

REITMANS (CANADA) LIMITED
GOVERNANCE COMMITTEE CHARTER

1. **ESTABLISHMENT OF COMMITTEE**

1.1 Establishment of Corporate Governance Committee Confirmed – The establishment of the governance committee of the Board (as defined below) is hereby confirmed with the purpose, constitution and responsibilities set forth herein.

1.2 Certain Definitions - In this Charter:

- (a) “**Articles**” means the articles of amalgamation of the Corporation, as amended from time to time;
- (b) “**Audit Committee**” means the audit committee of the Board, as constituted from time to time in accordance with its charter;
- (c) “**Board**” means the board of directors of the Corporation;
- (d) “**By-laws**” means the general by-laws of the Corporation, as amended from time to time;
- (e) “**Chair**” means the chairperson of the Committee;
- (f) “**Charter**” means this written charter of the Committee and any such charter for the Committee which the Directors resolve from time to time shall be the charter of the Committee, as amended from time to time;
- (g) “**CEO**” means the Chief Executive Officer of the Corporation;
- (h) “**Committee**” means the governance committee of the Board, as constituted from time to time in accordance with this Charter;
- (i) “**Compensation Committee**” means the human resources and compensation committee of the Board, as constituted from time to time in accordance with its charter;
- (j) “**Corporation**” means Reitmans (Canada) Limited;
- (k) “**Director**” means a director of the Corporation;
- (l) “**Independent Director**” means a Director that is independent within the meaning of section 1.4 of National Instrument 52-110 – *Audit Committees*; and
- (m) “**President**” means the President of the Corporation.

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

2. **PURPOSE**

2.1 Purpose – Subject to the provisions of the Articles, the Committee’s purpose is to:

- (a) develop the Corporation’s approach to corporate governance;
- (b) develop and recommend to the Board the Corporation’s approach to corporate governance, including a set of governance principles and guidelines applicable to the Corporation (the “**Governance Principles**”) as well as any amendments to those principles that it may consider appropriate from time to time, and assess the Corporation’s compliance with the Governance Principles;
- (c) assess the performance and effectiveness of the Board, the committees of the Board and the contributions of individual Directors;
- (d) review and approve the disclosure and trading policy of the Corporation and receive management’s reports thereon;
- (e) identify and recommend individuals qualified to become Directors; and
- (f) recommend to the Directors the nominees to the Board to be put before the shareholders at each annual meeting.

3. **COMMITTEE MEMBERSHIP**

3.1 Number of Members – The Committee shall consist of not fewer than three members.

3.2 Independence of Members – The Committee shall be comprised only of Independent Directors.

3.3 Appointment of Members – The members of the Committee shall be appointed by the Board. The appointment of members of the Committee shall take place at the first meeting of the Board after a meeting of the shareholders at which Directors are elected, provided that if the appointment of members of the Committee is not so made, the Directors who are then serving as members of the Committee shall continue as members of the Committee until their successors are appointed.

3.4 Vacancy – The Directors may appoint a member to fill a vacancy which occurs in the Committee between annual elections of Directors.

3.5 Removal of Members – Any member of the Committee may be removed from the Committee by a resolution of the Directors.

3.6 Resignation of Member – A member of the Committee desiring to resign from the Committee shall submit a written resignation letter to the Secretary of the Corporation.

4. **COMMITTEE CHAIR**

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

4.2 Chair to be Appointed Annually – The designation of the Committee’s Chair shall take place at the first meeting of the Board after a meeting of the shareholders at which Directors are elected, provided that if the designation of Chair is not so made, the Director who is then serving as Chair shall continue as Chair until his or her successor is appointed.

5. **COMMITTEE MEETINGS**

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

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

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

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

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

6. **OUTSIDE ADVISORS**

6.1 Retaining and Compensating Advisors – The Committee shall have the authority to retain outside counsel and any other advisors as the Committee may deem appropriate in its discretion and to set and pay the compensation for any such advisors. The Committee shall not be required to obtain the approval of the Board in order to retain or compensate such counsel or advisors. Individual members of the Committee shall not be authorized to retain outside counsel or any other advisors at the expense of the Corporation without the prior consent of the Audit Committee.

7. **REMUNERATION OF COMMITTEE MEMBERS**

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

8. DUTIES AND RESPONSIBILITIES OF THE COMMITTEE

8.1 Governance Principles – The Committee shall:

- (a) develop and recommend to the Board the Governance Principles;
- (b) review the Governance Principles at least annually and recommend to the Board any changes to the Governance Principles which it considers appropriate; and
- (c) assess the Corporation's compliance with the Governance Principles.

8.2 Directors, Committee and Individual Director Assessment – The Committee shall:

- (a) develop and recommend to the Board a process for assessing the performance and effectiveness of the Board as a whole, the committees of the Board and the contributions of individual Directors on an annual basis, such process to consider:
 - (i) the solicitation and receipt of comments from Directors, as appropriate,
 - (ii) the Board's written mandate,
 - (iii) the charter of each committee of the Board,
 - (iv) applicable position description(s) for the chairs of the Board and of each committee of the Board, and
 - (v) the competencies and skills each individual Director is expected to bring to the Board;
- (b) be responsible for overseeing the execution of the assessment process approved by the Board and management; and
- (c) assess, on an annual basis, the contribution and performance of individual Directors.

8.3 Individual Meetings – The Chair of the Committee will meet with each Director, on an individual basis, to discuss the performance and effectiveness of the Board as a whole, the committees of the Board and the contributions of individual Directors on an annual basis.

8.4 Committee Structure Review – The Committee shall review the Corporation's committee structure on a regular basis and recommend to the Board any changes it considers necessary or desirable with respect to the committee structure, including:

- (a) the mandates or charters of each committee;
- (b) the criteria for membership on any committee;
- (c) the composition of each committee;

- (d) the appointment and removal of members from any committee;
- (e) the functions of each committee, including the ability of any committee to delegate any or all of its responsibilities to a sub-committee of that committee; and
- (f) the process by which each committee reports to the Board.

8.5 Delineating Board and Management Responsibilities – The Committee shall:

- (a) develop and recommend to the Board position descriptions for:
 - (i) the chair of each committee of the Board;
 - (ii) the chair of the Board; and
 - (iii) the lead director;
- (b) together with the CEO and the President and in consultation with the Compensation Committee develop and recommend to the Board a position description for the CEO and the President, including defining the limits of management's responsibilities.

8.6 Disclosure and Share Trading Policy – The Committee shall make recommendations to the Board with respect to a disclosure and share trading policy for the Corporation which deals with the disclosure by the Corporation to the public of material information and sets standards for share trading by Corporation insiders. The Committee shall review, approve and receive regular reports from management with respect to infractions under and changes/variations to the Corporation's insider trading policy.

8.7 Ethical Compliance and Legal Compliance – The Committee shall:

- (a) subject to the approval of the Board, establish, review and update periodically the Corporation's conflict of interest policy and code of conduct with a view to complying with all applicable rules and regulations, and ensure that management has established a system to enforce this code;
- (b) receive, review and approve regular reports from management, the Corporation's legal counsel and the Audit Committee with respect to compliance with the Corporation's conflict of interest policy and code of conduct;
- (c) review any departure, or alleged departure, from the Corporation's conflict of interest policy and code of conduct involving a Director or executive officer of the Corporation and make recommendations to the Board in respect thereof, including whether a waiver from the Corporation's conflict of interest policy and code of conduct should be granted given the circumstances; and

- (d) make recommendations to the Board regarding the Corporation's disclosure obligations in respect of the Corporation's conflict of interest policy and code of conduct.

8.8 Evaluating Directors' Competencies and Skills – The Committee shall provide recommendations to the Board with respect to the following matters:

- (a) the competencies and skills the Board, as a whole, should possess; and
- (b) the competencies and skills each existing Director possesses and which the Board as a whole therefore possesses.

8.9 Identifying and Recommending New Nominees – The Committee shall identify the individuals qualified to become new Directors and recommend to the Board new nominees for election by shareholders or for appointment by the Board to fill any vacancy on the Board. In making its recommendations to the Board, the Committee shall consider:

- (a) any selection criteria approved by the Board from time to time, including the competencies and skills that the Board considers to be necessary for the Board, as a whole, to possess;
- (b) the competencies and skills that the Board considers each existing Director to possess; and
- (c) the competencies and skills each new nominee would bring to the Board.

8.10 Exception for Certain Nominees – If the Corporation is legally required by contract or otherwise to provide third parties with the right to nominate Directors, the Committee shall have no responsibility for the selection and nomination of such Directors, but the Committee shall be informed of any nomination in that respect.

8.11 Identifying and Recommending Nominees for the Audit Committee – The Committee shall identify nominees qualified to become members of the Audit Committee and recommend to the Board nominees for appointment by the Board to the Audit Committee.

8.12 Size of Board – The Committee shall consider and recommend to the Board the appropriate size of the Board, with a view to facilitating effective decision-making.

9. **SUBCOMMITTEES**

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

10. **REPORTING TO THE BOARD**

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

11. **CHARTER REVIEW**

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

Nothing contained in this mandate is intended to transfer to the Committee the Board responsibility to ensure the Corporation's compliance with applicable laws or regulations or to expand applicable standards of liability under statutory or regulatory requirements for the Directors or the members of the Committee.