FORM 51-102F3
MATERIAL CHANGE REPORT

Item 1 Name and Address of Company

Reitmans (Canada) Limited ("**Reitmans**" or the "**Company**")
250 Sauvé West
Montréal, Québec
H3L 1Z2

Item 2 Date of Material Change

May 19, 2020

Item 3 News Release

Two press releases were disseminated by CNW Telbec on May 19, 2020 from Montréal, Québec.

Item 4 Summary of Material Change

Reitmans announced its intention to restructure its operations under the *Companies' Creditors Arrangement Act* (the "**CCAA**") and that it had obtained a Court Order under the CCAA.

Item 5 Full Description of Material Change

5.1 Full Description of Material Change

On May 19, 2020, Reitmans announced that it was seeking protection under the CCAA in order to facilitate its operational, commercial and financial restructuring.

The CCAA process will allow the Company to implement a restructuring plan that addresses the impacts of COVID-19 in order to build a more resilient organization that will be positioned for long-term success. Throughout this process, the Company will remain fully operational through its brands' e-commerce websites; all physical stores will re-open in conformity with provincial and regional governmental guidelines.

Reitmans' Board of Directors, in a unanimous decision and after having extensively considered other alternatives and a number of factors, authorized the Company to seek protection under the CCAA as the best alternative for the long-term interests of the Company, its employees, customers, creditors and other stakeholders.

In conjunction with its filing under the CCAA, the Company has undertaken a process to secure an interim financing (DIP) that shall provide the required liquidity to meet all of the anticipated needs of Reitmans and its brands to continue normal operations following the opening of its retail locations and throughout the CCAA process.

Reitmans is also in discussion with lenders with respect to a permanent financing upon exit from the restructuring process.

The Company further announced the completion of proceedings before the Québec Superior Court and that it had obtained an Initial Order (the "**Order**") pursuant to the CCAA, and an order to postpone its annual general meeting of shareholders for the fiscal year ended February 1, 2020, until further notice following the CCAA process.

Under the terms of the Order, Ernst & Young Inc. has been appointed as Monitor under the CCAA process and will assist Reitmans in formulating its restructuring plan.

5.2 Disclosure for Restructuring Transactions

N/A

Item 6 Reliance on subsection 7.1(2) of National Instrument 51-102

This report is not being filed on a confidential basis.

Item 7 Omitted Information

N/A

Item 8 Executive Officer

Stephen F. Reitman
President and Chief Operating Officer
(514) 385-2700

Item 9 Date of Report

May 26, 2020