



ANNUAL INFORMATION FORM

2022

BMTC GROUP INC.

Montreal, April 25th, 2022

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Unless the context should indicate otherwise, “we,” “ours,” “us” and other similar terms refer to BMTC Group Inc. (the “Company”) and its subsidiary and two divisions, as a group.

Unless the context should indicate otherwise, the information presented is at January 31st, 2022.

Forward-Looking Statements

We make “forward-looking statements” in this Annual Information Form. By their nature, these statements necessarily involve risks and uncertainties that could cause actual results to differ materially from those contemplated by these forward-looking statements. We consider the assumptions on which these forward-looking statements are based to be reasonable, but caution you that these assumptions regarding future events, many of which are beyond our control, may ultimately prove to be incorrect or unfounded since they are subject to risks and uncertainties that affect us. You will find elsewhere in this Annual Information Form certain risks and uncertainties affecting us (see “Narrative Description of the Business – Risk Factors”). We disclaim any intention or obligation to update or revise any forward-looking statements as of the date of this Annual Information Form, whether as a result of new information, future events or otherwise, other than as required by law.

1. INCORPORATION OF ISSUER

1.1 Incorporation of Issuer

Established on September 5th, 1989, the Company is governed by the *Business Corporations Act* (Quebec). It succeeded Cantrex Group Inc. as the parent company of Brault & Martineau Inc., Ameublements M.T. Inc. and Colonial Furniture Company (Ottawa) Ltd. pursuant to a corporate reorganization which took effect on November 1st, 1989. After this reorganization, the Company became a reporting issuer. Its Class A Subordinate Voting Shares were then listed on the Montreal Exchange and on November 6th, 1999, they were listed on the Toronto Stock Exchange.

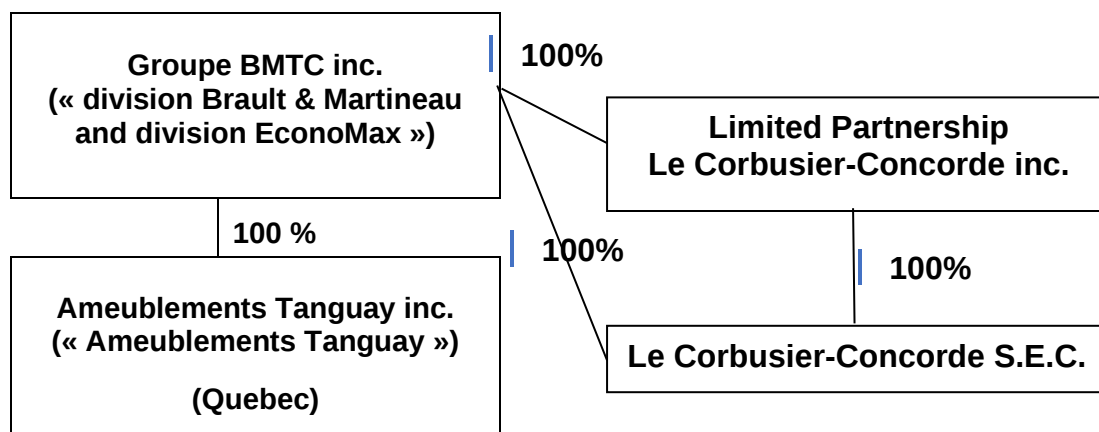
On May 11th, 2015, the Company announced the completion of a reorganization to eliminate the Company's dual-class share capital structure by way of court-approved plan of arrangement. The Company received all required approvals to complete the arrangement, including a final order from the Superior Court of Québec. Pursuant to the arrangement, all issued and outstanding Class B Multiple Voting Shares were converted into Class A Subordinate Voting Shares on a one-for-one basis, without any monetary consideration being paid. The Class A Subordinate Voting Shares were also renamed “common shares”, which are now listed on the Toronto Stock Exchange under the symbol “GBT”.

Finally, on July 10th, 2015, BMTC Group Inc. proceeded with a simplified vertical merger with its subsidiary ATBM Group Inc. (Brault & Martineau and EconoMax divisions).

Our head office is at 8500 Place Marien, Montreal East, Quebec, H1B 5W8.

1.2 Organisational chart

The corporate organizational chart depicted below presents the existing corporate structure of the Company.



2. GENERAL DEVELOPMENT OF THE BUSINESS

2.1 Company Background

Cantrex Group Inc. ("Cantrex Group"), our predecessor, commenced activities as a retailer of furniture and household appliances when it acquired, on October 1st, 1986, all of the outstanding shares of Brault & Martineau. At the time one of the largest furniture and household appliance retailers in Quebec, Brault & Martineau had five stores in the Montreal region and sales in the order of approximately \$50,000,000.

From 1987 to 1989, the retail sector of Cantrex Group broadened its field of activities principally with the acquisition by Brault & Martineau of Ameublements Tanguay, the largest retailer of furniture, appliances and electronic goods in the Quebec City region, and of Colonial Furniture, a firm solidly established in the Ottawa-Hull region, which we sold early on in fiscal year 2000.

In 1989, the Company was incorporated, and we took over the Cantrex Group's retail sales sector. The following years were marked by new store openings, the relocation, replacement and expansion of existing stores, the opening and expansion of distribution centers and the opening or conversion of stores into liquidation centers.

2.2 Three Year History

In the last few years, e-commerce has developed exponentially in Quebec, although the Company has come to realise that the vast majority of our clients still wish to shop in our stores. Faced with this reality, the Company is now developing new innovative and state-of-the-art in technology stores, where the web will serve as gateway and an additional tool in order to complete sales. The objective of this improvement is to offer our clients a unique shopping experience which will help differentiate us from our competitors. The Company therefore plans to proceed with the construction or the reconstruction, when possible, of these new stores. The Company anticipates that in the next few years it will

incur costs related to the modification and improvement of its actual network is to be considered.

The Company purchased land at the junction of the Highway 15 and route 117, for the construction of the new 80,000 square feet Brault & Martineau prototype store in order to replace the Ste-Thérèse store. The new store opened on June 12th, 2019 and the old Brault & Martineau was closed and converted into an EconoMax which replaced the EconoMax on Boulevard des Laurentides in Laval.

On November 6, 2019, the Company proceeded with the sale of the Kirkland store. During this same transaction, the Company purchased land along the Autoroute 40 in the city of Kirkland in order to build a new Brault & Martineau store of approximately 80,000 square feet which replaced the actual Kirkland store. On this same land, the Company built an EconoMax store of approximately 50,000 square feet which replaced the EconoMax store on Côte-Vertu. The new stores opened on October 27th, 2020.

Ameublements Tanguay has already begun the reconfiguration and remodeling of its stores, for example the ones in Lévis, Rimouski, Chicoutimi and now the new store in Trois-Rivières. In October of 2016, Ameublements Tanguay proceeded with the opening of a new 74,000 square foot store in Trois-Rivières. The existing store was transformed into a liquidation center which opened in November of 2016.

On March 11th, 2020, the World Health Organization declared COVID-19 a global pandemic. The financial impact of COVID-19 began to manifest itself by a decrease in store traffic and consequently store revenues in the early weeks of March 2020. Following the rapid rise of COVID-19 cases in the province of Quebec, our priority during this difficult period remains at all times the health and safety of our employees and clients. In order to protect the Quebec population and to prevent the spread of COVID-19 by encouraging social distancing initiatives recommended by both levels of government, the Company decided on March 18th, 2020, to temporarily close its retail sales network, namely our Ameublements Tanguay subsidiary in the Quebec City area and the Brault & Martineau and EconoMax banners in the Montreal area. On March 23rd, 2020, the Quebec government announced, for the same reason, the closure of all non-essential retail stores across the province.

In order to address the devastating effects of COVID-19 and to assure its short and long-term financial health, the Company decided to maintain its operations at a strict minimum level while preserving its presence in our market and controlling its working capital position. The following actions were undertaken by the Company during these last weeks in order to support its operating and working capital objectives:

- Following the closure of our retail sales network on March 18th, 2020, the Company temporarily laid off approximately 75% of its personnel, the vast majority stemming from our retail stores.
- Our online and delivery services remained operational across Quebec to ensure the population in confinement the ability to rely on essential goods while

respecting government-mandated security protocols. We modified our services to offer contactless home delivery.

- During this period, the Company introduced several measures and protocols in preparation for the reopening of our stores across our sales network to ensure and protect the health and security of our employees and our clients. These new measures and protocols will be in effect until the end of the COVID-19 pandemic.
- The Company has also made technological and operational improvements to its sales network. These modifications will allow us to reduce our fixed costs and will contribute to our initiatives of effective cost controls.
- The Company applied for the Canada Emergency Wage Subsidy given the 30% or more decrease in revenues during the prescribed period (CEWS).

During the first quarter of 2020, the Company had all of its 32 points of sale closed for a period of 43 consecutive days, leaving only online sales operational. The loss of revenues arising from the store closures during this period amounted to \$52,029,000. During the second quarter of 2020, the Company had 15 points of sale closed for a period of 25 consecutive days, leaving only online sales operational. The loss of revenues arising from the store closures during this period amounted to \$25,465,000.

The Company has proactively aligned its cost structure in order to mitigate the loss of revenues incurred during the last fiscal year due to the store closures. The Company intends to maintain these measures throughout the fiscal year 2022, in order to protect the Company's viability and preserve its working capital during these highly uncertain times. Thanks to these new measures the Company believes it will be able to produce positive operating results.

The Company continues to focus on online sales, which experienced a record increase since the start of the pandemic, by actively pursuing the improvement of its digital platforms, its live chat initiative with online customers as well as the improvement of our telephone sales department for all of the BMTC Group Inc. banners.

It is also Management's opinion that the digital platforms of our banners are essential in order to allow the Company to increase its market shares as well as to allow customers to start their shopping experience online to then complete their purchases in one of our stores with the help of our sales representatives.

Finally, since mid-June, the Company has had issues with its supply logistics. Many of the Company's suppliers, who have also been affected by the consequences of COVID-19, are unable to honour and deliver placed orders. This problem seems widespread in our industry and is not unique to the Company. Therefore, it is possible that this could have a negative impact on future results because orders on hand may not be able to be delivered due to this shortcoming.

The Company is faced today with two major problems. On May 5, 2021, the Canadian federal government imposed tariffs of up to 295% on upholstered furniture imported from Vietnam and China while not allowing any grace period either for orders in production or for products already in transit to Canada, which can take up 3 to 4 months to reach our ports.

The majority of these products in production as well as those in transit to Canada have already been sold to our customers. It is not possible for the Company to add these new

tariffs to the price tags of these products since it increases by more than four times the price initially paid by our customers. The Company will therefore incur significant losses on the sale of these products in order to honor existing contracts with our customers.

Secondly, the Company was able to cancel the production of products affected by these tariffs with some of our suppliers. However, some of these orders have already been sold to our customers, so if the Company is unable to replace it with a similar product at a reasonable price, those sales will need to be canceled. As a result, the Company could be subject to a slew of customers cancelling orders.

Complaints about unfairly priced Chinese and Vietnamese-made products have been a long simmering issue in the furniture business. Although, when the Canadian federal government announced it was seeking to level the playing fields with tariffs, everyone in the industry was expecting tariffs in the range of 10 to 20 per cent, similar to what the U.S. recently implemented. The tariffs imposed so far are preliminary, which means they can be raised, lowered or removed altogether when the government finishes its investigation into the matter later this summer.

The Brault & Martineau store, at 500 boulevard Le Corbusier in Laval, ceased its operations on December 5, 2021. As announced earlier this year, the company entered into a partnership agreement for the development of this property into several residential rental towers. The real estate development will begin in 2022. On January 31st, 2022, the Le Corbusier-Concorde S.E.C., was created and is owned 100% by the Company. This new entity now owns the land situated at 500 boulevard Le Corbusier in Laval which will be used for future real estate developments in the years to come.

3. NARRATIVE DESCRIPTION OF THE BUSINESS

3.1 Description of Business Activities

BMTC Group Inc. is a company governed the Business Companies Act (Quebec). Its registered office and principal place of business is located at 8500 Place Marien, Montréal East, Quebec, H1B 5W8. Its common shares are listed on the Toronto Stock Exchange. The Company, through its subsidiaries Ameublements Tanguay Inc., Le Corbusier-Concorde S.E.C. and its two divisions Brault & Martineau and EconoMax, manages and operates a retail network of furniture, household appliances and electronic products, in Quebec.

3.2 Customers and Distribution Network

Our sales and distribution network includes 8 Brault & Martineau stores, 9 Ameublements Tanguay stores, 2 liquidation centres and 11 EconoMax stores. The network also includes three distribution and administrative centres in Montreal and Quebec City. The following table provides, for each divisions and its subsidiary, the address and surface area of each location and shows, where appropriate, the expiry date of leases.

Address of Establishment	Type	Area (sq. feet)	Expiry Date of Lease
<i>Brault & Martineau Division</i>			
6700 Jean-Talon St., St-Léonard	Store	70,000	----
7272 Newman Blvd., LaSalle	Store	41,600	----
500 de la Gappe Blvd., Gatineau	Store	59,749	----
9500 Taschereau Blvd., Brossard	Store	73,047	----
3950 Josephat Rancourt, Sherbrooke	Store	74,350	----
17600, Route Transcanadienne, Kirkland	Store	80,000	----
1175 Curé-Labelle Blvd., Ste-Rose	Store	80,000	----
1351 Montée des Promenades, St-Hubert	Store	69,713	----
<i>EconoMax Division</i>			
12605 Sherbrooke Street East, Montreal	Store	43,000	----
8220 Taschereau Blvd., Brossard	Store	39,460	----
125 Desjardins Blvd. East, Ste-Thérèse	Store	30,050	----
1675 Le Corbusier Blvd., Laval ⁽¹⁾	Store	43,202	August 31, 2023
17650 Route Transcanadienne, Kirkland	Store	45,000	----
2925 Moïse-Vincent Blvd., St-Hubert	Store	55,000	----
640 Arthur-Sauvé Blvd., St-Eustache ⁽¹⁾	Store	38,427	April 30, 2023
1435 Firestone Blvd, Joliette ⁽¹⁾	Store	38,165	Jan. 15, 2029
7101 Newman Blvd, Ville LaSalle ⁽¹⁾	Store	39,659	Oct. 31, 2024
633 rue Dufferin, Granby ⁽¹⁾	Store	46,560	March 31, 2025
50 rue Robert-Bernard, Drummondville	Store	54,728	----
Ameublements Tanguay			
7200 Armand Viau, Quebec	Distribution Center	260,762	----
79B Kennedy Blvd., Lévis ⁽¹⁾	Distribution Center	24,750	Dec. 31, 2024
1600 Alphonse-Desjardins Blvd., Lévis	Store	76,000	----
777 rue Clémenceau, Beauport	Store	58,000	----
2200 rue des Vitaines, Trois-Rivières	Store	74,000	----
375 Mté Industrielle et Comm, Rimouski	Store	66,971	----
1990 Talbot Blvd., Chicoutimi	Store	83,253	----
245 Hôtel-de-Ville, Rivière-du-Loup	Store	46,265	----
8955 Lacroix Blvd., St-Georges-de-Beauce	Store	39,441	----
2452 Laurier Blvd., Ste-Foy ⁽¹⁾	Store	51,267	March 31, 2026
5000 des Galeries Blvd., Québec ⁽¹⁾	Liquidation center	52,919	Dec. 31, 2024
2200 des Récollets Blvd., Trois-Rivières	Liquidation center	49,448	----

(1) premises leased by the Company

In the vast majority of cases, the stores are used as showrooms and points of sale. As a general rule, deliveries are exclusively provided by distribution centers.

With respect to the Brault & Martineau and EconoMax divisions, all deliveries are carried out by subcontractors on an ad-hoc basis. This allows us to meet our needs more efficiently and economically.

Ameublements Tanguay delivers the goods it sells as well as uses subcontractors on an ad-hoc basis. To that end, Ameublements Tanguay owns a fleet of delivery trucks but also uses outsourcing.

3.3 Supplies

Each division is supplied by major manufacturers and distributors with which it has long-standing business relations. No subsidiary is dependent on any particular supplier. We will continue implementing our purchasing policy, which consists of obtaining supplies from a large number of suppliers.

3.4 Competition

The retail furniture, household appliance and electronics market is highly competitive. In Quebec, our main competitors are Leon and the Brick Group. Moreover, we compete with certain specialized retailers in their respective markets, such as IKEA, Best Buy and Corbeil. Other retailers, such as superstores and smaller independent stores, also compete with us. Competition has also grown with the proliferation of warehouse and discount stores offering ready-to-assemble furniture and home appliances as well as web based competitors.

However, in view of our financial resources, the size of our sales and distribution network, the variety and superior quality of our merchandise, the flexibility of our financing as well as the emphasis we place on customer service, we believe that our market position is strong.

3.5 Human Resources

As at January 31st, 2022, we had 1,251 permanent employees distributed among our subsidiary and two divisions as follows:

Department	Number of Employees	
	Brault & Martineau and EconoMax divisions	Ameublements Tanguay
Administration	215	60
Sales	302	252
After-sale service	38	40
Warehouse & Delivery	265	79
	820	431

Of this staff, only 138 employees working at the Montreal warehouse entered into a collective agreement which expired on December 31st, 2021. We are now in the process of negotiating a new collective agreement.

3.6 Risk Factors

Sensitivity to General Economic Conditions

The furniture, household appliance and electronics retailing industry in Canada is subject to cyclical variations in the general economy and to uncertainty regarding future economic prospects. The health of the economy in Canada, especially in Quebec, territory in which we operate, will have an effect on our sales. Fluctuating interest rates, gross domestic product growth, the availability of consumer credit, the level of unemployment as well as consumer trends can all affect consumer confidence. A decline in economic conditions could decrease the overall demand for household appliances and thus decrease our sales.

Maintaining Profitability and Managing Growth

A number of variables could adversely affect our business strategy. Some of the factors that may influence our ability to remain profitable and maintain growth include competition in the furniture and household appliance retailing industry; our ability to keep our products affordable; the effectiveness of our marketing programs; our ability to adapt to changing consumer trends; our ability to retain qualified staff, including senior executives and store management personnel; our ability to improve customer service to attract new clients and retain existing clients as well as general economic conditions.

In light of all of these factors, there can be no assurance that we will be able to implement our business plan, or that this business plan will enable us to maintain our past rates of return or sales growth rates. Failure to successfully implement a material part of our strategic plan could have an adverse effect on our activities, financial condition, liquidity and results of operation.

Competition

The furniture, household appliance and electronics retailing industry is highly competitive. We face competition in all regions in which we operate. Our competitors include department stores, specialty stores, national and international furniture and household appliance store chains, independent retailers, particularly those associated with larger buying groups, as well as online web based store. The actions and strategies of our current and potential competitors could have a material adverse effect on our business.

Third-Party Credit Providers

We rely on third-party credit suppliers to provide our clients with financing solutions. There can be no assurance that we will be able to continue to secure advantageous financing products for our customers that will allow us to maintain current financial yields.

Investment Portfolio Risks

Our investment portfolio is subject to market conditions and certain risks. The poor performance of this investment portfolio could have a material adverse effect on our financial condition, liquidity and results of operation.

Labour Relations

The success of our business depends on a large number of employees, some of whom are unionized or have obtained accreditation. Any organized work stoppage or other similar job action may have a material adverse effect on our business, financial condition, liquidity and results of operations.

Reliance on Key Personnel

Our success depends, in part, on the retention of senior management. There can be no assurance that we will be able to find qualified replacements for the individuals who make up our senior management team. The loss of services of one or more members of our senior management team could adversely affect our business, operating income and our ability to pursue our business strategy effectively.

Suppliers

We rely on a stable and consistent supply of furniture and household appliances to carry out our retail operations. To that end, we maintain business relationships with a number of suppliers at negotiated prices. There can be no assurance that we will be able to continue to purchase products from our current or future suppliers on terms similar to current terms. Significant increases in the prices of the products we sell, and our inability to find substitute products at a lesser cost from new suppliers, could have a material adverse effect on our business, financial condition, liquidity and results of operations.

Dependence on Management Information Systems

Our management relies heavily on management information systems to analyze our business's operating performance on a regular basis. Additionally, we depend on our management information systems in all areas of our operations, including supply chain management, inventory control, point-of-sale systems and after-sales service. We may be adversely affected should these systems fail or become obsolete.

Distribution Operations

Any significant interruption in the operation of our distribution centers may delay shipment of merchandise to our stores and customers, damage our reputation or otherwise have a material adverse effect on our business, financial condition, liquidity and results of operations. Any failure to coordinate successfully the operations of our distribution centers also could have a material adverse effect on our business, financial condition, liquidity and results of operations. Distribution problems may materially affect our net revenue in particular periods and/or the timing of the recognition of revenue from orders not yet delivered.

Changes in Fashion Trends and Consumer Tastes

Furniture and household appliances are subject to fashion trends and consumer tastes, which can change very rapidly. If we are unable to anticipate or respond to changes in consumer tastes and fashion trends in a timely manner, we could experience a decrease in sales and be faced with excess inventory. Disposal of excess inventory may materially affect our business, financial condition, liquidity and results of operation.

Profits

Some of our products are sold at a higher profit than others. An increase in the sales of lower profit products at the expense of the sales of higher profit products could result in a decrease in earnings.

E-Commerce

The success of the Company's electronic trade activities depends on a number of factors over which the Company may have only limited control. In addition to the risks associated with its in-store retail sales activities, the Company is exposed to further risks and uncertainties associated with the Internet, including changes to technological interfaces, website downtimes and other technical glitches, changes in applicable

legislation and regulations, security breaches and the confidentiality concerns of consumers. The Company's inability to address these risks and uncertainties could adversely affect the Company's electronic commerce and sales, or tarnish its reputation and brand.

4. DIVIDENDS AND SPLITS

4.1 Dividends

It is our policy to declare and pay dividends on a semi-annual basis to our holders of Common Shares. Since our listing on the Exchange in October 1986, we have declared and paid gradually increasing dividends each and every year. The following table lists the amount of dividends declared semi annually over the last ten fiscal years for each class of issued and outstanding shares.

Dividends declared each fiscal half year over the last ten fiscal years

Year ended	Dividends declared on Class A Subordinate Voting Shares* (\$/share)		Dividends declared on Class B Multiple Voting Shares* (\$/share)		Dividends declared on Common Shares* (\$/share)	
	1 st semester	2 nd semester	1 st semester	2 nd semester	1 st semester	2 nd semester
December 31, 2012	0,12	0,12	0,12	0,12	-	-
December 31, 2013	0,12	0,12	0,12	0,12	-	-
December 31, 2014	0,12	0,12	0,12	0,12	-	-
December 31, 2015	0,12	-	0,12	-	-	0,12
December 31, 2016	-	-	-	-	0,12	0,12
January 31, 2018	-	-	-	-	0,12	0,12
January 31, 2019	-	-	-	-	0,14	0,14
January 31, 2020	-	-	-	-	0,14	0,14
January 31, 2021	-	-	-	-	0,14	0,15
January 31, 2022	-	-	-	-	0,16	0,18

* On May 11th, 2015, the Company announced the completion of the reorganization to eliminate its dual-class share capital structure by way of court-approved plan of arrangement. Pursuant to the arrangement, all issued and outstanding Class B Multiple Voting Shares were converted into Class A Subordinate Voting Shares on a one for-one basis, without any monetary consideration being paid. The Class A Subordinate Voting Shares were also renamed "Common Shares".

3.2 Splits

The Company proceeded with the following stock splits over the last 22 fiscal years:

Date of Stock split	
December 6 th , 2000	2 for 1 stock split
June 3 rd , 2002	2 for 1 stock split
December 11 th , 2003	2 for 1 stock split
April 6 th , 2010	2 for 1 stock split

5. GENERAL DESCRIPTION OF CAPITAL STRUCTURE

Our authorized share capital consists of:

- a) an unlimited number of Common Shares without par value;
- b) an unlimited number of First Preferred Shares, without par value, issuable in series; and
- c) an unlimited number of Second Preferred Shares, without par value, issuable in series;

The following is a summary of the material characteristics of the Common Shares, First Preferred Shares and Second Preferred Shares.

Common Shares

The Company is authorized to issue an unlimited number of voting Common Shares without par value. As at January 31st, 2022, 33,423,000 Common Shares were outstanding.

Vote

The common shares carry one (1) vote per share.

Dividends

The holders of common shares have the right to receive any dividend that may be declared, paid or reserved for payment in the course of any fiscal year.

Liquidation

If the Company were to be liquidated or dissolved, or its assets otherwise distributed to its shareholders for the purposes of winding up its affairs, the holders of common shares have the right to share in the remaining property of the Company.

Rank

The common shares are subject and junior to the rights, privileges, conditions and restrictions attaching to the first preferred shares and the second preferred shares.

Amendments

The rights, privileges, conditions and restrictions attaching to the common shares may each be amended if that amendment is approved by at least three fourths (3/4) of the votes cast at a meeting of the holders of the common shares duly held to that end.

First Preferred Shares and Second Preferred Shares

First Preferred Shares and Second Preferred Shares may both be issued in one or several series, the number and characteristics of which will be determined by our Board of Directors prior to the issuance thereof. These First Preferred Shares and Second Preferred Shares will carry no voting rights and will rank prior to the Common Shares as regards the payment of dividends and sharing of the property of the Company in the event of its liquidation, dissolution or any other distribution of its assets. Furthermore, as regards the foregoing, the First Preferred Shares will rank prior to the Second Preferred Shares. As at January 31st, 2022, there were no First Preferred Shares or Second Preferred Shares outstanding.

6. MARKET FOR SECURITIES OF THE COMPANY

Our Common Shares are currently issued and outstanding are listed on the Toronto Stock Exchange under the symbol “GBT”.

<u>Month of fiscal year ended</u> <u>January 31st, 2022</u>	<u>Closing</u> <u>Price (\$)</u>	<u>High (\$)</u>	<u>Low (\$)</u>	<u>Volume</u>
February 2021	11.75	11.75	10.50	112 909
March 2021	11.92	13.00	10.50	68 982
April 2021	14.76	15.32	11.75	127 763
May 2021	13.77	14.79	13.46	78 398
June 2021	14.85	15.15	13.7	80 471
July 2021	15.87	16.28	14.11	109 906
August 2021	15.20	15.94	13.65	80 590
September 2021	14.60	15.67	13.79	56 636
October 2021	13.31	14.61	13.30	23 688
November 2021	15.17	15.74	13.31	143 537
December 2021	15.69	16.00	15.00	41 392
January 2022	14.94	16.00	14.41	150 710

7. DIRECTORS AND OFFICERS

7.1 Directors

Some information on members of our Board of Directors and its committees is presented under the heading “Election of Directors” of the management information circular dated April 21st, 2022 (the “Management Information Circular”) accompanying our Notice of Annual Meeting. This information is incorporated herein by reference. Copies of the Management Information Circular are available at our head office or on SEDAR at www.sedar.com.

7.2 Officers

The officers of the Company are the following:

Name	Province and country of residence	Position
Yves Des Groseillers	Quebec, Canada	Chairman of the Board
Marie-Berthe Des Groseillers	Quebec, Canada	President and Chief Executive Officer
Sylvie Bélanger	Quebec, Canada	Chief financial officer
Michel Poitras	Quebec, Canada	President, Brault & Martineau and EconoMax divisions
Jacques Tanguay	Quebec, Canada	President and general manager, Ameublements Tanguay division

During the last five financial years, Mr. Yves Des Groseillers has held the same position within the Company. Mrs. Marie-Berthe Des Groseillers has held the position of Secretary during the past five years and was named Vice-President and Chief Operating Officer during the financial year ended December 31, 2013. On June 7th, 2018, she was promoted to President and Chief Executive Officer. Mme Sylvie Bélanger was named CFO on April 14th, 2017. Mr. Michel Poitras has been in office since June 1st, 2020. Before hand, Mr. Poitras held the position of Vice-President, Purchasing.

As at January 31st, 2022, our directors and officers directly or indirectly hold or control, as a group, 21,775,782 common shares representing 65.30% of these shares.

8. AUDIT COMMITTEE

8.1 General

Our Audit Committee currently consists of Messrs. Tony Fionda (Chairman), André Bérard and Gabriel Castiglio. All members of the Audit Committee are considered

“independent” and “financially literate” within the meaning of *Multilateral Instrument 52-110, Audit Committees*.

8.2 Mandate of the Audit Committee

The primary function of our Audit Committee is to oversee our accounting and financial reporting procedure, as well as the audits of our financial statements. This includes reviewing and overseeing financial reports, annual and interim management reports, and other financial information that we provide to any regulatory authority or the public, our system of internal control for finances, accounting and regulatory compliance established by members of our management and our Board of Directors, as well as our practices in terms of auditing, accounting, internal control and financial reporting. In the performance its duties, the Audit Committee promotes the continued improvement of our policies, methods and practices at all levels, ensuring the compliance thereof and encouraging the observance of industry best practices in such matters.

We have included our Audit Committee Charter in Schedule A hereto.

8.3 Relevant Education and Experience of the Audit Committee Members

The following table contains a brief summary of the relevant education and experience of each member of the Audit Committee, including any education or experience that has provided the member with a sound understanding of the accounting principles that we use to prepare our annual and interim financial statements.

<i>Name of audit committee member</i>	<i>Relevant education and experience</i>
Tony Fionda	Tony Fionda is a chartered professional accountant, he presently works for Remcorp Inc, as Senior VP. From 2012 to 2014 he worked for Gradek Energy as senior vice-president and chief financial officer. He previously worked for 12 years at the National Bank of Canada where he worked as a director in investment banking and from 2006 to 2012 he worked as a director in mergers and acquisitions.
André Bérard	André Bérard is a corporate director. He sits on the board of directors of numerous public companies and is a member of the audit committee of numerous public companies. He spent over four decades with National Bank of Canada and was the chairman of the board and chief executive officer of National Bank of Canada for 12 years.
Gabriel Castiglio	Gabriel Castiglio joined Fiera Capital in 2019 as Executive Vice President, Chief Legal Officer and Corporate Secretary. He previously was a partner at the law firm Fasken Martineau DuMoulin LLP where he practiced business law for over 15 years, more specifically mergers and acquisitions,

	securities law and corporate governance. Mr. Castiglio earned his law degree from University of Montreal and completed common law studies at Osgoode Hall Law School. He is a member of the Quebec Bar.
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8.4 Policies and Procedures for the Engagement of Audit and Non-audit Services

One of the duties of our Audit Committee is to approve, in advance, auditing services and other non-auditing services entrusted to our external auditors. Another is to adopt and implement policies governing the approval process. The Audit Committee is also responsible for reviewing the remuneration paid to external auditors for auditing and other ancillary services. In case of emergencies, the Chairman of the Board may alone approve an auditing mandate or other mandate entrusted to an external auditor.

On the date hereof, no formal approval policy has been adopted by our Audit Committee. The Audit Committee evaluates non-audit services entrusted to external auditors separately.

8.5 External Auditor Service Fees

The following table shows the fees paid to PricewaterhouseCoopers LLP in Canadian dollars for the year ended January 31st, 2021 and for the year ended January 31st, 2022 for various services provided to us:

<i>Service rendered</i>	<i>Year ended January 31, 2021</i>	<i>Year ended January 31, 2022</i>
Audit fees	155,000 \$	225,000 \$
Audit-related service fees	10,750 \$	10,750 \$
Tax fees	- \$	- \$
Total :	165,750 \$	235,750 \$

Audit Fees

These fees cover professional services rendered by the external auditors for statutory audits of the annual financial statements and for other audits.

Audit-related Service Fees

These fees cover professional services that reasonably relate to the performance of the audit or review of our financial statements.

Tax Fees

These fees cover professional services for tax compliance, tax advice and tax planning.

9. TRANSFER AGENTS AND REGISTRARS

Our transfer agent and registrar is Computershare Investor Services Inc. The register of transfers of our Common Shares are maintained by Computershare Investor Services Inc. is located at its offices in Montreal, Quebec.

10. LEGAL PROCEEDINGS

The Company is party to claims and lawsuits in the normal course of business. Management believes that the resolution of these claims and lawsuits will not have a materially adverse effect on the Company's financial position.

11. INTERESTS OF EXPERTS

PricewaterhouseCoopers LLP are the auditors of the Corporation and have advised the Corporation that they are independent pursuant to the Code of Ethics of the *Ordre des comptables professionnels agréés du Québec*.

12. INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

To the knowledge of the Corporation, other than as set forth in this annual information form, none of its director, officer or shareholder beneficially owning or controlling, directly or indirectly, more than 10% of the common shares of the Corporation nor any associate or affiliate of such person has or had a material interest, direct or indirect, in any transaction completed within the Corporation's three most recently completed financial years and during the current financial year that has materially affected or would materially affect the Corporation or its subsidiaries.

13. ADDITIONAL INFORMATION

Additional information on the Company can be found on its website at: www.bmtc.ca and on SEDAR at www.sedar.com.

Additional information, including directors' and officers' remuneration and indebtedness, if loans have been granted to them, the principal holders of our securities, stock options and the interests of insiders in material transactions, if any, can be found in the Management Information Circular dated April 21st, 2022 prepared for our June 9th, 2022 Annual Meeting of Shareholders. Additional financial information is provided in our financial statements and the MD&A for our most recently completed fiscal year.

SCHEDULE A

Audit Committee Charter

(See attached document)

BMTC Group Inc.

**CHARTER
OF THE AUDIT COMMITTEE**

August 10, 2004

1. **PURPOSE AND MANDATE**

The audit committee (the “Committee”) of BMTC Group Inc. (the “Company”) is a Committee of the board of directors of the Company (the “Board of Directors”). It is responsible for overseeing the accounting process, the presentation of the Company’s financial information, and the auditing of its financial statements.

This charter (the “Charter”), adopted by the Board of Directors, sets out the mandate and principal responsibilities of the Committee.

The principal duties of the Committee are to oversee the accounting and financial reporting procedures of the Company, as well as to audit its financial statements. This includes reviewing and overseeing financial reports, annual and interim management reports, and other financial information that the Company provides to any regulatory authority or the public, the Company’s systems of internal control regarding finances, accounting and regulatory compliance established by management and the Board of Directors, as well as Company auditing, accounting, internal control and financial reporting processes.

Consistent with this function, the Committee should encourage continuous improvement of, and foster adherence to, the Company’s policies, procedures and practices at all levels.

2. **COMPOSITION**

The Committee shall consist of no less than three members, including a chairman, all appointed by the Board of Directors. All members shall be directors of the Company.

All members of the Committee shall abide by the requirements in effect at any given time as regards the composition of the audit committees and the independence of their members, as these requirements may be promulgated by the relevant securities authorities, stock exchange on which the securities of the Company are traded and any other governmental or regulatory authority to which the Company is subject (individually, the “Regulatory Authority” and, collectively, the “Regulatory Authorities”), as the Board of Directors may see fit.

All members of the Committee shall have a working familiarity with basic finance and accounting practices, as the Board of Directors may see fit. At least one member of the Committee shall have accounting or related financial management expertise, as determined by the Board of Directors.

A person with no financial skills may be nominated to sit on the Committee, provided he acquire the necessary skills within a reasonable delay following his nomination on such conditions as may be established in applicable regulation and by the Board of Directors.

Unless they should resign, be removed from office or no longer qualify as director, the members and chairman of the Committee shall remain in office until the next annual shareholder meeting or until a successor is nominated, if any.

A member may step down from office upon written notice to the Company. Any Committee member may be removed from office by resolution of the Board of Directors, which may then fill any resulting vacancy. A Committee member who ceases being a director of the Company shall automatically cease being a member of the Committee.

The Committee may appoint a Committee secretary, who need not be a member of the committee or Board of Directors, and it may remove and replace him at any given time.

Committee members shall receive such remuneration for their services as the Board of Directors may from time to time determine, if any.

3. **OPERATIONS**

The Committee shall be called as often as is necessary to perform its duties, but no less than once quarterly, by the Chairman of the Board of Directors or the external auditors to discuss any specific issue.

Committee meetings shall be called by the Chairman of the Committee, by any other member of the Committee, by the Chairman of the Board of Directors or by the external auditors upon written notice of no less than two days prior to the date set for the meeting.

When necessary, the Committee may invite such other persons to its meetings, as it may deem necessary, whether or not these individuals are directors of the Company. Any member of Company management, the head of internal auditors and the external auditors, among others, may be invited to speak before the Committee, whenever necessary. The notice of meeting shall be sent to the external auditor or head of internal auditors who are invited to attend any such Committee meeting.

The quorum for Committee meetings shall be set at two of its members. No business may be transacted where no quorum is present.

Each member may cast one vote at Committee meetings. In the event of a tie vote, the Chairman shall not have the deciding vote.

Committee members may convene their meetings anywhere inside or outside Quebec and, should all agree, they may attend any such meeting using technical means that allow participants to communicate orally, such as by telephone.

A written resolution executed by all members of the Committee entitled to vote thereon shall be as valid as though adopted at a meeting.

The Committee may determine all aspects of its operational procedures. Should it fail to do so, it shall follow those that apply to the Board of Directors.

4. **RESPONSIBILITIES AND DUTIES**

Management of the Company shall be responsible for the preparation, presentation and integrity of the Company's financial statements, and for compliance with the appropriate

principles and practices that apply to accounting, financial reporting and to the internal controls and procedures that ensure compliance with accounting standards and applicable legislation.

External auditors shall be responsible for planning and auditing the annual financial statements of the Company, in keeping with professional standards.

The main purpose of the Committee is to review the relevance and efficiency of its activities while assisting the Board in its role of overseeing:

- 11.1.1 the integrity of the Company's financial statements;
- 11.1.2 the skills and independence of external auditors;
- 11.1.3 the performance of the duties of the internal auditors and external auditors of the Company;
- 11.1.4 the relevance and efficiency of internal control; and
- 11.1.5 the Company's compliance with legal and regulatory requirements.

To honour its obligations and meet its responsibilities, the Committee shall:

Documents/Reports Review

- (i) Review interim financial statements, annual financial statements and other elements of financial information presented in the annual and interim documents of the Company, and this prior to their publication; review statements made by management of the Company, management reports and press releases the Company may issue in connection therewith, and report thereon to the Board of Directors.
- (ii) Satisfy itself that the interim financial statements, annual financial statements and other elements of financial information presented in the annual and interim documents of the Company comply with generally accepted accounting principles and give, in all material respects, and accurate description of the financial situation of the Company, its operating results and cash flow for the relevant dates and periods, as the case may be, and recommend to the Board of Directors whether they are to be approved for inclusion in the filings required by regulatory authorities and for disclosure and publication purposes.
- (iii) Satisfy itself that the information contained in the Company's quarterly and annual financial statements, annual report to shareholders and other financial publications, such as management's discussion and analysis, annual information form (and similar documentation required by the Regulatory Authorities) and the information contained in a prospectus, registration statement or other similar document does not contain any untrue statement of any material fact or omit to state a material fact that is

required or necessary to make a statement not misleading, in light of the circumstances under which it was made.

- (iv) Review material financial reports or other material financial information of the Company submitted to any Regulatory Authority, or the public.
- (v) Review such matters and questions relating to the financial position of the Company and its affiliates or the reporting related thereto as the Board of Directors may from time to time refer to the Committee.
- (vi) Review, with management and the external auditors, all material changes proposed to be made to the policies and accounting practices followed by the Company.
- (vii) Review and update this Charter and evaluate its efficiency in meeting its mandate as circumstances may require, but no less than once a year or at any time upon request of the Board of Directors.

External Auditors

- (i) Recommend to the Board of Directors the appointment, remuneration, renewal of mandate or, where applicable, termination of external auditors (including the proposal not to retain or to terminate) and oversight of any external auditor engaged by the Company for the purpose of preparing or issuing an audit report or related work.
- (ii) Ensure that the external auditors of the Company are “independent” of management, in keeping with industry best practices. Obtain from the external auditors, at least annually, a formal written statement delineating all relationships between the external auditors and the Company.
- (iii) Satisfy itself that management of the Company or the external auditors give prior notice of any mandate pertaining to an audit issue that was or would have been entrusted to an accounting firm others and the external auditors.
- (iv) Approve in advance any audit and non-audit mandate awarded to external auditors and adopt and implement policies for such pre-approval and review all remuneration paid to external auditors, including for such additional audit and non-audit services; in cases of an emergency, the chairman of the Committee, acting independently, shall be authorized to approve in advance any and all audit and non-audit mandates awarded to external auditors.
- (v) Review the performance and the remuneration of the external auditors and recommend to the Board of Directors the discharge of the external auditors when circumstances warrant.

- (vi) Oversee the work of the external auditors and satisfy itself that the audit function has been effectively carried out and that any matter which the external auditors wish to bring to the attention of the Board of Directors has been settled and that there are no “unresolved differences” with the external auditors. Be directly responsible for the resolution of any disagreements between management and the external auditors regarding reporting matters.
- (vii) Ensure the orderly transition of files in the event of a change of external auditors, and review any issue referred by Regulatory Authorities regarding financial reporting procedures.

Financial Reporting Procedure and Risk Management

- (i) Review the audit plan of the external auditors for the current fiscal year, review the integration of the external audit with the internal control program and review advice from the external auditors relating to management and internal controls, and the Company’s responses to the suggestions made therein.
- (ii) Monitor the Company’s internal accounting controls, informational gathering systems and management reporting on internal control. In connection with fulfilling this responsibility, the Committee shall receive a report on at least an annual basis from the Company’s chief executive officer and chief financial officer in connection with the such officer’s evaluation of internal control over financial reporting as to (1) all significant deficiencies and material weaknesses in the design and operation of internal control over financial reporting which are reasonably likely to adversely affect the Company’s ability to record, process, summarize, and report financial information; and (2) any fraud of which they are aware, whether or not material, that involves a member of management or other employees who have a significant role in the Company’s internal control over financial reporting. The Committee shall direct the actions to be taken and/or make recommendations to the Board of Directors of actions to be taken to the extent such disclosure indicates the findings of any significant deficiencies in internal control over financial reporting or fraud.
- (iii) Assess, with management and the external auditors, the relevance and adequacy of the accounting principles and practices of the Company and its internal controls over the communication of financial information, and examine and approve any material changes made thereto.
- (iv) Obtain annually from the external auditors, in connection with an audit report and prior to the filing of such audit report, a report presenting the adequacy of the internal audit and financial controls, specifically including (1) critical accounting policies and practices to be used, (2) all material alternative treatments of financial information within generally accepted accounting principles that have been discussed with management, the

ramification of the use of these alternatives and the treatment preferred by the external auditors, and (3) material communications between management and the external auditors.

- (v) Satisfy itself that the Company has implemented appropriate systems of internal control over financial reporting and monitor the annual review and evaluation by management of internal controls over financial reporting. The Committee shall also satisfy itself that the Company has implemented appropriate systems of internal controls over the safeguarding of the Company's assets and other "risk management" functions (including the identification of significant risks and the establishment of appropriate procedures to manage those risks and the monitoring of corporate performance in light of applicable risks) affecting the Company's assets, management, financial and business operations and the health and safety of its employees and that these are operating effectively; make appropriate recommendations to the Board of Directors in connection with the foregoing.
- (vi) Review and approve all hiring policies of the Company and its subsidiaries as regards their partners, employees and former partners and employees, and as regards the employees of our current and former external auditors.
- (vii) Review and approve all related party transactions for potential conflict of interest situations on an ongoing basis. "Related party transactions" shall refer to transactions required to be disclosed pursuant to applicable securities regulations and stock exchange regulations or policies.
- (viii) Regularly inquire as to the skills and performance of staff that the external auditors assign to finances, accounting and internal controls.

Legal and Regulatory Compliance

- (i) Satisfy itself that all material statutory deductions have been withheld by the Company and remitted to the appropriate authorities.
- (ii) Establish procedures for:
 - the receipt, retention and treatment of complaints received by the Company regarding accounting, internal controls, or auditing matters;
 - the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters (commonly referred to as the "Whistleblowing Policy"); and
 - any other material matter of interest to the Company.

Budgets

- (i) Assist the Board of Directors in the review and approval of operational, capital and other budgets proposed by management.

General

- (i) Perform any other activities consistent with this Charter, the Company's By-laws and governing law, as the Committee or the Board of Directors may deem necessary or appropriate.

Powers

The Committee shall have the power to:

- (i) Retain, at the expense of the Company, the services of any external advisor it may deem necessary to satisfy its obligations and set their remuneration.
- (ii) Subject to the provisions of applicable regulations, vest one or several of its members with the power to approve in advance non-auditing services, as provided for herein.
- (iii) Conduct any inquiry into allegations of embezzlement, fraud or the manipulation of the Company's financial reporting.
- (iv) Communicate directly with external or internal auditors of the Company with respect to any issue lying within the purview of the Committee.
- (v) Have full and unrestricted access to:
 - all books, accounting records and other similar documents of the Company and its subsidiaries;
 - all reports, compilations, analyses and ancillary information of the Company and its subsidiaries, and the Company shall make any member of management or other employee available to assist the Committee in its duties.