relation to such conversions of payments. A Shareholder may request that its Purchase Price be paid in a different currency from that specified above. Shareholders can elect to receive Canadian dollars or U.S. dollars by checking the applicable box on the Letter of Transmittal.

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

Payment for Deposited Shares accepted for purchase, and not withdrawn, pursuant to the Offer will be made by depositing the aggregate Purchase Price for such Deposited Shares with the Depositary by bank transfer or other means satisfactory to the Depositary, who will act as agent for the depositing Shareholders for the purpose of receiving payment from the Corporation and transmitting such payment to the depositing Shareholders. The Depositary will also coordinate with CDS with respect to Shareholders who have deposited Shares by way of book-entry transfer which are taken up and accepted for payment by Reitmans, to arrange for payment to be made to such Shareholders in accordance with the applicable settlement procedures of CDS. Receipt of payment by the Depositary will be deemed to constitute receipt of payment by persons depositing Shares. Under no circumstances will interest accrue or be paid by the Corporation or the Depositary to persons depositing Shares regardless of any delay in paying for any Deposited Shares or otherwise.

In the event of pro-rata of Deposited Shares, the Corporation will determine the pro-rata factor and pay for those Deposited Shares accepted for payment promptly after the Expiry Date in accordance with this Section 7. However, the Corporation does not expect to be able to announce the final results of any such pro-rata for at least three trading days after the Expiry Date. The Purchase Price for Shares deposited and purchased will be paid by cheque issued to the order of, and certificate(s) representing Shares not deposited or not purchased under the Offer will be issued to, the person signing the relevant Letter of Transmittal or to the order of such other person as

identified by the person signing such Letter of Transmittal, by properly completing the boxes captioned “Special Payment Instructions” and/or “Special Delivery Instructions” in such Letter of Transmittal. In the absence of an address being provided, cheques or certificates will be forwarded to the address of the person as shown on the share register(s) for the Deposited Shares.

Certificates for all Shares not purchased, including all Shares not purchased due to pro-ration and Shares not accepted for purchase pursuant to the terms and conditions of the Offer for any reason, will be returned promptly after the Expiry Date or termination of the Offer without expense to the depositing Shareholder. In the case of Shares deposited by book-entry transfer pursuant to the procedures set out in Section 4 of this Offer to Purchase entitled “Procedure for Depositing Shares”, such Shares will be credited to the depositing Shareholder’s account maintained with CDS.

The Depositary will forward, at the Corporation’s expense, cheques representing the cash payment for a Shareholder’s Shares taken up under the Offer and certificates representing all Shares not purchased by first-class mail, postage pre-paid, to the person signing the relevant Letter of Transmittal or to such other person or such other address as identified by the person in such Letter of Transmittal (unless, in the case of a cheque, the person signing the Letter of Transmittal instructs the Depositary to hold such cheque for pick-up) by properly completing the box captioned “Special Delivery Instructions” in such Letter of Transmittal. See Section 9 of this Offer to Purchase entitled “Payment in the Event of Mail Service Interruption” in the event of a real or possible mail service interruption. Cheques mailed in accordance with this paragraph will be deemed to have been delivered at the time of mailing.

If you are a Registered Shareholder and you deposit your Shares directly to the Depositary, you will not be obligated to pay any brokerage fees or commissions. If you are a Non-Registered Shareholder who holds your Shares through an investment dealer, stock broker, commercial bank, trust company or other nominee, you should consult with such persons regarding whether fees or commissions will apply in connection with a deposit of Shares pursuant to the Offer.

8. EXTENSION AND VARIATION OF THE OFFER

Subject to applicable law, Reitmans expressly reserves the right, in its sole discretion and regardless of whether or not any of the conditions specified under Section 6 of this Offer to Purchase entitled “Conditions of the Offer”, shall have been satisfied or waived, at any time or from time to time, to extend the period of time during which the Offer is open or to vary the terms and conditions of the Offer by giving written or oral (to be confirmed in writing) notice of extension or variation to the Depositary and by causing the Depositary to provide, where required by law, as soon as practicable thereafter, a copy of the notice in the manner set forth under Section 11 of this Offer to Purchase entitled “Notice”, to all Shareholders. As soon as practicable after giving notice of an extension or variation to the Depositary, the Corporation will make a public announcement of the extension or variation and provide or cause to be provided notice of such extension or variation to the TSX and the Canadian securities regulatory authorities. Any notice of extension or variation will be deemed to have been given and be effective on the day on which it is delivered or otherwise communicated in writing to the Depositary at its principal office in Toronto, Ontario.

Where the terms of the Offer are varied (other than a variation consisting solely of the waiver of a condition of the Offer or a variation consisting solely of an increase in the consideration offered under the Offer where the Expiry Date is not extended for a period greater than 10 days), the period during which Shares may be deposited pursuant to the Offer shall not expire before 10 days after the notice of variation has been given to Shareholders, unless otherwise permitted by applicable law and subject to abridgement or elimination of that period pursuant to such orders or other forms of relief as may be granted by applicable securities regulatory authorities.

During any such extension or in the event of any variation, all Shares previously deposited and not taken up or withdrawn will remain subject to the Offer and may be accepted for purchase by the Corporation in accordance with the terms of the Offer, subject to Section 5 of this Offer to Purchase entitled “Withdrawal Rights”. An extension of the Expiry Date or a variation of the Offer or change in information does not constitute a waiver by the Corporation of its rights under Section 6 of this Offer to Purchase entitled “Conditions of the Offer”.

If, prior to the Expiry Time, a variation in the terms of the Offer increases the consideration offered to Shareholders by the Corporation, such increase shall be applicable to all Deposited Shares that are taken up pursuant to the Offer. The Purchase Price to be paid by the Corporation for any Shares taken up and paid for as a result of an extension of the Offer shall be the same Purchase Price paid to Shareholders whose Shares are taken up and paid for pursuant to, and prior to the extension of, the Offer.

Notwithstanding the foregoing, except as required by applicable securities laws, the Offer may not be extended by the Corporation if all of the terms and conditions of the Offer have been satisfied, except those waived by the Corporation, unless the Corporation first takes up all Shares validly deposited under the Offer and not withdrawn.

The Corporation also expressly reserves the right, in its sole discretion, (i) to terminate the Offer and not to accept for purchase or pay for any Shares upon the occurrence of any of the events specified in Section 6 of this Offer to Purchase entitled “Conditions of the Offer”, or (ii) at any time or from time to time, to amend the Offer in any respect, including without limitation increasing or decreasing the maximum number of Shares that Reitmans may purchase and/or the Purchase Price it may pay pursuant to the Offer.

If, prior to the Expiry Time or after the Expiry Time but before the expiry of all rights to withdraw Shares deposited to the Offer, a change (other than a change that is not within the control of the Corporation or its affiliates) has occurred in the information set forth in the Offer and Circular or in any notice of change or variation that would reasonably be expected to affect the decision of Shareholders to accept the Offer, the Corporation will cause a notice of change to be delivered to all Shareholders whose Shares have not been taken up as of the date of such change and will extend the time during which the Offer is open to the extent required under applicable Canadian securities laws.

9. PAYMENT IN THE EVENT OF MAIL SERVICE INTERRUPTION

Notwithstanding the provisions of the Offer and Circular, the Letter of Transmittal and the Notice of Guaranteed Delivery, cheques in payment for Shares purchased under the Offer and certificates for any Shares to be returned will not be mailed if Reitmans determines that delivery by mail may be delayed. Persons entitled to cheques or certificates which are not mailed for this reason may take delivery at the office of the Depositary at which the deposited certificates for the Shares were delivered until the Corporation has determined that delivery by mail will no longer be delayed. The Corporation will provide notice as provided under Section 11 of this Offer to Purchase entitled “Notice”, of any determination not to mail under this Section 9 as soon as reasonably practicable after such determination is made. The deposit by the Corporation of cheques with the Depositary in these circumstances will constitute delivery to the persons entitled to them and payment for the Shares will be deemed to have been made immediately upon such deposit.

10. LIENS; DIVIDENDS

Shares acquired pursuant to the Offer shall be acquired by Reitmans free and clear of all liens, charges, encumbrances, security interests, claims, restrictions and equities whatsoever, together with all rights and benefits arising therefrom, including, without limitation, the right to any and all dividends, distributions, payments, securities, rights, assets or other interests which may be declared, paid, issued, distributed, made or transferred on or in respect of such Shares to Shareholders of record on or after the date that Reitmans takes up and accepts for payment the Shares under the Offer. Any dividends, distributions, payments, securities, rights, assets or other interests which may be declared, paid, issued, distributed, made or transferred on or in respect of such Shares to Shareholders of record prior to the date upon which the Shares are taken up and accepted for payment under the Offer shall be for the account of such Shareholders. Each Shareholder of record as of the applicable record date prior to the date upon which the Shares are taken up and accepted for payment under the Offer will be entitled to receive that dividend, distribution, payment, security, right, asset or other interest (if any), whether or not such Shareholder deposits Shares pursuant to the Offer.

Each depositing Shareholder will be bound by a representation and warranty that such Shareholder has full power and authority to deposit, sell, assign and transfer the Deposited Shares and any and all dividends, distributions, payments, securities, rights, assets or other interests which may be declared, paid, issued, distributed, made or transferred on or in respect of the Deposited Shares with a record date on or after the date that Reitmans

takes up and accepts for payment the Deposited Shares and that, if the Deposited Shares are accepted for purchase by Reitmans, Reitmans will acquire good title thereto, free and clear of all liens, charges, encumbrances, security interests, claims, restrictions and equities whatsoever, together with all rights and benefits arising therefrom.

11. NOTICE

Without limiting any other lawful means of giving notice, any notice to be given by Reitmans or the Depositary under the Offer will be deemed to have been properly and validly given if it is mailed by first-class mail, postage prepaid, to the Registered Shareholders at their respective addresses as shown on the share register(s) maintained in respect of the Shares and, except as otherwise provided in the Offer, will be deemed to have been received on the first business day following the date of mailing. These provisions apply despite (i) any accidental omission to give notice to any one or more Shareholders and (ii) an interruption of mail service in Canada following mailing. In the event of any interruption of mail service following mailing, the Corporation will use reasonable efforts to disseminate the notice by other means, such as publication. Except as otherwise required or permitted by law, in the event that post offices in Canada are not open for deposit of mail, or there is reason to believe there is or could be a disruption in all or any part of the postal service, any notice that the Corporation or the Depositary may give or cause to be given under the Offer will be deemed to have been properly and validly given and to have been received by Shareholders if it is issued by way of a news release and if it is published once in the National Edition of the *Globe & Mail* or the *National Post* and in a French language daily newspaper of general circulation in the Province of Québec.

12. OTHER TERMS

- (a) No broker, dealer or other person has been authorized to give any information or to make any representation on behalf of the Corporation other than as contained in the Offer and Circular, the Letter of Transmittal and the Notice of Guaranteed Delivery, and, if any such information or representation is given or made, it must not be relied upon as having been authorized by the Corporation.
- (b) The Offer and all contracts resulting from the acceptance thereof shall be governed by and construed in accordance with the laws of the Province of Québec and the laws of Canada applicable therein. Each party to any agreement resulting from the acceptance of the Offer unconditionally and irrevocably attorns to the exclusive jurisdiction of the courts of the Province of Québec and all courts competent to hear appeals therefrom.
- (c) The provisions of the Circular, the Letter of Transmittal and the Notice of Guaranteed Delivery accompanying this Offer to Purchase, including the instructions contained therein, as applicable, form part of the terms and conditions of this Offer to Purchase.
- (d) The Corporation, in its sole discretion, shall be entitled to make a final and binding determination of all questions relating to the interpretation of the Offer, the Offer and Circular, the Letter of Transmittal, the Notice of Guaranteed Delivery, the validity of any acceptance of the Offer, the *pro rata* entitlement of each depositing Shareholder, if applicable, and the validity of any withdrawals of Shares.
- (e) The Offer is not being made to, nor will deposits of Shares be accepted from or on behalf of, Shareholders residing in any jurisdiction in which the making of the Offer or the acceptance thereof would not be in compliance with the laws of such jurisdiction. The Corporation may, in its sole discretion, take such action as it may deem necessary to make the Offer in any such jurisdiction and to extend the Offer to Shareholders in any such jurisdiction.
- (f) For the purposes of subsection 191(4) of the Tax Act, the “specified amount” in respect of each Share is \$2.50.

None of the Corporation, its Board of Directors or the Depositary makes any recommendation to Shareholders as to whether to deposit or refrain from depositing any or all of such Shareholder’s Shares

pursuant to the Offer. Shareholders are strongly urged to review and evaluate carefully all information in the Offer and Circular, to consult their own financial, tax and legal advisors, and to make their own decisions as to whether to deposit Shares to the Offer and, if so, how many Shares to deposit.

The accompanying Circular, together with this Offer to Purchase, constitutes the issuer bid circular required under Canadian securities laws with respect to the Offer. **Shareholders are urged to carefully review the accompanying Circular and the related Letter of Transmittal and Notice of Guaranteed Delivery for additional information relating to the Offer and the Corporation.**

Dated: June 20, 2019

REITMANS (CANADA) LIMITED

(Signed) Jeremy H. Reitman

Jeremy H. Reitman

Chairman and Chief Executive Officer

CIRCULAR

This Circular is being furnished in connection with the Offer by Reitmans to purchase for cash up to 15,000,000 Shares at a purchase price of \$3.00 per Share, all upon the terms and subject to the conditions set forth in the accompanying Offer to Purchase. Capitalized words and defined terms used in this Circular, unless otherwise defined herein, have the meanings given to them above under the heading “Glossary” found at pages 5 to 7 of the Offer to Purchase. The terms and conditions of the Offer to Purchase, the Letter of Transmittal and the Notice of Guaranteed Delivery are incorporated into and form part of this Circular. Reference is made to the Offer to Purchase for details of the terms and conditions of the Offer.

1. REITMANS (CANADA) LIMITED

The registered and head office of the Corporation is located at 155 Wellington Street West, 40th Floor, Toronto, Ontario M5V 3J7. The principal office of Reitmans is located at 250 Sauvé Street West, Montréal, Québec H3L 1Z2. The Corporation’s website is www.reitmanscanadalimited.com.

Reitmans’ authorized capital consists of an unlimited number of Common Shares and an unlimited number of Shares. As of June 17, 2019, there were 13,400,000 Common Shares and 49,890,266 Shares issued and outstanding. The Shares are listed and posted for trading on the TSX under the symbol “RET.A”. On June 17, 2019, the last trading day immediately prior to the announcement of Reitmans’ intention to make the Offer, the closing price per Share on the TSX was \$2.36. The volume weighted average trading price of the Shares on the TSX for the ten trading days preceding the announcement of the Offer was \$2.31.

Reitmans is subject to the information and reporting requirements of the applicable Canadian securities laws and the rules of the TSX and, in accordance therewith, files periodic reports and other information with the applicable Canadian securities regulatory authorities and the TSX relating to its business, financial condition and other matters. The Corporation files reports, statements and other information with the Canadian securities regulatory authorities, which may be accessed under its profile on SEDAR at www.sedar.com.

2. BACKGROUND TO THE OFFER

During the spring of 2019, senior management of the Corporation was approached by a significant unrelated Shareholder indicating its desire to realign its portfolio and to sell all of its Shares. As a result, such members of senior management and the Board of Directors began engaging in preliminary discussions concerning possible strategic activities and opportunities that may be in the best interests of the Corporation and could provide enhanced liquidity for all of the Shareholders. Among the alternatives discussed was the possibility of pursuing a substantial issuer bid to repurchase a portion of the issued and outstanding Shares.

In May 2019, following discussions with senior management of the Corporation, certain independent members of the Board of Directors seriously considered the possibility of pursuing a substantial issuer bid and the alternatives thereto. Given the Corporation’s significant cash on hand and marketable securities portfolio, certain independent members of the Board of Directors and senior management of the Corporation considered that, in light of the trading price of the Shares, the low return from its investment in marketable securities and interest rates earned on the cash balance, a substantial issuer bid would be a good use of the Corporation’s funds and sought preliminary advice from Davies Ward Phillips & Vineberg LLP, legal counsel to the Corporation, in order to further consider and evaluate the possibility of making an offer to repurchase a portion of the Shares.

Following various informal discussions, the Board of Directors determined to convene a meeting of its members to fully investigate and evaluate the possibility of the Corporation making a substantial issuer bid. The Board of Directors held a meeting on June 3, 2019. At this meeting, the Board of Directors discussed, among other things, the anticipated benefits of a substantial issuer bid for Shareholders that elect to deposit their Shares and those that do not, preliminary pricing of the bid, and the amount of cash that could be available for the bid. Some members of the Board of Directors held a meeting on June 7, 2019, at which members of the senior management of Corporation and Davies Ward Phillips & Vineberg LLP, legal counsel to the Corporation, were invited, to further discuss the pricing of the bid and the exemption from the requirement to prepare a formal valuation under MI 61-101. After having discussed such exemption, the members of the Board of Directors mandated Davies Ward Phillips

& Vineberg LLP, legal counsel to the Corporation, to seek out proposals from firms of investment bankers to provide a liquidity opinion to the Board of Directors.

On June 17, 2019, the Board of Directors met to further discuss the exemption from the requirement for a formal valuation under MI 61-101 and reviewed the Liquidity Opinion prepared by GMP. Upon considering the various factors set out below, among other things, and with the advice of legal counsel, the Board of Directors unanimously approved the making of the Offer and the pricing under the Offer.

On the same day, the Corporation announced its intention to make the Offer.

Subsequently, on June 20, 2019, the Board of Directors reviewed and approved the contents and mailing of the Offer and Circular, the Letter of Transmittal and the Notice of Guaranteed Delivery.

3. PURPOSE OF THE OFFER AND RECOMMENDATION OF THE BOARD

Reitmans believes that the purchase of Shares under the Offer represents an effective use of Reitmans' financial resources and is in the best interests of Reitmans.

The Board of Directors gave careful consideration to a number of factors, including the following:

- (a) the Offer provides Shareholders with an opportunity to realize on all or a portion of their investment in Reitmans, should they desire liquidity, in quantities which might not otherwise be available in the market and without incurring brokerage commissions which might otherwise be payable on a sale of their Shares in a transaction on the TSX;
- (b) the Offer is an equitable and efficient means of distributing capital of up to \$45 million in the aggregate to Shareholders while providing Shareholders with an option to elect whether to participate in the distribution;
- (c) after giving effect to the Offer, Reitmans is expected to continue to have sufficient financial resources and working capital to conduct its ongoing business and operations and to fund foreseeable business strategies and opportunities;
- (d) the positive impact that the purchase of Shares pursuant to the Offer could have on Reitmans' operating results calculated on a per share basis;
- (e) the deposit of Shares under the Offer is optional, the option is available to all Shareholders, and all Shareholders are free to accept or reject the Offer, subject to applicable legal constraints;
- (f) the Offer is being made to all Shareholders on a pro-rata basis;
- (g) generally, Shareholders owning fewer than 100 Shares, whose Shares are purchased pursuant to the Offer, will not only avoid the payment of any brokerage fees and commissions (subject to any fees or commissions that Non-Registered Shareholders may be charged by the nominee holding their Shares on their behalf) but also any Odd Lot discounts, each of which may otherwise be applicable on a sale of their Shares in a transaction on the TSX;
- (h) the Offer is not conditional on any minimum number of Shares being deposited;
- (i) the opinion of GMP with respect to the liquidity of the market for the Shares after the completion of the Offer;
- (j) Shareholders who do not deposit their Shares under the Offer will realize a proportionate increase in their equity interest in Reitmans to the extent that Shares are purchased by Reitmans pursuant to the Offer;

- (k) the Offer is only being made for Shares and not for Common Shares and therefore the repurchase and cancellation of Shares thereunder will not have any impact on the voting control over the Corporation; and
- (l) whether it would be reasonable to conclude that, following the completion of the Offer, there would be a market for beneficial owners of the Shares who do not deposit Shares pursuant to the Offer that is not materially less liquid than the market that existed at the time of the making of the Offer (see below under “*Liquidity of the Market*”).

The foregoing summary of the information and factors is not intended to be exhaustive of the information and factors considered by the Board of Directors in determining to authorize and approve the Offer, but includes the material factors considered by the Board of Directors in reaching its decision. The members of the Board of Directors evaluated various factors, including those summarized above, in light of their own knowledge of the business, assets, financial condition, operations and prospects of Reitmans and based upon the advice of their advisors. In view of the numerous factors considered, the Board of Directors did not find it practicable to, and did not quantify or otherwise attempt to assign relative weight to specific factors in reaching its decision. In addition, individual members of the Board of Directors may have given different weight to different factors. The determination of the Board of Directors to make the Offer was made after careful consideration, evaluation and deliberation of all of the factors involved and various other information.

None of the Corporation, its Board of Directors or the Depositary makes any recommendation to Shareholders as to whether to deposit or refrain from depositing any or all of such Shareholder’s Shares pursuant to the Offer. No person has been authorized to make any such recommendation. Shareholders are strongly urged to review and evaluate carefully all information in the Offer and Circular, to consult their own financial, tax and legal advisors, and to make their own decisions as to whether to deposit Shares to the Offer and, if so, how many Shares to deposit. Reitmans is making the Offer to provide a liquidity opportunity for Shareholders and because the Board of Directors and senior management of Reitmans believe that the Shares have been trading in volumes that do not provide reasonable liquidity for Shareholders, particularly Shareholders holding and wishing to dispose of large numbers of Shares. Future values and liquidity of the Shares cannot be assured and are subject to risks.

Liquidity of the Market

The Corporation is relying on the “liquid market” exemption specified in MI 61-101 from the requirements to prepare and publish a formal valuation in connection with the Offer.

As of June 17, 2019, there were 49,890,266 Shares issued and outstanding, of which approximately 46,559,943 Shares comprised the Corporation’s “public float”, which excludes Shares beneficially owned, or over which control or direction is exercised, by “related parties” of the Corporation, as defined under applicable Canadian securities laws. The maximum number of Shares that the Corporation is offering to purchase pursuant to the Offer represents approximately 30.1% of the Shares issued and outstanding as at June 17, 2019. In the event that the Corporation takes up and purchases the maximum 15,000,000 Shares pursuant to the Offer, and none of the “related parties” deposit their Shares pursuant to the Offer, the “public float” will comprise approximately 31,559,943 Shares.

The “liquid market” exemption is available where: (i) a liquid market for the Shares exists; and (ii) it is reasonable to conclude that, following the completion of the Offer, there will be a market for Shareholders who do not tender to the Offer that is not materially less liquid than the market that existed at the time of the making of the Offer. “Liquid market” is defined in MI 61-101 as one that either meets certain tests relating to, among other things, size of the public float and trading volumes, or, where such tests are not met, a qualified and independent person provides an opinion that there is a liquid market in the Shares at the date that the transaction is publicly announced and that it is reasonable to conclude that, following the completion of the Offer, there will be a market for the Shares that is not materially less liquid than the market that existed at the time of the making of the Offer.

The Corporation has determined that there is a liquid market in the Shares for the purposes of the “liquid market” exemption from the valuation requirements of MI 61-101 because:

- (a) there is a published market for the Shares, namely the TSX;
- (b) during the 12-month period before June 17, 2019 (the date the Offer was publicly announced):
 - (i) the number of outstanding Shares was at all times at least 5,000,000, excluding Shares beneficially owned, directly or indirectly, or over which control or direction was exercised, by related parties and Shares that were not freely tradeable;
 - (ii) the aggregate trading volume of the Shares on the TSX, being the published market on which the Shares are principally traded, was at least 1,000,000 Shares;
 - (iii) there were at least 1,000 trades in Shares on the TSX;
 - (iv) the aggregate value of the trades in Shares on the TSX was at least \$15,000,000; and
- (c) the market value of the Shares on the TSX, as determined in accordance with applicable rules, was at least \$75,000,000 for May 2019, being the calendar month preceding the calendar month in which the Offer was announced.

Moreover, by agreement dated June 12, 2019, the Corporation engaged GMP to prepare a written opinion to the Board of Directors as to whether a liquid market exists for the Shares as at the date of the Liquidity Opinion and whether it is reasonable for the Board of Directors to conclude that, following the completion of the Offer in accordance with its terms, there will be a market for beneficial owners of Shares who do not tender to the Offer that is not materially less liquid than the market that exists as at the date of the Offer (the “**Liquidity Opinion**”). The Liquidity Opinion, while not legally required, was requested in order to assist the Board of Directors of Reitmans in making its determination that the Offer qualifies for the “liquid market” exemption from the valuation requirements of MI 61-101. On June 17, 2019, GMP delivered the Liquidity Opinion to the Board of Directors of Reitmans. In its Liquidity Opinion, GMP concluded that, subject to the assumptions and limitations contained in the Liquidity Opinion, a liquid market exists for the Shares as of June 17, 2019, the last full trading day prior to the announcement by the Corporation of the Offer, and that it is reasonable for the Board of Directors of Reitmans to conclude that, following the completion of the Offer in accordance with its terms, there will be a market for beneficial owners of Shares who do not tender to the Offer that is not materially less liquid than the market that existed at the time of the making of the Offer.

GMP has been determined by the Board of Directors to be qualified and independent for the purposes of MI 61-101. GMP is an investment bank which provides research, corporate finance advice and services, and engages in trading and investment banking. On the basis of the foregoing, the Board of Directors of Reitmans believes that, for the purposes of the Liquidity Opinion, GMP has appropriate qualifications within the meaning of MI 61-101.

GMP (i) is not an insider, issuer insider, associated entity or affiliated entity (as those terms are defined for the purposes of MI 61-101) of the Corporation or any of its associates or affiliates; (ii) has not been engaged to act as an advisor to the Corporation in respect of the Offer; (iii) will not receive compensation in respect of its services that depend in whole or in part on an agreement, arrangement or understanding that gives GMP a financial incentive in respect of the conclusion reached in the opinion or the outcome of the Offer; (iv) is not a manager or co-manager of a soliciting dealer group formed in respect of the Offer or a member of such a group; and (v) is not the external auditor of the Corporation. GMP will be paid a fixed fee for the preparation and delivery of its opinion to the Board of Directors and will be reimbursed for its reasonable out-of-pocket expenses. The fee is in respect of the opinion only and not for any alternative transaction. On the basis of the foregoing, the Board of Directors believes that, for the purposes of the opinion provided by it in connection with the Offer, GMP is independent within the meaning of MI 61-101.

A copy of the Liquidity Opinion of GMP is attached hereto as Schedule A, and this summary of the Liquidity Opinion is qualified in its entirety by reference thereto. The Liquidity Opinion is not a recommendation to any Shareholder as to whether to deposit or refrain from depositing Shares. The Board of Directors urges Shareholders to read the Liquidity Opinion in its entirety.

4. FINANCIAL INFORMATION

A copy of Reitmans' most recent audited consolidated financial statements for the fiscal year ended February 2, 2019 as well as its unaudited interim consolidated financial statements for the three-month period ended May 4, 2019, are available under the Corporation's profile on SEDAR at www.sedar.com. Shareholders who wish to obtain a copy of these financial statements may do so, without charge, upon request to the Vice-President, Legal & Secretary of Reitmans, 250 Sauvé Street West, Montréal, Québec H3L 1Z2, Telephone: (514) 384-1140.

5. PRICE RANGE OF SHARES; DIVIDENDS; PREVIOUS SALES AND PURCHASES OF SHARES

Authorized and Outstanding Capital

Reitmans' authorized capital consists of an unlimited number of Common Shares and an unlimited number of Shares. As of June 17, 2019, 13,440,000 Common Shares and 49,890,266 Shares were issued and outstanding.

Generally, the rights, privileges and restrictions attaching to the Common Shares and the Shares are the same, except that (i) holders of Common Shares are entitled to receive notice, attend and vote at meetings of shareholders of the Corporation and are entitled to one vote for each Common Share held in respect of all matters which may properly come before meetings of shareholders of the Corporation, and (ii) holders of 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 and the Shares do not carry any vote.

The Common Shares are not convertible or exchangeable for Shares and the Shares do not provide their holders with any additional rights in the event that a take-over bid is made for the Common Shares. For further details concerning the rights, privileges and restrictions attaching to the Common Shares and the Shares, reference is made to the Corporation's most recent annual information form available under the Corporation's profile on SEDAR at www.sedar.com.

Trading of Shares on Principal Markets

The Shares are listed and posted for trading on the TSX under the symbol "RET.A". The following table sets forth the high and low trading prices per Share and volume of Shares traded on the TSX for the periods indicated.

Period	High Price	Low Price	Volume
December 2018.....	\$4.01	\$3.40	505,943
January 2019.....	\$4.14	\$3.57	188,136
February 2019.....	\$3.83	\$3.55	400,011
March 2019.....	\$3.59	\$3.35	341,334
April 2019.....	\$3.40	\$3.19	811,620
May 2019.....	\$3.35	\$3.00	732,296
June 2019 (until June 17).....	\$3.13	\$1.85	1,275,760

Source: TSX HDA

Reitmans announced its intention to make the Offer on June 17, 2019. The closing price per Share on the TSX on June 17, 2019, the last trading day immediately prior to the announcement of Reitmans' intention to make the Offer, was \$2.36. The volume weighted average trading price of the Shares on the TSX for the ten trading days

preceding the announcement of the Offer was \$2.31. The Purchase Price under the Offer represents a premium of approximately 29.7% over the volume weighted average trading price of the Shares on the TSX for the last ten trading days preceding the date of Reitmans' announcement.

Shareholders are urged to obtain current market quotations for the Shares.

Dividend Policy

The Corporation does not have a dividend policy. With regard to dividend guidelines, the Board of Directors considers the Corporation's earnings per share, cash flow from operations, the level of planned capital expenditures and its cash and marketable securities. The targeted payout ratio is approximately 50% to 80% of sustainable earnings per share, 50% to 75% of cash flow from operations with consideration as to the ability to increase the dividend from the liquidity on the Corporation's balance sheet, if these targets are missed in a given year. The Board of Directors reviews these guidelines regularly.

The cash dividends declared by the Corporation for the three most recently completed financial years were \$0.20 per share for each of the fiscal years ended February 2, 2019, February 3, 2018 and January 28, 2017.

On June 3, 2019, a quarterly cash dividend of \$0.05 per share was declared on all Shares and Common Shares outstanding, payable on July 25, 2019 to shareholders of record on July 11, 2019.

Previous Purchases and Sales

During the twelve months preceding the Offer, Reitmans has not purchased for cancellation any Shares pursuant to its normal course issuer bid commenced on December 19, 2017 and expired on December 18, 2018.

During the twelve months preceding the Offer, Reitmans has distributed an aggregate of 440,000 PSUs pursuant to the PSU Plan. The 440,000 PSUs were distributed on April 10, 2019 to an aggregate of 36 executive officers of Reitmans. Since the date of their distribution, 20,000 PSUs were cancelled following the departure of an executive officer of Reitmans. Under the PSU Plan, PSUs are issued from time to time to the Corporation's executive officers, other than the Chief Executive Officer and the President and Chief Operating Officer of the Corporation to encourage them to deliver the Corporation's business plan and lay the basis for the future, while also limiting the shareholder dilution created by the use of stock options.

Except for the issuance of PSUs described above, no securities of Reitmans have been purchased or sold by Reitmans during the 12 months preceding the date of the Offer and Circular.

Previous Distributions of Shares

During the five years preceding the Offer, Reitmans has distributed Shares pursuant to the exercise of Options as set out below. These distributions were made pursuant to and in accordance with the terms of the applicable Option and the Share Option Plan. Under the Share Option Plan, Options to acquire Shares are granted from time to time to key full time employees and the directors of Reitmans and its subsidiaries in order to, among other things, increase their interest in the Corporation's welfare and furnish an incentive to such employees and directors to continue to provide their services to the Corporation.

Name and Title of Recipient	Date of Transaction	Nature (Issue / Exercise)	Number of Shares	Issue / Exercise Price per Share	Aggregate Proceeds
Dina Merulla <i>Director, Design & Technical</i>	April 20, 2015	Exercise of Options	200	\$6.00	\$1,200

Options Issued Pursuant to Share Option Plan

As of June 17, 2019, an aggregate of 1,878,000 Options were outstanding under the Share Option Plan, exercisable to acquire an aggregate of 1,878,000 Shares. Each Option is exercisable for one Share at a weighted-average exercise price of \$8.08. To date, a total of 4,989,026 Shares have been reserved for issuance pursuant to the Share Option Plan, including 3,111,026 Shares remaining available for future issuance thereunder. For further details concerning the number of Options held by the directors and officers of Reitmans, please see Section 6 of this Circular entitled “Ownership of Reitmans Securities; Transactions in Reitmans Securities” below.

6. OWNERSHIP OF REITMANS SECURITIES; TRANSACTIONS IN REITMANS SECURITIES

Ownership of Securities of Reitmans

The following tables indicate, as at June 17, 2019, the number of outstanding securities of Reitmans beneficially owned, or over which control or direction was exercised, by each director and officer of Reitmans and, to the knowledge of Reitmans after reasonable enquiry, by each associate and affiliate of Reitmans, each insider of Reitmans (other than the directors and officers), and each associate and affiliate of such insider.

Name	Relationship with Reitmans	Number of Shares or Common Shares⁽¹⁾	% of Outstanding Shares or Common Shares⁽²⁾	Number of Options or PSUs⁽¹⁾	% of Outstanding Options or PSUs⁽²⁾
Diane Archibald	Vice-President – Store Design and Development	—	—	30,000 Options	1.60%
				25,000 PSUs	2.70%
Aldo Battista	Vice-President – Comptroller	—	—	3,000 Options	0.20%
				10,000 PSUs	1.10%
Julie Blanchet	Vice-President – Talent Management	—	—	10,000 PSUs	1.10%
Maria Bligouras	Vice-President, Planning & Allocation – Penningtons	—	—	30,000 Options	1.60%
				28,500 PSUs	3.00%
Leta Bridgeman	Vice-President – Global Sourcing	—	—	30,000 Options	1.60%
				25,000 PSUs	2.70%
Marie-Soleil Calvert	Vice-President, Merchandising – Penningtons	—	—	3,000 Options	0.20%
				21,000 PSUs	2.20%
Domenic Carbone	Vice-President – Distribution and Logistics	500 Shares	0.00%	50,000 Options	2.70%
		4,600 Common Shares	0.03%	25,000 PSUs	2.70%
Cathy Cockerton	Vice-President, Sales & Operations – Reitmans	—	—	30,000 Options	1.60%
				25,000 PSUs	2.70%
Ian Dorais	Vice-President, Planning & Allocation – Reitmans	—	—	28,500 PSUs	3.00%
Jonathon Fitzgerald	Group President – Addition Elle and Penningtons	—	—	40,000 PSUs	4.30%
Carmelina Foglia	Vice-President, Marketing & Visual Presentation – Addition Elle and Penningtons	—	—	3,000 Options	0.20%
Jean-François Fortin	Vice-President, Planning & Allocation – RW & CO	—	—	30,000 Options	1.60%
				28,500 PSUs	3.00%

Name	Relationship with Reitmans	Number of Shares or Common Shares ⁽¹⁾	% of Outstanding Shares or Common Shares ⁽²⁾	Number of Options or PSUs ⁽¹⁾	% of Outstanding Options or PSUs ⁽²⁾
Nicolas Gaudreau	Chief Marketing Officer	—	—	34,000 PSUs	3.60%
Imran Gibbons	Vice-President – Financial Planning & Analysis	—	—	10,000 PSUs	1.10%
Bruce J. Guerriero	Director	2,500 Common Shares	0.02%	50,000 Options	2.70%
Randi Haimovitz	Vice-President – HR Business Partnerships	—	—	1,000 Options	0.10%
				10,000 PSUs	1.10%
Rosalba Iannuzzi	Vice-President, Merchandising – Addition Elle	—	—	3,000 Options	0.20%
				21,000 PSUs	2.20%
David J. Kassie	Director	20,000 Common Shares	0.15%	100,000 Options	5.30%
Marie-Josée Lamothe	Director	—	—	50,000 Options	2.70%
Alain Lessard	Vice-President, Merchandising – RW & CO.	—	—	25,000 Options	1.30%
				28,500 PSUs	3.00%
Roxane Liboiron	Vice-President, Marketing & Visual Presentation – Thyme Maternity	—	—	30,000 Options	1.60%
				28,500 PSUs	3.00%
Samuel Minzberg	Director	20,000 Shares	0.04%	100,000 Options	5.30%
Jennifer Morra	Vice-President, Sales & Operations – Thyme Maternity	—	—	3,000 Options	0.20%
				25,000 PSUs	2.70%
Alain Murad	Vice-President, Legal & Secretary	—	—	60,000 Options	3.20%
				33,000 PSUs	2.70%
Rob Nemett	Vice-President – Retail Systems	—	—	25,000 PSUs	2.70%
Lynda Newcomb	Chief Human Resources Officer	—	—	34,000 PSUs	3.60%
Daniel Rabinowicz	Director	6,500 Shares	0.01%	100,000 Options	5.30%
Jeremy H. Reitman ⁽³⁾	Chairman and Chief Executive Officer and Director	315,800 Shares	0.63%	100,000 Options	5.30%
		800 Common Shares	0.01%		
Stephen F. Reitman ⁽³⁾	President and Chief Operating Officer and Director	220,800 Shares	0.44%	100,000 Options	5.30%
		800 Common Shares	0.01%		
Jeff Ronald	Vice-President, Sales & Operations – RW & CO.	1,000 Common Shares	0.01%	30,000 Options	1.60%
				25,000 PSUs	2.70%
Allen F. Rubin	Vice-President Operations	— 648 Common Shares	0.00%	85,000 Options	4.50%
				24,000 PSUs	2.60%

Name	Relationship with Reitmans	Number of Shares or Common Shares ⁽¹⁾	% of Outstanding Shares or Common Shares ⁽²⁾	Number of Options or PSUs ⁽¹⁾	% of Outstanding Options or PSUs ⁽²⁾
Saul Schipper	Vice-President – Real Estate	10,800 Shares	0.02%	80,000 Options 28,500 PSUs	4.30% 3.00%
Gillian Ship	Vice-President – Marketing Strategy and Insight	—	—	19,000 PSUs	2.00%
Lisa Singer	Vice-President, Merchandising – Thyme Maternity	—	—	3,000 Options 21,000 PSUs	0.20% 2.20%
Michele Slepekis	Vice-President, Marketing & Visual Presentation – RW & CO.	—	—	28,500 PSUs	3.00%
Howard Stotland	Director	152,800 Shares	0.31%	100,000 Options	5.30%
Michael Strachan	Group President – Reitmans and Thyme Maternity	—	—	50,000 Options 53,000 PSUs	2.70% 5.60%
Jacqueline Tardif	President – Reitmans	—	—	60,000 Options 47,500 PSUs	3.20% 5.10%
Lora Tisi	President – RW & CO.	—	—	80,000 Options 53,000 PSUs	4.30% 5.60%
Katia Torasso	Vice-President, Merchandising – Reitmans	—	—	10,000 PSUs	1.10%
Danielle Vallières	Vice-President – Global Sourcing	—	—	30,000 Options 25,000 PSUs	1.60% 2.70%
Valerie Vedrines	Vice-President, Marketing & Visual Presentation – Reitmans	—	—	21,000 PSUs	2.20%
Elara Verret	Vice-President, Digital Strategy & Global Ecommerce	—	—	—	—
Robert S. Vineberg	Director	92,720 Shares 9,950 Common Shares	0.19% 0.07%	100,000 Options	5.30%
Richard Wait, CPA, CGA	Vice-President – Finance and Chief Financial Officer	35,000 Shares 500 Common Shares	0.07% 0.00%	85,000 Options 47,500 PSUs	4.50% 5.10%
Ann Wigglesworth-Matyi	Vice-President – Sales & Operations, Addition Elle and Penningtons	—	—	3,000 Options 10,000 PSUs	0.20% 1.10%
Nagham Yassawi	Vice-President, Planning & Allocation – Addition Elle	—	—	3,000 Options 21,000 PSUs	0.20% 2.20%

Notes:

- (1) The information concerning Common Shares, Shares, Options and PSUs beneficially owned, directly or indirectly, or over which control or direction is exercised, not being entirely within the knowledge of Reitmans, has been furnished by the

respective directors and officers listed above and, as applicable, based upon information publicly filed on SEDi. Unless otherwise indicated, (a) beneficial ownership is direct and (b) the person indicated has sole voting and investment power.

- (2) The percentage of outstanding securities disclosed is calculated as the number of securities of the class held by such director or officer divided by the aggregate number of securities of that same class issued and outstanding as of the date hereof.
- (3) As at June 17, 2019, Sherlex Investments Inc. (an associate of Messrs. Jeremy H. Reitman and Stephen F. Reitman, respectively Chairman and Chief Executive Officer and President and Chief Operating Officer of the Corporation) beneficially owned 6,700,800 Common Shares, representing approximately 49.86% of the issued and outstanding Common Shares and 1,518,577 Shares, representing approximately 3.00% of the issued and outstanding Shares. Messrs. Jeremy H. Reitman and Stephen F. Reitman, together with their associates, beneficially own and/or control all of the shares of Sherlex Investments Inc. In addition, Jeremy H. Reitman, Stephen F. Reitman and certain of their associates, namely Jacadan Investments ULC, Standu 827 Investments ULC, Sarbin 314 Investments ULC and Danamis Investments Company (of which Samuel Minzberg and Robert S. Vineberg are directors and officers), beneficially own or exercise control or direction over an aggregate of 904,016 Common Shares, representing approximately 6.87% of the issued and outstanding Common Shares.

To the knowledge of the Corporation, as at June 17, 2019, all directors and officers of Reitmans as a group beneficially owned an aggregate of 7,643,614 Common Shares, representing approximately 56.9% of the issued and outstanding Common Shares, and 3,330,313 Shares, representing approximately 6.7% of the issued and outstanding Shares. To the knowledge of the Corporation, as at June 17, 2019, all directors and officers of Reitmans as a group beneficially owned an aggregate of 1,640,000 Options to acquire an aggregate of 1,640,000 Shares, some of which are not currently exercisable and/or in-the-money, or representing approximately 87.3% of the outstanding Options or, assuming the exercise of all of the outstanding Options held by directors and officers, representing 3.2% of the then outstanding Shares. To the knowledge of the Corporation, as at June 17, 2019, all directors and officers of Reitmans as a group beneficially owned an aggregate of 941,500 PSUs, representing 100.0% of the outstanding PSUs. No person or company is acting jointly or in concert with the Corporation in connection with the Offer.

To the knowledge of the directors and officers of Reitmans, after reasonable enquiry, the only persons or companies that beneficially own or exercise control or direction over any class of securities carrying more than 10% of the votes attached to that class of securities as of June 17, 2019, are as follows:

Name	Number of Shares Beneficially Owned, Controlled or Directed	Percentage of Outstanding Shares of Class	Percentage of Votes Attached to Presently Outstanding Voting Shares of all Classes
Sherlex Investments Inc. ⁽¹⁾	6,700,800 Common Shares	49.9% of Common Shares	49.9%
	1,518,577 Shares	3.0% of Shares	—

Note:

- (1) Messrs. Jeremy H. Reitman and Stephen F. Reitman, respectively Chairman and Chief Executive Officer and President and Chief Operating Officer of the Corporation, together with their associates, beneficially own and/or control all of the issued and outstanding shares of Sherlex Investments Inc. In addition, Jeremy H. Reitman, Stephen F. Reitman and certain of their associates, namely Jacadan Investments ULC, Standu 827 Investments ULC, Sarbin 314 Investments ULC and Danamis Investments Company (of which Samuel Minzberg and Robert S. Vineberg are directors and officers), beneficially own or exercise control or direction over an aggregate of 904,016 Common Shares, representing approximately 6.87% of the issued and outstanding Common Shares.

Acceptance of the Offer

To the knowledge of the Corporation and its directors and officers, after reasonable enquiry, no director or officer of the Corporation, no associate or affiliate of a director or officer of the Corporation, no insider of the Corporation (other than a director or officer) and no person or company acting jointly or in concert with the Corporation, has indicated any present intention to deposit any of such person's or company's Shares pursuant to the Offer. However, in the event that the circumstances or decisions of any such persons or companies change they may decide to deposit Shares to the Offer or sell their Shares through the facilities of the TSX or otherwise during the period prior to the Expiry Date.

Effect of the Offer on Voting and Equity Interests

In the event that Reitmans purchases 15,000,000 Shares pursuant to the Offer (the maximum number of Shares that the Corporation could purchase at the Purchase Price pursuant to the Offer), the effect of the Offer will be to increase the equity interest of holders of Common Shares and continuing holders of Shares by 4.0%, or by a factor of 1.31. The Offer will have no impact on the voting interest of holders of Common Shares and continuing holders of Shares. A summary of the estimated increase in their equity and voting interests is as follows:

Name	Equity and Voting Interests Pre-Offer⁽¹⁾	Equity Interest Post-Offer⁽²⁾	Voting Interest Post-Offer⁽³⁾
Sherlex Investments Inc.	13.0% (Equity) 49.9% (Voting)	17.0%	49.9%
Officers and directors as a group (including Sherlex Investments Inc.)	17.3% (Equity) 56.9% (Voting)	22.7%	56.9%
Other continuing shareholders	82.7% (Equity) 43.1% (Voting)	77.3%	43.1%

Notes:

- (1) The voting interest disclosed is the percentage of votes attached to all of the outstanding Common Shares held by each of the individuals and entities (or categories of individuals) named above as of June 17, 2019, to the knowledge of the Corporation. The equity interest disclosed is the percentage of all of the outstanding shares of all classes held by each of the individuals and entities (or categories of individuals) named above, being the Common Shares and the Shares, as of June 17, 2019, to the knowledge of the Corporation.
- (2) The equity interest disclosed is the percentage of all of the outstanding shares of all classes held by each of the individuals and entities (or categories of individuals) named above, being the Common Shares and the Shares, as of June 17, 2019, to the knowledge of the Corporation, and assuming the repurchase of 15,000,000 Shares by the Corporation pursuant to the Offer, which is the maximum number of Shares the Corporation could repurchase at the Purchase Price pursuant to the Offer. The figures disclosed also assume that none of the individuals and entities (or categories of individuals) named above deposit any of their Shares under the Offer or trade any of their Shares in the market prior to the Expiry Time of the Offer and that no Options are exercised prior to the Expiry Time.
- (3) The voting interest disclosed is the percentage of votes attached to all of the outstanding Common Shares held by each of the individuals and entities (or categories of individuals) named above as of June 17, 2019, to the knowledge of the Corporation. The figures disclosed also assume that none of the individuals and entities (or categories of individuals) named above trade any of their Common Shares in the market prior to the Expiry Time of the Offer.

Sales During the Offer

Each of the directors and officers of Reitmans who beneficially owns or exercises control or direction over Shares has indicated that he or she has no present intention to sell Shares on the open market during the period prior to the Expiry Date.

Commitments to Acquire Shares

Reitmans has no commitments to purchase, and will not purchase prior to the Expiry Time, Shares or other equity securities of the Corporation, other than pursuant to the Offer. To the knowledge of the Corporation, after reasonable enquiry, no person or company named above under “— *Ownership of Securities of Reitmans*” has any commitment to purchase Shares or other equity securities of Reitmans.

Benefits from the Offer

To the knowledge of the Corporation, after reasonable enquiry, no person or company named above under “— *Ownership of Securities of Reitmans*” will receive any direct or indirect benefit from accepting or refusing to accept the Offer, other than those benefits available to any Shareholder from accepting or refusing to accept the Offer.

Agreements, Commitments or Understandings with Securityholders

There are no agreements, commitments or understandings made or proposed to be made between the Corporation and any securityholder of the Corporation with respect to the Offer.

7. MATERIAL CHANGES IN THE AFFAIRS OF REITMANS AND OTHER MATERIAL FACTS

Except as described or referred to herein, Reitmans is not aware of any material fact concerning the Shares or any other matter not previously generally disclosed and known to the Corporation that would reasonably be expected to affect the decision of Shareholders to accept or reject the Offer. See Section 4 of this Circular entitled “Financial Information”. Except as described or referred to herein or as otherwise publicly disclosed, the Corporation has no current plans or proposals to make any material change in its business, corporate structure, management or personnel.

Reitmans currently has no intention to undertake a “going private transaction” or to acquire Shares from Shareholders who do not accept the Offer by way of compulsory acquisition. Canadian securities laws prohibit Reitmans and its affiliates from acquiring any Shares other than pursuant to the Offer until at least 20 business days after the Expiry Date or the date of termination of the Offer. Subject to applicable law, Reitmans may in the future purchase additional Shares on the open market, pursuant to future normal course issuer bids, in private transactions, through subsequent issuer bids, or otherwise. Any such purchases may be on the same terms or on terms that are more or less favourable to Shareholders than the terms of the Offer. Any possible future purchases by Reitmans will depend on many factors, including the market price of the Shares, Reitmans’ business and financial position, the results of the Offer and general economic and market conditions.

8. CERTAIN CANADIAN FEDERAL INCOME TAX CONSIDERATIONS

General

This summary is not exhaustive of all Canadian federal income tax considerations. It is of a general nature only and is not intended to be, nor should it be considered to be, legal, business or tax advice to any particular Shareholder and no representation is made with respect to the income tax consequences to any particular Shareholder. Accordingly, Shareholders should consult their own tax advisors concerning the application and effect of the income and other taxes of any country, province, territory, state or local tax authority, having regard to their particular circumstances.

Reitmans has been advised by Davies Ward Phillips & Vineberg LLP that the following summary describes certain of the principal Canadian federal income tax considerations pursuant to the Tax Act generally applicable as of the date hereof to Shareholders who sell Shares to Reitmans pursuant to the Offer.

This summary is based on the current provisions of the Tax Act and the regulations thereunder in force as of the date hereof, all specific proposals to amend the Tax Act and the regulations thereunder publicly announced by or on behalf of the Minister of Finance (Canada) prior to the date hereof (the “**Proposed Amendments**”) and counsel’s understanding of the current administrative policies and assessing practices of the CRA published in writing prior to the date hereof. Except for the Proposed Amendments, this summary does not take into account or anticipate any changes in law, whether by legislative, governmental or judicial decision or action, or changes in the CRA’s administrative policies or assessing practices, nor does it take into account any provincial, territorial or foreign tax considerations, which may differ significantly from those discussed herein. This summary assumes that all Proposed Amendments will be enacted in the form currently proposed, although no assurance can be given that the Proposed Amendments will be enacted in their current form or at all. There can be no assurance that the CRA will not change its administrative policies or assessing practices.

This summary is not applicable to a Shareholder: (i) that is a “financial institution” for the purposes of the “mark-to-market” rules; (ii) that is a “specified financial institution”; (iii) that has elected under the functional currency rules in the Tax Act to determine its “Canadian tax results” in a currency other than Canadian currency; (iv) an interest in which is a “tax shelter” or a “tax shelter investment”, (v) that is exempt from tax under Part I of the Tax Act; (vi) that is a partnership; or (vii) that has entered or enters into a “derivative forward agreement”, a

“synthetic disposition arrangement” or a “dividend rental arrangement” in respect of the Shares, as each of those terms is defined in the Tax Act. This summary is also not applicable to a Shareholder that acquired Shares pursuant to the exercise of an employee stock option and who disposes of such Shares pursuant to the Offer. All of the foregoing Shareholders should consult their own tax advisors having regard to their own particular circumstances.

Having regard to the deemed dividend tax treatment described below on a sale of Shares pursuant to the Offer as opposed to capital gains (or capital loss) treatment which would generally apply to a sale in the market, Shareholders who wish to sell their Shares and who are not generally exempt from Canadian federal income tax should consult their tax advisors regarding selling their Shares in the market as an alternative to selling Shares pursuant to the Offer.

Foreign Exchange

Generally, for purposes of the Tax Act, all amounts relating to the acquisition, holding or disposition or deemed disposition of a Share must be expressed in Canadian dollars. Amounts denominated in another currency must be converted into Canadian dollars using the applicable rate of exchange (for purposes of the Tax Act) quoted by the Bank of Canada on the date such amounts arose, or such other rate of exchange as is acceptable to the CRA.

Residents of Canada

The following portion of the summary is, subject to the discussion under “General” above, applicable to a Shareholder who, at all relevant times for the purposes of the Tax Act (i) is or is deemed to be a resident of Canada, (ii) deals at arm’s length with, and is not “affiliated” with, Reitmans, and (iii) holds its Shares as capital property (“**Resident Shareholder**”).

Generally, Shares will be considered to be capital property to a Resident Shareholder provided that the Resident Shareholder does not hold the Shares in the course of carrying on a business of buying and selling Shares and has not acquired them in one or more transactions considered to be an adventure or concern in the nature of trade. A Resident Shareholder whose Shares might not otherwise qualify as capital property may, in certain circumstances, make an irrevocable election under subsection 39(4) of the Tax Act to have the Shares and every “Canadian security”, as defined in the Tax Act, owned by such Resident Shareholder in the taxation year of the election and in all subsequent taxation years deemed to be capital property. Holders contemplating such election should first consult with their own tax advisors.

Disposition of Shares

A Resident Shareholder who sells Shares to Reitmans pursuant to the Offer will be deemed to receive a taxable dividend on a separate class of shares comprising the Shares so sold equal to the excess, if any, of the amount paid by Reitmans for the Shares over their paid-up capital for income tax purposes. Reitmans estimates that the paid-up capital per Share on the date of take-up under the Offer will be approximately \$0.66. As a result, Reitmans expects that a Resident Shareholder who sell Shares under the Offer will be deemed to receive a dividend. The exact quantum of the deemed dividend cannot be guaranteed.

Any dividend deemed to be received by a Resident Shareholder who is an individual will be subject to the gross-up and dividend tax credit rules normally applicable to taxable dividends received by Canadian resident individuals from a taxable Canadian corporation, including the enhanced gross-up and dividend tax credit if the dividend recipient receives notice from Reitmans designating the dividend as an “eligible dividend”. There may be limitations on the ability of a corporation to designate dividends as eligible dividends. Reitmans has advised counsel that it intends to designate all deemed dividends arising as a result of a sale of Shares pursuant to the Offer as eligible dividends for these purposes.

Subject to the application of subsection 55(2) of the Tax Act, as described below, any dividend deemed to be received by a Resident Shareholder that is a corporation will be included in computing such Resident Shareholder’s income as a dividend, and will ordinarily be deductible in computing its taxable income subject also to all other limitations under the Tax Act. To the extent that such a deduction is available, private corporations (as

defined in the Tax Act) and certain other corporations may be liable to pay refundable tax under Part IV of the Tax Act.

Under subsection 55(2) of the Tax Act, a Resident Shareholder that is a corporation may be required to treat all or a portion of any deemed dividend that is deductible in computing taxable income as proceeds of disposition of capital property and not as a dividend, generally in circumstances where (i) the Resident Shareholder would have realized a capital gain if it disposed of any Share at fair market value immediately before the sale of Shares to the Reitmans; (ii) the sale to Reitmans resulted in a significant reduction in such capital gain; and (iii) the dividend exceeds the “safe income” in respect of the particular Shares that could reasonably be considered to contribute to such gain. Generally, the safe income in respect of a particular Share held by a Resident Shareholder is the portion of Reitmans’ undistributed income for purposes of the Tax Act which is attributable to such Share and which is earned or realized after the time the Resident Shareholder acquired the particular Share. The application of subsection 55(2) involves a number of factual considerations that will differ for each Resident Shareholder and a Resident Shareholder to whom it may be relevant is urged to consult its own tax advisors concerning its application having regard to its particular circumstances.

The amount paid by Reitmans under the Offer for the Shares less any amount deemed to be received by the Resident Shareholder as a dividend (after the application of 55(2) in the case of a corporate Resident Shareholder) will be treated as proceeds of disposition of the Shares. The Resident Shareholder will realize a capital gain (or capital loss) on the disposition of the Shares equal to the amount by which the Resident Shareholder’s proceeds of disposition, net of any costs of disposition, exceed (or are less than) the adjusted cost base to the Resident Shareholder of the Shares sold to Reitmans pursuant to the Offer.

Taxation of Capital Gains and Losses

Generally, a Resident Shareholder will be required to include in computing its income for a taxation year one-half of any capital gain (a “**taxable capital gain**”) realized by it in that year. Subject to and in accordance with the provisions of the Tax Act, a Resident Shareholder will generally be entitled 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 by the Resident Shareholder in that year, and any excess may be carried back to any of the three preceding taxation years or carried forward to any subsequent taxation year and deducted against net taxable capital gains realized in such years.

The amount of a capital loss realized on the disposition of a Share by a Resident Shareholder that is a corporation may, to the extent and under the circumstances specified in the Tax Act, be reduced by the amount of dividends received or deemed to be received on the Shares (including any dividends deemed to be received as a result of the sale of Shares to the Corporation under the Offer). Similar rules may apply where Shares are owned by a partnership or trust of which a corporation, trust or partnership is a member or beneficiary.

A Resident Shareholder who is an individual (including certain trusts) may have all or a portion of any capital loss on the sale of Shares under the Offer denied if the “superficial loss” rules in the Tax Act apply. This may arise where the Resident Shareholder (or a person affiliated with the Resident Shareholder for purposes of the Tax Act) acquires additional Shares in the period commencing 30 days prior to, and ending 30 days after, the disposition of the Shares under the Offer. Resident Shareholders are urged to consult their own tax advisors with respect to the “superficial loss” rules.

Similarly, a Resident Shareholder that is a corporation or a trust may have all or a portion of any capital loss on the sale of the Shares under the Offer suspended if it (or a person affiliated with it for purposes of the Tax Act) acquires additional Shares in the period commencing 30 days prior, and ending 30 days after, the disposition of Shares under the Offer. A Resident Shareholder that is a corporation is urged to consult its own tax advisors with respect to the “suspended loss” rules.

A Resident Shareholder that is a Canadian-controlled private corporation throughout the year (as defined in the Tax Act) may be liable to pay an additional tax (refundable in certain circumstances) on its “aggregate investment income” for the year, which is defined to include an amount in respect of taxable capital gains (but not dividends, or deemed dividends, deductible in computing taxable income).

Alternative Minimum Tax

A capital gain realized, or a dividend received (or deemed to be received) by a Resident Shareholder who is an individual, including a trust (other than certain specified trusts), as a result of the sale of Shares pursuant to the Offer may give rise to a liability for alternative minimum tax. Such Resident Shareholders should consult their own tax advisors with respect to the alternative minimum tax rules set out in the Tax Act.

Non-Residents of Canada

The following portion of the summary is, subject to the discussion under “General” above, applicable to a Shareholder who, at all relevant times for purposes of the Tax Act: (i) is not resident or deemed to be resident in Canada, (ii) does not use or hold, and is not deemed to use or hold, its Shares in connection with carrying on a business in Canada, (iii) has not, either alone or in combination with (x) persons with whom the Shareholder does not deal at arm’s length; or (y) one or more partnerships in which the Shareholder or a non-arm’s length person holds a membership interest directly or indirectly through one or more partnerships, owned 25% or more of the issued shares of any class or series of the capital stock of Reitmans at any time within a 60-month period preceding the sale of the Shares under the Offer, and (iv) in the case of a Shareholder that is an insurer, establishes that its Shares do not constitute designated insurance property (“**Non-Resident Shareholder**”).

A Non-Resident Shareholder who sells Shares to Reitmans pursuant to the Offer will be deemed to receive a dividend equal to the excess, if any, of the amount paid by Reitmans for the Shares over their paid-up capital for Canadian income tax purposes. Reitmans estimates that the paid-up capital per Share on the date of take-up under the Offer will be approximately \$0.66. As a result, the Corporation expects that Non-Resident Shareholders who sell Shares under the Offer will be deemed to receive a dividend. The exact quantum of the deemed dividend cannot be guaranteed. Any such dividend will be subject to Canadian withholding tax at a rate of 25% or such lower rate as may be substantiated under the terms of an applicable Canadian tax treaty. For example, a dividend received or deemed to be received by a Non-Resident Shareholder that is a resident of the United States for the purposes of the Canada-United States Income Tax Convention (the “**U.S. Treaty**”), is eligible for benefits under the U.S. Treaty, and is the beneficial owner of such dividends will generally be subject to withholding tax at a treaty-reduced rate of 15%.

The amount paid by Reitmans for the Shares (less any amount deemed to be received by the Non-Resident Shareholder as a dividend) will be treated as proceeds of disposition of the Shares. A Non-Resident Shareholder will not be subject to tax under the Tax Act in respect of any capital gain realized on the disposition of Shares pursuant to the Offer.

In view of the deemed dividend tax treatment described above on a sale of Shares pursuant to the Offer and the resulting Canadian withholding tax, Non-Resident Shareholders should consult their own tax advisors regarding selling their Shares in the market as an alternative to selling Shares pursuant to the Offer.

9. CERTAIN LEGAL MATTERS; REGULATORY APPROVALS

Reitmans is not aware of any license or regulatory permit that is material to the Corporation’s business that might be adversely affected by the Corporation’s acquisition of Shares pursuant to the Offer or of any approval or other action by any government or governmental, administrative or regulatory authority or agency in any jurisdiction that would be required for the acquisition or ownership of Shares by the Corporation pursuant to the Offer.

The Offer is an “issuer bid” within the meaning of MI 61-101. MI 61-101 provides that, unless exempted, an issuer proposing to carry out an issuer bid is required to engage an independent and qualified valuator to prepare a formal valuation of the affected securities and provide to the holders of the affected securities a summary of such valuation. The Offer is exempt from the requirement to prepare a formal valuation pursuant to MI 61-101. See Section 3 of this Circular entitled “Purpose of the Offer and Recommendation of the Board”.

10. SOURCE OF FUNDS

Reitmans has adequate cash on hand in its corporate account and marketable securities in its investment portfolio to fund the purchase of the maximum number of Shares that could be purchased under the Offer.

11. DEPOSITARY

Reitmans has appointed Computershare Trust Company of Canada to act as the Depositary for: (i) the receipt of certificates representing Shares and related Letters of Transmittal deposited under the Offer; (ii) the receipt of Notices of Guaranteed Delivery and certificates delivered pursuant to the procedures for guaranteed delivery set forth in Section 4 of the Offer to Purchase entitled "Procedure for Depositing Shares"; (iii) the receipt from the Corporation of cash to be paid in consideration of the Shares acquired by the Corporation under the Offer, as agent for the depositing Shareholders; and (iv) the transmittal of such cash to the depositing Shareholders. The Depositary may, but shall be under no obligation to, contact Shareholders by mail, telephone or email, and may request investment dealers, stock brokers, commercial banks, trust companies or other nominee Shareholders to forward materials relating to the Offer to beneficial owners of Shares. The Depositary is not an affiliate of Reitmans and the Depositary also acts as Reitmans' transfer agent and registrar.

12. STATUTORY RIGHTS

Securities legislation in the provinces of Canada provides Shareholders with, in addition to any other rights they may have at law, one or more rights of rescission, price revision or to damages if there is a misrepresentation in a circular or notice that is required to be delivered to the Shareholders. However, such rights must be exercised within prescribed time limits. Shareholders should refer to the applicable provisions of the securities legislation of their province for particulars of those rights or consult a lawyer.

13. FEES AND EXPENSES

No fee or commission will be payable by any Shareholder who deposits such Shares directly with the Depositary in connection with this Offer. If you are a Non-Registered Shareholder who holds your Shares through an investment dealer, stock broker, commercial bank, trust company or other nominee, you should consult with such persons regarding whether fees or commissions will apply in connection with a deposit of Shares pursuant to the Offer. Investment dealers, stock brokers, commercial banks, trust companies and other nominees may, in certain circumstances, be reimbursed by the Corporation for customary clerical and mailing expenses incurred by them in forwarding materials to their customers.

GMP was retained to provide the Liquidity Opinion. In connection with the engagement of GMP to prepare and provide the Liquidity Opinion, GMP will be paid a fee and will be reimbursed for certain expenses, which fee and expenses are not contingent in whole or in part upon the outcome of the Offer or GMP's conclusions in the Liquidity Opinion. GMP's fees and expenses are estimated to be approximately \$60,000 in the aggregate.

Reitmans has retained Computershare Trust Company of Canada to act as the Depositary in connection with the Offer. The Depositary will receive reasonable and customary compensation for its services, will be reimbursed for certain reasonable out-of-pocket expenses incurred in connection with its duties as Depositary and will be indemnified against certain liabilities and expenses in connection with the Offer, including certain liabilities under Canadian securities laws.

Assuming the maximum number of Shares are purchased under the Offer, Reitmans is expected to incur fees and expenses of approximately \$375,000 in connection with the Offer, including filing fees and legal fees and Depositary, printing, mailing and translation fees and expenses and the fees related to the Liquidity Opinion provided by GMP. Such fees and expenses will be paid by Reitmans from available cash on hand.

14. DIRECTORS' APPROVAL

The contents of the Offer and Circular have been approved, and the sending, communicating or delivery of the Offer and Circular to the Shareholders of Reitmans has been authorized, by the Board of Directors.

CERTIFICATE

The Offer and Circular contain no untrue statement of a material fact and do not omit to state a material fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it was made.

DATED: June 20, 2019

(Signed) Jeremy H. Reitman

Jeremy H. Reitman
Chairman and Chief Executive Officer

(Signed) Richard Wait, CPA, CGA

Richard Wait, CPA, CGA
Vice-President, Finance and Chief
Financial Officer

On behalf of the Board of Directors

(Signed) Stephen F. Reitman

Stephen F. Reitman
President and Chief Operating Officer and
Director

(Signed) Robert S. Vineberg

Robert S. Vineberg
Director

CONSENT OF DAVIES WARD PHILLIPS & VINEBERG LLP

TO: The Board of Directors of Reitmans (Canada) Limited

We consent to the inclusion of our name and reference to our opinion contained under “Certain Canadian Federal Income Tax Considerations” in the offer to purchase and accompanying issuer bid circular of Reitmans (Canada) Limited dated June 20, 2019 and the inclusion of the foregoing opinion therein.

DATED: June 20, 2019

(Signed) DAVIES WARD PHILLIPS & VINEBERG LLP

CONSENT OF GMP SECURITIES L.P.

TO: The Board of Directors of Reitmans (Canada) Limited

We consent to the inclusion of our name and the reference to our liquidity opinion dated June 17, 2019 in the sections entitled “Purpose of the Offer and Recommendation of the Board” and “Fees and Expenses” and to the inclusion of the text of our opinion in Schedule A to the offer to purchase and accompanying issuer bid circular dated June 20, 2019.

DATED: June 20, 2019

(Signed) GMP SECURITIES L.P.

SCHEDULE A
LIQUIDITY OPINION

(Please see attached)

June 17, 2019

Reitmans (Canada) Limited
250 Sauvé West
Montreal, QC
H3L 1Z2

To the Board of Directors:

GMP Securities L.P. (“GMP”, “we” or “us”) understands that Reitmans (Canada) Limited (the “Company”) intends to make a substantial issuer bid to purchase for cash up to 15,000,000 of the issued and outstanding Class A non-voting shares (the “Shares”) of the Company at a price per Share of \$3.00 (the “Offer”). We further understand that the terms and conditions of the Offer will be set forth in the Offer to Purchase to be issued by the Company along with the accompanying Issuer Bid Circular and the related Letter of Transmittal and Notice of Guaranteed Delivery (all such documents collectively constitute the “Offer Documents”). Capitalized terms used herein, unless defined otherwise, have the same meaning as used in the Offer Documents.

ENGAGEMENT OF GMP

By letter agreement dated June 12, 2019 (the “Engagement Agreement”), the Company engaged GMP to prepare and deliver a written opinion (the “Liquidity Opinion”) to the Company and to the Board of Directors (the “Board”) as to whether (i) a liquid market for the Shares exists as at the date hereof and at the time of the making of the Offer, and (ii) whether it is reasonable to conclude that, following the completion of the Offer in accordance with its terms, there will be a market for holders of the Shares who do not tender to the Offer that is not materially less liquid than the market that existed as at the time of making the Offer. This Liquidity Opinion is being delivered to the Company and the Board in connection with the Company’s reliance on the “liquid market” exemption from the valuation requirements of Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions* (“MI 61-101”).

GMP will receive a fee from the Company for its services that include providing the Liquidity Opinion. Such fee is payable whether or not the Offer is successful. The Company has also agreed to reimburse GMP for its reasonable out-of-pocket expenses and to indemnify GMP for certain liabilities arising out of GMP’s engagement in connection with the Offer.

GMP acts as a trader and dealer, both as principal and agent, in major financial markets and, as such, may have had and may in the future have positions in the securities of the Company, including the Shares, or any of its associates or affiliates and, from time to time, may have executed or may execute transactions on behalf of such companies or clients for which it received or may receive compensation. As an investment dealer, GMP 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.

Subject to the terms of the Engagement Agreement, GMP consents to (i) the inclusion of the Liquidity Opinion in its entirety and a summary thereof, in a form acceptable to GMP acting reasonably, in the Offer Documents to be mailed to the holders of Shares and to the filing thereof, as necessary, by the Company with the applicable Canadian securities regulatory authorities; and (ii) the inclusion of references to the Liquidity Opinion and a summary thereof, in a form acceptable to GMP acting

reasonably, in the news release issued by the Company on the date hereof announcing the Offer and the filing of such news release with the applicable Canadian securities regulatory authorities.

INDEPENDENCE OF GMP

We are familiar with the requirements of MI 61-101 and confirm that we are qualified and independent of the Company within the meaning of MI 61-101.

Neither GMP nor any of its affiliates:

- a) is an “issuer insider” (as such term is used in MI 61-101) of the Company;
- b) acts as an adviser to the Company in respect of the Offer;
- c) has a material financial interest in the completion of the Offer; or
- d) is a lead or co-lead lender or manager of a lending syndicate in respect of the Company.

During the 24 months before the date of the Engagement Agreement, neither GMP nor any of its affiliates:

- a) acted as a lead or co-lead underwriter of a distribution of securities by the Company; or
- b) had a material financial interest in a transaction involving the Company.

The fixed fee payable to GMP pursuant to the Engagement Agreement does not depend in whole or in part on an agreement, arrangement or understanding that gives GMP a financial incentive in respect of the conclusions reached in the Liquidity Opinion or the outcome of the Offer.

CREDENTIALS OF GMP

GMP is a wholly-owned subsidiary of GMP Capital Corp., a publicly listed Company on the Toronto Stock Exchange. GMP’s primary offices are located in Toronto, Calgary, Montreal, and London, UK, which provide research, corporate finance advice and services, and engage in trading and investment banking. GMP regularly engages in the valuation of securities and the preparation of fairness opinions in connection with mergers and acquisitions, public offerings and private placements of listed and unlisted securities and regularly engages in market making, underwriting and secondary trading of securities in connection with a variety of transactions. GMP is not in the business of providing auditing services and is not controlled by a financial institution.

SCOPE OF REVIEW

In preparing the Liquidity Opinion, we have reviewed and relied upon or carried out (without attempting to verify independently the completeness or accuracy thereof), among other things, the following:

- a) the most recent draft dated June 17, 2019 of the Offer Documents;
- b) the trading activity, volumes, and price history of the Shares on the Toronto Stock Exchange and other alternative trading venues over the last 12 months;
- c) the distribution of ownership of the Shares to the extent publicly disclosed or provided to us by the Company;
- d) the number of Shares proposed to be purchased under the Offer relative to i) the number of outstanding Shares on the date hereof less ii) the number of Shares beneficially owned, or over

which control or direction was exercised, by related parties of the Company and Shares that were not freely tradable (the “public float”);

- e) other public information with respect to the Company;
- f) discussions with senior management of the Company;
- g) the definition of “liquid market” as outlined in MI 61-101 as well as the other parameters set forth in MI 61-101;
- h) precedent issuer bids that we considered relevant; and
- i) such other information as we considered necessary or appropriate in the circumstances.

We have conducted such additional analyses and investigations as we considered to be appropriate in the circumstances for the purpose of arriving at the opinion contained in this Liquidity Opinion as at date hereof.

ASSUMPTIONS AND LIMITATIONS

This Liquidity Opinion is rendered on the basis of securities market, economic and general business and financial conditions prevailing as at the date hereof, and conditions affecting the Company and the Shares as at the date hereof. In formulating our Liquidity Opinion, we have made several other assumptions, the material assumptions being that there shall be no change in the terms of the Offer and that there shall be no significant change in the holdings of Shares, other than as a result of the Offer.

GMP has relied upon the completeness, accuracy and fair presentation of all of the financial and other information, data, advice, opinions or representations obtained by it from public sources, senior management of the Company and their consultants 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 Liquidity Opinion is conditional upon such completeness, accuracy and fair presentation of such Information. Subject to the exercise of professional judgment and except as expressly described herein, we have not attempted to verify independently the completeness, accuracy or fair presentation of any of the Information.

We have not prepared a formal valuation of the Company or any of its securities or assets for the purposes of this Liquidity Opinion and the Liquidity Opinion should not be construed as such. This Liquidity Opinion does not constitute an opinion concerning the fairness, from a financial point of view, of the consideration offered to the holders of the Shares pursuant to the Offer.

The Liquidity Opinion has been provided to the Company and the Board for its use only in determining the availability of an exemption from the formal valuation requirements of MI 61-101 and may not be relied upon for any other purpose or by any other person without the prior written consent of GMP. The Liquidity Opinion is given as of the date hereof and GMP disclaims any undertaking or obligation to advise any person of any change in any fact or matter affecting the Liquidity Opinion which may come or be brought to the attention of GMP after the date hereof. Without limiting the foregoing, if, after the date hereof, we learn of any material change in any fact or matter affecting the Liquidity Opinion, GMP reserves the right to change, modify or withdraw the Liquidity Opinion.

For the purpose of the Liquidity Opinion we are not expressing any opinion as to the value of the Shares, or the prices at which such Shares will trade after the completion of the Offer.

For purposes of this Liquidity Opinion, the phrase “liquid market” has the meaning ascribed to such term in paragraph (a) of subsection 1.2(1) of MI 61-101.

CONCLUSION

Based upon and subject to the foregoing and such other matters as we considered relevant, it is our opinion as at the date hereof that: (i) a liquid market exists for the Shares as of the date hereof; and (ii) it is reasonable to conclude that, on completion of the Offer in accordance with its terms, there will be a market for the holders of Shares who do not tender their Shares to the Offer that is not materially less liquid than at the time of making the Offer.

Yours very truly,

A handwritten signature in blue ink that reads "GMP Securities L.P." in a cursive script.

GMP SECURITIES L.P.

The Letter of Transmittal, the Notice of Guaranteed Delivery, certificates representing Shares and any other required documents should be sent or delivered by each depositing Shareholder of Reitmans or the Shareholder's investment dealer, stock broker, commercial bank, trust company or other nominee to the Depositary at its Toronto, Ontario office address below:

The Depositary for this Offer is:



Computershare Trust Company of Canada

By Regular Mail:

Computershare Trust Company of
Canada
P.O. Box 7021
31 Adelaide Street East
Toronto, Ontario
M5C 3H2

Attention: Corporate Actions

By Hand, Courier or Registered Mail:

Computershare Trust Company of
Canada
100 University Avenue
8th Floor
Toronto, Ontario
M5J 2Y1

Attention: Corporate Actions

Toll Free: 1-800-564-6253

E-mail: corporateactions@computershare.com

Any questions or requests for assistance may be directed to the Depositary at the address and telephone number set forth above. Additional copies of the Offer and Circular, the Letter of Transmittal and the Notice of Guaranteed Delivery may be obtained from the Depositary. Manually executed photocopies of the Letter of Transmittal and the Notice of Guaranteed Delivery will be accepted. Shareholders may also contact their investment dealer, stock broker, commercial bank, trust company or other nominee for assistance concerning the Offer.