

Montreal, December 13, 2024

CONFIDENTIAL

Subject: Sale and Investment Solicitation Process

To whom it may concern,

On November 20, 2024, FTI Consulting Canada Inc. (“**FTI**” or the “**Receiver**”) was appointed receiver of the property of Centre de Rénovation Fabreville Inc., Centre de Rénovation L’Épiphanie Inc., Centre de Rénovation St-Augustin Inc., Centre de Rénovation Ste-Marthe-sur-le-Lac Inc., Centre de Rénovation Pine-Hill Inc. and Placement HN Inc. (the “**Companies**”) following an Order issued by the Court under section 243 of the *Bankruptcy and Insolvency Act*. Pursuant to this Order, the Receiver is coordinating a sales and investment solicitation process (the “**SISP**”) for the assets of the Companies.

This letter is being provided to you in connection with the SISP as you have been identified as a prospective purchaser.

The process has been structured in two phases:

- Phase 1, where selected potential purchasers will be asked to prepare and submit a non-binding offer (the “**Non-Binding Offer**”) in the terms described in this letter; and
- Phase 2, where a limited number of selected potential purchasers, having successfully participated in Phase 1 (the “**Successful Phase 1 Bidders**”), will be asked to submit a final, binding offer (the “**Binding Offer**”).

Further details in respect of Phase 2 will be outlined in a subsequent process letter to be distributed to each of the Successful Phase 1 Bidders prior to the commencement of Phase 2, if any.

Please note that the Receiver reserves the right to modify or terminate this process at any time.

During Phase 1, and subject to a confidentiality agreement, prospective purchasers will have access to a virtual data room and to site visits.

Prospective purchasers are requested to submit their written Non-Binding Offer in letter form (signed by a duly authorized representative) to FTI via email no later than **4:00 p.m. (Montreal time) on December 23, 2024.**

Your Non-Binding Offer must comply with the terms and conditions below:

1. **Targeted Company(ies):** The Non-Binding Offer must indicate the name of the Company(ies) targeted by the offer.
2. **Valuation:** The Non-Binding Offer must indicate the purchase price and form of consideration, expressed in Canadian dollars, that you propose to offer for substantially all the assets of the targeted Company(ies).
3. **Purchased Assets:** The Non-Binding Offer should set out the purchased assets, including a clear indication of what you have included in and excluded from the definition of the purchased assets, as well as an allocation of the purchase price between the included assets.
4. **Transaction Structure:** The Non-Binding Offer must provide a detailed description of the proposed structure of the offer.
5. **Acquiring Entity:** The Non-Binding Offer must provide a description of the proposed acquiring entity and the principals thereof.
6. **Level of Review:** The Non-Binding Offer must include a statement regarding the level of review that your proposal has received within your organization, including what internal authorizations were received to make your Non-Binding Offer and the level of further review and approvals that would be necessary prior to your delivery of the Binding Offer.
7. **Financing:** The Non-Binding Offer must include, if applicable, a description of your expected sources of financing, the anticipated timing required to obtain such financing and any contingencies related to it. The Receiver will require evidence of committed financing at the time the Binding Offer is submitted (Phase 2 of the SISP).
8. **Closing Conditions:** The Non-Binding Offer must include a description of all expected closing conditions at the time the Binding Offer is submitted.
9. **Timing:** The Non-Binding Offer must include a projected timeline (beginning on the date the Non-Binding Offer is accepted) regarding the estimated timing to complete proposed transaction, including any additional due diligence, internal, shareholder and regulatory approvals, the satisfaction of financing conditions and the obtaining of consents required with respect to the SISP, and any other requirements regarding the closing of the SISP.
10. **Due Diligence Requirements:** The Non-Binding Offer must include a detailed description of the key additional information, if applicable, you will require to complete your due diligence, including a prioritized list of topics and expected time necessary to complete Phase 2 due diligence. Notwithstanding this, note that the sales of the assets will be made on an as-is, where-is basis, without any warranty or representation.

11. **Contact Information:** The Non-Binding Offer must include a list of contacts, including a complete list of the names, telephone numbers and email addresses of any outside advisors (if applicable) you have engaged or plan to engage regarding the SISP with whom we may discuss your Non-Binding Offer.
12. **Other Material Items:** The Non-Binding Offer should include any other material items affecting the SISP and any other considerations which you deem to be relevant for the Receiver's review.

The Receiver reserves the right, in its sole discretion and without having to provide a reason or justification, to consider any and all factors in determining which Successful Phase 1 Bidders are invited to participate in the next phase of the process, to alter the process (including the timeline) at any time and in any manner, to terminate discussions with any or all potential purchasers, to negotiate with any potential purchaser with respect to any transaction involving the assets of the Company(ies) and to consummate any such transaction. In no event will the Receiver have any obligation to a potential purchaser, except pursuant to a definitive agreement, if any, entered into by with such potential purchaser.

We remind you of the confidential nature of this process. You cannot engage in any discussions relating to a potential transaction with employees, officers, directors, customers, suppliers, creditors or competitors of the Companies, without first obtaining the Receiver's written approval.

If you have any questions regarding the procedures and guidelines incorporated in this letter or any other matter related to the SISP, please direct all inquiries to the following persons at FTI:

Martin Franco, Senior Managing Director
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Jordan Ouellet-Arijon, Director
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FTI will be available throughout the process to assist you in your evaluation of the Companies.

Thank you for your consideration.

Sincerely,

FTI CONSULTING CANADA INC.

Receiver of Centre de Rénovation Fabreville Inc., Centre de Rénovation L'Épiphanie Inc., Centre de Rénovation St-Augustin Inc., Centre de Rénovation Ste-Marthe-sur-le-Lac Inc., Centre de Rénovation Pine-Hill Inc. and Placement HN Inc.



Martin Franco, CPA, CIRP, SAI

c.c.: Sébastien Beaulieu, CPA, *FTI Consulting Canada inc.*
Jordan Ouellet-Arijon, CPA, *FTI Consulting Canada inc.*

Québec Hardware Stores

On November 20, 2024, FTI Consulting Canada Inc. ("FTI") was appointed to act as Receiver of the business, assets and related property of five (5) retail hardware stores (the "Companies") operating under the Home Hardware ("HH") banner in Québec, Canada; FTI is undertaking an expedited sale process to seek offers for all or a portion of the assets and property of the Companies.

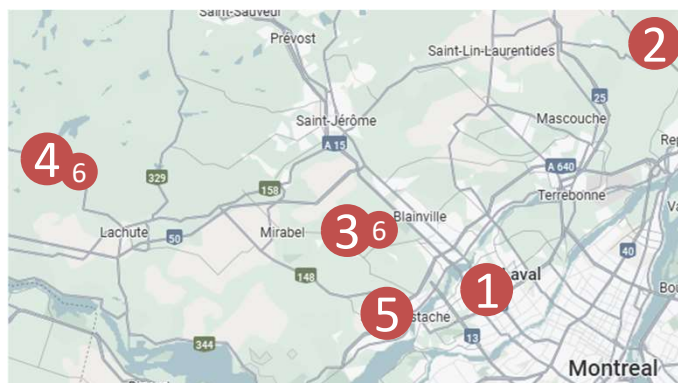
Opportunity Overview

- The Companies operate five (5) retail HH locations under the banner of 'Home Hardware Renovation Centres', all located in Québec, Canada; the HH locations have been in operation for more than 10 years offering the communities it serves various construction tools, materials and hardware products, among others.
- The following outlines the HH locations subject to the sale process: Centre de Rénovation Fabreville Inc. ("Fabreville"), Centre de Rénovation L'Épiphanie Inc. ("L'Épiphanie"), Centre de Rénovation St. Augustin Inc. ("St. Augustin"), Centre de Rénovation Pine-Hill Inc. ("Pine-Hill"), and Centre de Rénovation Ste-Marthe-Sur-Le-Lac Inc. ("Ste-Marthe-Sur-Le-Lac").
- The land and buildings of four (4) of the locations are owned by Placement HN Inc. ("Placement"), an investment holding company also subject to the sale process; namely, Fabreville, L'Épiphanie, St. Augustin and Pine-Hill.
- More details about the proceedings and sale opportunity can be found at the following website: <http://cfcanada.fticonsulting.com/quincaillerielaval/>

Property Details

The table below summarizes the properties available for sale, together with an estimate of the applicable asset values located at each location.

No.	Facility	Address	Inventory (in \$M CAD) ¹	FFE (in \$M CAD) ²	Property Market Value (in \$M CAD) ³
1	Fabreville	3009-3011A, Boulevard Dagenais W, Laval, Québec	0.66	0.73	3.05
2	L'Épiphanie	197 Payette Street, L'Épiphanie, Québec	1.01	0.79	3.26
3	St. Augustin	15491, Saint-Augustin Street, Mirabel (Saint-Augustin), Québec	0.64	0.45	3.00
4	Pine-Hill	1737-1740, Route du Nord, Brownsburg-Chatham, Québec	0.96	0.73	2.08
5	Ste-Marthe-Sur-Le-Lac	2701-2801 Boulevard des Promenades, Sainte-Marthe-sur-le-Lac, Québec	1.75	1.78	NA
6	Placement	i) 3013A-3015 Boulevard Dagenais W, Laval, Québec ii) 5, Chemin des Rives, Brownsburg-Chatham, Québec	NA	NA	0.97



The five (5) HH locations and additional properties owned by Placement are centrally located in Québec and are within close proximity to the major cities of Montreal and Laval.

Fabreville

- Approximately 10km to Laval, and 34km to Montreal.

L'Épiphanie

- Approximately 40km to Laval, and 50km to Montreal

St. Augustin

- Approximately 27km to Laval, and 46km to Montreal.

Pine-Hill

- Approximately 80km to Laval, and 95km to Montreal.

Ste-Marthe-Sur-Le-Lac

- Approximately 30km to Laval, and 43km to Montreal.

\$5.0M

Total Inventory

\$4.5M

Total FFE

\$12.4M

Total Property
Market Value

Note 1 : Inventory as at month-end Nov-24 (unaudited)

Note 2: FFE as at month-end Sept-24 (unaudited)

Note 3: Property Values from appraisals completed in Oct-24. Please note that property values are shared by location but are owned by Placement

Disclaimer: Use of Home Hardware banners and trademarks is under license with Home Hardware Stores Limited and any such use of such banners and trademarks or operation as Home Hardware Dealer following will be subject to the prospective purchaser(s) reaching agreement with Home Hardware Stores Limited.

Québec Hardware Stores

Fabreville

Address

- 3009-3011A, Boulevard Dagenais W, Laval, Québec.

Description

- Fabreville site includes: (i) HH retail location; (ii) two (2) warehouses (heated and unheated), (iii) one (1) un-winterized shelter; (iv) one (1) parcel of land; portion of building rented to third-party tenant (driving school).
- The property and structures are in relatively good condition, with no evidence of immediate repairs required.
- The building was constructed in 1964 and offers **10,168 sq.ft of retail and office space**, two (2) outdoor warehouses combining **5,209 sq.ft. and a 1,550 sq.ft shelter**, all situated on a **27,403 sq.ft parcel of land**.
- The roof was renovated in 2015 and the Fabreville site also includes a residential property owned by Placement further highlighted on page 4.



\$5.2M¹

Total Sales

\$663K²

Inventory

\$3.1M³

Property Market Value

L'Épiphanie

Address

- 197 Payette Street, L'Épiphanie, Québec.

Description

- L'Épiphanie site includes: (i) HH retail location; (ii) secondary buildings (including an unheated wood shed); and (iii) a parcel of land.
- The property and structures are in relatively good condition, with no evidence of immediate repairs required.
- The building was constructed in 1974 and offers **14,124 sq.ft of retail space** and a **6,485 sq.ft unheated woodshed**, all situated on a **112,754 sq.ft parcel of land**.
- The building underwent renovations in 2017, including roof, lighting, heating system, interior and exterior renovations, and more.



\$5.2M¹

Total Sales

\$1.0M²

Inventory

\$3.3M³

Property Market Value

Note 1: Reflects unaudited LTM Sept-2024 financial results

Note 2: As at month-end Nov-24

Note 3: Property values are shared by location but are owned by Placement

Québec Hardware Stores

St. Augustin

Address

- 15491, Saint-Augustin Street, Mirabel (Saint-Augustin), Québec.

Description

- St. Augustin site includes: (i) HH retail location (with basement storage area); (ii) detached storage facility, and (iii) a parcel of land.
- The property and structures are in relatively good condition, with no evidence of immediate repairs required.
- The building was constructed in 1971 and offers **11,569 sq.ft of retail space** in addition to **1,993 sq.ft of functional basement storage**, a **3,080 sq.ft detached storage area**, all situated on a **42,638 sq.ft parcel of land**.
- Significant retail area renovations were conducted in 2004, extending the building's economic lifespan for up to an additional 50 years.



\$2.5M¹

Total Sales

\$637K²

Inventory

\$3.0M³

Property Market Value

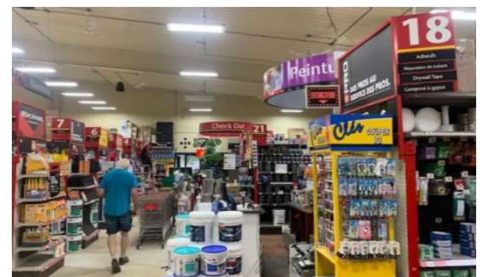
Pine-Hill

Address

- 1737-1740, Route du Nord, Brownsburg-Chatham, Québec.

Description

- Pine-Hill site includes: (i) HH retail location; (ii) two (2) secondary on-site structures (including a physical warehouse and quonset hut, and (iii) two (2) parcels of land.
- The property and structures are in relatively good condition, with no evidence of immediate repairs required.
- The retail building was constructed in 2011 in and offers **7,576 sq.ft of retail space**, **two (2) outdoor storage structures combining 10,510 sq.ft.** all situated on a combined **153,124 sq.ft parcel of land** (two (2) parcels).
- Outside of the construction of a secondary storage structure in 2018, no renovations or additions have been recorded.



\$5.8M¹

Total Sales

\$957K²

Inventory

\$2.1M³

Property Market Value

Note 1: Reflects unaudited LTM Sept-2024 financial results

Note 2: As at month-end Nov-24

Note 3: Property values are shared by location but are owned by Placement

Québec Hardware Stores

Ste-Marthe-Sur-Le-Lac

Address

- 2701-2801 Boulevard des Promenades, Sainte-Marthe-sur-le-Lac, Québec.

Description

- Ste-Marthe-Sur-Le-Lac property is currently leased through an agreement with Promenade Deux Montagnes, Inc.
- The lease agreement was entered into on January 1, 2022, with the following rent schedule:
 - Years 1-5: \$600,000;
 - Year 6: \$660,000;
 - Years 7-20: \$660,000 increased annually by the CPI for the Ville de Montreal for the month of September of the year preceding the increase.



\$12.2M¹
Total Sales

\$1.8M²
Inventory

\$1.8M³
FFE

Note 1: Reflects unaudited LTM Sept-2024 financial results

Note 2: As at month-end Nov-24

Note 3: As at month-end Sept-24

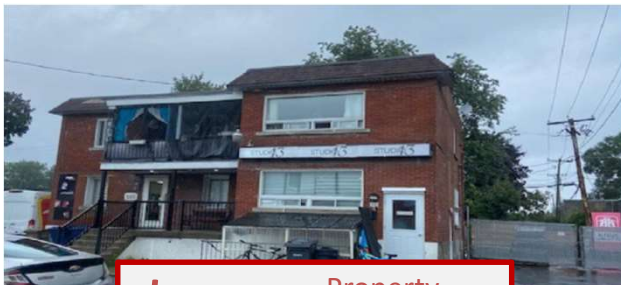
Placement

Address

- 3013A-3015 Dagenais Boulevard West, Laval, Québec.

Description

- Two-storey (plus basement) mixed-use building (2,160 sq.ft) with two (2) apartments and a hair studio, situated on a 10,100 sq.ft parcel of land.
- Building is **located on the Fabreville property.**



\$822K Property Market Value

Address

- 5, Chemin des Rives, Brownsburg-Chatham, Québec.

Description

- Bungalow-style family dwelling (1,239 sq.ft) with usable basement and detached garage (384 sq.ft), situated on a 14,635 sq.ft parcel of land.
- Dwelling is located in **proximity to Pine-Hill property.**



\$150K Property Market Value

Contact FTI Consulting Canada Inc.

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