COLABOR

COLABOR GROUP INC.

ANNUAL INFORMATION FORM

FOR THE YEAR ENDED DECEMBER 30, 2017

February 22, 2018

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EXPLANATORY NOTES

Unless otherwise indicated, the information included in this Annual Information Form is as of December 30, 2017.

Unless otherwise indicated or the context otherwise requires, "Colabor" or the "Corporation" refers to Colabor Group Inc., "Colabor LP" refers to Colabor Limited Partnership, together with its general partner, Colabor Management Inc.

Unless otherwise indicated, all dollar amounts are expressed in Canadian dollars and references to "$" are to Canadian dollars.

Certain statements in this Annual Information Form may constitute "forward-looking" statements within the meaning of applicable securities laws and which involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of Colabor, or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. All information and statements other than statements of historical fact contained in this Annual Information Form and the documents incorporated by reference herein are forward-looking statements, including, without limitation, statements regarding the future financial position, cash distributions, business strategy, proposed acquisitions, budgets, litigation, projected costs and plans and objectives of or involving Colabor. When used in this Annual Information Form, such statements use such words as "may", "could", "should", "would", "will", "expect", "intend", "plan", "project", "estimate", "anticipate", "believe", "seek", "target", "strive" or "continue", or the negative thereof, and other similar terminology. These statements reflect current expectations regarding future events and operating performance and speak only as of the date of this Annual Information Form. Forward-looking statements involve significant risks and uncertainties, should not be read as guarantees of future performance or results and will not necessarily be accurate indications of whether or not such results will be achieved. Although the forward-looking statements contained in this Annual Information Form are based upon what management of Colabor believes are reasonable assumptions, Colabor cannot assure investors that actual results will be consistent with these forward-looking statements.

A number of factors could cause actual results to differ materially from the results discussed in the forward-looking statements. Some of the factors that could affect future results and could cause results to differ materially from those expressed in the forward-looking statements contained herein include: (i) competition from other food products and non-food products distributors; (ii) ability to maintain relationships with existing customers; (iii) changes in consumer discretionary spending resulting from changes in economic conditions and/or general consumer confidence levels; (iv) changes in the cost of products sourced from third party manufacturers and sold through Colabor's distribution network; (v) changes in distribution and retail market and in consumer preference; (vi) new regulations affecting Colabor' business and operations; and (vii) other factors discussed or referenced in the "Risk Factors" section.

Should one or more of these risks or uncertainties materialize, or should assumptions underlying the forward-looking statements prove incorrect, actual results may vary materially from those described in this Annual Information Form as intended, planned, anticipated, believed, estimated or expected. Unless required by applicable securities law, the Corporation does not intend, and does not assume any obligation, to update or revise these forward-looking statements. The forward-looking statements contained herein are expressly qualified in their entirety by this cautionary statement.

CORPORATE STRUCTURE

Name, Address and Incorporation

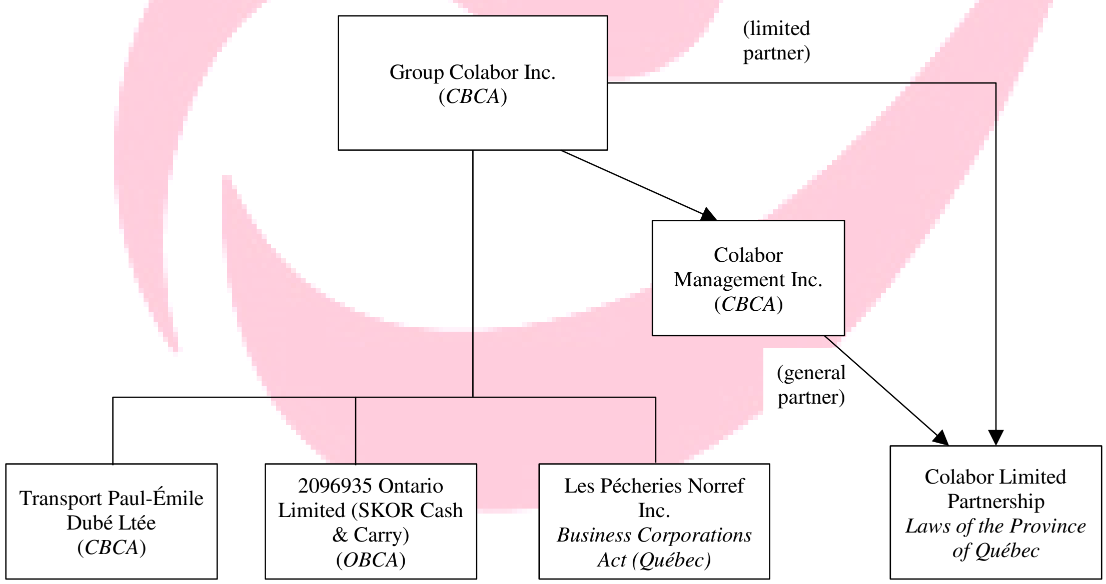
Colabor Group Inc. was incorporated by certificate of incorporation issued pursuant to the provisions of the *Canada Business Corporation Act* (the "CBCA") as 6513590 Canada Inc. on February 1, 2006. On April 10, 2006, the Corporation amended its articles to change its name to "ConjuChem Biotechnologies Inc.", to remove share transfer restrictions, and to restate its authorized share capital to repeal all classes of shares other than common shares.

Colabor Income Fund (the "Fund") was an unincorporated, open-ended, limited purpose trust that was established under the laws of the Province of Québec under a Declaration of Trust dated May 19, 2005. On July 8, 2009, the Fund announced its intention to convert from an income trust structure to a corporation. In order to effect the conversion, the Fund entered into an arrangement agreement with among others, the Corporation, in order to conclude the conversion pursuant to a statutory plan of arrangement under the CBCA. The conversion was completed on August 25, 2009. (See *General development of the Corporation* section of this notice).

The head and registered office of Colabor is located at 1620 de Montarville Blvd., Boucherville, Québec, J4B 8P4.

Intercorporate Relationships

The following chart illustrates the corporate structure of Colabor operating entities as of February 22, 2018. Each of these entities is wholly-owned by Colabor Group Inc.



GENERAL DEVELOPMENT OF THE BUSINESS

History of the Business of Colabor

In 1962, 37 distributors formed a buying group to acquire confectionery products in larger quantities and, consequently, to benefit from rebates based on volume of purchases in order to be more competitive. This buying group was a cooperative named "Syndicat coopératif Colabor", created under the *Cooperative Syndicates Act* (Québec). It was continued as a corporation under the *Canada Corporations Act* under the name of "Colabor Canada (1973) Ltd.", became "Colabor Inc." in 2000 following a corporate reorganization and ultimately became Colabor Investments, after having changed its corporate name in 2005.

As a cooperative, all of the benefits generated by the rebates from manufacturers and other suppliers were distributed to the members every year. Colabor Investments continued to operate in a similar fashion even after it became a corporation.

Colabor Investments' business evolved over the years from the distribution of confectionery products to also include the distribution of other products such as dry goods, beauty and care products, refrigerated products, frozen foods and other food, food-related and non-food products. By 2000, Colabor Investments was an integrated marketing and distribution network for the retail and foodservice markets and, by then, Colabor Investments undertook a corporate reorganization in order to retain a portion of its earnings in order to finance its growth. This evolution positioned at that time Colabor Investments as an attractive alternative in Eastern Canada for independent wholesale distributors servicing retailers, restaurants and other foodservice operators wishing to remain independent while taking advantage of the benefits of purchasing power, private label products and a procurement system usually available only to integrated chains. Throughout its history, Colabor Investments had continuously expanded its clientele and its range of products.

In June 2005, the Fund acquired indirectly the assets of Colabor Investments and completed an initial public offering. On August 25, 2009, the Fund completed its conversion from an income fund structure to a corporation ("Conversion"). Following the Arrangement, the unitholders of the Fund received one common share of the Corporation for each unit of the Fund held on the effective date of the Arrangement. Moreover, pursuant to the terms of the Conversion, the Corporation acquired the exchangeable units of Colabor LP held by Colabor Investments in exchange of common shares of the Corporation. Following the Conversion, the Corporation became indirectly the operating entity of the business of Colabor LP and its subsidiaries. The Fund's trustees and the officers of Colabor LP then in office became the directors and officers of the Corporation. The Corporation then carried on the activities that were carried on indirectly by the Fund before the Conversion to a corporate structure.

On November 2, 2009, Colabor announced it had completed an internal reorganization of its structure through which the Fund, Colabor Operating Trust and Bertrand Food Distributor Inc., a company acquired by Colabor LP on April 28, 2008, were liquidated, or amalgamated with Colabor. Pursuant to the reorganization, Colabor assumed all of the obligations and liabilities of such entities and became the sole limited partner of Colabor LP. This reorganization was intended to simplify the corporate structure of Colabor by removing entities no longer required as a result of its conversion from an income trust structure to a corporate structure.

The Corporation started its acquisitions in 2007, in particular with the acquisition of substantially all of the assets of Summit Food Service Distributors Inc., and with the acquisition, in 2008, of all of the outstanding shares of Gestion Bertrand & Frères Inc., an important independent distributor in Eastern Québec. In 2008, Colabor also purchased the assets of RTD Distributions Ltd., including its subsidiary Transport Paul-Émile Dubé Ltée, thus allowing the Corporation to better serve in Eastern Québec and in New Brunswick. In 2011, Colabor completed other acquisitions including the acquisition of all of the outstanding shares of Les Pêcheries Norref Québec Inc. ("Norref"), a leading importer and distributor of fresh fish and seafood products in the province of Québec and in the Ottawa region, the acquisition of the assets of Edfrex, a distributor affiliated with Colabor operating mainly in New Brunswick, as well as the acquisition of all of the outstanding shares of SKOR Food Group Inc. ("SKOR"), a vertically integrated full service wholesale food supplier to the foodservice and retail industries active in Ontario.

Between 2012 and 2014, the Corporation expanded its activities with the acquisition of the assets of a leading wholesaler and distributor of meat, Viandes Décarie Inc. ("Viandes Décarie"), the acquisition of substantially all of the assets of T. Lauzon Ltd. ("T. Lauzon") and certain inventory of a related entity to T. Lauzon, as well as the acquisition of substantially all of the assets of Poissonnerie Marcotte (1980) Inc. ("Marcotte Alimentation"), a distributor of food and non-food products based in Trois-Rivières, Québec.

Company history for the last three financial years

Year ended December 2017

On February 23, 2017, M. J. Michael Horgan was appointed as director of the Corporation to fill the vacancy created following the resignation of Mr. Gaétan Brunelle.

On April 30, 2017, in the context of implementing the plan to rationalize and optimize its operations put in place in 2016, the Corporation ceased its operations at its distribution center in Vaughan. The customers from Vaughan were reassigned to the other distribution centers of the Corporation in Mississauga, London or Ottawa, based on their location. Customers in Ontario are now served by these 3 distribution centers.

On June 10, 2017, following the retirement of Mr. Jack Battersby, president of Summit Food Service, Mr. Darrel J. Moss was appointed as Vice President, General Manager, Summit Division to take on the Ontario operations.

On October 18, 2017, Mr. Claude Gariépy, President and Chief Executive Officer of Colabor, informed the Board of his intention to retire and leave his position of President and Chief Executive Officer on March 2, 2018.

In October 2017, by mutual agreement between Colabor and Cara, the parties agreed that Colabor would cease supplying restaurants operating under the Montana's BBQ & Bar banner starting on April 1, 2018. The procurement of this banner represented annual sales of just over $30 million.

On November 8, 2017, Colabor received a notice of assessment of an amount of $6.5 million from the Ontario Ministry of Finance concerning the sales of tobacco products in the territory of the First Nations, mainly on sales that took place over a short period between 2013 and 2014 to a particular client and on which the Ontario Ministry of Finance considers that sales taxes should have been perceived and remitted. This assessment has been paid from the treasury of Colabor and will not have a major impact on the Corporation's ability to meet its financial obligations or its working capital. The Corporation filed a notice of objection against such assessment on December 21, 2017.

On November 13, 2017, Colabor announced that Stéphane Gonthier was leaving his positions, effective December 31, 2017, as director of the Corporation and Chairman of the Corporate Governance and Human Resources Committee. On November 15, 2017, Ms. Elaine Zakaïb informed the Corporation she had to resigned as director of the Corporation effective immediately.

On November 13, 2017, following a termination notice, Colabor stopped supplying the Popeyes Louisiana Kitchen (''Popeye'') chain. This contract represented more than $40 million in annual sales. (*See Management 's Discussion & Analysis for the exercise ended on June 17, 2017*, on section 8, which section is hereby incorporated by reference into this Annual Information Form. The document is available at SEDAR at www.sedar.com).

On December 13, 2017, Colabor increased the number of members of the Board of Directors to 8 members. The same day, the Corporation proceeded with the appointment of Mr. Raymond Paré, effective immediately, as the Fonds de solidarité FTQ's nominee, in replacement of Ms. Zakaïb. Mr. Denis Mathieu and Mr. Warren White were also appointed as director of the Corporation, effective January 1, 2018. Mr. Raymond Paré was appointed Chairman of the Audit Committee to replace Mr. Marc Baillargeon who was appointed Chairman of the Corporate Governance and Human Resources Committee.

Year ended December 2016

On January 26, 2016, Colabor announced a plan to rationalize and optimize its operations. The plan, approved by the Board of Directors, was intended, at that time, to further improve Colabor's operating efficiency and profitability despite difficult business conditions in the foodservice distribution industry, and to complete the integration of its acquisitions of recent years.

The plan encompasses most of Colabor's divisions and consists mainly of centralizing and consolidating certain operations at the head office of the Corporation or of its divisions. It entailed the elimination of approximately 120 jobs, or 8% of the Corporation's headcount. In addition to a reduction of current personnel, some vacant positions were eliminated.

On October 13, 2016, Colabor announced the closing of recapitalization transactions intended to reduce Colabor's indebtedness and enhance the Corporation's capital structure (the "Recapitalization Transactions").

Pursuant to the Recapitalization Transactions, which included a $50 million rights offering (the "Rights Offering") by the subscription of common shares in the share capital of the Corporation (the "Common Shares") as follow:

- shareholders of Colabor, other than the Standby Providers (as defined below), subscribed to 36,288,220 Common Shares for an aggregate amount of $24,305,901;
- Z-Holdings North ULC ("Z-Holdings"), an affiliate of The Article 6 Marital Trust created under the First Amended and Restated Jerry Zucker Revocable Trust dated 4-2-07 ("Zucker"), together with Zucker subscribed to 12,077,675 Common Shares for an aggregate amount of $8,092,042;

- Robraye Management Ltd. ("Robraye"), an affiliate of Robert J. Briscoe, together with Mr. Briscoe subscribed to 8,021,527 Common Shares for an aggregate amount of $5,374,423;

- Fonds de solidarité FTQ ("FSTQ") subscribed to 5,864,225 Common Shares for an aggregate amount of $3,929,030.75;

- Investissement Québec ("IQ") subscribed to 5,864,225 Common Shares for an aggregate amount of $3,929,030.75; and

- CDPQ (together with Z-Holdings, Robraye, FSTQ and IQ, the "Standby Providers") subscribed to 6,510,994 Common Shares for an aggregate amount of $4,362,366.

Of the proceeds from the Rights Offering, (i) $17.5 million were used to reduce the Corporation's secured subordinated loan (the "Subordinated Loan") with a complete repayment of amounts owed thereunder to Avrio Subordinated Debt Limited Partnership and BDC Capital Inc. (with FSTQ remaining as sole lender), (ii) approximately $30 million were used to pay amounts outstanding under the current senior credit facilities (the "Credit Facilities"), and (iii) the remaining approximately $2.5 million were used to pay transaction costs and other general corporate purposes. In addition, the term of the Credit Facilities has been extended until October 13, 2019 and certain other amendments thereof have been made. FSTQ has agreed to extend the maturity of the Subordinated Loan until October 13, 2020 and to reduce the interest rate under the Subordinated Loan at 7.5% per annum (subject to potential subsequent upward and downward adjustments). The Credit Facilities consist of a committed revolving credit facility for a maximum authorized amount of $140 million and borrowing thereunder may be drawn, prepaid and re-borrowed until maturity. The Credit Facilities are repayable in full upon maturity.

In addition, Colabor paid an amount of $500,000 to Robraye as of October 13, 2016 in consideration of the option to purchase Dubé & Loiselle Inc. ("Dubé Loiselle") within three years.

Debentures have been issued under a trust indenture of April 27, 2010 (the "indenture"), as amended by a supplemental trust indenture dated as of October 13, 2016 (the "Supplemental Indenture") with Computershare Trust Company of Canada (the "Debenture Trustee"). The Debentures were issued on April 27, 2010, in denominations of $ 1,000 and integral multiples thereof for a total aggregate amount of $50,000,000.

As part of the Recapitalization Transactions, nomination rights were granted by Colabor to the Standby Providers:

- CDPQ has the right to propose for election as director one candidate as long as it holds at least 5% of the issued Common Shares whose appointee must be an eligible director pursuant to the CBCA and deemed "independent" within the meaning of *Regulation 52-110 respecting Audit Committees* ("Regulation 52-110").

- Mr. Briscoe has the right to propose for election as director one candidate while he holds at least 5% of the issued Common Shares whose appointee must be an eligible director pursuant to the CBCA.

- FSTQ has the right to propose for election as director one candidate while it holds at least 7.5% of the issued Common Shares whose appointee must be an eligible director pursuant to the CBCA and deemed "independent" within the meaning of Regulation 52-110.

- IQ has the right to propose for election as director one candidate while it holds at least 7.5% of the issued Common Shares whose appointee must be an eligible director pursuant to the CBCA and deemed "independent" within the meaning of Regulation 52-110.

- Zucker has the right to propose for election as director one candidate while it holds at least 7.5% of the issued Common Shares whose appointee must be an eligible director pursuant to the CBCA and deemed "independent" within the meaning of Regulation 52-110.

On October 13, 2016 Messrs. Gaétan Brunelle, Robert Panet-Raymond, Richard Lord and Alain Brisebois have resigned as directors of the Corporation. Mr. Robert Cloutier remained as a member of the Board of Directors, as IQ nominee and was appointed Chairman of the Board. Mr. Robert J. Briscoe, who joined the Board of Directors on July 13, 2016, was appointed as Executive Vice-Chairman and remained as a member of the Board of Directors, as Robraye's nominee. Marc Baillargeon was appointed as a member of the Board of Directors, as CDPQ's nominee. Élaine Zakaïb was appointed as a member of the Board of Directors, as FSTQ's nominee. Robert B. Johnston was appointed as a member of the Board of Directors, as Zucker's nominee. Mr. Stéphane Gonthier remained as a member of the Board of Directors.

Year ended December 2015

On January 16, 2015, Colabor announced that Mr. Paul Webb had resigned as member of the Board of Directors and was appointed as Vice-President and General Manager of Colabor Food Distributor as of January 12, 2015.

On March 2, 2015, Ms. Joane Demers was appointed as director to fill the vacancy created following the passing of Mr. Jacques Landreville. At the same time, Mr. Robert Cloutier, who was first elected to the Board of Directors on May 1, 2014, became Chairman of the Corporate Governance and Human Resources Committee to replace Mr. Richard Lord who was appointed Chairman of the Audit Committee. Ms. Demers did not seek re-election at the annual meeting of shareholders of the Corporation held on June 14, 2016.

On March 11, 2015, Mr. Gaétan Brunelle was appointed as a director to fill the vacancy created by the resignation of Mr. Paul Webb. Mr. Brunelle resigned from the Board of Directors on October 13, 2016.

On March 19, 2015, Colabor announced that it had entered into a shareholder rights plan agreement (the “Shareholders Right Plan”) to encourage a fair treatment of shareholders, should a take-over bid be made for Colabor. The Shareholder Rights Plan provides the Board of Directors and the shareholders, more time to consider any unsolicited take-over bid for Colabor.

The Shareholder Rights Plan was approved by the Toronto Stock Exchange on March 11, 2015 and was ratified by the shareholders at the annual and special meeting of shareholders of Colabor held on April 29, 2015. The Shareholder Rights Plan was not adopted in response to any specific proposal or intention to acquire control of Colabor.

On June 28, 2015, the long-term supplying agreement (the ‘’Cara Agreement’’) with Cara Operations (‘’Cara’’) was signed, agreement under which Colabor supplies some of the Cara banners in Ontario and Québec until the end of 2022.

RECENT DEVELOPMENTS SUBSEQUENT TO YEAR ENDED DECEMBER 2017

On January 12, 2018, Colabor announced the reduction of its outstanding shares by 934,900 common shares that the Corporation held in its own capital share, following the liquidation of a placement of 5,087,439 common shares owned by Colabor Investments in the Corporation. Following Colabor Investments’ decision to its dissolution, such placement was liquidated and distributed to the shareholders of Colabor Investments in proportion of the category E and category F shares they held in Colabor Investments. Since the Corporation was a shareholder of Colabor Investments, it received its proportionate allocation of the shares, being 934,900 shares, which were automatically cancelled since the Corporation cannot hold its own shares as provided for in its constitutive law.

On February 5, 2018, Colabor announced the appointment of Mr. Lionel Ettedgui as the new President and Chief Executive Officer of the Corporation to succeed to Mr. Gariépy who is retiring, as already announced, on March 2, 2018.

BUSINESS OF COLABOR

Colabor is a wholesaler and distributor of food and non-food products and carries out its activities through two segments: the distribution segment and the wholesale segment as more fully described below.

Distribution Segment

The distribution segment includes the following divisions:

Summit Food Service (Ontario Division)

The Summit division distributes more than 14,000 products from its warehouses in Ottawa, London and Mississauga to more than 3,600 customers, including (i) Cara (ii) other foodservice chains; (iii) independent restaurants; as well as (iv) institutions, including hospitals, schools and government institutions. Summit’s product line includes frozen products, dry staples, dairy products, meat, seafood, fruits and vegetables and disposable and sanitation products. Since the closure of the warehouse in Vaughan on April 30, 2017, this division has approximatively 475 employees and 3 distribution centers including London administrative department, which primarily serves the Ontario market, but also distributes products to Cara restaurants in Québec. Summit facilities are HACCP certified.

Skor Cash & Carry

Summit also operates four “Skor Cash & Carry” locations in southern Ontario, which offer over 10,000 retail and foodservice products to convenience stores, small grocery stores, cafeterias and restaurants.

Colabor Food Distributor (East of Quebec)

Colabor Food Distributor is servicing foodservice and retail customers in the Québec City, Mauricie, Saguenay, Lower Saint-Lawrence, Gaspésie, New Brunswick regions and part of the North Shore and the Lower North Shore regions. It employs approximately 430 people, distributes over 12,000 products from its warehouses located in Lévis and Rimouski. This division's customers consist primarily of foodservice operators, specialty food stores, institutional accounts such as healthcare institutions, schools and universities, certain other retail customers, in all reaching approximately 4,600 customers. Colabor Food Distributor offers a complete range of products including frozen products, dry staples, dairy products, meat, seafood, fruits and vegetables and disposable and sanitation products, therefore, a multi-service solution to its clients.

Les Pêcheries Norref Québec Inc. (Norref) (Central Québec Division)

Norref is a fresh fish and seafood products importer and distributor in the province of Québec and in the Ottawa region, and is recognized as the leading importer and distributor of this type in the province of Québec. Norref operates from a 40,000sq. ft. warehouse in Montréal where it employs approximately 180 people, and distributes a full range of fresh and frozen fish products. Its diversified client base is comprised of supermarkets, restaurants, hotels, caterers and fish stores. Norref's facilities are HACCP certified and federally approved to distribute its products nationally.

Lauzon Meats

Lauzon Meats prepares and processes high quality meats for the provinces of Québec and Ontario and is a leading distributor of high profile beef brands such as Angus Pride and Sterling Silver. Lauzon Meats is renowned, among other things, for its products, its expertise and for its efficient and flexible service in the catering, hospitality industry and institutional sectors. Lauzon Meats operates from its 68,000sq. ft. federally approved HACCP certified plant in Montréal, Québec. This division employs approximately 105 employees.

Wholesale Segment

The wholesale segment includes the following divisions:

Boucherville Distribution Centre (Boucherville)

Sales of the Boucherville Distribution Centre consist of food, food-related and non-food products that it purchases and supplies to wholesale distributors that, in turn, distribute these products to over 25,000 customers operating in the retail or foodservice market segments in Québec and the Atlantic provinces.

The Boucherville Distribution Centre operates from its 371,000sq. ft. distribution center and employs approximately 85 employees. The Boucherville Distribution Centre distributes approximately 15,000 products sourced from 550 suppliers and manufacturers to wholesale distributors, integrated retail chains and food exporters in Ontario, Québec, in the Atlantic Provinces and in Northern Québec. Since the vast majority of these customers maintain a transportation fleet to service their own customers, the wholesale segment does not offer delivery services itself and, consequently, does not maintain its own fleet of trucks.

Viandes Décarie (Décarie)

Décarie is a wholesaler and distributor in the meat market. It has a distribution center of about 27,000 sq. ft. located in Montréal and employs approximately 50 employees. As a wholesaler, it distributes a wide range of fresh and frozen meat including beef, veal, lamb, pork and poultry. It has a diversified customer base of foodservice distributors, food retailers and speciality butchers. Décarie's facilities are HACCP certified and federally approved.

Suppliers

Colabor purchases products for resale to its customers from approximately 600 manufacturers and suppliers mostly located in Canada. No single supplier accounts for more than 10% of Colabor's purchases. Brand name products are purchased directly from the manufacturer or supplier, through the manufacturer's or supplier's representatives or through food brokers. "Multi-Choice" and "Menu" label products are purchased from producers, manufacturers or packers who are licensed by Colabor. Colabor purchases products in large volume and resells them in the smaller quantities as required by its customers.

Substantially all categories of products distributed by Colabor are available from a variety of manufacturers and suppliers and Colabor is not dependent on any single source of supply for any specific category. However, market conditions or client requirements dictate that certain nationally prominent brands, available from single suppliers, be available for distribution.

Purchasing Alliances

To increase its purchasing power, Colabor LP is a member shareholder of a Canada-wide buying group called ITWAL Ltd. (“ITWAL”). Following the Summit Acquisition, Colabor LP became a member of the Associated Food Distributors (“AFD”) buying group for the foodservice industry. AFD and ITWAL combine their purchasing power through a single entity name National Brand Marketing Company procuring to Colabor a competitive purchasing power in the market.

Facilities

Colabor LP occupies, under a long-term lease agreement, its Boucherville facility offering approximately 370,000 sq. ft. of warehousing capacity. The design of this facility would allow for an increase of its warehousing capacity from its current capacity to approximately 650,000 sq. ft., thereby facilitating future expansion plans.

Colabor LP, for its Summit Division, is also the tenant of facilities located in Ottawa (Ontario), Mississauga (Ontario) and London (Ontario) under lease agreements for terms varying from 5 to 10 years and each lease may be extended, subject to customary conditions, for further successive and consecutive terms of five years, upon the same terms and conditions, save and except for the basic rent. In addition, locations are currently operated as “Skor Cash & Carry” store in Peterborough, London and two stores located in Toronto, Ontario. Colabor recently closed its distribution center in Vaughan on April 30, 2017.

Colabor maintains distribution centers in Lévis and Rimouski. The Lévis distribution center, offering 170,000sq. ft. of warehousing capacity, is equipped with modern equipment for receiving, storing and shipping large quantities of merchandise. The design of the Lévis distribution center allows for 100,000sq. ft. increase of its warehousing capacity, thereby facilitating further expansion. The Rimouski distribution center offers a 110,000sq. ft. of warehousing capacity.

Norref and Viandes Décarie both occupy facilities in Montréal, Québec of approximately 40,000sq. ft. and 27,000sq. ft. respectively, under the terms of long-term leases which were executed at the time of the completion of those respective acquisitions by Colabor. Following the acquisition of the assets of T. Lauzon, Colabor now occupies a 68,000sq.ft. facility in Montréal pursuant to a 10-year lease, with options to extend this term.

Food Safety and Quality Control

Colabor, as part of its quality control program, recognizes that food safety, particularly in perishable products, is of the utmost importance. Colabor maintains strict policies in the way it sources, handles and stores food to ensure that food quality and safety are not compromised as well as to ensure the traceability of products delivered to its customers, allowing Colabor to assist manufacturers and suppliers in the event of a product recall. The three distribution centers in Ontario as well as the Norref, Décarie and Lauzon facilities are HACCP certified.

Competition

Food distribution and marketing is highly competitive with participants of varying sizes. In the foodservice market, competition comes from large international corporations such as Sysco Corporation and Gordon Food Service (GFS Canada Company Inc.), and other regional players in Québec and Ontario.

In the distribution to the retail market, Colabor faces competition from local distributors, from national vertically-integrated distributors and wholesale stores such as Costco or Presto. While the number of competitors and the degree of competition varies by product and region, many of the competitors of Colabor are present throughout the territory currently served by Colabor.

As Colabor expands into other geographic markets or continues to expand its product offering, it expects to face new competitors.

Management believes that the principal key success factors in the food distribution business include service, price, breadth of products offered, distribution service level, private label products offered and efficiency of inventory management system.

Information Technology

Colabor has order management systems which allow customers to place and confirm orders 24 hours a day, seven days a week. The order management systems provide information such as product availability and order status, monitor inventories and handle the distribution of food products. Colabor’s order management systems provide buying departments with extensive data to measure the movement and profitability of each inventory item, forecast seasonal trends, and recommend the terms of purchases, including the level of inventory to be purchased. The order management systems also allow Colabor’s buying department to take advantage of price increases or situations where a manufacturer or supplier is selling an item at a discount pursuant to a special promotion, an industry practice known as “forward buying”. These systems, which operate in conjunction with the warehouse management systems, feature full electronic data interchange capabilities and accounting interfaces. Colabor strives to continually improve its information technology systems to better serve its needs and those of its customers and to ensure efficient cost management.

Intellectual Property Rights

Colabor is not dependent upon any single trademark or trade name, although some trademarks on private label products are important to its business. As a result, Colabor recognizes the importance of its corporate and brand trademarks and the need to protect and enhance their value. It is a practice of Colabor to register or otherwise protect its trademarks. Colabor has also developed non-public proprietary information regarding its business and uses internal procedures and safeguards to protect the confidentiality of such information as well as the information provided by its clients and suppliers.

Employees

As of December 30, 2017, Colabor had 1,368 full-time employees of which 677 were unionized and 691 were non-unionized. Colabor and the entities of its group are party to 12 collective agreements expiring between December 2016 and December 2021, two of which are currently under discussion for their renewal. In particular, the collective agreement with its unionized employees at the Boucherville site, is still under negotiation. This collective agreement ended on December 31, 2017. The employees of Décarie had initiated and recently obtained their union accreditation in February 2017. Negotiation for a first collective agreement with these employees are still on-going. None of Colabor entities has a history of labour unrest, and Colabor believes that its relationship with its employees is very good.

RISK FACTORS

Dependence on Cara

For the financial year ended December 30, 2017, sales to Cara (including franchisees of Cara) represented approximately 20% of Colabor’s sales. The loss of Cara as customer, a decrease in purchase by Cara or a decrease in Cara’s market share in the foodservice industry could have a material and adverse effect on Colabor’s financial condition, results of operations and liquidity. This risk has been mitigated by the renewal of Cara’s distribution agreement, as amended on December 22, 2017, until the end of 2022. Management is aware of the importance of the Cara deal and is working to mitigate this dependence.

Competition

Food distribution and marketing is highly competitive. Colabor competes with other foodservice distributors and distribution divisions of retail grocery chains. Some of these competitors have more significant operations within the marketplace, are well established suppliers to the markets that Colabor serves. Consolidation in the industry, the presence of international foodservice distributors and mass merchandisers and heightened competition could create competitive pressures that reduce margins and adversely affect Colabor.

Low Margin Business

The foodservice distribution industry in which Colabor mainly operates is characterized by low profit margins. As a result, Colabor’s results of operations are sensitive to, and may be materially adversely impacted by, among other things, competitive pricing pressures, modification to suppliers selling programs, increased interest rates, inflation with respect to wages and energy costs, and deflation in food prices. There can be no assurance that one or more of such factors will not have a material adverse effect on Colabor’s results of operations.

Consumer Consumption Preference

Colabor’s business is dependent, in part, upon continued growth in consumer interest in the products it distributes. Notwithstanding the attributes of the products distributed by Colabor, changes in consumer preferences may affect demand for Colabor’s products. Therefore, Colabor continues to expand its product line to minimize the impact that any significant change in consumer consumption preference may have.

Availability of Future Financing

Colabor’s principal sources of funds are cash generated from its operating activities and borrowing capacity remaining under the Amended and Restated Credit Agreement or the Loan Agreement and/or from future securities offerings. Colabor may require additional equity or debt financing to meet its financing requirements. This could prevent it from concluding business acquisitions, or delay capital investments. This financing may not be available when required or may not be available on commercially favourable terms or on terms that are otherwise satisfactory to Colabor. Limited availability of financing may affect the Corporation in many different ways. Lack of financing may affect Colabor's ability to pursue its growth objectives, which could adversely affect its financial condition and results of operations.

Credit Facilities and Restrictive Covenants

Colabor has third party debt service obligations under the Amended and Restated Credit Agreement and the Loan Agreement. Colabor's fixed charge coverage ratio could have important consequences for the shareholders, including: (i) a portion of Colabor's cash flow from operations may be dedicated to the payment of the principal and of the interest on its indebtedness, thereby reducing funds available for distribution as dividend; (ii) certain of Colabor's borrowings are at variable rates of interest, which exposes Colabor to the risk of increased interest rates. Colabor's ability to make as planned payments of principal and interest on, or to refinance, its indebtedness depends on its future operating performance and cash flow, which are subject to prevailing economic conditions, prevailing interest rate levels, and financial, competitive, business and other factors, many of which are beyond its control.

The Amended and Restated Credit Agreement, which has extended until October 13, 2019, modifies the term of these credit facilities. The balance outstanding on the Subordinated Loan must be repaid in October 2020. Colabor may need to refinance these credit facilities at the expiration of the term of the Amended and Restated Credit Agreement or of the Loan Agreement. in the event of a refinancing, the terms of any new credit facilities may be less favourable or more restrictive than the current terms of financing which may indirectly limit or negatively impact the future ability of Colabor to pay dividends to shareholders.

Insufficiency or Unavailability of Insurance Coverage

Colabor maintains property, general liability and business interruption insurance and directors and officer's liability insurance. This insurance may not remain available at commercially reasonable rates, and the amount of its coverage may not be adequate to cover any liability Colabor incurs. Future increases in insurance costs, coupled with the increase in deductibles, may result in higher operating costs for Colabor. In addition, uninsured losses could adversely affect Colabor's financial condition and results of operations. In order to minimize the risks associated with insurance coverage, the Corporation reviews its strategy annually and considers various options to obtain the most efficient insurance coverage possible.

Reliance on Purchasing Alliances

Colabor relies on buying groups to increase its purchasing power and secure competitive volume rebates from manufacturers and suppliers. Any modifications to the relationship between Colabor and buying groups could affect his purchasing power.

Management Information Systems

Colabor depends on its management information systems in each stage of the sale of its products, including entering the customer's order, determining availability of products, arranging the optimal delivery times and providing after sales service. In addition, its management information systems constitute the basis of its financial reporting. Any security incident related to its management information systems, including cyber attack, could affect the availability and integrity of these systems or could have a negative impact on its activities, confidential documents, intellectual property, results of operations and the financial position of the Corporation.

Adverse Publicity and Product Liability

The production, marketing and distribution of food products entails an inherent risk of product liability, product recall and resultant adverse publicity. Colabor could have to deal with product recalls due to sanitation issues encountered by certain of its manufacturers. Such recalls can trigger a decrease in sales of certain types of products for a period of time and cause a drop in sales figures. However, Colabor has, at the present time, the necessary mechanisms in place to quickly trace contaminated products and maintains the necessary insurance coverage with respect to these risks. Furthermore, to mitigate these risks, we apply food safety procedures and controls to all of our activities. Our main meat and fish distribution centers are Hazard and Critical Control Point (HACCP), the world highest global standard in the industry.

Adverse Change in Labour Relations

As of December 30, 2017, Colabor's entities have 1,368 full-time employees, of which 677 are governed by collective agreements, two of which are currently under negotiation for their renewal. The negotiation of future collective agreements could divert management's attention, and the terms of those agreements may result in increased operating expenses and reduced net earnings.

If the direction fails to negotiate acceptable terms when renewing agreements with unions, this could result in strikes or work stoppages, resulting in disruption of the Corporation's operations, cost increases or other significant adverse effects.

Geographic Concentration and Dependence on Economic Conditions

Although conducted in the Provinces of Québec, Ontario and the Maritimes, the business of Colabor is concentrated in the Provinces of Québec and Ontario and, accordingly, Colabor is highly dependent on the general economic environment of these provinces. There can be no assurance that future economic conditions in the Provinces of Québec and Ontario or other economic conditions, cyclical trends, increases in interest rates and other factors will not adversely affect Colabor's results of operations or financial condition.

Reliance on Key Personnel

Colabor continued success substantially depends on the continued services of various members of its senior management. The loss of the services of one or more of these key individuals could have a material adverse effect on Colabor's operations and business prospects if the Corporation is not able to replace them.

Legal and Regulatory Requirements

Colabor makes every effort to comply with all laws and regulations, and is not immune from litigation with third parties that could affect its financial position in the event such litigation is not covered by the insurance program maintained by the Corporation.

Dilution of Existing Shareholders

The share capital of Colabor provides that the Corporation may issue an unlimited number of common and preferred shares for consideration, subject to applicable laws and on those terms and conditions as shall be established by the directors without the approval of the shareholders. Shareholders have no pre-emptive rights in connection with such further issues. Additional common shares may be issued by Colabor in connection with the Conversion, maturity or redemption of the Debentures.

DIVIDENDS AND DISTRIBUTIONS

Dividend Policy

Decision to pay dividends on the common shares are made by the Board of Directors on the basis of Colabor's earnings, financial requirements and other conditions existing at such future time. The payment of dividends will also be subject to the requirements of the CBCA, including satisfying the dividend solvency tests applicable to CBCA corporations as well as to those existing under the credit facilities of Colabor.

On March 12, 2015, Colabor announced that, in order to deploy more financial resources in carrying out its operations and growth initiatives while using excess funds to repay debt, the Board of Directors has deemed appropriate not to declare a quarterly dividend. The Corporation has not declared a dividend since then and does not expect to declare dividends in the near future.

DESCRIPTION OF CAPITAL STRUCTURE

Description of Capital Structure

The Corporation's authorized share capital consists of an unlimited number of common shares and an unlimited number of preferred shares, issuable in series, all without par value. The following text summarily describes the rights, privileges, restrictions and conditions attached to the common shares and the preferred shares of Colabor.

The holders of common shares of Colabor are entitled to receive the dividends, as and when declared by the Board of Directors, and to cast one vote in respect of each common share held at any meeting of the shareholders and, upon any liquidation, dissolution or winding-up of the Corporation, whether voluntary or involuntary, to participate in the distribution of assets of the Corporation, subject to the rights and conditions attaching to the preferred shares of Colabor.

The holders of preferred shares of Colabor are entitled to receive, in priority to the holders of common shares, as and when declared by the Board of Directors, dividends in the amounts specified or determinable in accordance with the rights, privileges, restrictions and conditions attaching to the series of which such preferred shares form part. Upon any of the liquidation, dissolution or winding-up of the Corporation, whether voluntary or involuntary, before any amount shall be paid to or any assets distributed among the holders of common shares and shares of any other class of the Corporation ranking subordinate to the preferred shares, the holders of the preferred shares shall be entitled to receive with respect to the shares of each series thereof all amounts which may be provided in the articles of the Corporation and the conditions attaching to the series of which such preferred shares form part, to be payable thereon in respect of return of capital, premium and accumulated dividends remaining unpaid, including all cumulative dividends, whether or not declared. Subject to applicable law, the holders of preferred shares of Colabor shall not be entitled to vote at any meeting of the shareholders, provided that at any meeting of the shareholders at which, notwithstanding the foregoing, the holders of the preferred shares are required or entitled by law to vote separately as a class or series, each holder of the preferred shares of any series thereof shall be entitled to cast, in respect of each such preferred share held, one vote per each such preferred share. The Board of Directors may fix, from time to time, the number of each series of preferred shares of Colabor and to establish the designation, rights, privileges, restrictions and the conditions attached thereto.

As of February 22, 2018, there were 101,177,932 common shares issued and outstanding of Colabor and one Series A preferred share issued and outstanding, said preferred share was issued to Colabor LP in the context of the internal reorganization completed in November 2009, following the Conversion of the Fund to a corporation.

Convertible Debentures

The Debentures are issued under a trust indenture of April 27, 2010, as amended by a supplemental trust indenture dated as of October 13, 2016 with Computershare Trust Company of Canada. The Debentures were issued on April 27, 2010, in denominations of $ 1,000 and integral multiples thereof for a total aggregate amount of $50,000,000 as of the date hereof. However, the Corporation may from time to time, without consent of the outstanding Debentures holders of the Corporation, issue other debentures in addition to the Debentures.

The Supplemental Indenture amended the maturity date of the Debentures from April 30, 2017 to October 13, 2021 (the "Debentures Maturity Date"), increased their interest rate from 5,70% to 6,00% (from October 31, 2016) and reduced the conversion price from $ 16.85 to $2.50 per Common Share (the "Conversion Price"), a ratio of approximately 400 common shares for an amount of $ 1,000 of Debentures.

The interest on the Debentures is payable semi-annually on April 30 and on October 31 of each year in lawful money of Canada or, at the option of Colabor and subject to applicable regulatory approval, by the issuance of common shares of Colabor. The principal on the Debentures is payable in lawful money of Canada or, at the option of the Corporation and subject to applicable regulatory approval, by delivery of common shares to satisfy in whole or in part its obligation to repay principal under the Debentures. The Debentures may be converted at the option of the holder into fully paid shares, freely negotiable and non-assessable shares at any time prior to the close of business on the Debentures Maturity Date or, if earlier, on the last day immediately preceding the date set for the redemption of the Debentures. No adjustment will be made to the dividends on the common shares that will be issued upon conversion or to the interest, if any, accrued on the Debentures surrendered for conversion purposes. Holders converting their Debentures will receive, if applicable, accrued and unpaid interest thereon. Holders converting their Debentures become Colabor shareholders on the business day immediately following the conversion date. Notwithstanding the foregoing, no Debenture may be converted during the five business days preceding April 30 and October 31 of each year, beginning on October 31, 2010, as the Debenture Trustee's records will be closed during such periods.

As of April 30, 2016, and prior to the maturity date of the Debentures, the Debentures may be redeemed by the Corporation, in whole or in part from time to time, at the redemption price equal to their principal amount plus accrued interest and unpaid, upon notice of not more than 60 days and not less than 30 days.

The Corporation may, in its discretion give notice of not more than 60 days and not less than 40 days and, subject to the approval of the applicable regulatory authorities, except in certain circumstances, elect to fulfill its obligation redeem, in whole or in part, the capital of the Debentures that are redeemed or matured by issuing and delivering freely tradable common shares to the debentures holders. The payment will then be settled by delivering a number of freely tradeable common shares equal to the quotient obtained from the capitalization of the debentures by 95% of the market price on the date set for redemption or maturity, depending on the case. The accrued and unpaid interest will be paid in cash. For the purposes of the Trust Indenture, the "Current Price" means, on a given date, the volume weighted average trading price of the Common Shares on the TSX for the period of 20 consecutive sitting days ending five days session before the applicable date.

Neither the trust indenture nor the supplementary Trust Indenture prevent the Company from incurring additional indebtedness, or from mortgaging, pledging or encumbering its property to secure a debt.

(For more information, see *trust indenture as amended by the Supplemental Indenture* copies of which were filed with the Canadian securities authorities, and a summary of some of their clauses is available at SEDAR at www.sedar.com.)

MARKET FOR SECURITIES

Colabor's common shares and debentures are listed on the Toronto Stock Exchange under the symbols "GCL" and "GCL.DB.A", respectively.

The following tables show the range of high and low prices as at the close of market of the common shares of Colabor and the debentures and total monthly volumes of trades thereof on the Toronto Stock Exchange during the year ended December 30, 2017.

Common Shares

Month	High	Low	Volume
January 2017	$1.52	$1.30	2,809,059
February 2017	$1.48	$1.40	8,980,208
March 2017	$1.28	$1.07	4.365,586
April 2017	$1.22	$0.96	1,881,189
May 2017	$1.08	$0.85	3,803,828
June 2017	$0.97	$0.77	2,898,314
July 2017	$0.95	$0.82	2,340,447
August 2017	$0.96	$0.83	1,289,080
September 2017	$0.96	$0.86	802,564
October 2017	$0.95	$0.66	5,223,116
November 2017	$0.79	$0.73	2,453,618
December 2017	$0.82	$0.72	2,628,636

Debentures

Month	High	Low	Total Volume ($) (Debentures)
January 2017	$100.00	$97.00	708,000
February 2017	$100.41	$100.00	1,463,000
March 2017	$100.02	$98.99	950,000
April 2017	$100.50	$91.06	1,266,000
May 2017	$98.00	$93.00	636,600
June 2017	$96.00	$90.00	787,000
July 2017	$96.01	$92.50	490,000
August 2017	$95.00	$92.79	943,000
September 2017	$95.00	$93.02	1,175,900
October 2017	$95.00	$90.50	1,344,000
November 2017	$92.00	$86.75	1,046,320
December 2017	$90.01	$86.25	470,000

DIRECTORS AND MANAGEMENT

Directors

As of February 22, 2018, the Board of Directors is comprised of eight directors. The Board is composed of a majority of "unrelated" (within the meaning of the corporate governance policies of the Toronto Stock Exchange) and "independent" (within the meaning of applicable securities laws) directors. The directors will hold office until the next annual meeting of the Corporation or until their successors are duly appointed or elected. The directors, their place of residence, their position and principal occupations, and the number of securities beneficially owned by them are set out below:

Name and Residence	Position and Period	Principal Occupation	Number of Common Shares [8]
Marc Baillargeon Montréal (Québec) Canada	Director Since October 2016[2]	Consultant	20,000
Robert J. Briscoe Westmount (Québec) Canada	Director[2] Since July 2016[3]	President, Robraye Management Ltd. Owner, Dubé Loiselle (foodservice distribution company)	10,400,527 [4]
Robert Cloutier Sainte-Adèle (Québec) Canada	Director Since May 2014 Chairman of the Board[1] Since October 2016	Corporate director	64,042
Robert B. Johnston Isle of Palms (South Carolina) United States of America	Director[2] Since October 2016	Executive Vice President and Chief Strategy Officer, The InterTech Group, Inc. (holding company)	40,000[9]
J. Michael Horgan Toronto (Ontario) Canada	Director[1] Since February 2017	Corporate director	5,000
Raymond Paré Blainville (Québec) Canada	Director[1][5] Since December 2017[6]	Co-president, shareholder and advisor	-
Denis Mathieu Longueuil (Québec) Canada	Director[2] Since January 2018[7]	President and Chief Executive Officer of Novexco Inc.	24,000
Warren White Dollard-des-Ormeaux (Québec) Canada	Director[1] Since January 2018[7]	Corporate director	-

(1) Member of the Audit Committee.
(2) Member of the Corporate Governance and Human Resources Committee.
(3) Executive Vice Chairman of the Board of Directors since July 2016.
(4) Includes beneficial ownership of 8,103,813 Common Shares owned by Robraye Management Ltd.
(5) Chairman of the Audit Committee.
(6) Mr. Paré joined the Board of Directors on December 13, 2017, replacing Ms. Elaine Zakaïb.
(7) Mr. Mathieu and Mr. White joined the Board of Directors on January 1st,2018.
(8) As of December 30, 2017.
(9) M. Johnston holds $141,000 of Debentures.

Biographies

The following are brief profiles of the directors:

Marc Baillargeon, is a consultant, specializing in business strategy and restructuring. He held a number of senior positions notably President & Chief Executive Officer of Ratiopharm Canada, Siegfried Canada and Nutri Health Supplements; Executive Vice-President and Chief Financial Officer of Technilab Pharma; Vice President Systems & Logistics of UAP Inc.; and General Manager, and before that Chief Financial Officer of C Corp Inc. Mr. Baillargeon has helped and sat on the board of directors of various organizations among which Wooky Entertainment and Bands in Town LLC. His expertise covers general management, business strategy, finance, procurement, production, IT, project management and R&D. He holds an MBA from McGill University and a BAA from Laval University.

Robert Briscoe, acts as executive vice-Chairman of the Board of Directors. He is President of Robraye Management Ltd. He owns Dubé Loiselle, a foodservice distribution company. President of Macco Organiques Inc., he is also Chairman of the Board of IEC Holden Inc. Mr. Briscoe has many years of experience as an investor in business opportunities and as an operator in several businesses. Mr. Briscoe holds an MBA Degree as well as a Bachelor's Degree in Science (Chemistry) from Concordia University (previously Sir George William University).

Robert Cloutier, is currently a corporate director and acts as Chairman of the Board of Directors. He has obtained many years of experience as a member of upper management of various corporations in the food industry, including M. Loeb, Oshawa Group, Métro Inc. and finally, A. de la Chevrotière Ltée as a major shareholder and President-Chief Executive Officer. He has acted as a member of numerous boards of directors, including as President of the Fédération des chambres de commerce du Québec, as a member of the board of directors of the Conseil canadien de la distribution alimentaire and of Investissement Québec, and as a director and executive member of the University of Québec in Montréal. He currently sits on the board of directors of Novexco Inc. and Groupe Piscine Trévi. He is also President of Corporation Management and Human Resources Committee of Novexco Inc. Mr. Cloutier holds a bachelor's degree of the University of Sherbrooke and a diploma from McGill University in Corporate Governance Pratices for Public and Private Corporations. He also holds a diploma in administration from the American Management Association.

J. Michael Horgan, is a corporate director. From 2010 until 2013, Mr. Horgan was Chairman of Eurest Services Division for Compass Group Canada. Mr. Horgan also served as co-chief executive officer and president of the Hurley Group of Companies until 2010 and was responsible for corporate strategic planning, major accounts and acquisitions. Until 2016, Mr. Horgan was a managing partner for the National Service Alliance (NSA). Mr. Horgan served as director of the Building Service Contractors Association International ("BSCAI") from 1997 to 2000 and was a member of the executive committee of BSCAI between 2007 and 2011. He serves as a director of Varsity Facility Services and on the board of advisors for 4 M Facility Solutions. He is a recipient of the Sunnybrook Foundation's Rose Award for Outstanding Volunteer 2014. Mr. Horgan graduated from the University of Montréal, Loyola College, with an Honours Degree in History.

Robert Johnston, is Executive Vice President & Chief Strategy Officer of The InterTech Group, Inc. He previously served as Chief Executive Officer and Vice Chairman of The Hudson's Bay Company. Mr. Johnston is the Chairman of the Board of Directors of Supremex, Inc., and is a Director of Corning Natural Gas Holding Corporation, Circa Enterprises Inc., FIH Group PLC and Produce Investments PLC. In addition, Mr. Johnston also serves on the Board of Directors of the South Carolina Community Loan Fund and on the Advisory Board of the McGill University Executive Institute. Mr. Johnston holds an MBA Degree from the John Molson School of Business, a Master's Degree in Public Policy & Public Administration, as well as a Bachelor's Degree in Political Science from Concordia University and holds the ICD.D Designation from the Institute of Corporate Directors. He also completed the Oxford Advances Management and Leadership Program.

Raymond Paré. was Chief Financial Officer of the SAQ from November 2015 until August 2017 when he joined Sotramont Canada Inc. as co-president. Between 2003 and 2015, he held several executive positions at Alimentation Couche-Tard Inc., including the position of Vice President and Chief Financial Officer during his last years. Mr. Paré also acts as strategic advisor for Groupe SPI Inc., a distribution and consulting company in the field of health and safety. Mr. Paré has a bachelor's degree in Accounting from Université du Québec and a MBA in Financing, and is a member of the Ordre des comptables professionnels agréés du Québec.

Denis Mathieu, has a vast experience in the distribution sector. He is currently President and Chief Executive Officer of Novexco Inc., a Canadian leader in the distribution of office supplies and products. From 2007 to 2015, Mr. Mathieu worked for Uni-Select Inc. the largest distributor of auto parts in Canada, notably as Executive Vice President Corporate Services and Chief Financial Officer. He had previously held various management and executive positions with Transcontinental Inc. and the Laurentian Group Corporation. Denis Mathieu is a member of the Ordre des comptables professionnels agrées du Québec and holds a bachelor's degree in Business Administration from Université Laval and a MBA from Université de Sherbrooke.

Warren White, is a seasoned leader with an impressive track record in information technology. Mr. White served as Senior Vice President, Global Business Engineering at CGI from 2003 to 2012. He previously served as Vice President, Information Technology and Procurement for Alcan Aluminum, as well as Vice President, Strategic Planning and CIO for Dominion Textile. In addition, over the past decade, he has served on the boards of four publicly traded companies. Warren White is a member of the Ordre des comptables professionnels agréés du Québec and holds a bachelor's degree in Accountancy and a MBA from Concordia University, where he currently teaches Information Technology and Digital Strategy in the EMBA program.

Executive Officers of Colabor

The following table shows the name, place of residence and position of the executive officers as of February 22, 2018:

Name and Residence	Position(s)
Lionel Ettedgui Montréal (Québec)	President and Chief Executive Officer
Claude Gariépy Montréal (Québec)	President and Chief Executive Officer (exiting)
Jean-François Neault Candiac (Québec)	Senior Vice President and Chief Financial Officer
Marko Potvin Sainte-Julie (Québec)	Vice President, Central Procurement & Private Labels
Michel Delisle Notre-Dame-de-Grâce (Québec)	Vice President, Information Technology
Jean Boivert Mont-Saint-Hilaire (Québec)	Vice President, Human Resources and Communications
Darrell Moss Toronto (Ontario)	Vice President and General Manager, Ontario division

Biographies

The following are brief profiles of the Executive Officers:

Mr. Ettedgui President and Chief Executive Officer – Prior to joining Colabor as of February 5, 2018, Mr. Ettedgui served for more than 6 years as President and Chief Operating Officer of Saputo's bakery division, primarily Vachon cakes, making an impressive operational turnaround and restoring the profitability of this division. He also worked in Europe and Africa for many years in trade, operations management and business development. In 2005, he founded the company Kooll Desserts Inc in St-Hyacinthe where he built a manufacturing facility and started the production in less than a year. In 2008, Mr. Ettedgui sold Kooll Desserts to Liberté which still operates the facility in St-Hyacinthe. Mr. Ettedgui is also a director of the Foundation of the Hôpital du Sacré-Coeur de Montréal.

Claude Gariépy, President and Chief Executive Officer (exiting) – Prior to joining Colabor in January 2012, Mr. Gariépy had been Executive Vice-President and Chief Executive Officer of Familiprix since 2003. Familiprix is a corporation specialized in the distribution and sales of pharmaceutical and para pharmaceutical products for the retail market. Mr. Gariépy has held various senior management positions for important Canadian food chains, including Loblaws and Oshawa Group. Mr. Gariépy holds a bachelor in business administration from Laval University. In 2006, he received a Hermès Award granted by the Faculty of Business Administration of the Laval University in recognition of its career achievements.

Jean-François Neault, Senior Vice-President and Chief Financial Officer – Prior to joining Colabor in 2013, Mr. Neault held the position of Vice-President, Finance and Administration of Cascades Tissue Group since 2010. He had previously held the position of Vice-President, Financial Planning and Corporate Strategy at Atrium Innovations Inc., as well as other senior management positions with various entities of Cascades Inc. Mr. Neault holds an MBA from the University of Sherbrooke and a Bachelor of Accounting Sciences degree from the Université du Québec à Trois-Rivières.

Marko Potvin, Vice-President, Central Procurement & Private Labels – Mr. Potvin joined Colabor in 1993 as Director Purchasing and Merchandising, was Director of Operations from 1997 to 1998 and became Vice-President, Purchases in 1998. Mr. Potvin has more than 25 years of experience in the foodservice and retail industries. Prior to joining Colabor, Mr. Potvin was Director, Marketing with Steinberg from 1990 to 1992 and Chief Banner from 1989 to 1990. From 1981 to 1989, Mr. Potvin held various positions in purchasing and merchandizing with Aligro Inc.

Michel Delisle, Vice-President, Information Technology – Mr. Delisle joined Colabor in 1993 as responsible of information technology systems and was President of Gestion Informatique Colabor Inc. from 2000 to June 2005. As of closing of the initial public offering, Mr. Delisle joined Colabor as Vice-President – Information Technology. From 1986 to 1993, Mr. Delisle was employed by Mitech Computer Systems Inc., a software development company. Mr. Delisle holds a technical diploma in computer sciences from Cégep Ahuntsic.

Darrell Moss, Vice President, Summit Food Services (Ontario Division) – Prior to joining Colabor in 2016, Mr. Moss held the position of Vice-President of Sales at Sysco Canada Inc., another food products distributor. He had previously held positions in sales and business development at the same company. Mr. Moss holds a Business Administration and Management degree from the Toronto School of Business.

Jean Boisvert, Vice President, Human Ressources and Communications – Prior to joining Colabor in 2017, Mr. Boisvert was a business partner in multi sites, pan-Canadian and international support roles, and held similar positions with leading companies such as Camso Inc., Aliments Ultima Inc. and Kronos Worldwide Inc. He has expertise in labor relations, change management and organizational development and holds a Bachelor's degree in Industrial Relations from Laval University and a certificate in Health and Safety.

As at February 22, 2018, the directors and officers of Colabor, as a group, beneficially owned, directly or indirectly, or exercised control or direction over $187,000 of Debentures and over 11,006,963 common shares representing 10.88% of the issued and outstanding common shares of the Corporation.

Audit Committee

Charter of the Audit Committee

The Charter of the Audit Committee is set out in Schedule A to this Annual Information Form.

Composition of the Audit Committee

The Audit Committee is currently composed of four directors, namely Raymond Paré (Chairman), J. Michael Horgan, Warren White and Robert Cloutier.

At any time, each member of the Audit Committee is independent and financially literate as defined under *Regulation 52-110 respecting Audit Committees*.

Audit Fees

PricewaterhouseCoopers LLP ("PwC") is the independent external auditor of the Corporation.

For the financial years ended December 30, 2017 and for December 31, 2016, the professional fees billed by PwC to the Corporation are as follow:

	2016 ($)	2017 ($)
Audit fees	200,000	200,000
Audit-related fees	22,650	38,210
Tax fees	-	-
All other fees	258,487	55,000
Total	**481,137**	**293,210**

The Audit Committee has determined that PwC's provision of non-audit services was compatible with maintaining PwC's independence.

The nature of each category of fees is described below.

Audit Fees: Audit fees were paid for audit services.

Audit-related Fees: Audit-related fees were paid for assurance and related services that are reasonably related to the performance of the audit or review of the annual financial statements and are not reported under the audit fees item above. These services consisted primarily of accounting consultations and special audits in connection with strategic transactions.

All other Fees: Fees disclosed in the table above under the item "*All other fees*" were paid for products and services other than the audit fees and audit-related fees. These services consisted primarily of operational consulting support services and translation of the financial statements.

Pre-approval Policies and Procedures

The Audit Committee has adopted a policy that provides that the auditors may, in addition to audit services, also render other services provided, however, that all such services are pre-approved by the Audit Committee. The Vice-President and Chief Financial Officer may also engage the auditors of Colabor to perform non-audit services provided, however, that the Audit Committee is informed at a subsequent meeting.

Conflicts of Interests

Except as disclosed elsewhere herein, no director or officer of Colabor has any substantial interest, direct or indirect, in any material transaction since the commencement of the last financial year of Colabor.

LEGAL PROCEEDINGS AND REGULATORY ACTIONS

Colabor and each of its subsidiaries or corporate entities are not or were not party to material legal proceedings, and their property is not and was not the subject of material legal proceedings, during the year ended December 30, 2017. Colabor is not aware of any material legal proceedings outstanding, threatened or pending as of the date hereof by or against Colabor or its subsidiaries.

Colabor or its subsidiaries are not and were not subject to, during the year ended December 30, 2017: (a) penalties or sanctions imposed by a court relating to Canadian securities legislation or by a Canadian securities legislation or by a Canadian securities regulatory authority or has entered into a settlement agreement with such regulatory authority; (b) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision, except for the Ontario Ministry of Finance notice of assessment of $6.5 million related to the sale of tobacco products to First Nations (see *Company history for the past three financial years – Year ended December 2017 section* of this Annual Information Form).

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

Except as otherwise stated in this annual information form, none of (i) the director or executive officer of the Corporation, (ii) person who beneficially owns, or controls or directs, directly or indirectly, more than 10% of any class or series of the outstanding voting shares of the Corporation, and (iii) of person who is an associate or an affiliate of any of the persons referred to in paragraphs (i) or (ii) above, has had, directly or indirectly, a material interest in any transaction completed within the last three financial years of the Corporation that has materially affected or is reasonably expected to materially affect the Corporation, except as for transactions between related parties. (see *Management 's Discussion & Analysis for the exercise ended December 30, 2017*, section 7, which section is hereby incorporated by reference into this Annual Information Form. The document is available at SEDAR on www.sedar.com).

TRANSFER AGENT AND REGISTRAR

The transfer agent and registrar for the common shares of the Corporation is Computershare Investor Services Inc., at its principal transfer office in Montréal, Québec. The Debenture Trustee for the Debentures is Computershare Trust Company of Canada, at its principal transfer office in Montréal, Québec.

MATERIAL CONTRACTS

Particulars of the material contracts entered into by the Fund, Colabor and Colabor LP during the previous years or that are still in effect are set out at page 85 of the prospectus (final) of the Fund dated June 17, 2005 and page 50 of the short form prospectus (final) of the Fund dated December 21, 2006 under the heading "Material Contracts", which sections are hereby incorporated by reference into this Annual Information Form. The documents are available on SEDAR at www.sedar.com. Other material contracts entered into by Colabor and its subsidiaries include the following and are available on SEDAR at www.sedar.com:

- Trust Indenture between Colabor and the Debenture Trustee providing for the issue of the Debentures dated as of April 27, 2010 and the First Supplemental Indenture between Colabor and the Debenture Trustee dated as of October 13, 2016 with respect to the amendment of the terms of the Debentures;

- Underwriting Agreement between Colabor, Colabor LP, National Bank Financial Inc., Scotia Capital Inc., TD Securities Inc., BMO Nesbitt Burns Inc. and Laurentian Bank Securities Inc. with respect to the offering of the Debentures dated as of April 13, 2010;

- Subscription agreement with CDPQ as of February 22, 2013 with respect to the private placement of common shares for gross proceeds of $15,000,000;

- Distribution and Supply Agreement between Colabor LP and Cara dated as of June 28, 2015, with respect to the sale and delivery of products by Colabor to Cara entities, as amended on or about December 22, 2017;

- Standby Purchase and Voting Support Agreement between Colabor, Robraye, CDPQ, CDP Investments Inc., FSTQ, IQ, Zucker and Z-Holdings North ULC dated as of July 14, 2016, with respect to the Recapitalization Transactions;

- Share option agreement between Colabor and Robraye dated as of July 14, 2016 with respect to an option to purchase Dubé Loiselle;

- Amended and Restated Credit Agreement between Colabor, Norref, Colabor Management Inc., Colabor LP, 2096935 Ontario Limited and Transport Paul-Émile Dubé Ltée, as guarantors, Bank of Montréal and Bank of America, N.A. dated as of October 13, 2016, with respect to the amendment of the Credit Facilities; and

- Amended and restated Loan Agreement between FSTQ, the Corporation, Colabor Management Inc., Colabor LP, Transport Paul-Émile Dubé Ltée, 2096935 Ontario Limited and Norref dated as of October 13, 2016, with respect to the amendment of the Subordinated Loan.

INTEREST OF EXPERTS

PricewaterhouseCoopers LLP/s.r.l./S.E.N.C.R.L. has confirmed its independence with respect to the Corporation within the meaning of the Code of ethics of chartered professional accountants of Québec.

ADDITIONAL INFORMATION

Additional information relating to Colabor may be found on SEDAR at www.sedar.com.

Additional information, including directors' and officers' remuneration and indebtedness, principal shareholders of Colabor's securities and securities authorized for issuance under equity compensation plans is contained in Colabor's information circular for its most recent annual meeting of shareholders of Colabor. Additional financial information is provided in Colabor's financial statements and management's discussion and analysis for the year ended December 30, 2017.

SCHEDULE A

AUDIT COMMITTEE CHARTER

COLABOR GROUP INC.

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COLABOR GROUP INC.

AUDIT COMMITTEE CHARTER

1. INTERPRETATION

“Colabor Group” means collectively, Colabor Group Inc. and its Related Entities.

“Committee” means the Audit Committee of Colabor Group.

“Committees” means the Audit Committee of Colabor Group and the Corporate Governance and Human Resources Committee.

“Board of Directors” or “Board” means the board of directors of Colabor Group.

“Related Entity” means a subsidiary, company or affiliate of Colabor Group which participates, directly or indirectly, in the business activities carried out by Colabor Group.

“Financially Literate” means the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the consolidated financial statements of Colabor Group.

“Independent Director” means a director who has no direct or indirect relationship with Colabor Group or with a Related Entity, which could be reasonably expected to interfere with the exercise of an independent judgment regarding the best interests of Colabor Group. Save exceptions, is not an Independent Director the person who:

a) is or has been within the last three years, an employee or executive officer of Colabor Group or a Related Entity;

b) is a member of the immediate family of an individual who is or has been, within the last three years, an executive officer of Colabor Group or a Related Entity;

c) is or has been (or whose immediate family member is or has been), within the last three years, an executive officer, a partner or an employee of a material service provider of Colabor Group or a Related Entity (including the external auditors);

d) is or has been (or whose immediate family member is or has been), within the last three years, an executive officer of an entity if any of the current executive officers of Colabor Group or a Related Entity serves or served at the same time on the entity’s Compensation Committee;

e) has a relationship with Colabor Group or a Related Entity under which he or she may directly or indirectly accept any consulting, advisory or other fees from Colabor Group or a Related Entity, except for any compensation as a member of the Board of Directors or as a member of a committee of the Board of Directors of Colabor Group or a Related Entity;

f) received (or whose immediate family member received) more than $75,000 in direct compensation from Colabor Group or a Related Entity during any 12 month period within the last three years; or

g) is a natural person who controls Colabor Group or a Related Entity;

h) is an affiliate of Colabor Group or a Related Entity; or

i) is a natural person who is both a director and an employee of Colabor Group or a Related Entity.

"Chairman" means the Chairman of the Committee.

2. OBJECTIVES

The Committee shall assist the Board of Directors in fulfilling its oversight responsibilities regarding the business of Colabor Group, more specifically regarding accounting and financial reporting practices of Colabor Group, the audit methods used by Colabor Group and the establishment of disclosure controls and procedures and internal control over financial reporting, evaluation of the effectiveness of disclosure controls and procedures and internal control over financial reporting.

The Committee shall also review all of the risks related to the activities of Colabor Group and the mitigation measures put in place regarding these risks.

In the performance of its duties, the Committee shall maintain a constructive and active relationship with the Board of Directors, the executive officers of Colabor Group and the external auditors.

Although the Committee has the responsibilities and powers set out in this Charter, the Committee does not have the obligation to plan or conduct the audit of the financial statements of Colabor Group nor to decide whether the financial statements of Colabor Group are complete and accurate. This task is incumbent on the executive officers of Colabor Group and the external auditors. Nor does the Committee have the obligation to conduct investigations, resolve disputes between the executive officers of Colabor Group and the external auditors, or ensure compliance with laws and regulations, except if such obligations are expressly stipulated in this Charter.

The Committee Charter set out in this document does not limit the scope of any right or power conferred on the Board in the directors' mandate.

3. COMPOSITION

3.1 The Committee shall be composed of not less than 3 members, all of which are Independent Directors.

3.2 All Committee members shall be Financially Literate.

3.3 The Board of Directors shall appoint the Chairman. If the Chairman is absent from a Committee meeting, the members present shall choose one of their number to act as Chairman for the purposes of this specific meeting.

4. MEETINGS AND PROCEDURES

4.1 The meetings shall be called by the Chairman at least once per quarter, prior to the disclosure of the quarterly financial statements of Colabor Group.

4.2 Special meetings may be called by the Chairman, the external auditors, the chairman of the Board of Directors or the Vice-President and Chief Financial Officer of Colabor Group.

4.3 The quorum of the Committee shall be composed of not less than the majority of the Committee members then in office.

4.4 Notice of each meeting shall be given to each Committee member and to the directors, the executive officers of Colabor Group and the external auditors of Colabor Group, who all shall have the right to attend the meetings. However, the Committee may decide to hold a meeting in the absence of any person who is not a Committee member.

4.5 The external auditors and the executive officers of Colabor Group shall periodically have the possibility of meeting separately with the Committee.

4.6 The Committee may invite the persons it considers useful to invite, including the executive officers of Colabor Group, to attend the meetings and participate in the discussions concerning the

Committee's business. The Committee hires independent external advisers if it is considered necessary or desirable for its ends. However, the Committee cannot delegate its responsibilities, except as expressly provided in this charter. The hiring of external consultants, in the performance of the duties described in this Charter, shall not be subject to review by the Corporate Governance and Human Resources Committee.

4.7 The Committee members, whenever possible, shall take the necessary steps to attend the Committee meetings and to look in advance into the matters and documents discussed thereat.

4.8 The Committee shall appoint a secretary. The secretary shall attend the meetings, during which he or she shall take minutes. The minutes shall be made available to the directors for consultation and are approved by the Committee before being included in the registers or records of Colabor Group.

4.9 The Committee shall submit periodically a report to the Board on its activities, including the nature of its deliberations and the related recommendations.

4.10 The Committee, in the performance of its duties, may consult any relevant register or record of Colabor Group.

4.11 The Committee members shall receive, in this capacity, the compensation that the Board establishes from time to time.

5. RESPONSIBILITIES AND DUTIES

5.1 <u>Disclosure Controls and Procedures</u>

5.1.1 The Committee shall review the following information and issue recommendations to the Board of Directors thereon, before such information is presented to the public:

a) the interim unaudited financial statements;

b) the audited annual financial statements, in conjunction with the report of the external auditors;

c) all public disclosure documents containing audited or unaudited financial information, including any prospectus, the annual information form, management's discussion and analysis of Colabor Group, and any related press release, including earnings forecasts; and

d) the compliance of certification by the executive officers of Colabor Group of the financial reports with applicable legislation and of certification relating to disclosure controls and procedures and internal control over financial reporting.

5.1.2 The Committee shall review any report which accompanies the published financial statements (to the extent such a report discusses financial condition or operating results) to ensure consistency of disclosure of information with the financial statements themselves.

5.1.3 In its review of financial statements:

a) the Committee shall obtain explanations from the executive officers of Colabor Group of all significant variances between comparative reporting periods and explanations from the executive officers of Colabor Group for each item which vary from expected or budgeted amounts as well as from previous reporting periods;

b) the Committee shall review, among other things, unusual or extraordinary items, transactions with related parties (including the Related Entities), and adequacy of disclosures, asset and liability book values, tax status and related reserves, and any qualifications contained in the letters of representation and business risks, uncertainties, commitments and contingent liabilities;

c) the Committee shall review the appropriateness of the significant accounting principles and practices of Colabor Group, including acceptable alternatives, and the appropriateness of any significant changes in accounting principles and practices.

5.1.4 The Committee shall ensure that all financial information which can be publicly disclosed, but which is not expressly contemplated in this Charter, is subject to sufficient review measures.

5.2 <u>Accounting Practices and Internal Control Over Financial Reporting</u>

5.2.1 The Committee shall review and assess the compliance of accounting policies and practices concerning financial reporting based on the standards applicable in this regard.

5.2.2 The Committee shall review with the executive officers of Colabor Group and with the external auditors any proposed change in major accounting policies, the presentation and impact of significant risks and uncertainties, and estimates and appraisals of the executive officers of Colabor Group that may be material to financial reporting.

5.2.3 The Committee shall question the executive officers of Colabor Group and the external auditors regarding significant financial reporting issues and the method to solve such issues.

5.2.4 The Committee shall review general accounting trends and issues of accounting policies, standards and practices which affect or may affect Colabor Group.

5.3 <u>Disclosure Controls and Procedures and Internal Control Over Financial Reporting</u>

5.3.1 The Committee shall review and monitor the procedures, programs and policies of establishment of disclosure controls and procedures and internal control over financial reporting and assess the adequacy and effectiveness of disclosure controls and procedures and internal control over financial reporting relating to the accounting and financial reporting systems, with particular emphasis on controls making use of computerized systems.

5.3.2 The Committee shall review:

a) the evaluation of internal controls by the external auditors, together with the response of the executive officers of Colabor Group thereon;

b) the relationship between the executive officers of Colabor Group and the external auditors;

c) jointly with the Corporate Governance and Human Resources Committee, and based on the recommendations of the President and Chief Executive Officer of Colabor Group, the appointment of the Vice-President and Chief Financial Officer and the other principal financial executives involved in the financial reporting process;

d) any decisions related to the need for internal auditing, including whether this function should be outsourced and, in such case, approving the service provider, which shall not be the external auditors' firm; and

e) internal control procedures to ensure compliance with the law and avoidance of conflicts of interest.

5.4 <u>External Auditors</u>

5.4.1 The Committee shall recommend to the Board of Directors the appointment of the external auditors, who shall report directly and in priority to the Committee.

5.4.2 The Committee shall receive periodic reports from the external auditors regarding the external auditors' independence, discuss such reports with the external auditors and, if so determined by the Committee, recommend that the Board of Directors take appropriate actions to ensure the independence of the external auditors. In this regard, the Committee may study the possibility of rotating earlier than as required by the applicable regulatory requirements the lead audit partner or audit partner responsible for reviewing the audit after a number of years. The Committee shall also consider establishing hiring policies for employees or former employees of its external auditors.

5.4.3 The Committee shall take appropriate actions to ensure that the external auditors are satisfied with the quality of the accounting principles of Colabor Group and that the accounting estimates and appraisals made by the executive officers of Colabor Group reflect an appropriate application of generally accepted accounting principles.

5.4.4 The Committee shall hold private discussions on a regular basis with the external auditors of Colabor Group to review, among other matters, the quality of financial personnel, the level of cooperation received from the executive officers of Colabor Group, any unresolved material disagreements or disputes and the effectiveness of the work of the internal audit.

5.4.5 The Committee shall review the terms of the external auditors' engagement and the appropriateness and reasonableness of the proposed audit fees as well as the compensation of any advisors whose services are retained by the Committee.

5.4.6 The Committee shall approve beforehand all non-audit services which shall be provided by the external auditors or their affiliates, together with the fees for such services, and consider the impact of these services on the independence of the external auditors. Finally, the Committee shall determine which non-audit services the external auditors are prohibited from providing.

5.4.7 The Committee may delegate to one of its members the power to approve a non-audit engagement of the external auditors. The Committee member to which such power is delegated shall report to the Committee any engagement he or she has approved at the Committee meeting that follows the awarding of the engagement.

5.4.8 The Committee shall review all issues related to the change of external auditors, including the information required to be disclosed under regulations and the planned steps for an orderly transition.

5.4.9 The Committee shall review all reportable events, including disagreements, unresolved issues and consultations on a routine basis whether or not a change of auditors is contemplated.

5.5 Audit Procedures

5.5.1 The Committee shall review the audit plan of Colabor Group and shall inquire as to the extent to which the planned audit scope can allow to detect weaknesses in internal control or fraud or other illegal acts. The audit plan should be reviewed with the external auditors and with the executive officers of Colabor Group, and the Committee should recommend to the Board of Directors the scope of the external audit as stated in the audit plan.

5.5.2 The Committee shall review any problems experienced by the external auditors in performing the audit, including any restrictions imposed by the executive officers of Colabor Group or significant accounting issues on which there was a disagreement with the executive officers of Colabor Group.

5.5.3 The Committee shall review the post-audit letter or the letter from the executive officers of Colabor Group containing the recommendations of the external auditors and the response of the executive officers of Colabor Group thereon, and the subsequent follow-up on any identified weakness.

5.6 Complaints and Denunciations

5.6.1 The Committee shall put in place procedures to receive and process complaints or concerns communicated to Colabor Group or the directors regarding accounting or auditing matters including the anonymous submission by employees of concerns respecting accounting or auditing matters.

5.6.2 The Committee shall review such litigations, claims, transactions or other contingencies as the external auditors or any executive officer of Colabor Group may bring to its attention.

5.7 Risk Management

5.7.1 The Committee shall review the principal risks faced by Colabor Group, weighted according to their probability of occurrence and the materiality of the consequences of their occurrence, and shall ensure that appropriate mitigation measures are in place.

5.7.2 The Committee shall review annually the risk management programs of Colabor Group and the detailed recovery plans in the event of a computer disaster or other event. This review shall include a review of the insurance coverage of Colabor Group.

5.7.3 The Committee shall review the policy on use of derivatives and monitor the related risks.

5.7.4 The Committee shall review the transactions with the Related Entities or other related persons, taking into account the relevant regulations of the competent securities regulatory authorities.

5.7.5 The Committee shall review business risks that could affect the ability of Colabor Group to achieve its strategic plan.

5.8 Other Responsibilities

5.8.1 The Committee shall review uncertainties, commitments, and contingent liabilities material to financial reporting.

5.8.2 The Committee shall review the effectiveness of the control systems used by Colabor Group in connection with financial reporting and other identified business risks.

5.8.3 The Committee shall review incidents of fraud, illegal acts, conflicts of interest and related entity or other party transactions. The executive officers of Colabor Group shall warn the Committee promptly of any incident of fraud brought to their attention concerning Colabor Group, regardless of the amounts involved.

5.8.4 The Committee shall review material valuation issues.

5.8.5 The Committee shall review the quality and accuracy of computerized accounting systems, the adequacy of the protections against damage and disruption, and the security of confidential information disclosed through accounting reporting systems.

5.8.6 The Committee shall review material matters relating to the audit of Related Entities.

5.8.7 The Committee shall review cases where the executive officers of Colabor Group have sought accounting advices on a specific issue from an accounting firm other than the one appointed as external auditors.

5.8.8 The Committee shall review any legal matters that could have a significant impact on the financial statements.

5.8.9 The Committee shall consider other matters of a financial nature it feels are important to its mandate or as directed by the Board of Directors.

5.9 <u>Review of the Mandate</u>

5.9.1 The Board of Directors shall review the Committee Charter and reassess its sufficiency and the necessity of updating it on an annual basis.