ARITZIA

ARITZIA INC.

ANNUAL INFORMATION FORM

Fiscal year ended February 25, 2018

May 10, 2018

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ARITZIA INC.

ANNUAL INFORMATION FORM

INTRODUCTORY INFORMATION / CERTAIN REFERENCES

Unless otherwise noted or the context otherwise indicates, the "Company", "Aritzia", "us", "we" or "our" refer to Aritzia Inc. and its direct and indirect subsidiaries and predecessors or other entities controlled by it or them. Certain terms used in this Annual Information Form are defined under "Glossary".

Unless otherwise specified or the context otherwise requires, all information provided in this Annual Information Form (the "**Annual Information Form**") is given as at February 25, 2018. All references to "$" or "dollars" are to Canadian dollars and references to "U.S.$" or "U.S. dollars" are to United States dollars. Amounts are stated in Canadian dollars unless otherwise indicated. Certain totals, subtotals and percentages throughout this Annual Information Form may not reconcile due to rounding.

This Annual Information Form contains certain trademarks, such as *Aritzia, Wilfred, Babaton* and *TNA*, which are protected under applicable intellectual property laws and are our property. Solely for convenience, our trademarks and trade names referred to in this Annual Information Form may appear without the ® or ™ symbol, but such references are not intended to indicate, in any way, that we will not assert, to the fullest extent under applicable law, our rights to these trademarks and trade names.

GLOSSARY

Certain terms used in this Annual Information Form have the following meanings:

"**Affiliate**" means, with respect to any specified Person, any other Person which directly or indirectly through one or more intermediaries controls, is controlled by, or is under common control with such specified Person.

"**Berkshire Group Permitted Holders**" means (i) the Berkshire Shareholder and any of its Affiliates, and (ii) any of Canada Retail Holdings, L.P., Berkshire Fund VI, Limited Partnership, Berkshire Investors III LLC, Berkshire Investors LLC, and any of their respective Affiliates, in each case provided that it is controlled, directly or indirectly, or managed by Berkshire Partners or an Affiliate of Berkshire Partners and includes Sixth Berkshire Associates LLC.

"**Berkshire Shareholder**" means CanLux AB Investments One S.à r.l., an investment vehicle managed by Berkshire Partners.

"**Berkshire Partners**" means Berkshire Partners LLC.

"**CAGR**" refers to compound annual growth rate.

"**Fiscal 2016**" and **"FY 2016"** refers to the 52-week period ended February 28, 2016.

"**Fiscal 2017**" and **"FY 2017"** refers to the 52-week period ending February 26, 2017.

"**Fiscal 2018**" and **"FY 2018"** refers to the 52-week period ending February 25, 2018.

"**Fiscal 2019**" and **"FY 2019"** refers to the 53-week period ending March 3, 2019.

"**Hill Group Permitted Holders**" means (i) Brian Hill and any Members of the Immediate Family of Brian Hill and, (ii) any Person controlled, directly or indirectly by one or more of the Persons referred to in clause (i) above.

"**Hill Shareholders**" means Atilier Holdings Inc. and AHI Holdings Inc., each of which is an entity controlled by Brian Hill, our Founder and Chief Executive Officer.

"**Members of the Immediate Family**" means with respect to any individual, each parent (whether by birth or adoption), spouse, or child (including any step-child) or other descendants (whether by birth or adoption) of such individual, each spouse of any of the aforementioned Persons, each trust created solely for the benefit of such individual and/or one or more of the aforementioned Persons and each legal representative of such individual or of any aforementioned Persons (including without limitation a tutor, curator, mandatary due to incapacity, custodian, guardian or testamentary executor), acting in such capacity under the authority of the law, an order from a competent tribunal, a will or a mandate in case of incapacity or similar instrument. For the purposes of this definition, a Person shall be considered the spouse of an individual if such Person is legally married to such individual, lives in a civil union with such individual or is the common law partner (as defined in the Tax Act as amended from time to time) of such individual. A Person who was the spouse of an individual within the meaning of this paragraph immediately before the death of such individual shall continue to be considered a spouse of such individual after the death of such individual.

"Multiple Voting Shares" means multiple voting shares of Aritzia.

"**Permitted Holders**" means any of (i) the Berkshire Group Permitted Holders and (ii) the Hill Group Permitted Holders.

"**Person**" means any individual, partnership, corporation, company, association, trust, joint venture or limited liability company.

A Person is "**controlled**" by another Person or other Persons if: (i) in the case of a company or other body corporate wherever or however incorporated: (A) securities entitled to vote in the election of directors carrying in the aggregate at least a majority of the votes for the election of directors and representing in the aggregate at least a majority of the participating (equity) securities are held, other than by way of security only, directly or indirectly, by or solely for the benefit of the other Person or Persons; and (B) the votes carried in the aggregate by such securities are entitled, if exercised, to elect a majority of the board of directors of such company or other body corporate; or (ii) in the case of a Person that is not a company or other body corporate, at least a majority of the participating (equity) and voting interests of such Person are held, directly or indirectly, by or solely for the benefit of the other Person or Persons; and "**controls**", "**controlling**" and "**under common control with**" shall be interpreted accordingly.

"**Principal Shareholders**" means the Berkshire Shareholder and the Hill Shareholders and their respective Permitted Holders.

"SEDAR" means the System for Electronic Document Analysis and Retrieval at www.sedar.com.

"Shares" means the Subordinate Voting Shares and the Multiple Voting Shares.

"**Shareholders**" means holders of Subordinate Voting Shares and Multiple Voting Shares.

"Subordinate Voting Shares" means subordinate voting shares of Aritzia.

"Tax Act" means the *Income Tax Act* (Canada).

NON-IFRS MEASURES INCLUDING RETAIL INDUSTRY METRICS

In addition to using financial measures prescribed under International Financial Reporting Standards ("**IFRS**"), this Annual Information Form makes reference to certain non-IFRS measures including certain retail industry metrics. These measures are not recognized measures under IFRS, do not have a standardized meaning prescribed by IFRS and are therefore unlikely to be comparable to similar measures presented by other companies. Rather, these measures are provided as additional information to complement those IFRS measures by providing further understanding of our results of operations from management's perspective. Accordingly, these measures should not be considered in isolation or as a substitute for analysis of our financial information reported under IFRS. We use non-IFRS measures including "EBITDA", "Adjusted EBITDA", "Adjusted Net Income", "Adjusted Net Income per diluted share" and "gross profit margin". This Annual Information Form also makes reference to "comparable sales growth" which is a commonly used operating metric in the retail industry but may be calculated differently compared to other retailers. Our comparable sales growth calculation excludes the impact of foreign currency fluctuations. Beginning Q1 2018, we changed our calculation methodology by applying the prior year's average quarterly exchange rate to both current year and prior year comparable sales to achieve a consistent basis for comparison. Prior to Q1 2018, comparable sales growth was calculated using a U.S. dollar to Canadian dollar exchange rate of 1:1.

These non-IFRS measures, including retail industry metrics, are used to provide investors with supplemental measures of our operating performance and thus highlight trends in our core business that may not otherwise be apparent when relying solely on IFRS measures. We believe that securities analysts, investors and other interested parties frequently use non-IFRS measures, including retail industry metrics, in the evaluation of issuers. Our management also uses non-IFRS measures, including retail industry metrics, in order to facilitate operating performance comparisons from period to period, to prepare annual operating budgets and forecasts and to determine components of management compensation. For definitions and reconciliations of these non-IFRS measures to the relevant reported measures, please see the "Non-IFRS Measures Including Retail Industry Metrics", "How We Assess the Performance of Our Business" and "Selected Consolidated Financial Information" sections of the Company's Management's Discussion and Analysis ("**MD&A**") dated May 10, 2018 for the fiscal year ended February 25, 2018. A copy of the MD&A can be accessed under the Company's profile on SEDAR at www.sedar.com.

"**EBITDA**" is defined as consolidated net income (loss) before depreciation and amortization, finance expense and provision for income tax expense.

"**Adjusted EBITDA**" is defined as consolidated net income (loss) before depreciation and amortization, finance expense and income tax expense, adjusted for the impact of certain items, including non-cash items such as stock-based compensation expense, unrealized foreign exchange gains or losses on forward contracts and other items we consider non-recurring and not representative of our ongoing operating performance. Because Adjusted EBITDA excludes non-cash items, we believe that it is less susceptible to variances in actual performance resulting from depreciation and amortization and other non-cash charges.

"**Adjusted Net Income**" is defined as consolidated net income (loss), adjusted for the impact of certain items, including non-cash items such as stock-based compensation expense, unrealized foreign exchange gains or losses on forward contracts and other items we consider non-recurring and not representative of our ongoing operating performance, net of related tax effects. "**Adjusted Net Income per diluted share**" is defined as Adjusted Net Income divided by the total number of outstanding shares plus the total number of dilutive share options that would be included under the treasury stock method as at the end of the relevant period.

"**Comparable Sales Growth**" is a retail industry metric used to compare the percentage change in sales derived from the established stores of a certain period as compared to the sales from the same stores

in the same period in the prior year. Comparable Sales Growth helps to explain our revenue growth in established stores and eCommerce, which may not otherwise be apparent when relying solely on net revenues. Comparable sales is calculated based on revenue (net of sales tax, returns and discounts) from stores that have been opened for at least 56 weeks including eCommerce revenue (net of sales tax, returns and discounts), and excludes stores that were expanded or repositioned, stores in centers where we opened a new additional store and stores significantly impacted by nearby construction and other similar disruptions during this period. Our Comparable Sales Growth calculation excludes the impact of foreign currency fluctuations. Beginning Q1 2018, we changed our calculation methodology by applying the prior year's average quarterly exchange rate to both current year and prior year comparable sales to achieve a consistent basis for comparison. Prior to Q1 2018, Comparable Sales Growth was calculated using a U.S. dollar to Canadian dollar exchange rate of 1:1. The prior fiscal quarters have been recalculated using the new constant currency calculation (see "Summary of Consolidated Quarterly Results and Certain Performance Measures"). Our Comparable Sales Growth may be calculated differently compared to other retailers.

"Gross Profit" is defined as our net revenue less cost of goods sold. Cost of goods sold includes inventory and product-related costs and occupancy costs, as well as depreciation expense for our stores and distribution centres. Our cost of goods sold may include different costs compared to other retailers. Gross profit as a percentage of net revenue (gross profit margin) is impacted by the components of cost of goods sold, product mix and markdowns. We define "**gross profit margin**" as our gross profit divided by our net revenues.

FORWARD-LOOKING INFORMATION

This Annual Information Form contains "forward-looking information" within the meaning of applicable securities laws in Canada. Forward-looking information may relate to our future financial outlook and anticipated events or results and may include information regarding our financial position, business strategy, growth strategies, budgets, operations, financial results, taxes, dividend policy, plans and objectives. Particularly, information regarding our expectations of future results, performance, achievements, prospects or opportunities or the markets in which we operate is forward-looking information. In some cases, forward-looking information can be identified by the use of forward-looking terminology such as "plans", "targets", "expects" or "does not expect", "is expected", "an opportunity exists", "budget", "scheduled", "estimates", "outlook", "forecasts", "projection", "prospects", "strategy", "intends", "anticipates", "does not anticipate", "believes", or variations of such words and phrases or state that certain actions, events or results "may", "could", "would", "might", "will", "will be taken", "occur" or "be achieved". In addition, any statements that refer to expectations, intentions, projections or other characterizations of future events or circumstances contain forward-looking information. Statements containing forward-looking information are not historical facts but instead represent management's expectations, estimates and projections regarding future events or circumstances.

Discussions containing forward-looking information may be found, among other places, under "Development of the Business", "The Business of Aritzia", "Our Industry", "Dividend Policy", "Directors and Officers", and "Risk Factors".

This forward-looking information includes, among other things, statements relating to:

- expectations regarding industry trends, and our growth rates and growth strategies;
- expectations regarding our capital expenditures, operations and use of future cash flow, our financial position, financial results, business plans and strategies;
- expectations regarding eCommerce growth and omni-channel capabilities;
- expectations regarding our sourcing initiatives;

- expectations regarding new store openings and the expansion and repositioning of existing stores;
- expectations regarding increased efficiencies from new or expanded distribution centres and point-of-sale system updates;
- our ability to recruit exceptional talent;
- our belief that our business model will enable us to deliver consistent revenue and profitability growth and in turn, increase shareholder value over the long term;
- expectations regarding our ability to meet or exceed our stated 2021 performance targets;
- expectations regarding brand expansions;
- our competitive position in our industry;
- the market price for the Subordinate Voting Shares;
- beliefs and intentions regarding the ownership of material trademarks and domain names used in connection with the design, production, marketing, distribution and sale of our products; and
- intentions with respect to the implementation of new accounting standards.

This forward-looking information and other forward-looking information is based on our opinions, estimates and assumptions in light of our experience and perception of historical trends, current conditions and expected future developments, as well as other factors that we currently believe are appropriate and reasonable in the circumstances. Despite a careful process to prepare and review the forward-looking information, there can be no assurance that the underlying opinions, estimates and assumptions will prove to be correct. Certain assumptions in respect of the expansion and enhancement of our store network; the growth of our eCommerce business and shipping to international markets; our ability to drive comparable sales growth; our ability to maintain, enhance, and grow our appeal within our addressable market; our ability to drive ongoing development and innovation of our exclusive brands and product categories; our ability to continue directly sourcing from third party mills, trim suppliers and manufacturers for our exclusive brands; our ability to build our international presence; our ability to attract and retain key personnel; our ability to maintain and expand distribution capabilities; our ability to continue investing in infrastructure to support our growth; our ability to obtain and maintain existing financing on acceptable terms; currency exchange and interest rates; the impact of competition; the changes and trends in our industry or the global economy; and the changes in laws, rules, regulations, and global standards are material factors made in preparing forward-looking information and management's expectations.

Forward-looking information is necessarily based on a number of opinions, estimates and assumptions that we considered appropriate and reasonable as of the date such statements are made, are subject to known and unknown risks, uncertainties, assumptions and other factors that may cause the actual results, level of activity, performance or achievements to be materially different from those expressed or implied by such forward-looking information, including but not limited to the following risk factors described in greater detail under the heading entitled "Risk Factors":

- changes in the general economic conditions and consumer spending in Canada, the United States and other parts of the world;
- inability to optimize merchandise and anticipate and respond to constantly changing consumer demands and fashion trends;
- inability to protect and enhance our brands;
- actions taken by our suppliers and manufacturers;

- fluctuations in the value of the Canadian dollar in relation to the U.S. dollar and other currencies and associated hedging risk;
- loss of members of our management team or other key personnel or an inability to attract new management team members or key personnel;
- inability to obtain merchandise on a timely basis at competitive costs;
- our highly competitive industry and the size and resources of some of our competitors;
- our need for significant capital to fund our expanding business;
- inability to manage our operations at our current size and successful execution of our growth strategies;
- risks associated with leasing store space;
- inability to successfully open and operate new stores, primarily in the United States;
- our limited operating experience and limited brand recognition outside North America;
- inability to successfully manage and grow our eCommerce business;
- material disruptions in or security breach affecting our information technology systems and eCommerce business;
- disruptions to the operations at our support office locations;
- replacement of core information technology systems;
- inability to attract and retain quality sales staff for our stores;
- union attempts to organize our employees;
- dependence on three distribution facilities;
- reliance on third party transportation providers;
- increases in the cost of the raw materials or other inputs used in the production, manufacturing and transportation of our merchandise;
- seasonality of net revenue and inventory purchases;
- inability to grow net revenue or meet other financial targets;
- failure to reduce operating expenses in a timely manner;
- internal control over financial reporting;
- adverse impact on financial results from our equity compensation plans;
- failure to adequately connect with our customer base;
- inability to protect trademarks or other intellectual property rights and the potential infringement of trademarks or other intellectual property rights of third parties;
- financing restrictions on current and future operations;
- laws and regulations, including labour and employment, consumer protection, privacy, advertising, environmental, customs, tax and other laws that regulate retailers;
- claims made against us, which may result in litigation;
- additional taxes, which could affect our operating results;
- risks related to forward-looking information contained in this Annual Information Form;
- changes in U.S. tax laws and regulations or trade rules;
- insurance-related risks;

- payment-related risks;
- natural disasters, unusual weather and geo-political events or acts of terrorism;
- operations and financial performance of our subsidiaries;
- inventory shrinkage;
- increases in the cost of employee benefits;
- insolvency risks associated with parties we do business with;
- changes in accounting standards and subjective assumptions, estimates and judgments by management related to complex accounting matters;
- risks associated with protestors and activists;
- the dual-class structure resulting in the concentration of voting control with certain Shareholders;
- risks associated with activist shareholders;
- volatility in the market price for Subordinate Voting Shares;
- future sales of our securities by existing Shareholders causing the market price for Subordinate Voting Shares to fall;
- no cash dividends for the foreseeable future;
- any issuance of preferred shares may hinder another person's ability to acquire us; and
- our trading price and volume declining if analysts publish inaccurate or unfavourable research about us or our business.

If any of these risks or uncertainties materialize, or if the opinions, estimates or assumptions underlying the forward-looking information prove incorrect, actual results or future events might vary materially from those anticipated in the forward-looking information. The opinions, estimates or assumptions referred to above and described in greater detail in "Risk Factors" should be considered carefully by readers.

Although we have attempted to identify important risk factors that could cause actual results to differ materially from those contained in forward-looking information, there may be other risk factors not presently known to us or that we presently believe are not material that could also cause actual results or future events to differ materially from those expressed in such forward-looking information. There can be no assurance that such information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such information. Accordingly, readers should not place undue reliance on forward-looking information, which speaks only as of the date made. The forward-looking information contained in this Annual Information Form represents our expectations as of the date of this Annual Information Form (or as the date they are otherwise stated to be made), and are subject to change after such date. However, we disclaim any intention or obligation or undertaking to update or revise any forward-looking information whether as a result of new information, future events or otherwise, except as required under applicable securities laws in Canada.

All of the forward-looking information contained in this Annual Information Form is expressly qualified by the foregoing cautionary statements.

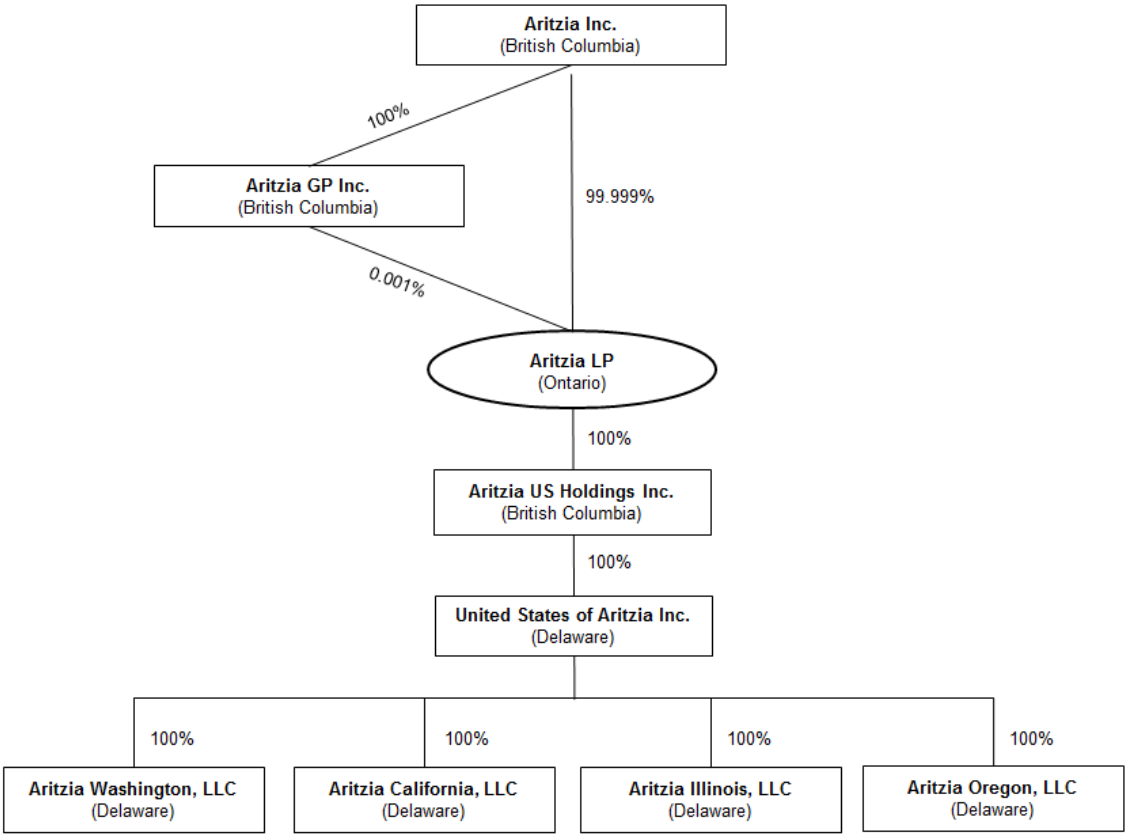
CORPORATE STRUCTURE

Incorporation and Head Office

Aritzia was formed on December 1, 2008 by an amalgamation under the *Business Corporations Act* (British Columbia) (the "**BCBCA**") of 0840243 B.C. Ltd., Aritzia Capital Corporation and ARZ Investment GP Inc. On August 10, 2016, we changed our name to Aritzia Inc. Our head office is located at Suite 118 – 611 Alexander Street, Vancouver, British Columbia, Canada, V6A 1E1 and our registered and records office is located at Suite 1700 – 666 Burrard Street, Vancouver, British Columbia, Canada, V6C 2X8. Aritzia's corporate website address is www.aritzia.com.

Intercorporate Relationships

The following chart identifies the principal legal entities through which we conduct our business, their applicable governing corporate jurisdictions and the percentage of their voting securities which are beneficially owned, or controlled or directed, directly or indirectly by Aritzia:



DEVELOPMENT OF THE BUSINESS

OUR HISTORY

Aritzia was established in 1984 by the Hill family with the opening of a store in the Oakridge Shopping Centre in Vancouver and has been led since inception by our Founder and Chief Executive Officer Brian Hill, a third generation retailer. Since our inception, we have created a disciplined

operating culture which underpins our store formula for better products, better store experience and better customer service.

In 2005, private equity funds managed by Berkshire Partners purchased a majority stake in Aritzia with a shared vision to support our continued growth and expansion across North America.

In October 2016, we successfully completed our initial public offering of Subordinate Voting Shares through a secondary sale by our Principal Shareholders for a total of $460 million in aggregate gross proceeds to the selling shareholders. The Subordinate Voting Shares were also listed for trading on the Toronto Stock Exchange ("**TSX**") under the symbol "ATZ".

In January 2017, we completed an offering on a bought deal basis of our Subordinate Voting Shares through a secondary sale by certain shareholders, as well as a concurrent block trade by a group of employees of the Company, for a total of $382 million in aggregate gross proceeds to the selling shareholders.

THE BUSINESS OF ARITZIA

WE ARE ARITZIA

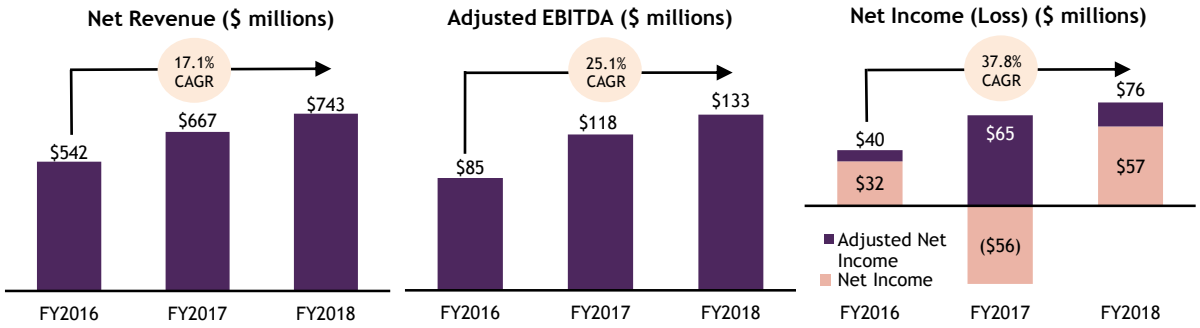
We have a vision to be the most relevant and loved fashion destination for women all over the world. We believe in fashion that inspires, and is both beautiful and beautifully made. We believe in an experience that delights, stunning spaces, human interactions, thoughtful touches, a sense of energy and fun. And we believe that all of this should come at a price that is truly attainable.

Aritzia is a vertically integrated, innovative design house of fashion brands. We design apparel and accessories for our collection of exclusive brands. Our expansive and diverse range of women's fashion apparel and accessories addresses a broad range of style preferences and lifestyle requirements for women.

We conceive, create, develop and sell a strategic mix of women's fashion products directly to our customers with a depth of design and quality that provides compelling value. Our exclusive brands currently represent over 90% of our net revenue. We treat each brand as an independent label with its own vision and aesthetic point of view, each supported by our own dedicated in-house design teams focused on creating beautiful products. While we believe that each of our brands is aesthetically independent, all of our products share the following key elements: high quality fabrics, considered detailing, sophisticated construction and superior fit. Our broad product assortment includes t-shirts, blouses, sweaters, jackets, coats, pants, skirts, dresses, denim, intimates and accessories for each season. Our unique multi-brand portfolio and product mix affords us enhanced flexibility to address evolving fashion trends, and enables us to appeal to our customers across multiple life stages and style preferences, resulting in strong and enduring customer loyalty.

We connect our customers to the energy of our culture through the products we sell, the environments we create and the ways in which we communicate. As of the date of this Annual Information Form, we operate 65 stores in Canada and 22 stores in the United States, all of which are in prime locations within high performing retail malls and high streets. We sell our products exclusively through our stores and *aritzia.com*, giving us complete control of the presentation of our brand and the relationships with our customers. This strategy allows us to present our brand in a consistent manner, including pricing, marketing and product presentation. We strive to offer our customers an aspirational shopping experience and exceptional level of service at every interaction. Each of our stores features a unique store design, integrating fashion with art, magazines and music that connects to the energy of our culture. This dedication to exceptional customer service and cultural connectedness extends to *aritzia.com* to create a continually evolving digital representation of our brand. Our culture is highly focused on the customer, and our sales associates and eCommerce support teams are trained to provide shopping experiences that are personalized to exceed our customers' wants and needs.

Our unique multi-brand strategy, diversified product mix, long-term management approach and exceptional customer service have contributed to strong and consistent financial performance. Select financial highlights include the following:



THE ARITZIA WAY

The difference is in the details. From the control that we maintain over the use of the Aritzia brand, to the high quality materials and fabrics we use in all of our products, to the investment we make in our aspirational stores and online, to the care that we take in interacting with our customers, all the way to the design of our shopping bags and eCommerce packaging, which have been recognized for their creativity and innovation. We care deeply about the details and believe focusing on them drives the success of our business.

We believe our unique combination of strengths has enabled us to be successful over the last 33 years, and positions us to achieve our vision to be *the most relevant and loved fashion destination for women all over the world*.

We are a Vertically Integrated, Innovative Design House Offering a Strategic Mix of Exclusive Brands

We are a vertically integrated, innovative design house of fashion brands offering our customers a mix of exclusive brands that have been conceived, created and developed over many years. We believe that a key area of differentiation for us is that we design apparel and accessories for our collection of exclusive brands. We treat each brand as an independent label with its own vision and aesthetic point of view. Each brand is supported by our own dedicated in-house design teams focused on creating beautiful products. Our differentiated multi-brand strategy gives us control over our products and provides us with the flexibility to optimize our brand mix as needed to address changes in consumer demand and fashion preferences, which has been a critical driver of the consistency of our growth. Our diversified mix of brands satisfies a broad range of fashion needs, which allows us to attract a wide customer base and increase our addressable market.

We Offer Customers Beautiful High Quality Products at an Attainable Price Point

We conceive, create and develop beautiful, high quality products at a price point that provides compelling value for our customers and creates strong and enduring customer loyalty. Our broad product assortment includes t-shirts, blouses, sweaters, jackets, coats, pants, skirts, dresses, denim, intimates and accessories for a variety of functions across each season. While we believe that each of our brands is aesthetically independent, all of our products share the following key elements: high quality fabrics, considered detailing, sophisticated construction and superior fit. Our in-house creative teams design products to inspire and excite our customers. We source a majority of our raw materials directly from mills, trim suppliers and manufacturers, which we believe to be best-in-class, located primarily in Asia and Europe, and work closely with our vendors throughout the production process. This approach enables us to offer our customers beautiful products of high quality, at a price that is attainable, while generating attractive margins.

We Employ a Refined and Proven Merchandise Planning Strategy

Our demand-driven merchandise planning, buying and inventory strategies have been developed and refined over many years, and are designed to ensure that we have the right product, at the right time, at the right price, in the right quantity and in the right place. Our product design and development process builds on historically successful items, which we consider fashion essentials, while taking new fashion trends into account with the goal of creating fashion must-haves each season. This strategic mix helps us drive customer conversion by delivering fashion must-haves, while still generating a meaningful proportion of revenue from our fashion essentials. We buy in initial quantities that allow us to gauge customer demand and follow up with larger orders when proven successful in order to maximize revenue. We analyze sales data to make inventory adjustments and to respond to the latest trends. Our inventory management processes and systems provide us with the ability to optimize inventory across our network to ensure that each store is merchandised with products that resonate with local preferences. We believe that our disciplined merchandise planning strategy allows us to maintain modest inventory levels, maximize full-price sales and achieve markdown levels that are below industry averages.

We Strive to Create an Aspirational Shopping Experience with Exceptional Customer Service

We carefully consider each Aritzia destination – physical and digital – individually, taking care to provide our customers with aspirational shopping experiences:

- Stores – We strive to offer our customers a multi-layered store environment that blends artistic touches, music and high quality materials to create an exceptional customer experience. All of our stores are meticulously and uniquely designed by an in-house team of architects and interior designers to be both aspirational and comfortable.
- *Aritzia.com* – Our eCommerce business is a continually evolving digital representation of our brand. *Aritzia.com* is designed to inspire our customers' digital shopping experience through its aesthetics and intuitive user interface, complemented by the delivery of our products in elevated packaging.

We focus on every detail of delivering an exceptional customer experience, including the functionality of our stores, our proven store processes and the effective training we provide to our sales associates. We have passionate and long-standing sales associates who are trained to deliver a highly personalized shopping environment. Our eCommerce business is supported by a team of dedicated customer care professionals, most of whom are former sales associates who provide product recommendations and styling advice. We believe we differentiate ourselves through our seamless shopping experience across in-store and digital channels. This, combined with our customer service and sales-oriented culture, allows us to cultivate strong and enduring customer loyalty across all of our shopping destinations.

We Are in Prime Real Estate Locations with Compelling Store Economics

We have developed a portfolio of stores with highly compelling economics, situated in prime real estate locations in high performing retail malls and high streets in North America. Our strong store sales performance continues to make us a sought-after tenant for top quality locations in prime shopping destinations. We believe that we have a meaningful opportunity to continue to grow our store network across North America, particularly in the United States. In addition to opening new Aritzia and exclusive brand stores (e.g. Wilfred, Babaton and TNA), we have generated attractive returns on capital by enhancing elements of our existing stores (including footprint, layout and assortment) through carefully considered store expansions and repositions. As a result of our disciplined real estate selection process and compelling store economics, we have never closed an Aritzia store in our 33-year history.

We Take a Long-Term Approach to Managing Our Business

Since our founding 33 years ago, we have cultivated an operating philosophy and culture that instill a long-term approach to planning and managing our business. This approach permeates every aspect of our business; guiding our decisions and strategies while seeking to minimize operating risk. Every decision we make is evaluated through the lens of enhancing long-term shareholder value. Select examples of our approach include:

- Brand – We are focused on preserving and enhancing the strength of our brands. For example, we may choose to forgo short-term sales by discontinuing older styles and introducing new styles to preserve the integrity of our brand as a vertically integrated, innovative design house of fashion brands.
- Real Estate – We have developed a store network that is brand propelling with strong economics. We are willing to be patient for store locations that fit our selection criteria. This results in us disqualifying sites that may be accretive in the near term, but would detract from the value of our brand over the long-term. This is particularly important in the evolving multi-channel landscape.
- Systems and Infrastructure – We strategically invest ahead of our growth plans. We have developed and invested in infrastructure and systems, including the early implementation as a retailer in an enterprise resource planning (ERP) system, a scalable data centre, a well-positioned distribution network, including a leading warehouse management system and a growing eCommerce business, the combination of which we believe positions us well for continued success. During Fiscal 2017, we implemented a human resource information system which allows us to better enable strategic human capital decisions. In Fiscal 2018, we implemented a new point-of-sale system to further enhance our omni-channel operations and customer relationship capabilities and we expanded our Columbus area distribution centre capacity from 45,000 square feet to 138,000 square feet. In Fiscal 2019, we intend to relocate and expand our Greater Vancouver distribution centre from an 83,000 square foot facility to a 223,000 square foot facility. As part of this expansion, we intend to upgrade our warehouse management system to enhance our supply chain system flexibility and scalability and to provide a strong foundation to support our store and eCommerce growth initiatives. We expect the new Greater Vancouver distribution centre to be operational by the fall of 2018. These investments in systems and infrastructure are expected to support our ongoing growth.
- Talent – We have built a deep and talented team of long-serving key executives, managers, and associates. We invest in talent across the organization from our sales associates to our support office team and are committed to training and developing our future leaders, successfully positioning them to drive our continued growth.

We Have a Team of Experienced Leaders and Dedicated Staff with a Proven Track Record of Delivering Strong Results

Our executive team, led by our Founder and Chief Executive Officer, Brian Hill, has an average tenure of over 15 years at Aritzia. We are committed and passionate about what we do and how we execute. No matter how big or small, we set the bar high to capitalize on opportunities and strive to consistently exceed our customers' expectations. Our team has an impressive track-record, as evidenced by consistent growth of net revenue every year for the last 22 years and positive comparable sales growth in 19 out of the last 22 years. We believe we have the right team in place to continue to grow our business.

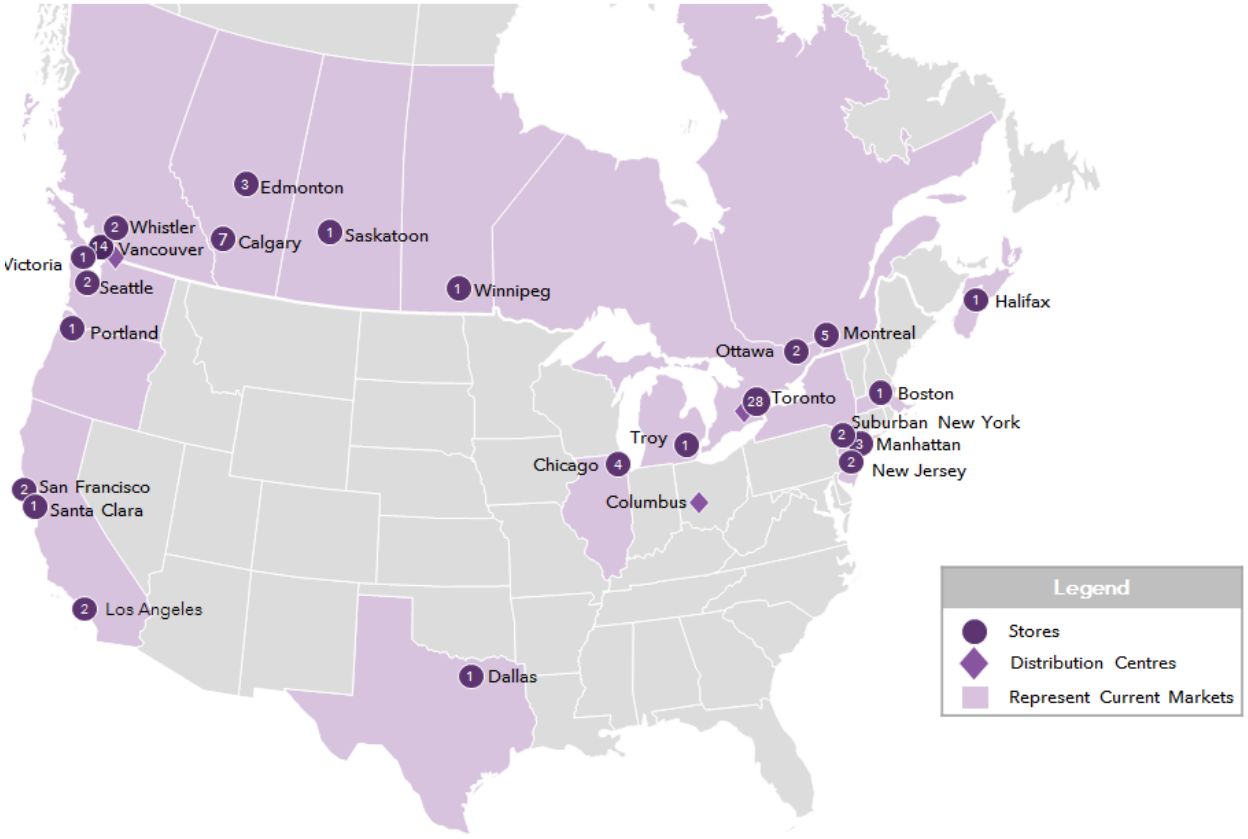
OUR FUTURE GROWTH

We have a highly strategic and thoughtful approach to growth that is focused on profitability over the long-term. See "Forward-Looking Information" and "Risk Factors" in this document and the

discussion under "Outlook" in Management's Discussion and Analysis of Financial Condition and Results of Operations for the year ended February 25, 2018.

Expand and Enhance Our Store Network

We believe we have a meaningful opportunity to continue to grow our store network across North America, particularly in the United States. As of the date of this Annual Information Form, we have successfully opened 22 stores across select markets in the United States, some of which are among the most productive locations in our network.



In addition to opening new Aritzia and select exclusive brand stores (e.g. Wilfred, Babaton and TNA), we have generated attractive returns on capital by enhancing elements of our existing stores (footprint, layout and assortment) through carefully considered store expansions and repositions.

Grow eCommerce

Our eCommerce business was launched in fiscal 2013 and quickly surpassed our growth expectations with continued growth in online traffic during Fiscal 2018. We believe the following factors will support the net revenue growth of *aritzia.com*:

- *Drive our omni-channel growth and capabilities* - Our customers shop both online and in-stores, and we believe there are synergies between our store network and *aritzia.com*, with the success of each channel benefiting the other through increased brand awareness and affinity. The successful implementation of our new point-of-sale system is the foundation for a multi-year strategy that is intended to align our people, processes and systems so our customers can shop and receive our products through any of our channels they choose.

- *Capitalizing on digital marketing channels to acquire new customers* - We are directing resources with a renewed focus on digital marketing, including programs centred on search engine optimization, social and email programs.
- *Increasing the use of data analytics to improve online conversion and customer loyalty through increased personalization* - We are in the early phases of leveraging advanced business intelligence and behaviour analytics to further enhance our understanding of our customers. This includes optimizing our online operations to enhance personalization which we believe will drive higher conversion and customer loyalty.
- *Enhancing our international eCommerce business* - Our work to enhance our international website, together with our ability to ship to international markets via aritzia.com is setting the foundation for future expansion by gaining brand awareness, gathering intelligence, and identifying international markets to expand our store network.

Drive Ongoing Exclusive Brand and Product Innovation

Innovation is a core competency for us and has been critical to our success. We always look beyond what 'is' to what 'could be' by continuously monitoring the evolving fashion landscape, our brand portfolio, our product mix and our customer base to identify opportunities for innovation and growth. Our design house strategy provides our in-house creative teams with the ability to capitalize on these opportunities by establishing new exclusive brands and expanding our offering of product categories and styles.

In addition to creating new exclusive brands, we continue to innovate our products by broadening our assortment across categories and styles – some examples include the development of leather, denim and accessories such as neckwear, headwear and handbags.

We believe our innovation strategy drives traffic to our stores and *aritzia.com* and increases brand loyalty by guiding our mix of brands and products to meet our customers' needs. It also allows us to reinforce the appeal of our brands across a broader range of fashion needs, increasing our addressable market and 'share of our customer's closet'.

Enhance Long-Term Profitability through Operating Leverage and Continuous Improvement

We continue to seek to enhance gross profit margins through further sourcing efficiencies while continuing to improve the quality of our products. As we continue to grow, we will also be able to scale our investments and leverage our fixed costs.

Increase Brand Awareness

We continue to drive increased brand awareness through real estate and marketing strategies designed to attract new customers. In our brand initiatives, our prime real estate locations and aspirational store designs highlight the exceptional design and unique ethos and aesthetic of our exclusive brands. We are also employing our eCommerce business, enhancing our social media capabilities and interactions and utilizing micro-influencers as an extension of our store experience. In addition, we are using various public relations and search optimization tools to drive our brand awareness online and increase our relationship building activities designed to cultivate, maintain and expand our customer base.

BRANDS AND PRODUCTS

We are a vertically integrated, innovative design house of fashion brands that offers a strategic mix of exclusive brands that have been thoughtfully conceived, created, and developed. We believe that a key area of differentiation for us is that we design apparel and accessories for our collection of exclusive brands. Our multi-brand strategy gives us control over our products and provides us with the

flexibility to optimize our brand mix as needed to address changes in consumer demand and fashion preferences, which has been critical to our growth while also reducing risk.

Our exclusive brands are supported by in-house design teams focused on creating beautiful, quality products that align with the unique positioning, look and feel of each brand. Our portfolio of exclusive brands enables us to appeal to our customers across multiple aspects of their lifestyles and life stages, producing strong and enduring customer loyalty. Our current brands include the following:



We offer a diversified assortment of product categories within our strategic mix of exclusive brands, with a full range of t-shirts, blouses, sweaters, jackets, coats, pants, skirts, dresses, denim, intimates and accessories each season. We maintain a flexible mix of historically successful items and new fashion styles. Our changing product mix is a blended reflection of customer demands and fashion trends. This strategic mix helps us to drive customer conversion by delivering fashion must-haves, while still generating a meaningful proportion of revenue from our fashion essentials. We complement our exclusive product mix with a strategically chosen selection of premium denim, apparel, accessories and footwear from leading contemporary third party brands, which represented approximately 10% of net revenue for Fiscal 2018.

PRODUCT STRATEGY

We control the design, merchandise planning, sourcing, production and retail functions of our exclusive brands. This allows us to ensure that we have the right product, at the right time, at the right price, in the right quantity and in the right place. Product design and quality are meticulously evaluated and controlled by us, from fabrics to trims, and styling to fit.

Creative Development

We have talented teams of in-house designers who focus on creating products featuring high quality fabrics, considered detailing, sophisticated construction and superior fit that our customers have come to expect. Our product design and development process builds on historically successful items while taking new fashion trends into account with the goal of creating fashion must-haves each season. Our in-house technical team ensures all products are executed in a manner that is consistent with our design and delivers superior fit and sophisticated construction to our customers. We pay particular attention to the design and garment specification in the production of our exclusive brands. Computer-aided design systems are used to develop patterns, and sample garments are fit-tested before production to ensure accuracy. We ensure that the quality of our raw materials and the finished product are all held to our high standards and the expectations of our customers.

Merchandise Planning

Every year we develop merchandise in two or four seasonal collections for our exclusive brands. Each collection is introduced simultaneously in our stores and on *aritzia.com*. We drive customer demand by defining fashion must-haves, while still generating a meaningful proportion of revenue from our fashion essentials. We buy in initial quantities that allow us to gauge customer demand and follow up with larger orders when proven successful to maximize sales. We analyze sales data in order to make inventory adjustments and to respond to the latest trends. Our inventory management processes and systems provide us with the ability to optimize inventory across our network to ensure that each store is merchandised with products that resonate with local preferences. By actively monitoring sell-through rates and managing the mix of product categories in our stores, we are able to respond to emerging trends in a timely manner, minimize our dependence on any particular category, style or fabrication and preserve a balanced, coordinated presentation of merchandise within each store while being able to offer our customer the entire assortment online. We believe that our disciplined merchandise planning strategy allows us to maintain modest inventory levels, maximize full-price sales and achieve markdown levels that are below industry averages.

Sourcing and Production

We contract and maintain direct relationships with a diversified base of independent suppliers and manufacturers for our exclusive brands, which provide us with the flexibility to source high quality materials and products at competitive costs. We source a majority of our raw materials directly from suppliers and manufacturers which we believe to be best-in-class, located primarily in Asia and Europe that uphold our standards for quality, lead time and cost. Capacity planning with our manufacturers is done at the beginning of the season to ensure flexibility without commitment for order quantities. We maintain a formalized quality assurance program whereby we inspect our manufacturers' factories to ensure quality control. We engage independent expert service providers to conduct factory audits for compliance with local laws and regulations and with global standards.

We believe that our approach to sourcing a majority of our raw materials and working directly with suppliers and manufacturers enhances our ability to create beautiful and high quality products in a timely manner.

STORES

As at the date of this Annual Information Form, we operate 65 stores in Canada and 22 stores in the United States situated in prime real estate locations in high performing retail malls and high streets. Our stores average approximately 6,000 square feet, generally ranging in size from 3,000 square feet to 8,000 square feet, with flagships as large as 14,500 square feet. Our primary focus is to open and operate stores under the Aritzia banner. We have selectively opened Wilfred, Babaton and TNA exclusive brand stores to optimize our market position based on customer demand. All stores are leased under operating leases that typically extend to 10 years when combined with renewals, with some leases containing additional options for renewal.

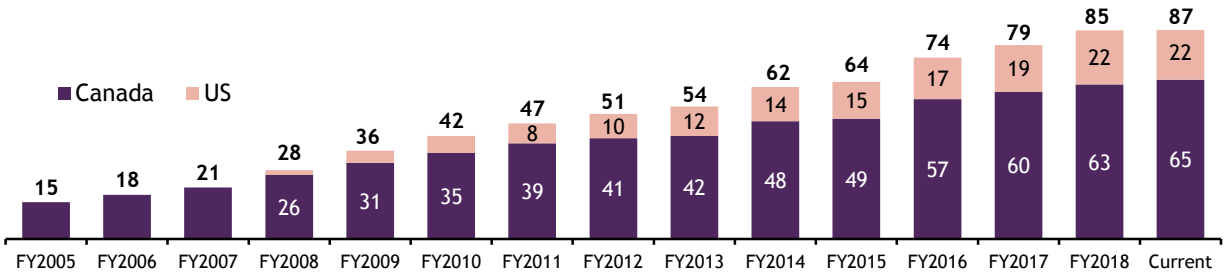
Canada	Number of Stores
Alberta	10
British Columbia	17
Manitoba	1
Nova Scotia	1
Ontario	30
Québec	5
Saskatchewan	1
Total Canada	65

United States	Number of Stores
California	5
Illinois	4
Massachusetts	1
Michigan	1
New Jersey	2
New York	5
Oregon	1
Texas	1
Washington	2
Total United States	22
Total	87

Store Network Expansion and Enhancement

We have developed our store network in a measured and disciplined manner. The expansion of our store network accelerated in fiscal 2006 following the investment by Berkshire Partners who shared our vision to grow our store network across North America, having opened 69 stores since fiscal 2006.

Historical Store Count



To maintain the overall look and feel of the Aritzia brand and support our compelling store economics, we are selective in evaluating store locations, with a focus on securing prime locations in high performing retail malls and high streets. We believe that our strong sales productivity makes us a sought-after tenant by major landlords for top quality locations in prime shopping destinations.

In addition to opening new Aritzia and select exclusive brand stores, including Wilfred, Babaton and TNA, we have generated attractive returns on capital by enhancing elements of our existing stores (footprint, layout and assortment) through carefully considered store expansions and repositions.

ECOMMERCE

Aritzia.com is a continually evolving digital representation of our brand. It is designed to facilitate an inspired user experience across any device, through aspirational aesthetics and intuitive user interface, while celebrating our creativity, innovation and design. We strive to offer an integrated experience for our customers where they are provided another access point to our offerings, are able to shop when they want and how they want, and enjoy the same exceptional customer service that they would in our stores.

Our eCommerce business was launched in fiscal 2013 and quickly surpassed our growth expectations with continued performance growth in online traffic during Fiscal 2018.

Our eCommerce business is supported by a team of dedicated customer care professionals, most of whom are former sales associates, who provide product recommendations and styling advice. Each online order is meticulously wrapped in our elevated packaging so that customers are delighted when packages are received.

We have a Canadian (English & French) and a U.S. website, as well as our international website, which launched in October 2016. We pride ourselves on our functional innovation from the fully responsive nature of our site, optimized across all mobile devices through to the seamless integration of content and commerce. In 2014, we received the Canada Post Award for Best eCommerce shopping experience and the *Mérites du français dans les technologies de l'information* from the *Office Québécois de la langue française*. In 2017, we received a Pacesetter Award in the Sustained Growth category from Salesforce.com Inc. The Pacesetter Awards recognize companies who have blazed new trails in retail, who stand out amongst their peers as the most progressive or successful, and who serve as an inspiration to both their industry and their customers. The Sustained Growth award recognizes companies that achieved above-average growth in their industry for a period of at least two years.

We believe there is a synergistic relationship between our store network and *aritzia.com*, with the success of each channel benefitting the other through increased brand awareness and affinity. This dynamic has recently been demonstrated as eCommerce net revenue has generally increased at a higher rate in markets with new store openings as compared to overall net revenue.

MARKETING

We employ a holistic marketing approach to articulate the fundamental creative ideas that express our core values. We believe this has a meaningful impact on increasing awareness and affinity for Aritzia in existing markets and in growth markets such as the United States and outside North America.

We are able to drive leading store productivity and traffic by efficiently directing our marketing resources. At Aritzia, we believe our premier real estate footprint is an important marketing vehicle. By being situated in prime real estate locations in high performing retail malls and high streets, we are automatically positioned where our customers are shopping and therefore in areas with high foot traffic and visibility to our brand. Our aspirational stores communicate the Aritzia brand through our store design, signage, windows, in-store displays, packaging and customer service levels.

We focus our marketing resources on relationship building activities designed to cultivate, maintain and expand our customer base. We have a robust customer database which allows for targeted segmentation, direct marketing and highly personalized interaction with our customers.

Our digital marketing strategy is to use our eCommerce business as an extension of our store experience and social media avenues such as Instagram, Pinterest, Facebook, Twitter and Snapchat. This allows us to not only communicate with our customers, but also to interact and drive customer engagement by encouraging user-generated photos, videos, art and other content for use on *aritzia.com,* which resonates well with our customers.

COMPETITION

We operate in the women's apparel industry, where we compete with a diverse group of specialty apparel retailers, department stores, fast fashion retailers, athletic retailers and other manufacturers and retailers of branded apparel. Market participants compete on the basis of, among other things, the location of stores, the breadth, style, quality, price and availability of merchandise, the level of customer service and brand recognition. We believe that we successfully compete on the basis of several factors that include our strategic mix of exclusive brands, offering of a combination of high quality products at an attainable price point, our refined and proven merchandise planning strategy, our focus on providing an aspirational shopping experience and exceptional customer service, our premier real estate portfolio and our market positioning, collectively resulting in a fashion brand loved by women all over the world.

DISTRIBUTION FACILITIES

Our current distribution network consists of three distribution centres, two in Canada and one in the United States, that are well located to service our stores and eCommerce business. We operate our distribution centre, located in the Greater Vancouver Area, British Columbia while our second Canadian distribution centre, located in the Greater Toronto Area, Ontario and our U.S. distribution centre, located near Columbus, Ohio, are both operated by third party logistics providers. In April 2017, we expanded our Columbus area distribution centre capacity from 45,000 square feet to 138,000 square feet. We will be relocating and expanding our Greater Vancouver distribution centre from 83,000 square feet into a new 223,000 square foot facility which is anticipated to be operational by the fall of 2018. As part of this expansion, we will be upgrading our warehouse management system to enhance our supply chain system flexibility and scalability and to provide a strong and enhanced foundation to support our store and eCommerce growth initiatives.

SEASONALITY

The women's apparel industry is seasonal in nature with a high proportion of net revenue and operating income generated in our fourth fiscal quarter. Working capital requirements fluctuate during the year, increasing in mid-summer in anticipation of the fall merchandise season and increasing substantially prior to the holiday season when we carry significantly higher levels of inventory.

Our quarterly revenue and earnings are significantly impacted by customer sales patterns. As a result, net revenue in our fourth fiscal quarter, due to the holiday shopping season, represent a much greater portion of our annual sales volume and a substantial portion of our annual earnings. See "Risk Factors — Our net revenue and inventory purchases fluctuate on a seasonal basis, which could adversely affect our business and financial condition".

INFORMATION SYSTEMS

We continue to strategically invest ahead of our growth plans in information technology infrastructure. We use SAP, a sophisticated enterprise resource planning system and data warehouse, to provide business process support and intelligence across merchandise planning, inventory management, production, costing, order management, finance, accounting, reporting and analysis. This system has the flexibility to support global and multi-channel expansion. In fiscal 2013, we launched our eCommerce business and implemented a leading warehouse management system and in fiscal 2014, opened an on-premise scalable data centre. During Fiscal 2017, we implemented a human resource information system which allows us to better enable strategic human capital decisions. In

Fiscal 2018, we implemented a new point-of-sale system to further enhance our omni-channel operations and customer relationship capabilities. In Fiscal 2019, we plan to upgrade our warehouse management system in connection with our Greater Vancouver distribution centre expansion to enhance our supply chain system flexibility and scalability and to provide a strong foundation to support our store and eCommerce growth initiatives. These upgrades and other future investments are expected to increase our efficiency and support our growth.

EMPLOYEES

As of February 25, 2018, we had 2,594 employees (excluding seasonal employees), of which 1,815 were employed in our stores, 582 were employed in our support offices, and 197 were employed at the distribution centre in the Greater Vancouver area, British Columbia.

We hire seasonal associates for our stores, distribution centre, and customer care during peak seasons such as the holiday shopping season, which provides us with greater flexibility in our workforce and allows us to better address busier peak periods. Our employees are not covered by a collective bargaining agreement and we have had no labour-related work stoppages.

INTELLECTUAL PROPERTY

We believe we own the material trademarks used in connection with the design, production, marketing, distribution and sale of our products in Canada, the United States and in the other countries in which our products are currently or intended to be either sold or manufactured. Our major trademarks include *Aritzia*, *Wilfred*, *Babaton*, and *TNA* and span numerous countries and regions including Canada, the United States, the European Union, Australia, Japan, China and Hong Kong. On a global basis, we have over 300 trademarks, which are either registered or pending, and at least 200 domain name registrations. We intend to continue to strategically register, both domestically and internationally, trademarks and domain names that we use today and those we develop in the future.

We are not currently aware of any claims of infringement or challenges to our right to use any of our marks in Canada or the United States.

CORPORATE RESPONSIBILITY

At Aritzia two values underpin our dealings with our people, our partners, our clients and our communities: our commitment to upholding human rights in our operations and those of our partners and our commitment to reducing our environmental impact. These values contribute to our commitment to working collaboratively and transparently with our stakeholders to achieve lasting change.

Aritzia has a vendor code of conduct outlining our expectations of partners throughout our value chain through a social impact program that is designed to monitor the labour conditions at our factories using independent expert service providers. We understand that factories with fair working conditions are also healthier and more resilient business partners.

We are members of the Sustainable Apparel Coalition, an industry initiative that enables us to work in tandem with the apparel industry on sustainability initiatives.

We continue our work to support local communities through volunteerism, product donation and financial support, building internal and external engagement with our own people and those communities around us. For strategic alignment, we focus our efforts on causes that empower young women and girls.

Additional information about how we are embedding our values into our business is available on our website, www.aritzia.com, under Corporate Responsibility.

OUR INDUSTRY

We operate in the large and growing women's apparel industry, primarily within the North American market. We believe the industry is evolving to benefit players like us that have the scale needed to leverage their infrastructure and capabilities in areas such as brand equity creation, real estate selection, store design, supply chain and eCommerce.

The apparel industry has experienced a significant increase in eCommerce activity, driven in part by the ease of online shopping, which facilitates product and pricing transparency, and the continued proliferation of social media. The increased prominence of online shopping in the industry highlights the importance of a strong and growing brand and has implications on the selection of store locations. We believe that our measured approach to growth and focus on attractive, high-traffic store locations positions us well in this context, and allows us to optimize our market share in both channels in this evolving retail landscape.

We are strategically positioned in a customer market segment of the global fashion landscape between fast fashion and affordable luxury. We believe we are well positioned to serve women in this customer segment by offering beautifully designed, high quality products at an attainable price point.

We believe that apparel is a globalized industry where domestic and several significant international players compete in North America. Our market positioning, disciplined operating philosophy and prudent investments in infrastructure and resources have provided us with the agility to evolve with apparel industry trends and to continue to profitably grow our business.

RISK FACTORS

The following specific factors could materially adversely affect us and should be considered when deciding whether to make an investment in Aritzia and the Subordinate Voting Shares. The risks and uncertainties described in this Annual Information Form and the information incorporated by reference herein are those we currently believe to be material, but they are not the only ones we face. If any of the following risks, or any other risks and uncertainties that we have not yet identified or that we currently consider not to be material, actually occur or become material risks, our business, prospects, financial condition, results of operations and cash flows and consequently the price of the Subordinate Voting Shares could be materially and adversely affected. In all these cases, the trading price of the Subordinate Voting Shares could decline, and prospective investors could lose all or part of their investment.

Risks Related to Our Business and Industry

General economic conditions in Canada, the United States and other parts of the world, including lower levels of consumer spending, can affect consumer confidence and consumer purchases of discretionary items, including fashion apparel and related products, such as ours.

Consumer purchases of discretionary retail items and specialty retail products, which include our apparel and accessories, may be adversely affected by economic conditions such as employment levels, salary and wage levels, the availability of consumer credit, inflation, interest rates, tax rates, fuel prices and consumer confidence with respect to current and future economic conditions. Consumer purchases may decline during recessionary periods or at other times when unemployment is higher or disposable income is lower. These risks may be exacerbated for retailers like us that focus significantly on selling discretionary fashion merchandise. Consumer willingness to make discretionary purchases

may decline, may stall or may be slow to increase due to international, national and regional economic conditions.

Our financial performance is particularly susceptible to economic and other conditions in regions where we have a significant number of stores. There remains considerable uncertainty and volatility in the Canadian and U.S. economy. Further or future slowdowns or disruptions in the economy could adversely affect mall and shopping destination traffic and new mall and retail development and could materially and adversely affect us and our growth plans. We may not be able to maintain our recent rate of growth in net revenue if there is a decline in consumer spending. In addition, a deterioration of economic conditions and future recessionary periods may impact the other risks faced by our business, including those risks we encounter as we attempt to execute our growth plans.

The success of our business depends on our ability to optimize our merchandise offerings by anticipating and responding in a timely manner to constantly changing consumer demands, tastes and fashion trends across multiple brands, product lines, sales channels and geographies. Our inability to anticipate and respond to these changes could have a material adverse effect on our business, financial condition and results of operations.

Our target market of apparel and accessories for women is subject to rapidly shifting fashion and seasonal trends, customer tastes and demands. Accordingly, our success is dependent on our ability to anticipate and forecast changes in fashion trends and consumer preferences and continuously manage and develop our collection of brands to respond to these consumer trends including expanding sales channels and geographies.

We design new merchandise, select and purchase raw materials, develop new brands and retail concepts, incorporate select third party brands and continuously adjust the position of our brands and merchandise categories in an effort to meet our customers' demands. We also manage our inventory through pricing and by allocating, replenishing and transferring product across our network of stores and online to optimize merchandise offerings.

There can be no assurance that we will be able to continue to successfully carry out our demand-driven merchandise planning, buying and inventory strategies and stock our stores and online distribution channels with the appropriate assortment of merchandise. To the extent our predictions differ from our customers' purchasing preferences, we may be faced with excess raw materials or inventories for some merchandise and/or shortages or missed opportunities for others. Although we have historically exercised a disciplined mark-down strategy, excess inventories could compromise our ability to continue to do so and result in lower gross profit margins due to greater than anticipated discounts and markdowns that might be necessary to reduce inventory levels. Low inventory levels can adversely affect our ability to meet customer demand, which may lead to lost revenue and diminished brand loyalty. Any sustained failure to anticipate, identify and respond to emerging trends in consumer preferences could have a material adverse effect on our business, financial condition and results of operations.

Our business depends on a strong brand image, both for the Aritzia brand and our collection of exclusive brands, and if we are not able to protect and enhance our brands, our business may be negatively impacted.

We believe that our brand image and brand awareness has contributed significantly to the success of our business and that maintaining and enhancing our brand image and increasing brand awareness in new markets where we have limited brand recognition is important to maintaining and expanding our customer base. Maintaining and enhancing our brand image and increasing brand awareness may require us to make investments in areas such as merchandising, store development, employee training, public relations and marketing, as well as other costs associated with opening new stores and continuing to expand our eCommerce business. These investments may be substantial and may not ultimately be successful.

Our brand image and reputation may be impacted by actions taken by our service providers, employees, characteristics of our merchandise (including characteristics that may result in recalls), marketing activities and negative commentary or reviews. Widespread use and access to social media campaigns and viral messaging or imagery could significantly broaden the scope and impact of any such events or circumstances. Because consumers value readily available information about retailers and their products, they may act on information conveyed through social media without further investigation and without regard to its accuracy. The harm to our brand may be immediate without affording us an opportunity for redress or correction, and there can be no assurances that we will respond in an appropriate or timely manner.

Our brand image and reputation may be negatively impacted by actions taken by suppliers, manufacturers and other third party service providers.

The actions and business practices of our suppliers, manufacturers and other third party service providers may negatively impact our brand. We source the materials for our merchandise and our independent suppliers and manufacturers operate predominantly in China and other overseas markets, including Cambodia, India and Vietnam. Although our suppliers and manufacturers are subject to our vendor code of conduct and we regularly engage a third party to conduct manufacturer factory audits for compliance with local laws and global standards, we do not otherwise supervise or control our suppliers and manufacturers. Monitoring compliance of independent manufacturers is complicated by the fact that expectations of ethical business practices continually evolve, may be substantially more demanding than applicable legal requirements and are driven in part by legal developments and by diverse groups active in publicizing and organizing public responses to perceived ethical shortcomings. Accordingly, we cannot predict how such expectations might develop in the future and cannot be certain that our guidelines would satisfy all parties who are active in monitoring and publicizing perceived shortcomings in labour and other business practices worldwide. Any failure by us, or by our suppliers or manufacturers, to maintain customer service levels, merchandise quality and integrity, labour practices generally accepted in North America or in the countries our suppliers and manufacturers operate in, or ethical and socially responsible operations could adversely affect our brand image and reputation.

Additionally, if we do not meet the transparency standards expected by parties active in promoting ethical business practices, we may attract negative publicity, regardless of whether the actual labour and other business practices adhered to by us and our suppliers and manufacturers satisfy substantive expectations of ethical business practices. Any negative publicity about, or significant damage to, our brand or reputation could negatively impact revenue, reduce employee morale and productivity and diminish customer trust, any of which could harm our business, financial condition and results of operations.

We have also occasionally received, and may in the future continue to receive, shipments of merchandise that fail to comply with our specifications or that fail to conform to our quality control standards. We have also received, and may in the future continue to receive, merchandise that either meets our specifications but that is nonetheless unacceptable to us, or products that are unacceptable to certain customers or to other members of the public. Under these circumstances, unless we are able to obtain replacement products in a timely manner, we risk the loss of revenue resulting from the inability to sell such merchandise and related increased administrative and shipping costs. Additionally, if the unacceptability of our merchandise is not discovered until after it is purchased or viewed by our customers or members of the public, our customers or members of the public could form unfavourable opinions of our merchandise, we could face a merchandise recall, our results of operations could suffer and our reputation and brand could be harmed.

Fluctuations in the value of the Canadian dollar in relation to the U.S. dollar and other currencies may impact our operating and financial results and may affect the comparability of our results between financial periods.

We are exposed to market risks attributable to fluctuations in foreign currency exchange rates, primarily changes in the value of the Canadian dollar versus the U.S. dollar. Exchange rate fluctuations could have an adverse effect on our operating and financial results.

The majority of our revenue are derived in Canadian dollars while the vast majority of our cost of goods sold is denominated in U.S. dollars, which could cause an impact to our cost of goods sold following changes in the value of the Canadian dollar against the U.S. dollar. In the future, we expect to continue to derive a significant portion of our revenue in Canadian dollars and incur a significant portion of our cost of goods sold and operating costs in U.S. dollars, and changes in exchange rates between the Canadian dollar and the U.S. dollar may have a significant, and potentially adverse, effect on our results of operations.

We use foreign currency forward contracts to mitigate risks associated with forecasted U.S. dollar merchandise purchases sold in Canada, but there can be no assurances that such strategy will prove to be successful. Currency hedging entails a risk of illiquidity and, to the extent the applicable foreign currency depreciates or appreciates (depending on the direction of the hedge) against the Canadian dollar, the use of hedges could result in losses greater than if the hedging had not been used. Also, hedging arrangements may have the effect of limiting or reducing the total returns to us if management's expectations concerning future events or market conditions prove to be incorrect, in which case the costs associated with the hedging strategies may outweigh their benefits.

Our financial statements are presented in accordance with IFRS, and we report, and will continue to report, our results in Canadian dollars. Any change in the value of the U.S. dollar against the Canadian dollar during a given financial reporting period would result in a foreign currency loss or gain on the translation of U.S. dollar denominated revenue and costs. Consequently, our reported earnings could fluctuate materially as a result of foreign exchange translation gains or losses and may not be comparable from period to period.

If we lose the services of members of our management team or other key personnel, or are unable to attract new team members who possess specialized market knowledge and technical skills, it could reduce our ability to compete and to manage our operations effectively.

Our management team consists of a core group of senior executive officers. As a result of having a relatively small group of senior executive officers, the loss of the technical knowledge, management expertise and knowledge of our operations of one or more members of our team could result in a diversion of management resources, as the remaining members of management would need to cover the duties of any senior executive who leaves us and would need to spend time usually reserved for managing our business to search for, hire and train new members of management. We do not have key person life insurance policies for our management employees.

The loss of some or all of our management team or other key personnel, including our designers and managers of key functional areas, could negatively affect our ability to develop and pursue our growth strategy, which could adversely affect our business and financial condition. Any departures of key personnel could also be viewed in a negative light by investors and analysts, which could cause the market price of our Subordinate Voting Shares to decline.

Additionally, the market for key personnel in the industry in which we compete is highly competitive and not concentrated in Vancouver, British Columbia, the location of our support office. As a result, we may not be able to attract and retain key personnel with the skills and expertise necessary to manage our business and pursue our growth strategy.

Our ability to obtain merchandise on a timely basis at competitive costs could suffer as a result of any deterioration or change in our supplier and manufacturer relationships or events that adversely affect our suppliers or manufacturers or cause disruptions in their businesses.

Our suppliers and manufacturers are affected by, among other things, increases in labour and fuel costs, labour availability, labour disputes and disruptions, regulatory changes, political or economic instability, natural disasters, trade restrictions, tariffs, currency exchange rates, transport capacity and costs and other factors relating to foreign trade. These factors are beyond our control, may adversely affect our suppliers or manufacturers or cause disruptions to their businesses and may impact our ability to source raw materials and finished merchandise and manufacture our merchandise on acceptable terms.

Most of our apparel products are currently manufactured for us outside of North America. Canada, the United States and the countries in which our products are produced or sold internationally have imposed and may impose additional quotas, duties, tariffs, or other restrictions or regulations, or may adversely adjust prevailing quota, duty or tariff levels. Trade restrictions, including tariffs, quotas, embargoes, sanctions, safeguards and customs restrictions, could increase the cost or reduce the supply of products available to us or may require us to modify our supply chain organization or other current business practices, any of which could harm our business, financial condition and results of operations.

We have a number of important supplier and manufacturer relationships that we believe provide us with a competitive advantage. We do not own or operate any manufacturing facilities. Instead, we source fabrics, other materials and selected finished merchandise from third party suppliers and work with third party manufacturers to produce the majority of our merchandise. We do not have long-term contracts with our suppliers and manufacturers and we generally operate without any contractual assurances of continued supply or pricing. Any of our suppliers or manufacturers could discontinue their relationship with us, or cease to provide materials, merchandise or services on a satisfactory basis for a variety of reasons.

The benefits we currently experience from our vendor relationships could be adversely affected if our suppliers or manufacturers:

- choose to cease their relationship with us and we cannot replace those suppliers;
- raise the prices they charge us;
- change pricing terms to require us to pay earlier or upfront, including as a result of changes in the credit relationships some of our suppliers or manufacturers have with their various lending institutions;
- sell competitive merchandise to our competitors with similar or better pricing, many of whom already purchase merchandise in significantly greater volume and, in some cases, at lower prices than we do; or
- lengthen their lead times.

There can be no assurance that we will be able to obtain desired merchandise in sufficient quantities on acceptable terms or at all in the future, especially if we need significantly greater amounts of inventory in connection with the growth of our business. We may need to develop relationships with new suppliers and manufacturers as our current suppliers and manufacturers may be unable to supply us with and produce needed quantities and we may not be able to obtain the same terms from new suppliers and manufacturers. If we are unable to obtain suitable merchandise in sufficient quantities, at acceptable prices with adequate delivery times due to the loss of or a deterioration or change in our relationship with one or more of our key suppliers or manufacturers or events harmful to our suppliers or manufacturers occur, it may adversely affect our business and results of operations.

We operate in a highly competitive industry and the size and resources of some of our competitors may allow them to compete more effectively than we can, which could adversely impact our growth and market share.

We face intense competition in the retail apparel industry. We compete on the basis of a combination of factors, including the location of stores, online experience, the breadth, style, quality, price and availability of merchandise, the level of customer service and brand recognition. We compete with a diverse group of specialty apparel retailers, department stores, fast fashion retailers, athletic retailers and other manufacturers and retailers of branded apparel including online retailers and distributors. Our expansion into markets served by our competitors and entry of new competitors or expansion of existing competitors into our markets could have an adverse effect on our business.

Many of our competitors are, and many of our potential competitors may be, larger, and may have greater brand recognition, greater online presence and access to greater financial, marketing and other resources. Therefore, these competitors may be able to devote greater resources to the marketing and sale of their products, generate greater brand recognition or adopt more aggressive pricing policies and distribution methods than we can. As a result, we may lose market share, which could reduce our revenue and adversely affect our results of operations. Many of our competitors also utilize advertising and marketing media as well, as broader distribution channels, which we generally do not, including advertising online or through the use of direct mail, newspapers, magazines, billboards, television and radio, which may provide them with greater brand recognition than we have.

We do not possess exclusive rights to some elements that comprise our in-store experience and merchandise offerings. In addition, a limited portion of our merchandise is sourced from third parties on a non-exclusive basis. Our competitors may seek to emulate facets of our business strategy, in-store experience or merchandise offerings, which could result in a reduction of any competitive advantage that we might possess. As a result, our current and future competitors, especially those with greater eCommerce capabilities or financial, marketing or other resources, may be able to duplicate or improve upon some or all of the elements of our online or in-store experience or merchandise offerings that we believe are important in differentiating our stores and our customers' shopping experience. If our competitors were to duplicate or improve upon some or all of the elements of our online, in-store experience or product offerings, our competitive position and our business could suffer. There is no assurance that we will continue to compete successfully against existing or future competitors.

We will require significant capital to fund our expanding business, which may not be available to us on satisfactory terms or at all. While we plan to use cash from operations to fund our operations and execute our growth strategies, if we are unable to maintain sufficient levels of cash flow, we may not meet our growth expectations or we may require additional financing which could adversely affect our financial health and impose covenants that limit our business activities, as well as cause dilution to existing Shareholders.

We plan to continue our growth and expansion, including expanding our eCommerce business, expanding our store network, expanding our distribution centres and distribution channels and upgrading our information technology systems and other infrastructure as opportunities arise. Our plans to expand our store network and our eCommerce business may not be successful, may depend on our ability to successfully partner with third party service providers and the implementation of these plans may not result in expected increases in our net revenue even though they increase our costs. To support our expanding business and execute on our growth strategies, we will require significant capital.

We primarily depend on cash flow from operations and our Credit Facilities (as defined below) to fund our business and growth plans. If our business does not generate sufficient cash flow from operations to fund these activities, and sufficient funds are not otherwise available to us from our Credit Facilities, we may need additional equity or debt financing. If such financing is not available to us, or is not available on satisfactory terms, our ability to operate and expand our business or respond

to competitive pressures would be curtailed and we may need to delay, limit or eliminate expansion plans or operations or other elements of our growth strategies.

The issuance of additional Subordinate Voting Shares under any equity financing may have a dilutive effect on the interests of Shareholders. The number of Subordinate Voting Shares that we are authorized to issue is unlimited. We may, in our sole discretion, subject to applicable law and the rules of the TSX, issue additional Subordinate Voting Shares from time to time (including pursuant to any equity-based compensation plans), and the interests of Shareholders may be diluted as a result.

Our ability to manage our operations at our current size and continue to successfully execute on our growth strategies is subject to numerous risks and uncertainties, and any failure to do so could have a negative impact on the price of our Subordinate Voting Shares.

The continued success of our growth strategies is dependent on, among other things, our ability to expand our store network (particularly in the United States), expand and reposition existing stores on a timely and profitable basis, grow our eCommerce business, drive revenue growth through brand and product innovation, leverage our competitive advantages and increase our brand awareness internationally, as well as factors which are beyond our control, including general economic conditions and consumer confidence in future economic conditions. If we fail to execute any one or more of these initiatives or fail to fully realize the benefits expected to result from these initiatives, our results of operations and our ability to remain competitive could be materially adversely impacted, and the price of our Subordinate Voting Shares could decline. Our results to date are not an indication of future results, and there can be no assurance that these initiatives will generate increased revenue or improve operating margins even if we are to successfully implement our growth strategies.

While we have grown substantially as a company since inception, much of this growth occurred since 2007. As we move forward, we expect our growth to bring new challenges and complexities that we have not faced before. Among other difficulties that we may encounter, this growth will place a strain on our existing infrastructure, including our distribution facilities, information technology systems, data centre capacity, financial controls, real estate requirements and employee base and may make it more difficult for us to adequately forecast expenditures. Our state-of-the-art data centre, which was built in 2013, was designed with 10 years of data capacity growth and in time will need to be upgraded to accommodate our growth. Our budgeting will become more complex, and we may also place increased burdens on our suppliers and manufacturers, as we will likely increase the size of our merchandise orders. The increased demands that our growth plans will place on our infrastructure and our management team may cause us to operate our business less efficiently, which could cause deterioration in our performance. New order delivery times could lengthen as a result of the strains that growth may place on our existing resources and our growth may make it otherwise difficult for us to respond quickly to changing trends, consumer preferences and other factors. This could result in excess or deficient inventory, greater markdowns, loss of market share and decreased revenue. We cannot anticipate all of the demands that our expanding operations will impose on our business, and our failure to appropriately address these demands could have an adverse effect on us.

In addition, we believe that an important contributor to our success has been our corporate culture, which we believe fosters innovation, teamwork, passion for our brands and designs and personalized customer service. As we continue to grow, we must effectively integrate, develop and motivate a growing number of new employees. As a result, we may find it difficult to maintain our corporate culture, which could limit our ability to innovate and operate effectively. Any failure to preserve our culture could also negatively affect our ability to retain and recruit personnel, continue to perform at current levels or execute on our growth strategies.

We are subject to risks associated with leasing store space, and are subject to a number of long-term non-cancelable leases with substantial lease payments. Any failure to make these lease payments when due, or the inability to extend, renew or continue to lease space in key locations, may likely harm our business, profitability and results of operations.

We do not own any real estate. Instead, we lease all of our store locations, as well as our support offices and distribution facility in the Greater Vancouver area, British Columbia. Accordingly, we are subject to all of the risks associated with leasing, occupying and making tenant improvements to real property, including adverse demographic and competitive changes affecting the location of the property, changes in availability of and contractual terms for leasable store space, credit risk in relation to tenant improvement allowances from landlords and potential liability for environmental conditions or personal injury claims.

The success of any store depends substantially upon its location. There can be no assurance that our current store locations will continue to be desirable in the future, or that we will be able to secure new desirable locations in the future on favourable terms or at all. Store locations, customer conversion and sales may be adversely affected by, among other things, social and economic conditions in a particular area, competition from nearby retailers selling similar merchandise, changes in co-tenants that negatively impacts the desirability of our store locations, changing lifestyle choices of consumers in a particular market and the closing or decline in popularity of other businesses located near our store locations. Changes in areas around our store locations that result in reductions in customer foot traffic or otherwise render the locations unsuitable could cause our revenue to be less than expected. If we cannot obtain desirable locations at reasonable costs, our cost structure will increase and our revenue will be adversely affected.

Our existing stores are leased from third parties, with typical lease commitments of ten years. Some of our lease agreements also have additional renewal options. However, there can be no assurances that we will be able to extend, renew or continue to lease our existing store locations, or identify and secure alternative suitable locations. In addition to fixed minimum lease payments, most of our store leases provide for additional rental payments based on a percentage of revenue, or "percentage rent," if revenue at the respective stores exceed specified levels, as well as the payment of common area maintenance charges, real property insurance, real estate taxes and other charges. Many of our lease agreements have defined escalating rent provisions over the initial term and any extensions. Increases in our already substantial occupancy costs and difficulty in identifying economically suitable new store locations could have significant negative consequences, which include:

- requiring that a greater portion of our available cash be applied to pay our rental obligations, thus reducing cash available for other purposes and reducing our profitability;
- increasing our vulnerability to general adverse economic and industry conditions; and
- limiting our flexibility in planning for, or reacting to changes in, our business or in the industry in which we compete.

We depend on cash flow from operations to pay our lease expenses and to fulfill our other cash needs. If our business does not generate sufficient cash flow from operating activities to fund these expenses and sufficient funds are not otherwise available to us, we may not be able to service our lease expenses, grow our business, respond to competitive challenges or fund our other liquidity and capital needs, which could harm our business. Additional sites that we lease may be subject to long-term non-cancelable leases if we are unable to negotiate shorter terms. If an existing or future store is not profitable, and we decide to close it, we may nonetheless be committed to perform our obligations under the applicable lease including, among other things, paying the base rent for the balance of the lease term. In addition, if we are not able to enter into new leases or renew existing leases on terms acceptable to us, this could have an adverse effect on our results of operations and profitability.

Our growth strategies depend in part upon our ability to successfully open and operate new stores, primarily in the United States, in a timely and cost-effective manner.

Part of our growth strategy depends on continuing to successfully open and operate new stores, primarily in the United States. In connection with our initial expansion efforts in the United States, we have encountered a lower degree of brand recognition and increased costs of operations resulting from higher payroll and rent expenses. Our ability to successfully open and operate new stores depends on many factors that may be outside of our control including, among others, our ability to:

- increase brand awareness;
- identify desirable store locations, primarily in malls, prime shopping destinations and street locations, which may be difficult and costly, particularly in an improving real estate environment;
- negotiate acceptable lease terms, including favorable levels of tenant improvement allowances;
- maintain out-of-pocket, build-out costs in line with our store economic model, including by receiving expected levels of tenant improvement allowances for a portion of our construction expenses, and managing construction costs at reasonable levels;
- efficiently design, source materials for, manufacture and distribute additional merchandise;
- hire, train and retain a growing workforce of store managers, sales associates and other personnel, including key management personnel;
- successfully integrate new stores into our existing control structure and operations, including our information technology systems;
- efficiently expand the operations of our distribution facilities to meet the needs of a growing store network;
- identify and satisfy the merchandise and other preferences of our customers in new geographic areas and markets; and
- address competitive, merchandising, marketing, distribution and other challenges encountered in connection with expansion into new geographic areas and markets.

To the extent that we open stores in markets where we already have existing stores, we may experience reduced net revenue at those existing stores.

Newly opened stores may not be received as well as, or achieve net revenue or profitability levels comparable to those of, our existing stores in our estimated time periods, or at all. If our stores fail to achieve, or are unable to sustain, acceptable net revenue and profitability levels, our business may be materially harmed and we may incur significant costs associated with closing or relocating stores. In addition, our current expansion plans are only estimates, and the actual number of stores we open, the timeline on which we do so and the actual number of suitable locations for our new stores could differ significantly from these estimates. If we fail to successfully open and operate new stores and execute our growth plans, the price of our Subordinate Voting Shares could decline.

Our limited operating experience and limited brand recognition in markets outside North America may limit our expansion efforts, subject us to additional risks and cause our business and growth to suffer.

Our long term future growth depends, in part, on our expansion efforts outside North America. Our current operations are based largely in Canada. We currently have 22 stores in the United States and none outside North America. Therefore our customer base and our operating experience outside Canada, and in particular outside North America, is limited. We also have limited experience with regulatory environments and market practices outside of North America, and cannot guarantee that we will be able to penetrate or successfully operate in any market outside of North America. In connection

with any future expansion efforts outside of North America, we would expect to encounter many obstacles we do not face in North America, including cultural and linguistic differences, differences in regulatory environments and market practices, difficulties in keeping abreast of market, business and technical developments and foreign customers' tastes and preferences. We may also encounter difficulty expanding into new markets because of limited brand recognition. Failure to develop new markets outside of North America (through our eCommerce business or otherwise) may harm our business and results of operations.

There can be no assurance that we will successfully manage and grow our eCommerce business as planned, and any failure to do so could have a negative impact on the price of our Subordinate Voting Shares.

The usability of and customer experience provided by our online shopping platform is critical to the success and growth of our eCommerce business. Many of our competitors already have eCommerce businesses that are substantially larger and more developed than ours. In addition, eCommerce is a rapidly changing channel and many of our competitors update their eCommerce business on an ongoing basis to match consumer preferences. Any extended software disruption of our eCommerce business or the failure on our part to provide an attractive, effective, reliable, user-friendly eCommerce business that offers a wide assortment of merchandise with rapid delivery options and that continually meets the changing expectations of online customers could place us at a competitive disadvantage, result in the loss of revenue or harm our reputation with customers and could have a material adverse effect on our business and results of operations.

The retail landscape is also quickly changing due to the rise of the digitally influenced shopping experience and the emergence of disruptive technologies, such as digital payments, drones, driverless cars and robotics. Any failure to adapt our business to recognize and manage this shift in a timely manner could adversely affect our operations or financial performance.

The growth of our eCommerce business is also dependent on our ability to successfully manage the costs, difficulties and competitive pressures associated with international shipping, including inventory management and distribution. Other risks specific to our eCommerce business include diversion of revenue from our stores, difficulty in recreating the in-store experience through direct channels, our ability to successfully partner with third party service providers including online distribution channels, and liability for online content. If we are unable to expand or update our eCommerce business commensurately with our competitors, introduce and manage international shipping and successfully respond to the risks inherent to eCommerce, our financial results and the growth of our eCommerce business may be negatively impacted, and the price of our Subordinate Voting Shares could decline.

A material disruption in or security breach affecting our information technology systems or eCommerce business could significantly affect our business and lead to reduced revenue, growth prospects and reputational damage.

We rely extensively on our computer systems to manage our business, including customer, employee, product, inventory, supply chain and financial data, and to record and process transactions and payroll. While our systems are designed to operate without interruption, we have experienced, and may in the future experience, interruptions to the availability of our computer systems from time to time. The failure of our computer systems to operate effectively, keep pace with our growing capacity requirements, smoothly transition to upgraded or replacement systems or integrate with new systems could adversely affect our business. In addition, our computer systems are subject to damage or interruption from power outages, computer and telecommunications failures, computer viruses, cyber-attacks, denial-of-service attacks, security breaches, catastrophic events such as fires, floods, earthquakes, tornadoes, hurricanes, acts of war or terrorism, and usage errors by our employees. If our computer systems are damaged or cease to function properly, we may have to make a significant investment to fix or replace them. We may also suffer loss of critical data, compromise to the integrity or confidentiality of data and information, including but not limited to customer and employee

information in our systems or networks, disruption to the systems or networks of third parties on which we rely, and interruptions or delays in our operations. We rely on third party technology cloud providers, and may be subject to risks of such service providers ceasing business operations, changing their business models, reducing functionality or experiencing cyber-attacks or system outages. A lack of relevant and reliable information that enables management to effectively manage our business could preclude us from optimizing our overall performance. Any significant loss of data or failure to maintain reliable data could have a material adverse effect on our business and results of operations. A disruption to our eCommerce business could reduce our eCommerce revenue, increase our costs, diminish our growth prospects, expose us to litigation, decrease customer confidence and damage our brand, and a material interruption to any of our computer systems could adversely affect our business or results of operations and our reputation.

Information security risks have increased in recent years because of the proliferation of new technologies and the increased sophistication of perpetrators of cyber-attacks. Cyber incidents can result from deliberate attacks or unintentional events. Experienced computer programmers and hackers, or even internal users, may be able to penetrate or create systems disruptions or cause shutdowns of our network security or that of third party companies with which we have contracted to provide services. We generally collect, process, store and use sensitive personal information relating to our customers and employees, including their personally identifiable information, and rely on third parties for the operation of our eCommerce site and for the various social media tools and websites we use, for marketing purposes and for employment purposes. Any perceived, attempted or actual unauthorized disclosure of personally identifiable information regarding our employees, customers or website visitors could harm our reputation and credibility, reduce our eCommerce revenue, impair our ability to attract website visitors, reduce our ability to attract and retain customers, could subject us to litigation or the imposition of significant fines or penalties, which could adversely affect our business and growth. Moreover, we could incur significant expenses or disruptions of our operations in connection with system failures or data breaches.

An increasing number of websites, including those of several well-known companies and institutions, have recently disclosed data security breaches, some of which have involved sophisticated and highly targeted attacks on portions of their sites. Because the techniques used to obtain unauthorized access, disable or degrade services or sabotage systems, change frequently and often are not recognized until launched against a target, we may be unable to anticipate these techniques or to implement adequate preventative measures. In addition, sophisticated hardware and operating system software and applications that we buy or license from third parties may contain defects in design or manufacture, including “bugs” and other problems that could unexpectedly interfere with the security and operation of the systems. The costs to us to eliminate or alleviate security problems, viruses and bugs could be significant, and efforts to address these problems could result in interruptions, delays or cessation of service that may impede our sales, distribution or other critical functions.

These data security breaches, particularly those of large, well-known companies, have attracted a substantial amount of media attention, prompting new foreign, federal, provincial and state laws and legislative proposals addressing data privacy and security, as well as increased data protection obligations imposed on merchants by credit card issuers. In addition, many jurisdictions in which we operate have already adopted breach of privacy and data security laws or regulations that require notification to consumers or employees if the security of their personal information is breached, among other requirements. Governmental focus on data security may lead to additional legislative action, and the increased emphasis on information security may lead to requests that we take additional measures to enhance security or restrict the manner in which we collect and use customer and employee information. As a result, we may have to modify our business systems and practices with the goal of further improving data security, which would result in increased expenditures and operating complexity. Any compromise of our security or accidental loss or theft of customer or employee data in our possession could result in a violation of applicable privacy and other laws, significant legal and financial exposure and damage to our reputation, which could adversely impact our business, results of operations and the price of our Subordinate Voting Shares.

Many of our business functions are centralized at our support office location. Disruptions to the operations at that location could have an adverse effect on our business.

Our support office is located in Vancouver, British Columbia. We have centralized a large number of business functions at this location, including product and store design, customer support, marketing and store management. Most of our senior management, our primary data centre and critical resources dedicated to merchandising, financial and administrative functions, are located at the support office. If we were required to shut down the support office location for any reason, including fire, earthquake or other natural disaster or civil disruption, our management and our operations staff would need to find an alternative location, causing significant disruption and expense to our business and operations.

We recognize the need to enhance our disaster recovery, business continuity and document retention plans that would allow us to be operational despite unforeseen events impacting our support office, and intend to do so in the future. Without disaster recovery, business continuity and document retention plans, if we encounter difficulties, power failures or disasters at our support office, our critical systems, operations and information may not be restored in a timely manner, or at all, and may adversely impact our business operations.

Implementation and replacement of core information technology systems could disrupt our operations and adversely affect our financial results.

During Fiscal 2017, we implemented a human resource information system which allows us to better enable strategic human capital decisions. In Fiscal 2018, we implemented a new point-of-sale system to further enhance our omni-channel operations and customer relationship capabilities. In Fiscal 2019, we intend to upgrade our warehouse management system in connection with our Greater Vancouver distribution centre expansion to enhance our supply chain system flexibility and scalability and to provide a strong foundation to support our store and eCommerce growth initiatives. In the near-term, the implementation of the new systems may cause delays or disruptions and the current point-of-sale system may be used improperly, either of which might negatively impact our business, prospects, financial condition and results of operations.

The risks associated with the above information technology systems changes, as well as any failure of such systems to operate effectively, could adversely impact human capital management and the promptness and accuracy of our merchandise distribution, transaction processing and financial accounting and reporting capabilities. Internal controls over financial reporting, the efficiency of our operations and our ability to properly forecast earnings and cash requirements may be adversely affected, and we could be required to make significant additional expenditures to remediate any such failures or problems.

We believe that other companies have experienced significant delays and cost overruns in implementing similar system changes, and we may encounter problems as well. Our planned investments in maintenance capital expenditures and infrastructure are forward-looking information and are based on opinions, estimates and assumptions that may prove incorrect. Actual costs may vary materially from those forecast in this Annual Information Form. Additional unforeseen costs in developing infrastructure, including the new point-of-sale system, human resource information system, eCommerce infrastructure and other information technology improvements may adversely impact our business operations. We may not be able to successfully implement these new systems or, if implemented, we may still face unexpected disruptions in the future. Any resulting delays or disruptions could harm our business, prospects, financial condition and results of operations.

If we are unable to attract, motivate and retain quality sales staff, we may not be able to maintain a consistently high level of customer service and grow or sustain our operations, and as a result our brand, business and financial results may be harmed.

Our business is dependent on our ability to attract, motivate and retain a sufficient number of store employees, including store managers, who understand and appreciate our customers, brand and corporate culture, and are able to adequately and effectively represent our culture and establish credibility with our customers. Many of these employees are in entry level or part-time positions with historically high rates of turnover. There is also a high level of competition for experienced, qualified personnel in the retail industry and we compete for personnel with a variety of companies looking to hire for retail positions. Historically, we have prided ourselves on our commitment to employee growth and development and we focus on promoting from within our team. However, our growth plans will strain our ability to staff our new stores, particularly at the store manager level, which could have an adverse effect on our ability to maintain a cohesive and consistently strong team, which in turn could have an adverse impact on our business. If we are unable to attract, train and retain store personnel capable of consistently providing exceptional customer service, as demonstrated by their enthusiasm for our culture and brand, understanding of our customers and knowledge of the merchandise we offer, our ability to open new stores may be impaired, the performance of our existing and new stores could be materially adversely affected and our brand image and our ability to continue to implement our growth strategies may be negatively impacted.

Union attempts to organize our employees could negatively affect our business.

None of our employees are currently subject to a collective bargaining agreement. As we continue to grow and enter different regions, unions may attempt to organize all or part of our employee base at certain stores, distribution centres or within certain regions. Responding to such organization attempts may distract management and employees and may have a negative financial impact on individual stores, or on our business as a whole.

The maintenance of a productive and efficient labour environment and, in the event of unionization of these employees, the successful negotiation of a collective bargaining agreement, cannot be assured. Protracted and extensive work stoppages or labour disruptions such as strikes or lockouts could have a material adverse effect on our business, financial condition and results of operations.

We are dependent on three distribution facilities, including two operated by third party logistics providers. If one or more of our distribution facilities becomes inoperable, capacity is exceeded or if operations are disrupted, our business, financial condition and operating results could be negatively affected.

We depend on the orderly operation of the receiving and distribution process, which relies on adherence to shipping schedules and effective management of distribution centres and sufficiently planned capacity. Although we believe that our receiving and distribution processes are efficient, and we have appropriate contingency plans, unforeseen disruptions in operations due to fire, severe weather conditions, natural disasters or other catastrophic events, terrorist attacks, electronic or power interruptions, failure of software and hardware or other system failures, human error, labour disagreements, shipping problems or other similar events may result in delays in the delivery of merchandise to our stores and eCommerce customers. Additionally, although we believe that the capacity of our three distribution centres meets our current needs, we are in the process of relocating and expanding our Greater Vancouver distribution centre from an 83,000 square feet facility into a new 223,000 square feet facility. As part of this expansion, we plan to upgrade our warehouse management system to enhance our supply chain system flexibility and scalability and to provide a strong foundation to support our store and eCommerce growth initiatives. We expect the new Greater Vancouver distribution centre to be operational by fall of 2018. Any failure to expand our distribution capacity in a timely manner to keep pace with our growth could have an adverse effect on our business.

Although we maintain business interruption insurance and property insurance, we cannot provide any assurance that our insurance coverage will adequately protect us from the adverse effects that could result from significant disruptions to our distribution system, such as the long-term loss of customers or an erosion of our brand, or that insurance proceeds will be paid to us in a timely manner. In addition, our distribution capacity is dependent on the timely performance of services by third parties, including the shipping of our products to and from our distribution facilities. If we encounter problems with our distribution system, our ability to meet customer expectations, manage inventory, complete sales and achieve objectives for operating efficiencies could be harmed.

We rely upon independent third party transportation providers for substantially all of our merchandise shipments.

We currently rely upon independent third party transportation providers for substantially all of our merchandise shipments, including shipments to our distribution centres, all of our stores and our eCommerce customers. Our use of such third party transportation providers for shipments is subject to risks, including increases in fuel prices, which would increase our shipping costs (freight and delivery), labour disruptions, inclement weather, transportation accidents, human error and shipment delays. If we change transportation providers, we could face logistical difficulties that could adversely impact deliveries and we may incur costs and expend resources in connection with such change. Moreover, we may not be able to obtain terms as favorable as those received from the third party transportation providers we currently use, which may also result in increased costs.

Failure of our third party transportation providers to deliver our merchandise in a timely manner may negatively impact our ability to optimize merchandise offerings, customer service levels, brand reputation and profitability.

Increases in the cost of the raw materials or other inputs used in the production, manufacturing and transportation of our merchandise or import taxes and duties could result in increases in our cost of goods sold and adversely affect our financial results.

Fluctuations in the cost, availability and quality of the fabrics or other raw materials, particularly cotton, wool, down, silk and synthetics used in our manufactured apparel, could have a material adverse effect on cost of goods sold or our ability to meet customer demands. The prices of fabrics depend largely on the market prices of the raw materials used to produce them. The price and availability of the raw materials and, in turn, the fabrics used in our apparel, may fluctuate significantly depending on many factors, including inflationary pressures, weather patterns, crop yields, labour costs, foreign currency exchange rates and changes in oil prices. Further, freight cost is impacted by changes in fuel prices. Fuel prices affect freight cost both on inbound freight from manufacturers to the distribution centres and outbound freight from the distribution centres to our stores and eCommerce customers. Increased fabric, material, import taxes and duties and transport costs increase our cost of goods sold and could impair our ability to meet production or purchasing requirements in a timely manner. An inability to mitigate these cost increases could lead us to attempt to pass on such cost increases to our customers through store price increases on our merchandise, which could adversely affect our revenue volume. It could also lead to a change in our merchandise mix or inventory levels, which could result in a decrease in our profitability.

The U.S. and Canada have imposed and may impose additional quotas, duties, tariffs, or other restrictions or regulations, or may adversely adjust prevailing quota, duty or tariff levels. Countries impose, modify and remove tariffs and other trade restrictions in response to a diverse array of factors, including global and national economic and political conditions, which make it impossible for us to predict future developments regarding tariffs and other trade restrictions. Trade restrictions, including tariffs, quotas, embargoes, safeguards, and customs restrictions, could increase the cost or reduce the supply of products available to us or may require us to modify our supply chain or other current business practices, any of which could harm our business, financial condition and results of operations.

We are dependent on international trade agreements and regulations. If the United States were to withdraw from or materially modify certain international trade agreements, our business could be adversely affected.

Our net revenue and inventory purchases fluctuate on a seasonal basis, which could adversely affect our business and financial condition.

Our business is seasonal, with a higher proportion of revenue and operating cash flows historically generated during the second half of the fiscal year, which includes the back-to-school and holiday selling seasons. We also incur additional expenses in the periods preceding the launch of new seasons as we receive new inventory. This seasonality in revenue, cash flows and expenses may impact the comparability of our results of operations and could adversely affect our business and financial condition. Seasonal or cyclical variations in our business may become more pronounced over time and may harm our results of operations in the future.

Our quarterly results of operations may also fluctuate significantly as a result of a variety of other factors, including, among other things, the following: the timing of new store openings; net revenue and profits contributed by new stores; increases or decreases in comparable sales; changes in our product mix; and the timing of new advertising and new brand or product introductions.

As a result of these seasonal and quarterly fluctuations, we believe that comparisons of our operating results between different quarters within a single fiscal year are not necessarily meaningful and that these comparisons cannot be relied upon as indicators of our future performance.

Any future seasonal or quarterly fluctuations in our results of operations may not match the expectations of market analysts and investors. Disappointing quarterly results could cause the price of our Subordinate Voting Shares to decline. Seasonal or quarterly factors in our business and results of operations may also make it more difficult for market analysts and investors to assess the longer-term profitability and strength of our business at any particular point, which could lead to increased volatility in the price of our Subordinate Voting Shares. Increased volatility could cause the price of our Subordinate Voting Shares to suffer in comparison to less volatile investments.

We may be unable to continue to grow revenue levels or meet other financial targets, which could cause the price of our Subordinate Voting Shares to decline.

Our success depends, in part, upon our ability to improve comparable sales and achieve revenue and other financial targets for our stores and eCommerce business. Various factors affect revenue levels, including competition, consumer trends and preferences, the general economic and retail environment, our ability to efficiently source and distribute products, brand innovation and changes in our merchandising mix, the timing of release of new merchandise and promotional events, the success of marketing programs, prior period revenue levels, inventory shrinkage, the timing and amount of markdowns, weather conditions and changes in the other tenants in the shopping centres or other locations in which our stores are located. These factors may cause our revenue results to differ materially from prior periods and from expectations. Past revenue and other financial results are no indication of future results, and there can be no assurance that our revenue levels will not decrease in the future. We have made and intend to continue to make significant capital investments to increase comparable sales growth by focusing on brand and product innovation and optimizing store layout, merchandise and product offerings and presentation. Failure to continue to grow comparable sales, meet other financial targets or meet expectations could adversely affect our revenue, and the price of our Subordinate Voting Shares could decline.

A failure to reduce operating expenses in a timely manner in response to changes in our business could adversely affect our results of operations.

Our business and results of operations are sensitive to a number of factors, both within and outside our control. In the event of a sustained reduction in revenue, for whatever reason, it may be necessary to implement an expense reduction plan. The successful implementation of an expense reduction plan, if and when deemed advisable by management, depends on many factors, including our ability to identify the need for such a plan in a timely manner, to effectively implement such plan, as well as certain factors which are beyond our control, including economic conditions, labour market conditions, ability to maintain our management team to implement our plan, and any one of these factors or other unforeseen factors could have a material adverse effect on our ability to implement any targeted cost savings to stabilize our results of operations.

A failure to maintain an effective system of internal controls over financial reporting could harm our financial performance, our ability to raise capital and our listing on the TSX.

We are responsible for establishing and maintaining adequate internal control over financial reporting, which is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS. Because of our inherent limitations and the fact that we are a new public company and are implementing new financial control and management systems, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate. A failure to prevent or detect errors or misstatements may result in a decline in the price of our Subordinate Voting Shares and harm our ability to raise capital in the future.

If our management is unable to certify the effectiveness of our internal controls or if material weaknesses in our internal controls are identified, we could be subject to regulatory scrutiny and a loss of public confidence, which could harm our business and cause a decline in the price of our Subordinate Voting Shares. In addition, if we do not maintain adequate financial and management personnel, processes and controls, we may not be able to accurately report our financial performance on a timely basis, which could cause a decline in the price of our Subordinate Voting Shares and harm our ability to raise capital. Failure to accurately report our financial performance on a timely basis could also jeopardize our listing on the TSX or any other stock exchange on which our Subordinate Voting Shares may be listed. Delisting of our Subordinate Voting Shares on any exchange would reduce the liquidity of the market for our Subordinate Voting Shares, which would reduce the price of and increase the volatility of the price of our Subordinate Voting Shares.

We do not expect that our disclosure controls and procedures and internal controls over financial reporting will prevent all error or fraud. A control system, no matter how well-designed and implemented, can provide only reasonable, not absolute, assurance that the control system's objectives will be met. Further, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Due to the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues within an organization are detected. The inherent limitations include the realities that judgments in decision-making can be faulty, and that breakdowns can occur because of simple errors or mistakes. Controls can also be circumvented by individual acts of certain persons, by collusion of two or more people or by management override of the controls. Due to the inherent limitations in a cost-effective control system, misstatements due to error or fraud may occur and may not be detected in a timely manner or at all. If we cannot provide reliable financial reports or prevent fraud, our reputation and operating results could be materially adversely effected, which could also cause investors to lose confidence in our reported financial information, which in turn could result in a reduction in the trading price of the Subordinate Voting Shares.

If we fail to adequately continue to connect with our customer base, our business could be adversely affected.

We focus on organic, social media, and in-store marketing to capture the interest of our customers and drive them to our stores and website. We generally do not use traditional advertising channels, such as newspapers, magazines, billboards, television and radio, which are used by some of our competitors. This may impair our ability to successfully integrate new stores into the surrounding communities, to expand into new markets at all or to maintain the strength or distinctiveness of our brand in our existing markets. We have no assurance that our organic and in-store marketing efforts will prove successful outside of the narrow geographic regions in which they have been used in Canada and the United States. As we expand into new geographic markets, consumers in these markets may not accept our brand image. We anticipate that, as our business expands into new markets and as the market becomes increasingly competitive, maintaining and enhancing our brand may become increasingly difficult and expensive.

If our marketing efforts are not successful, there may be no immediately available or cost effective alternative marketing channel for us to use to build or maintain brand awareness. If we are required to use traditional advertising channels in our overall marketing strategy, then we will incur additional expenses associated with the transition to and operation of a traditional advertising channel. As we execute our growth strategies, our ability to successfully increase brand awareness and to expand our eCommerce business will be adversely impacted if we fail to connect with our target customers. Failure to successfully connect with our target customers in new and existing markets could harm our business, results of operations and financial condition.

We may be unable to protect our trademarks or other intellectual property rights, and may be subject to claims that we, or our suppliers, have infringed upon the trademarks or other intellectual property rights of third parties.

We believe that our trademarks are integral to our stores and our eCommerce business and our success in building our brand image and customer loyalty. We rely on trademark registrations and common law trademark and copyright rights to protect the distinctiveness of our brand and have registered those trademarks that we believe are important to our business in Canada and the United States. We have registered certain of our trademarks in several foreign countries to seek protection outside Canada and the United States, and may seek to expand these registrations in the future. However, international protection of our brand image and the use of these marks may be unavailable or could be limited. In some cases, there may be trademark owners who have prior rights to our marks because the laws of certain foreign countries may not protect intellectual property rights to the same extent as do the laws of Canada or the United States. In other cases, there may be holders who have prior rights to similar marks. We are not aware of any infringement upon or challenges to our right to use any of our brand names or trademarks in Canada and the United States. Nevertheless, we cannot assure you that our registrations will prevent imitation of our name, or exclusive brands, or the infringement of our other intellectual property rights by others within North America or elsewhere. Imitation of our brands in a manner that projects lesser quality or carries a negative connotation of our brand image could have an adverse effect on our business, financial condition and results of operations. Similarly, use of or negative publicity or events associated with our brand or trademarks in jurisdictions where our intellectual property rights are not protected may negatively affect our image and reputation in North America or elsewhere. If we fail to enforce or maintain any of our intellectual property rights, we may be unable to capitalize on our efforts to maintain and, in new markets, increase our brand equity.

We currently own no patents or exclusive intellectual property rights in the fabrics or processes used for our merchandise. Any such intellectual property rights are owned or controlled by our suppliers and manufacturers and are generally not unique to us. We do not generally seek to patent our merchandise designs given the time, expense and degree of distinctiveness required to do so. Intellectual property protection for our merchandise is therefore limited. As a result, our current and future competitors may be able to manufacture and sell merchandise with fabrications, characteristics

and styling similar to our merchandise. Because some of our competitors may have greater financial, distribution, marketing and other resources than we do, they may be able to manufacture and sell merchandise based on our designs, fabrics and manufacturing processes at lower prices than we can. If our competitors do sell similar merchandise to ours at lower prices, our revenue and profitability could suffer.

Litigation may be necessary to protect and enforce our trademarks and other intellectual property rights, or to defend against claims brought by third parties. Although we are not aware of any current claims, our internally designed merchandise or our marketing materials may, or may be in the future, be claimed to violate intellectual property rights of third parties. We also purchase certain finished merchandise that may be subject to design copyrights, design patents or otherwise may incorporate protected intellectual property and we do not independently investigate whether the suppliers legally hold the intellectual property rights to the merchandise sold to us.

Although we cannot currently estimate the likely outcome of any intellectual property-related claims or lawsuits, any such litigation or claims brought by or against us could result in substantial costs and diversion of our resources, which could have an adverse effect on our business, financial condition and results of operations. If disputes arise in the future, we may not be able to successfully resolve these types of conflicts to our satisfaction.

The terms of our Credit Facilities do, and any additional debt financing may, restrict our current and future operations, which could adversely affect our ability to manage our operations and respond to changes in our business.

We are currently indebted under our Term Credit Facility (as defined under "Material Contracts – The Credit Agreement") and we may incur additional indebtedness under the Credit Facilities (as defined under "Material Contracts – The Credit Agreement") or otherwise in the future. We are exposed to changes in interest rates on our cash and cash equivalents, bank indebtedness and long-term debt. The Credit Facilities allows us to borrow at variable rates of interest. Debt issued at variable rates would expose us to cash flow interest rate risk while debt issued at fixed rates would expose us to fair value interest rate risk. If interest rates were to increase, interest payments could increase even though the amount borrowed does not change given our variable rate borrowings. In addition, our current and future interest payments need to be repaid or refinanced, and could require us to divert funds identified for other purposes to debt service and could create additional cash demands or impair our liquidity position and add financial risk for us. Diverting funds identified for other purposes for debt service may adversely affect our business and growth prospects. If we cannot generate sufficient cash flow from operations to service our debt, we may need to refinance our debt, dispose of assets, reduce or delay expenditures or issue equity to obtain necessary funds. We do not know whether we would be able to take any of these actions on a timely basis, on terms satisfactory to us, or at all.

Our Credit Agreement contains restrictive financial and other covenants which affect, among other things, the manner in which we may structure or operate our business. A failure by us to comply with our contractual obligations (including restrictive, financial and other covenants), or to pay our indebtedness and fixed costs under our current or future financing arrangements could result in a variety of material adverse consequences, including the acceleration of our indebtedness and the exercise of remedies by our creditors, and such defaults could trigger additional defaults under other agreements. In such a situation, it is unlikely that we would be able to repay the accelerated indebtedness or fulfill our obligations under certain contracts, or otherwise cover our fixed costs, and our future financial condition would be materially adversely affected.

Our degree of leverage could have a material adverse effect on our business and results of operations, including: limiting our ability to obtain additional financing for working capital, capital expenditures, debt service requirements, acquisitions and general corporate or other purposes; restricting our flexibility and discretion to operate our business; limiting our ability to declare dividends on our securities; having to dedicate a portion of our cash flows from operations to the

payment of interest on our existing indebtedness and not having such cash flows available for other purposes; exposing our business to debt capital market risks, including interest rate risk and refinancing risk at maturity; exposing us to increased interest expense on borrowings at variable rates; limiting our ability to adjust to changing market conditions; placing us at a competitive disadvantage compared to our competitors that have less debt; making us vulnerable in a downturn in general economic conditions; and making us unable to make expenditures that are important to our growth strategies.

Laws and regulatory requirements including, but not limited to, trade, tax, health and safety, and environmental requirements may require costly expenditures and expose us to liability.

We are subject to customs, tax, labour and employment, human rights, privacy, environmental, advertising and other laws, including consumer protection regulations and zoning and occupancy ordinances that regulate retailers generally and/or govern the importation, promotion and sale of merchandise and the operation of our stores, offices and distribution facilities. Although we have measures designed to ensure compliance with governing statutes, laws, regulations and regulatory policies in the jurisdictions in which we conduct business, there is no assurance that we will be in compliance at all times. If our management, employees, suppliers, manufacturers or others fail to comply with any of these laws or regulations for any reason, we could become subject to enforcement actions or the imposition of significant penalties or claims, or suffer reputational harm, any of which could adversely affect our business. Additionally, although we undertake to monitor applicable laws, it is possible changes may be implemented or new laws or regulations may be introduced without our knowledge, creating a greater risk of non-compliance. The adoption of new laws or regulations or requirements for public companies or changes in the interpretation of existing laws or regulations may result in increased compliance costs and could make the ordinary conduct of our business more expensive or require us to change the way we do business. It is difficult for us to plan and prepare for potential changes to applicable laws, and future actions or expenses related to any such changes could be material to us. In addition, political and economic factors could lead to unfavourable changes in tax laws, which may increase our tax liabilities and could have a material adverse effect on our businesses and results of operations.

There are claims made against us from time to time that can result in litigation that could distract management from our business activities and result in significant liability or damage to our brand.

As a growing company with expanding operations, we increasingly face the risk of litigation and other claims against us. Litigation and other claims may arise in the ordinary course of our business and include employee and customer claims, commercial disputes, landlord-tenant disputes, intellectual property issues, product-oriented allegations and personal injury claims. These claims can raise complex factual and legal issues that are subject to risks and uncertainties and could require significant management time. As we do sell products that are produced by third party manufacturers, these products may expose us to various claims, including class action claims relating to merchandise that is subject to a product recall or liability claim. Litigation and other claims against us could result in unexpected expenses and liabilities, which could materially adversely affect our operations and our reputation.

We may be subject to additional taxes, which could affect our operating results.

We may be subject to assessments for additional taxes, including sales taxes, which could reduce our operating results. In accordance with current law, we pay, collect and/or remit taxes in those jurisdictions where we maintain a physical presence. In computing our tax obligations in these jurisdictions, we are required to take various tax accounting and reporting positions on matters that are not entirely free from doubt and for which we have not received rulings from the governing authorities.

While we believe that we have appropriately remitted all taxes based on our interpretation of applicable law, it is possible that some taxing jurisdictions may attempt to assess additional taxes and penalties on us if the applicable authorities do not agree with our positions. A successful challenge by a tax authority, through asserting either an error in our calculation, or a change in the application of law or an interpretation of the law that differs from our own, could adversely affect the results of operations.

Changes in U.S. tax laws and regulations or trade rules may impact our effective tax rate and may adversely affect our business, financial condition and operating results.

Changes in tax laws, regulations and treaties in any of the multiple jurisdictions in which we operate, or adverse outcomes from tax audits that we may be subject to in any of the jurisdictions in which we operate, could result in an unfavorable change in our effective tax rate, which could adversely affect our business, financial condition and operating results. Significant judgment is required in evaluating and estimating our worldwide provision and accruals for taxes, and actual results may differ from our estimations. Additionally, results of the November 2016 U.S. elections have introduced greater uncertainty with respect to tax and trade policies, tariffs and government regulations affecting trade between the United States and other countries. Major developments in tax policy or trade relations, such as the renegotiation of the North American Free Trade Agreement or the imposition of unilateral tariffs on imported products, could have a material adverse effect on our growth opportunities, business and results of operations.

In December 2017, the U.S. Tax Cut and Jobs Act of 2017 (the "**2017 Tax Act**") significantly revised the current federal income tax code with significant changes to corporate taxation, including reducing the corporate tax rate, limiting certain tax deductions, revising the treatment of foreign earnings for U.S. federal income tax purposes and modifying or repealing many business deductions and credits. While the 2017 Tax Act reduces the federal income tax rate for corporations, it could negatively affect our business and financial condition. Many aspects of the new tax law are uncertain. Significant judgments will need to be made in the interpretation of various provisions, and U.S. regulators could interpret or issue guidance that is different from our interpretation. In addition, it is uncertain if and to what extent various states will conform to the newly enacted federal tax law, which could also impact our tax obligations.

We are subject to insurance-related risks.

We believe that we maintain insurance customary for businesses of our size and type, including liability insurance, property and business interruption insurance, directors and officers insurance, and cyber insurance, with deductibles, self-insured retentions, limits of liability and similar provisions. However, there is no guarantee that our insurance coverage will be sufficient, or that insurance proceeds will be paid to us on a timely basis. In addition, there are types of losses we may incur but against which we cannot be insured or which we believe are not economically reasonable to insure. If we incur these losses and they are material, our business, operating results and financial condition may be adversely affected. Also, certain material events may result in sizable losses for the insurance industry and materially adversely impact the availability of adequate insurance coverage or result in significant premium increases. Accordingly, we may elect to self-insure, accept higher deductibles or reduce the amount of coverage in response to such market changes.

We are subject to payment-related risks.

We accept payments using a variety of methods, including credit cards, debit cards, PayPal, Apple Pay and gift cards. For existing and future payment methods we offer to our customers, we may become subject to additional regulations and compliance requirements, as well as fraud and reliance on third party service providers. For certain payment methods, including credit and debit cards, we pay interchange and other fees, which may increase over time, raising our operating costs and lowering profitability. We rely on third party service providers for payment processing services, including the

processing of credit and debit cards. Our business may be negatively affected if these third party service providers become unwilling or unable to provide these services to us. We are also subject to payment card brand operating rules, including Payment Card Industry data security standards, certification requirements and rules governing electronic funds transfers. If we fail to comply with these rules or requirements, or if our data security systems are breached or compromised, we may be liable for card issuing banks' costs, subject to fines and higher transaction fees and/or lose our ability to accept credit and debit card payments from our customers and process electronic funds transfers or facilitate other types of payments, and our business and operating results could be adversely affected.

Natural disasters, unusual weather, and geo-political events or acts of terrorism could adversely affect our operations and financial results.

Extreme weather conditions in the areas in which our stores are located could adversely affect our business. For example, frequent or unusually heavy snowfall, ice storms, rainstorms or other extreme weather conditions over a prolonged period could make it difficult for our customers to travel to our stores and thereby reduce our revenue and profitability as our business depends on high customer conversion. Our business is also susceptible to unseasonable weather conditions. For example, extended periods of unseasonably warm temperatures during the winter season or cool weather during the summer season could render a portion of our inventory incompatible with those unseasonable conditions, which could adversely affect our ability to execute our strategy to effectively present seasonal inventory. Reduced revenue from extreme or prolonged unseasonable weather conditions could adversely affect our business.

In addition, natural disasters such as hurricanes, tornadoes and earthquakes, or a combination of these or other factors, could severely damage or destroy one or more of our stores, support offices or warehouses located in the affected areas, thereby disrupting our business operations.

Furthermore, unstable political conditions or civil unrest, including terrorist activities, military and domestic disturbances and conflicts, may disrupt commerce, our supply chain operations, international trade or result in political or economic instability and could have a material adverse effect on our business and results of operations.

We are dependent on the operations and financial performance of our subsidiaries.

Aritzia is a holding company that conducts its business through subsidiaries which generate substantially all of our revenues. As a result, our financial performance and ability to meet financial obligations is dependent on the operating results and revenues of our subsidiaries, and the distribution of those earnings to Aritzia. In the event of a liquidation or bankruptcy of any of our subsidiaries, lenders and trade creditors will generally be entitled to payment of their claims from the assets of those subsidiaries before any assets are made available for distribution to Aritzia.

Our financial performance may be impacted by inventory shrinkage.

We are subject to the risk of inventory loss and administrative errors, including mishandling, damage, and internal and external theft and fraud. Inventory shrinkage is a cost of doing business for retailers. Although we have and continue to implement processes to limit inventory loss, if we experience higher rates of inventory shrinkage or incur increased security costs to manage inventory, our financial performance could be adversely affected.

Increases in the cost of employee benefits could impact our financial results and cash flow.

Unfavorable changes in the cost of employee health benefits could negatively affect our financial results and cash flow. Healthcare costs have risen significantly in recent years in the United States, and recent legislative and private sector initiatives regarding healthcare reform have resulted

and could continue to result in significant changes to the U.S. healthcare system in particular. Due to uncertainty regarding legislative or regulatory changes, we are not able to fully determine the impact that future healthcare reform will have on our company-sponsored medical plans.

Parties with whom we do business with may be subject to insolvency risks or may otherwise become unable or unwilling to perform their obligations to us.

We are party to contracts, transactions and business relationships with various third parties, pursuant to which such third parties have performance, payment and other obligations to us. If any of these third parties were to become subject to bankruptcy, receivership or similar proceedings, our rights and benefits in relation to our contracts, transactions and business relationships with such third parties could be terminated, modified in a manner adverse to us, or otherwise impaired. We cannot make any assurances that we would be able to arrange for alternate or replacement contracts, transactions or business relationships on terms as favorable as our existing contracts, transactions or business relationships, if at all. Any inability on our part to do so could have a material adverse effect on our business and results of operations.

Changes in accounting standards and subjective assumptions, estimates and judgments by management related to complex accounting matters could significantly affect our reported financial results or financial condition.

Generally accepted accounting principles and related accounting pronouncements, implementation guidelines and interpretations with regard to a wide range of matters that are relevant to our business, including but not limited to revenue recognition, impairment of goodwill and intangible assets, inventory, income taxes and litigation, are highly complex and involve many subjective assumptions, estimates and judgments. Changes in these rules or their interpretation or changes in underlying assumptions, estimates or judgments could significantly change our reported financial performance or financial condition in accordance with generally accepted accounting principles.

Our business could be adversely affected by protestors or activists.

Our products include certain animal products, including leather and goose down, which is a key material in our fall and winter collections. We use only responsibly sourced goose down in our jackets and parkas. In addition to the specific measures we have taken with our down supply, we also have an animal fibres sourcing policy and a vendor code of conduct to uphold animal welfare standards in the supply chain, which is communicated to our suppliers of leather, suede and wool. However, use of such products could draw the attention of animal welfare activists or other social reform movements seeking to change our business practices by bringing public awareness to issues through protests and/or social media campaigns. Ineffective action or perceived inaction to such protests pertaining to our industry and business could adversely affect our reputation or financial performance.

Risks Related to Ownership of Our Shares

Our dual class structure has the effect of concentrating voting control with certain Shareholders.

Our Multiple Voting Shares have 10 votes per share and our Subordinate Voting Shares have one vote per share. The Principal Shareholders collectively hold all of our issued and outstanding Multiple Voting Shares and each Shareholder Group (as that term is defined under "Material Contracts – Investor Rights Agreement") has the right to nominate one director to our board of directors (our "**Board**") under the Investor Rights Agreement. As at May 10, 2018, the Principal Shareholders collectively held approximately 50% of our total issued and outstanding Shares and approximately 90.9% of the voting power attached to all of the Shares. As a result, the Principal Shareholders have a significant influence over us, including election of directors and significant corporate transactions.

In addition, because of the 10-to-1 voting ratio between our Multiple Voting Shares and Subordinate Voting Shares, the holders of our Multiple Voting Shares will continue to control a majority of the combined voting power of our voting Shares even where the Multiple Voting Shares represent a substantially reduced percentage of our total outstanding Shares. The concentrated voting control of holders of our Multiple Voting Shares will limit the ability of holders of Subordinate Voting Shares to influence corporate matters for the foreseeable future, including the election of directors as well as with respect to decisions regarding amendment of our share capital, creating and issuing additional classes of shares, making significant acquisitions, selling significant assets or parts of our business, merging with other companies and undertaking other significant transactions. As a result, holders of Multiple Voting Shares will have the ability to influence many matters affecting us and actions may be taken that holders of Subordinate Voting Shares may not view as beneficial. The market price of our Subordinate Voting Shares could be adversely affected due to the significant influence and voting power of the holders of Multiple Voting Shares. Additionally, the significant voting interest of holders of Multiple Voting Shares may discourage transactions involving a change of control, including transactions in which an investor, as a holder of the Subordinate Voting Shares, might otherwise receive a premium for the Subordinate Voting Shares over the then-current market price, or discourage competing proposals if a going private transaction is proposed by one or more holders of Multiple Voting Shares.

Future transfers by holders of Multiple Voting Shares will, subject to certain permitted exceptions, generally result in those shares converting to Subordinate Voting Shares, which will have the effect, over time, of increasing the relative voting power of those holders of Multiple Voting Shares who retain their shares. See "Description of Capital Structure – Subordinate Voting Shares and Multiple Voting Shares". If, for example, our Chief Executive Officer, Brian Hill, who holds approximately 44% of our outstanding Multiple Voting Shares through the Hill Shareholders, retains a significant portion of his holdings of Multiple Voting Shares for an extended period of time or exercises his Rights to Subscribe (as that term is defined below under "Material Contracts – Investor Rights Agreement – Pre-Emptive Rights"), he could, in the future, control an increased percentage of the combined voting power of our Subordinate Voting Shares and Multiple Voting Shares. Each of our directors and officers owes a fiduciary duty to us and must act honestly and in good faith with a view to our best interests. However, any director and/or officer that is a Shareholder, even a controlling Shareholder, is entitled to vote his or her shares in his or her own interests, which may not always be in the interests of our Shareholders generally.

The actions of activist stockholders could negatively impact our business and such activism could cause the price of our Subordinate Voting Shares to decline.

We may be subject to legal and business challenges in the operation of our business due to actions instituted by activist shareholders or others. Responding to such actions can be costly and time-consuming, disrupting our operations and diverting the attention of management and our employees. Such investor activism could result in uncertainty of the direction of Aritzia, substantial costs and diversion of management's attention and resources, which could harm our business, hinder execution of our business strategy and initiatives, create adverse volatility in the market price and trading volume of our Subordinate Voting Shares, and make it difficult to attract and retain qualified personnel and business partners. In addition, a proxy contest for the election of directors at our annual meeting would require us to incur significant legal fees and proxy solicitation expenses and require significant time and attention by management and our Board.

The market price for Subordinate Voting Shares may be volatile and your investment could suffer a decline in value.

The market price of our Subordinate Voting Shares could be subject to significant fluctuations which could materially reduce the market price of our Subordinate Voting Shares regardless of our operating performance. In addition to the other risk factors described in this section of this Annual Information Form, such factors include actual or anticipated changes or fluctuations in our operating

results, adverse market reaction to any indebtedness we may incur or securities we may issue in the future, litigation or regulatory action, significant acquisitions, business combinations or other strategic actions or capital commitments by or involving us or our competitors, sales of our securities by Principal Shareholders, recruitment or departure of key personnel and investors' general perception and reactions to our public disclosure and filings.

In addition, the market price of our Subordinate Voting Shares may fluctuate based upon factors external to us and that may have little or nothing to do with us, including expectations of market analysts, positive or negative recommendations or withdrawal of research coverage by analysts, publication of research reports or news stories about us, our competitors or our industry and changes in general political, economic, industry and market conditions and trends.

Future sales of our securities by existing Shareholders or by us could cause the market price for our Subordinate Voting Shares to fall.

Sales of a substantial number of our Subordinate Voting Shares in the public market could occur at any time. These sales, or the market perception that the holders of a large number of Subordinate Voting Shares intend to sell Subordinate Voting Shares, could significantly reduce the market price of our Subordinate Voting Shares and the market price could decline. We cannot predict the effect, if any, that future public sales of these securities or the availability of these securities for sale will have on the market price of our Subordinate Voting Shares. If the market price of our Subordinate Voting Shares was to drop as a result, this might impede our ability to raise additional capital and might cause remaining Shareholders to lose all or part of their investments.

In addition, certain of our Shareholders have certain rights under the Second Amended and Restated Registration Rights Agreement to require us to file a prospectus covering their registrable securities or to include their registrable securities in prospectuses that we may file for ourselves or on behalf of other Shareholders.

The intentions of the Principal Shareholders regarding each of their long-term economic ownership are subject to change, with the result that such Shareholders may sell more or less Subordinate Voting Shares than currently intended. Factors that could cause the Principal Shareholders' current intentions to change include changes in the personal circumstances of Brian Hill or his family or estate planning for Brian Hill, in the case of the Hill Shareholders, or changes in the circumstances of the Berkshire Shareholder or its Affiliates, in the case of the Berkshire Shareholder, our succession planning or changes in our management, changes in tax laws, market conditions and our financial performance.

Further, we cannot predict the size of future issuances of our Subordinate Voting Shares or the effect, if any, that future issuances and sales of our Subordinate Voting Shares will have on the market price of our Subordinate Voting Shares. Sales of substantial amounts of our Subordinate Voting Shares, or the perception that such sales could occur, may adversely affect prevailing market prices for our Subordinate Voting Shares.

We do not expect to pay any cash dividends for the foreseeable future.

We currently expect to retain all available funds and future earnings, if any, for use in the operation and growth of our business and do not anticipate paying any cash dividends in the foreseeable future. Any future determination to pay dividends will be at the discretion of our Board, subject to compliance with applicable law and any contractual provisions, including under the Credit Agreement and other agreements for indebtedness we may incur, that restrict or limit our ability to pay dividends, and will depend upon, among other factors, our results of operations, financial condition, earnings, capital requirements and other factors that our Board deems relevant.

Any issuance of preferred shares could make it difficult for another company to acquire us or could otherwise adversely affect holders of our Shares, which could depress the price of our Subordinate Voting Shares.

Our Board has the authority to issue preferred shares and to determine the preferences, limitations and relative rights of preferred shares and to fix the number of shares constituting any series and the designation of such series, without any further vote or action by our Shareholders. Our preferred shares could be issued with liquidation, dividend and other rights superior to the rights of our Shares. The potential issuance of preferred shares may delay or prevent a change in control of us, discourage bids for our Shares at a premium over the market price and adversely affect the market price and other rights of the holders of our Shares.

If securities or industry analysts cease to publish research or publish inaccurate or unfavorable research about us or our business, our trading price and volume could decline.

The trading market for our Subordinate Voting Shares depends in part on the research and reports that securities or industry analysts publish about us or our business. If one or more of the analysts who cover us downgrade our Subordinate Voting Shares or publish inaccurate or unfavorable research about our business, our trading price may decline. If one or more of these analysts cease coverage of us or fail to publish reports on us regularly, demand for our Subordinate Voting Shares could decrease, which could cause our trading price and volume to decline.

DIVIDEND POLICY

We currently intend to retain any future earnings to fund the development and growth of our business and do not currently anticipate paying dividends on the Shares. Any determination to pay dividends in the future will be at the discretion of our Board and will depend on many factors, including, among others, our financial condition, current and anticipated cash requirements, contractual restrictions and financing agreement covenants including those under the Credit Agreement, solvency tests imposed by applicable corporate law and other factors that our Board may deem relevant.

DESCRIPTION OF CAPITAL STRUCTURE

The following is a summary of the material attributes and characteristics of the Company's authorized share capital. This summary is qualified by reference to, and is subject to, and the detailed provisions of our articles ("**Articles**").

The Subordinate Voting Shares are considered "restricted securities" within the meaning of such term under applicable securities laws in Canada.

Our authorized share capital consists of an unlimited number of Subordinate Voting Shares and Multiple Voting Shares and an unlimited number of preferred shares, issuable in series. As at May 10, 2018, there were 56,434,240 Subordinate Voting Shares issued and outstanding, 55,756,002 Multiple Voting Shares issued and outstanding, and no preferred shares issued and outstanding. In addition, as at such date we had 7,556,785 options issued and outstanding under our legacy option plan, which was established in 2005 and amended and restated upon closing of our initial public offering in 2016 (the "**Legacy Option Plan**"), and 4,919,089 options issued and outstanding under our new option plan. All options are exercisable to acquire Subordinate Voting Shares. The Legacy Option Plan governs options granted prior to our initial public offering with no further awards to be granted.

Subordinate Voting Shares and Multiple Voting Shares

Rank

The Subordinate Voting Shares and Multiple Voting Shares rank *pari passu* with respect to the payment of dividends, return of capital and distribution of assets in the event of our liquidation, dissolution or winding-up.

Dividend Rights

Holders of Subordinate Voting Shares and Multiple Voting Shares are entitled to receive dividends on a *pari passu* basis out of our assets legally available for the payment of dividends at such times and in such amount and form as our Board may from time to time determine, subject to any preferential rights of the holders of any outstanding preferred shares. In the event of the payment of a dividend in the form of Shares, holders of Subordinate Voting Shares will receive Subordinate Voting Shares and holders of Multiple Voting Shares will receive Multiple Voting Shares unless otherwise determined by our Board.

Voting Rights

Holders of Multiple Voting Shares are entitled to 10 votes per Multiple Voting Share, and holders of Subordinate Voting Shares are entitled to one vote per Subordinate Voting Share on all matters upon which holders of Shares are entitled to vote. See also "– Certain Amendments" below. The Subordinate Voting Shares represent approximately 50.3% of our total issued and outstanding Shares and approximately 9.2% of the voting power attached to all of our Shares.

Conversion

The Subordinate Voting Shares are not convertible into any other class of shares. Each outstanding Multiple Voting Share may at any time, at the option of the holder, be converted into one Subordinate Voting Share. Upon the first date that any Multiple Voting Share shall be held by a Person other than by a Permitted Holder, the Permitted Holder which held such Multiple Voting Share until such date, without any further action, shall automatically be deemed to have exercised his, her or its rights to convert such Multiple Voting Share into a fully paid and non-assessable Subordinate Voting Share.

In addition:

- all the Multiple Voting Shares held by the Berkshire Group Permitted Holders will convert automatically into Subordinate Voting Shares at such time as the Berkshire Group Permitted Holders that hold Multiple Voting Shares no longer as a group beneficially own, directly or indirectly and in the aggregate, at least 8% of the issued and outstanding Shares on a non-diluted basis; and
- all the Multiple Voting Shares held by the Hill Group Permitted Holders will convert automatically into Subordinate Voting Shares at such time that is the earlier to occur of the following (i) the Hill Group Permitted Holders that hold Multiple Voting Shares no longer as a group beneficially own, directly or indirectly and in the aggregate, at least 8% of the issued and outstanding Shares on a non-diluted basis, and (ii) Brian Hill is no longer serving as a director or in a senior management position of Aritzia.

Meetings of Shareholders

Holders of Multiple Voting Shares and Subordinate Voting Shares will be entitled to receive notice of any meeting of our Shareholders and may attend and vote at such meetings, except those meetings where only the holders of shares of another class or of a particular series are entitled to vote. A quorum for the transaction of business at a meeting of Shareholders is present if Shareholders who,

together, hold not less than 15% of the votes attaching to our outstanding voting shares entitled to vote at the meeting are present in person or represented by proxy.

Pre-Emptive and Redemption Rights

Holders of Subordinate Voting Shares have no pre-emptive or redemption rights. Holders of Multiple Voting Shares have no pre-emptive or redemption rights under our Articles, however they are entitled to certain pre-emptive rights to subscribe for additional Multiple Voting Shares provided for in the Investor Rights Agreement. Further information regarding pre-emptive rights provided for in the Investor Rights Agreement is described under "Material Contracts".

Liquidation Rights

Upon our liquidation, dissolution or winding-up, whether voluntary or involuntary, the holders of Subordinate Voting Shares and Multiple Voting Shares, without preference or distinction, will be entitled to receive rateably all of our assets remaining after payment of all debts and other liabilities, subject to any preferential rights of the holders of any outstanding preferred shares.

Subdivision, Consolidation and Issuance of Rights

No subdivision or consolidation of the Subordinate Voting Shares or Multiple Voting Shares may occur unless the shares of both classes are concurrently subdivided or consolidated and in the same manner and proportion. Other than as described in this Annual Information Form, no new rights to acquire additional shares or other securities or property of ours will be issued to holders of Subordinate Voting Shares or Multiple Voting Shares unless the same rights are concurrently issued to the holders of shares of both classes.

Effect of Certain Amendments

In addition to any other voting right or power to which the holders of Subordinate Voting Shares shall be entitled by law or regulation or other provisions of our Articles from time to time in effect, but subject to the provisions of our Articles, holders of Subordinate Voting Shares shall be entitled to vote separately as a class, in addition to any other vote of Shareholders that may be required, in respect of any alteration, repeal or amendment of our Articles which would adversely affect the rights or special rights of the holders of Subordinate Voting Shares or affect the holders of Subordinate Voting Shares and Multiple Voting Shares differently, on a per share basis, including an amendment to the terms of our Articles that provide that any Multiple Voting Shares sold or transferred to a Person that is not a Permitted Holder shall be automatically converted into Subordinate Voting Shares.

Pursuant to our Articles, holders of Subordinate Voting Shares and Multiple Voting Shares will be treated equally and identically, on a per share basis, in certain change of control transactions that require approval of our Shareholders under the BCBCA, unless different treatment of the shares of each such class is approved by a majority of the votes cast by the holders of our Subordinate Voting Shares and Multiple Voting Shares, each voting separately as a class.

Issuance of Additional Multiple Voting Shares

Subject to the pre-emptive right to subscribe for Multiple Voting Shares provided to holders of Multiple Voting Shares, we may not issue Multiple Voting Shares without the approval of at least two-thirds of the votes cast at a meeting of the holders of Subordinate Voting Shares duly held for that purpose. However, approval is not required in connection with a subdivision or consolidation on a pro rata basis as between the Subordinate Voting Shares and the Multiple Voting Shares or the issuance of Multiple Voting Shares upon the exercise of the Rights to Subscribe (as such term is defined below under "Material Contracts – Investor Rights Agreement – Pre-Emptive Rights"). Any further issuances of Subordinate Voting Shares or Multiple Voting Shares will result in immediate dilution to existing

Shareholders and may have an adverse effect on the value of their shareholdings. See "Risk Factors – Future sales of our securities by existing Shareholders or optionholders or by us could cause the market price for our Subordinate Voting Shares to fall."

Take-over Bid Protection

Under applicable securities laws in Canada, an offer to purchase Multiple Voting Shares would not necessarily require that an offer be made to purchase Subordinate Voting Shares. In accordance with the rules of the TSX designed to ensure that, in the event of a take-over bid, the holders of Subordinate Voting Shares will be entitled to participate on an equal footing with holders of Multiple Voting Shares, we have entered into a customary coattail agreement dated October 3, 2016 with the Principal Shareholders and a trustee (the "**Coattail Agreement**"). The Coattail Agreement contains provisions customary for dual class, TSX-listed corporations designed to prevent transactions that otherwise would deprive the holders of Subordinate Voting Shares of rights under applicable securities laws in Canada to which they would have been entitled if the Multiple Voting Shares had been Subordinate Voting Shares. The undertakings in the Coattail Agreement do not apply to prevent a sale by the holders of Multiple Voting Shares or their Permitted Holders of Multiple Voting Shares if concurrently an offer is made to purchase Subordinate Voting Shares that:

(a) offers a price per Subordinate Voting Share at least as high as the highest price per share to be paid pursuant to the take-over bid for the Multiple Voting Shares;

(b) provides that the percentage of outstanding Subordinate Voting Shares to be taken up (exclusive of shares owned immediately prior to the offer by the offeror or persons acting jointly or in concert with the offeror) is at least as high as the percentage of Multiple Voting Shares to be sold (exclusive of Multiple Voting Shares owned immediately prior to the offer by the offeror and persons acting jointly or in concert with the offeror);

(c) has no condition attached other than the right not to take up and pay for Subordinate Voting Shares tendered if no shares are purchased pursuant to the offer for Multiple Voting Shares; and

(d) is in all other material respects identical to the offer for Multiple Voting Shares.

In addition, the Coattail Agreement does not prevent the transfer of Multiple Voting Shares by the Principal Shareholders to Permitted Holders, provided such transfer is not or would not have been subject to the requirements to make a take-over bid (if the vendor or transferee were in Canada) or constitutes or would be exempt from certain requirements applicable to take-over bids under applicable securities laws in Canada. The conversion of Multiple Voting Shares into Subordinate Voting Shares, whether or not such Subordinate Voting Shares are subsequently sold, does not constitute a disposition of Multiple Voting Shares for the purposes of the Coattail Agreement.

Under the Coattail Agreement, any sale of Multiple Voting Shares (including a transfer to a pledgee as security) by a holder of Multiple Voting Shares party to the Coattail Agreement is conditional upon the transferee or pledgee becoming a party to the Coattail Agreement, to the extent such transferred Multiple Voting Shares are not automatically converted into Subordinate Voting Shares in accordance with our Articles.

The Coattail Agreement contains provisions for authorizing action by the trustee to enforce the rights under the Coattail Agreement on behalf of the holders of the Subordinate Voting Shares. The obligation of the trustee to take such action is conditional on us or holders of the Subordinate Voting Shares providing such funds and indemnity as the trustee may reasonably require. No holder of Subordinate Voting Shares has the right, other than through the trustee, to institute any action or proceeding or to exercise any other remedy to enforce any rights arising under the Coattail Agreement unless the trustee fails to act on a request authorized by holders of not less than 10% of the outstanding Subordinate Voting Shares and reasonable funds and indemnity have been provided to the trustee.

Other than in respect of non-material amendments and waivers that do not adversely affect the interests of holders of Subordinate Voting Shares, the Coattail Agreement provides that, among other things, it may not be amended, and no provision thereof may be waived, unless, prior to giving effect to such amendment or waiver, the following have been obtained: (a) the consent of the TSX and any other applicable securities regulatory authority in Canada; and (b) the approval of at least two-thirds of the votes cast by holders of Subordinate Voting Shares represented at a meeting duly called for the purpose of considering such amendment or waiver, excluding votes attached to Subordinate Voting Shares held by the holders of Multiple Voting Shares or their affiliates and related parties and any persons who have an agreement to purchase Multiple Voting Shares on terms which constitute a sale or disposition for purposes of the Coattail Agreement, other than as permitted thereby.

No provision of the Coattail Agreement limits the rights of any holders of Subordinate Voting Shares under applicable law.

Preferred Shares

The preferred shares may at any time and from time to time be issued in one or more series. Subject to the provisions of the BCBCA and our Articles, our Board may, by resolution, from time to time before the issue thereof determine the maximum number of shares of each series, create an identifying name for each series, attach special rights or restrictions to the preferred shares of each series including, without limitation, any right to receive (which may be cumulative or non-cumulative and variable or fixed) or the means of determining such dividends, the dates of payment thereof, any terms or conditions of redemption or purchase, any conversion rights, any retraction rights, any rights on our liquidation, dissolution or winding up and any sinking fund or other provisions, the whole to be subject to filing a Notice of Alteration to our Articles to create the series and altering our Articles to include the special rights or restrictions attached to the preferred shares of the series. Except as provided in any special rights or restrictions attaching to any series of preferred shares issued from time to time, the holders of preferred shares will not be entitled to receive notice of, attend or vote at any meeting of Shareholders.

Preferred shares of each series, if and when issued, will, with respect to the payment of dividends, rank on a parity with the preferred shares of every other series and be entitled to preference over the Subordinate Voting Shares and the Multiple Voting Shares and any other of our shares ranking junior to the preferred shares with respect to payment of dividends.

In the event of our liquidation, dissolution or winding-up, whether voluntary or involuntary, the holders of preferred shares will be entitled to preference with respect to distribution of our property or assets over the Subordinate Voting Shares and the Multiple Voting Shares and any other of our shares ranking junior to the preferred shares with respect to the repayment of capital paid up on and the payment of unpaid dividends accrued on the preferred shares. We currently anticipate that there will be no pre-emptive, subscription, redemption or conversion rights attaching to any series of preferred shares issued from time to time.

Advance Notice Provisions

We have included certain advance notice provisions with respect to the election of our directors in our Articles (the "**Advance Notice Provisions**"). The Advance Notice Provisions are intended to: (i) facilitate orderly and efficient annual general meetings or, where the need arises, special meetings; (ii) ensure that all Shareholders receive adequate notice of Board nominations and sufficient information with respect to all nominees; and (iii) allow Shareholders to register an informed vote. Only persons who are nominated by Shareholders in accordance with the Advance Notice Provisions will be eligible for election as directors at any annual meeting of Shareholders, or at any special meeting of Shareholders if one of the purposes for which the special meeting was called was the election of directors.

Under the Advance Notice Provisions, a Shareholder wishing to nominate a director would be required to provide us notice, in the prescribed form, within the prescribed time periods. These time periods include, (i) in the case of an annual meeting of Shareholders (including annual and special meetings), not less than 30 days prior to the date of the annual meeting of Shareholders; provided, that if the first public announcement of the date of the annual meeting of Shareholders (the "**Notice Date**") is less than 50 days before the meeting date, not later than the close of business on the 10th day following the Notice Date; and (ii) in the case of a special meeting (which is not also an annual meeting) of Shareholders called for any purpose which includes electing directors, not later than the close of business on the 15th day following the Notice Date, provided that, in either instance, if notice-and-access (as defined in National Instrument 54-101 – *Communication with Beneficial Owners of Securities of a Reporting Issuer*) is used for delivery of proxy related materials in respect of a meeting described above, and the Notice Date in respect of the meeting is not less than 50 days prior to the date of the applicable meeting, the notice must be received not later than the close of business on the 40th day before the applicable meeting.

Forum Selection

We have included a forum selection provision in our Articles that provides that, unless we consent in writing to the selection of an alternative forum, the Supreme Court of British Columbia, Canada and the appellate courts therefrom, will be the sole and exclusive forum for (i) any derivative action or proceeding brought on our behalf; (ii) any action or proceeding asserting a claim of breach of a fiduciary duty owed by any of our directors, officers, or other employees to us; (iii) any action or proceeding asserting a claim arising pursuant to any provision of the BCBCA or our Articles; or (iv) any action or proceeding asserting a claim otherwise related to the relationships among us, our affiliates and their respective Shareholders, directors and/or officers, but excluding claims related to our business or such affiliates. The forum selection provision also provides that our securityholders are deemed to have consented to personal jurisdiction in the Province of British Columbia and to service of process on their counsel in any foreign action initiated in violation of the foregoing provisions.

MARKET FOR SECURITIES

Trading Price and Volume

The Subordinate Voting Shares are listed on the TSX and are traded under the symbol "ATZ". The high and low reported trading price and volumes of Subordinate Voting Shares on the TSX on a monthly basis for each of the months during Fiscal 2018 (commencing on March 1, 2017 and ending on February 25, 2018) were as follows:

Month	High	Low	Volume
February 2018	$ 13.75	$ 12.22	2,734,029
January 2018	$ 13.93	$ 12.46	6,000,547
December 2017	$ 13.22	$ 11.84	3,407,559
November 2017	$ 12.22	$ 10.10	4,074,654
October 2017	$ 14.91	$ 10.88	7,043,079
September 2017	$ 15.23	$ 12.47	2,206,495
August 2017	$ 13.33	$ 12.29	3,629,635
July 2017	$ 15.64	$ 13.19	3,714,030
June 2017	$ 15.57	$ 14.77	2,963,704
May 2017	$ 16.18	$ 13.95	6,396,967
April 2017	$ 15.50	$ 13.89	2,314,362
March 2017	$ 15.93	$ 14.90	5,477,414

DIRECTORS AND OFFICERS

The names and jurisdiction of residence of the directors and executive officers of the Company, their respective positions and offices held with the Company and their principal occupation for the last five or more years are shown below as at the date hereof. Directors are elected to serve until the next annual meeting or until their successors are elected or appointed, unless their office is earlier vacated.

Name, Province or State and Country of Residence	Current Position/Office with the Company	Held Since	Principal Occupation During the Previous Five Years
Brian Hill *British Columbia, Canada*	Founder, Chief Executive Officer, Chairman of the Board and Director	2005	Founder and Chief Executive Officer of Aritzia.
Jennifer Wong *British Columbia, Canada*	President, Chief Operating Officer, Corporate Secretary and Director	2015	President and Chief Operating Officer of Aritzia since June 2015; previously, Chief Operating Officer of Aritzia from May 2007 to May 2015.
Aldo Bensadoun[2,3] *Québec, Canada*	Director	2012	Executive Chairman of Aldo, a leading fashion retailer of footwear and accessories, until 2017.
Kevin Callaghan *Massachusetts, United States*	Director	2005	Managing director of Berkshire Partners, a leading private equity investment firm.
John E. Currie[1,2,3] *British Columbia, Canada*	Director	2016	Corporate Director; Chief Financial Officer of lululemon athletica inc. from 2007 until retirement in 2015; Director, Vancouver Airport Authority since November 2012; Director, Bojangles', Inc. since April 2015; director of various privately held companies.
Ryan Holmes[1,3] *British Columbia, Canada*	Director	2016	Chief Executive Officer of Hootsuite, a company that provides social media management tools for businesses.
David Labistour[1,3] *British Columbia, Canada*	Director	2016	Chief Executive Officer of Mountain Equipment Co-Operative, Canada's leading outdoor gear co-op retailer.
Marni Payne[2] *Massachusetts, United States*	Director	2013	Managing director of Berkshire Partners, a leading private equity investment firm.
Glen Senk *Florida, United States*	Director	2016	Chairman and Chief Executive Officer of Front Row Partners, a private investment firm; previously, Chief Executive Officer of David Yurman from 2012 to 2014 and Chief Executive Officer of Urban Outfitters from 2007 to 2012.

Name, Province or State and Country of Residence	Current Position/Office with the Company	Held Since	Principal Occupation During the Previous Five Years
Todd Ingledew *British Columbia, Canada*	Chief Financial Officer	2016	Chief Financial Officer of Aritzia; previously, President of Steve Nash Fitness World & Sports Club from December 2014 to June 2016, after serving as its Chief Financial Officer from January 2011 to December 2014.
Dave MacIver *British Columbia, Canada*	Chief Information Officer	2016	Chief Information Officer of Aritzia since 2016; previously Executive Vice President, Information Technology of Aritzia from November 2011 to July 2016.
Pippa Morgan *British Columbia, Canada*	Executive Vice President, Retail	2010	Executive Vice President, Retail of Aritzia.
Karen Kwan *British Columbia, Canada*	Senior Vice President, People	2017	Senior Vice President, People of Aritzia; previously Vice President of People & Culture and Chief of Staff of lululemon athletica from August 2016 to October 2017, after serving as its Vice President, People Potential and Talent Acquisition – Global Store Support Centres from February 2016 to August 2016, Director, People Potential – Global Store Support Centres from September 2014 to February 2016, and Director, People Potential and Talent Acquisition from January 2013 to September 2014.
Jed Paulson *British Columbia, Canada*	Senior Vice President, Digital	2017	Senior Vice President, Digital of Aritzia; previously Vice President, Digital of REI from 2015 to 2017 and Director of eCommerce and Marketing of Free People from 2010 to 2015.

Notes:

(1) Member of our Audit Committee.

(2) Member of our Compensation and Nominating Committee.

(3) Independent director for the purposes of National Instrument 58-101 – *Disclosure of Corporate Governance Practices* of the Canadian Securities Administrators.

Ownership Interest

Our directors and executive officers, as a group, beneficially own, or control or direct, directly or indirectly, (i) 23.7% of our issued and outstanding Shares, and (ii) approximately 40.3% of the voting power attached to all of the issued and outstanding Shares. In addition, Kevin Callaghan and Marni Payne, two of our directors, are managing directors of Berkshire Partners, each of which disclaims beneficial ownership of the Multiple Voting Shares held by CanLux AB Investments One S.à r.l, Canada Retail Holdings, L.P. and Sixth Berkshire Associates LLC.

Cease Trade Orders

To the knowledge of the Company, no director or executive officer of the Company (nor any personal holding company of any of such individuals) is, as of the date of this Annual Information Form, or was within ten years before the date of this Annual Information Form, a director, chief executive

officer or chief financial officer of any company (including the Company), that: (i) was subject to a cease trade order (including a management cease trade order), an order similar to a cease trade order or an order that denied the relevant company access to any exemption under securities legislation, in each case that was in effect for a period of more than 30 consecutive days (collectively, an "**Order**"), that was issued while the individual was acting in the capacity as a director, chief executive officer or chief financial officer; or (ii) was subject to an Order that was issued after the individual ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that individual was acting in the capacity as director, chief executive officer or chief financial officer.

Bankruptcies

To the knowledge of the Company, no director, executive officer or control person of the Company (nor any personal holding company of any of such individuals): (i) is, as of the date of this Annual Information Form, or has been within the ten years before the date of this Annual Information Form, a director or executive officer of any company (including the Company) that, while that individual was acting in that capacity, or within a year of that individual ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or (ii) has, within the ten years before the date of this Annual Information Form, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold its assets.

Penalties or Sanctions

To the knowledge of the Company, no director, executive officer or control person of the Company (nor any personal holding company of any of such individuals) has been subject to: (i) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or (ii) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable holder of Voting Shares in deciding whether to vote for the proposed director.

Audit Committee

Our Audit Committee consists of three directors, all of whom are persons determined by our Board to be both independent directors and all of whom are financially literate within the meaning of NI 52-110. Our Audit Committee is comprised of John E. Currie, chair of the Audit Committee, David Labistour, and Ryan Holmes. Each of our Audit Committee members has an understanding of the accounting principles used to prepare financial statements and varied experience as to the general application of such accounting principles, as well as an understanding of the internal controls and procedures necessary for financial reporting. Our Board has adopted a written charter, attached at Appendix A, setting forth the purpose, composition, authority and responsibility of our Audit Committee, consistent with NI 52-110. The Audit Committee assists our Board in discharging its oversight of:

- the quality and integrity of our financial statements and related information;
- the independence, qualifications and appointment of our external auditor;
- our disclosure controls and procedures, internal control over financial reporting and management's responsibility for assessing and reporting on the effectiveness of such controls;

- our risk management processes;
- monitoring and periodically reviewing our whistleblower policy; and
- transactions with our related parties.

Our Audit Committee has access to all of our books, records, facilities and personnel and may request any information about us as it may deem appropriate. It also has the authority, in its sole discretion and at our expense, to retain and set the compensation of outside legal, accounting or other advisors as necessary to assist in the performance of its duties and responsibilities. Our Audit Committee also has direct communication channels with the Chief Financial Officer and our external auditors to discuss and review such issues as our Audit Committee may deem appropriate.

External Auditor Service Fee

For Fiscal 2018 and Fiscal 2017, we incurred the following fees by our external auditor, PricewaterhouseCoopers LLP:

	Fiscal 2018	Fiscal 2017
Audit fees[(1)]	$ 325,000	$ 400,000
Audit related fees[(2)]	$ 82,500	$ 454,285
All other fees not included above	$ 120,879	$ 201,150
Total fees paid	$ 528,379	$ 1,055,435

Notes:

(1) Fees presented based on a billing date.

(2) Fiscal 2017 audit related fees are primarily fees and costs related to the initial public offering.

LEGAL PROCEEDINGS AND REGULATORY ACTIONS

In the ordinary course of business, the Company and its subsidiaries may become involved in various legal, administrative, regulatory and other proceedings, actions, claims and inquiries relating to our business. Management is not aware of any litigation outstanding, threatened or pending as of the date hereof by or against the Company or its subsidiaries which would be material to an investor of Subordinate Voting Shares. See further discussion under "Risk Factors".

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

Other than as set out below or described elsewhere in this Annual Information Form, there are no material interests, direct or indirect, of any of our directors or executive officers, any Shareholder that beneficially owns, or controls or directs (directly or indirectly), more than 10% of any class or series of our outstanding voting securities, or any associate or affiliate of any of the foregoing persons, in any transaction within the three most recently completed financial years or during the current financial year that has materially affected or is reasonably expected to materially affect us or any of our subsidiaries.

- Berkshire Partners provided consulting and management advisory services to us pursuant to a Management Agreement (the "**Management Agreement**") dated December 19, 2005. During Fiscal 2018, Fiscal 2017, and Fiscal 2016, we incurred management fees of $nil, $0.2 million, and $0.3 million, respectively, for services rendered and reimbursed to Berkshire Partners for travel, lodging and other costs of $0.1 million, $0.2 million and $0.1 million, respectively. At February 25, 2018, February 26, 2017, and February 28, 2016, $nil, $nil, and

$0.1 million was included in accounts payable and accrued liabilities, respectively. The Management Agreement terminated upon completion of the initial public offering.

- During Fiscal 2018, Fiscal 2017, and Fiscal 2016 we purchased $8.3 million, $10.8 million, and $7.7 million, respectively, of merchandise from a company partially owned by private equity funds managed by Berkshire Partners, of which $0.1 million and $0.2 million was included in accounts payable and accrued liabilities as at February 26, 2017 and February 28, 2016, respectively. In August 2017, Berkshire Partners exited its investment from the merchandise company and, as such, purchases from the merchandise company subsequent to August 2017 are not considered related-party transactions.
- In connection with our IPO and the Secondary Offering, we reimbursed $1.4 million in professional fees and other costs to certain of the Principal Shareholders. At February 25, 2018, $0.7 million (Fiscal 2017 - $0.9 million) was included in accounts payable and accrued liabilities.

TRANSFER AGENT AND REGISTRAR

The transfer agent and registrar for the Subordinate Voting Shares and the Multiple Voting Shares is TSX Trust Company at its principal office in Vancouver, British Columbia.

MATERIAL CONTRACTS

The following are the only material contracts of the Company that are in effect (other than certain agreements entered into in the ordinary course of business). The summaries describe the material attributes of each of the material contracts and are subject to, and qualified in their entirety by reference to, the relevant material contract, copies of which have been filed with the Canadian securities regulatory authorities and are available on SEDAR, at www.sedar.com, under our profile. Investors are encouraged to read the full text of such material agreements.

(a) the Coattail Agreement (described above under "Description of Capital Structure - Take-over Bid Protection");

(b) the Credit Agreement;

(c) the Second Amended and Restated Registration Rights Agreement; and

(d) the Investor Rights Agreement.

CREDIT AGREEMENT

Our subsidiary, Aritzia LP, is party to a credit agreement with a syndicate of lenders effective as of October 3, 2016 (the "**Credit Agreement**"). The Credit Agreement is comprised of a revolving credit facility in the amount of $70 million (the "**Revolving Credit Facility**") and a $145.6 million term credit facility maturing on May 13, 2019 (the "**Term Credit Facility**" and together with the Revolving Credit Facility, the "**Credit Facilities**"). As at February 25, 2018, the aggregate amount outstanding under the Credit Facilities was approximately $118.7 million ($nil under the Revolving Credit Facility and $118.7 million under the Term Credit Facility). On March 29, 2017 and on July 25, 2017, we entered into trade finance agreements for letters of credit in the amounts of $50 million and $25 million, respectively, secured *pari passu* with the Credit Facilities. As at February 28, 2018, we had a total of $20.9 million in outstanding letters of credit under the Credit Facilities and trade finance agreements.

Each of the Credit Facilities has various interest rate charge options that are based on Canadian prime rates, base rates and LIBOR rates plus the applicable margin from time to time in effect.

The Credit Agreement provides for guarantees by Aritzia Inc. and our direct and indirect wholly-owned subsidiaries (the "**Credit Facility Guarantors**"). Aritzia LP and each of the Credit Facility Guarantors provided a first priority lien over all property, subject only to permitted liens under the Credit Agreement to collateralize the obligations under the Credit Agreement. Aritzia LP and each of the Credit Facility Guarantors pledged 100% of the equity interests each entity holds in the capital of their respective subsidiaries, as applicable. The Credit Agreement contains restrictive covenants in respect of Aritzia LP and each Credit Facility Guarantor that are customary for credit facilities of this nature.

REGISTRATION RIGHTS

We are party to a Second Amended and Restated Registration Rights Agreement with certain of our Shareholders dated as of October 3, 2016 (the "**Second Amended and Restated Registration Rights Agreement**"). The Second Amended and Restated Registration Rights Agreement provides certain Shareholders (the "**Holders**"), including the Principal Shareholders, with registration rights in respect of any Subordinate Voting Shares held by them from time to time, including those issuable upon the conversion in accordance with the Articles of any Multiple Voting Shares beneficially owned by a Holder (the "**Registrable Securities**").

Each of the Principal Shareholders may require us to effect a registration for a public offering in the jurisdiction(s) where we are a reporting issuer of no less than $25 million of Registrable Securities (a "**Demand Registration**"). We are obligated to effect no more than four Demand Registrations in any twelve (12) month period. Notwithstanding any notice for a Demand Registration, we are entitled to postpone the filing of any offering document for up to 90 days if, in the good faith judgment of our Board, the requested Demand Registration could reasonably be expected to adversely affect us. The lead underwriter of any underwritten offering will have the right to limit, due to marketing reasons, the number of Registrable Securities to be qualified by such underwritten offering.

We are required to give prompt notice to all Holders of our intention to register any Registrable Securities for sale in a public offering, whether the registration is on our behalf or pursuant to a Demand Registration. Upon receiving such notice, any Holder may require that all or a specified part of the Registrable Securities held by such Holder be included in the proposed registration (a "**Piggyback Registration**").

The Second Amended and Restated Registration Rights Agreement includes customary expense reimbursement and indemnity obligations on the part of Aritzia in respect of Demand Registrations and Piggyback Registrations.

INVESTOR RIGHTS AGREEMENT

The Berkshire Shareholder and the Hill Shareholders are currently parties to a shareholders agreement dated as of October 3, 2016 (the "**Investor Rights Agreement**"). Among other things, the Investor Rights Agreement includes the terms summarized below.

Board of Directors

Each of the Berkshire Group Permitted Holders and the Hill Group Permitted Holders (together, the "**Shareholder Groups**" and each a "**Shareholder Group**") have the right to designate one director nominee for election to our Board for so long as such Shareholder Group beneficially owns, directly or indirectly, in the aggregate, 5% or more of the issued and outstanding Shares (on a non-diluted basis). Our Board shall not be comprised of more than nine directors unless agreed to by each Shareholder Group. Each Shareholder Group has agreed to vote its Shares in favour of any director nominee nominated by the other Shareholder Group.

Chair of our Board and Committees

For so long as Brian Hill is a director he is entitled to be the chair (the "**Chair**") of our Board. Upon Brian Hill ceasing to be a director, or in the event that Brian Hill does not wish to be the Chair, then the Chair shall be appointed by our Board.

So long as a Shareholder Group beneficially owns, directly or indirectly, in the aggregate, 5% or more of the issued and outstanding Shares (on a non-diluted basis), such Shareholder Group shall be entitled to have its director nominee serve on the Board's compensation and nominating committee, provided that its director nominee is not one of our officers or a Member of the Immediate Family of any of our officers.

Pre-Emptive Rights

In the event of any distribution or issuance, including by way of a share dividend (a "**Distribution**") of our voting shares (other than Multiple Voting Shares, Subordinate Voting Shares issued upon the conversion of Multiple Voting Shares or voting shares issued pursuant to the exercise of a right attached to any of our securities issued prior to the Distribution) (the "**Voting Shares**") or of our securities convertible or exchangeable into Voting Shares or giving the right to acquire Voting Shares (other than options or other securities issued under compensatory plans or other plans to purchase Voting Shares or any other securities in favour of our management, directors, employees or consultants) (the "**Convertible Securities**" and, together with the Voting Shares, the "**Distributed Securities**"), we shall issue to the holder(s) of Multiple Voting Shares rights to subscribe for that number of Multiple Voting Shares, or, as the case may be, for securities convertible or exchangeable into or giving the right to acquire, on the same terms and conditions, including subscription or exercise price, as applicable, *mutatis mutandis* (except for the ultimate underlying securities which shall be Multiple Voting Shares), as those stipulated in the Convertible Securities, that number of Multiple Voting Shares, respectively, which carry, in the aggregate, a number of voting rights sufficient to fully maintain the proportion of total voting rights (on a fully diluted basis) associated with the then outstanding Multiple Voting Shares (the "**Rights to Subscribe**").

The Rights to Subscribe shall be issued to the holder(s) of Multiple Voting Shares in a proportion equal to their respective holdings of Multiple Voting Shares and shall be issued concurrently with the completion of the Distribution of the applicable Distributed Securities. To the extent that any such Rights to Subscribe are exercised, in whole or in part, the securities underlying such Rights to Subscribe (the "**Subscription Securities**") shall be issued and must be paid for concurrently with the completion of the Distribution and payment to us of the issue price for the Distributed Securities, at, subject to certain limitations, the lowest price permitted by the applicable securities and stock exchange regulations and subject (as to such price) to the prior consent of the exchanges.

The privileges attached to Subscription Securities which are securities convertible or exchangeable into or giving the right to acquire Multiple Voting Shares shall only be exercisable if and whenever the same privileges attached to the Convertible Securities are exercised and shall not result in the issuance of a number of Multiple Voting Shares which increases the proportion (as in effect immediately prior to giving effect to the completion of the Distribution) of total voting rights associated with the Multiple Voting Shares after giving effect to the exercise by the holder(s) of the privileges attached to such Convertible Securities.

The right to receive Rights to Subscribe as described above, and the legal or beneficial ownership of the Rights to Subscribe, may be assigned in whole or in part among Permitted Holders, provided that written notice of any such assignment shall be sent promptly to us and the other holders of Multiple Voting Shares.

Holders of Subordinate Voting Shares have no pre-emptive or subscription rights to purchase any of our securities. An issuance of participating (equity) securities will not be rendered invalid due to any failure by us to comply with the foregoing.

Term

The rights of each Shareholder Group under the Investor Rights Agreement will terminate on the date after the first continuous 180 day period during which the Shares owned, directly or indirectly, in the aggregate, by the Shareholder Group constitutes less than 5% of all of the issued and outstanding Shares (on a non-diluted basis). In addition, the Investor Rights Agreement will terminate on the earlier of: (a) the date on which the Investor Rights Agreement is terminated by written agreement of the Berkshire Group Permitted Holders, the Hill Group Permitted Holders and us; and (b) our dissolution or liquidation

INTERESTS OF EXPERTS

The Company's auditor is PricewaterhouseCoopers LLP, Chartered Professional Accountants, located at Vancouver, British Columbia. PricewaterhouseCoopers LLP have prepared an independent auditor's report dated May 10, 2018 in respect of the consolidated financial statements of the Company as at February 25, 2018 and February 26, 2017 and for each of the years then ended. PricewaterhouseCoopers LLP has advised that they are independent with respect to the Company within the meaning of the Code of Professional Conduct of the Chartered Professional Accountants of British Columbia.

ADDITIONAL INFORMATION

Additional information, including directors' and officers' remuneration and indebtedness, principal holders of our Company's securities and securities authorized for issuance under equity compensation plans, will be contained in the Company's management information circular for the 2018 annual meeting of Shareholders. Additional financial information is provided in the Company's audited annual consolidated financial statements and management's discussion and analysis of our financial condition and results of operations for our most recently completed fiscal year ended February 25, 2018. Such documentation, as well as additional information relating to the Company, may be found under the Company's profile on SEDAR at www.sedar.com.

APPENDIX A – AUDIT COMMITTEE CHARTER

This charter (the "**Charter**") sets forth the purpose, composition, responsibilities and authority of the Audit Committee (the "**Committee**") of the board of directors (the "**Board**") of Aritzia Inc. (the "**Company**").

1. Statement of Purpose

The purpose of the Committee is to assist the Board in fulfilling its oversight responsibilities with respect to:

- financial reporting and related financial disclosure;
- the implementation of risk management and internal control over financial reporting and disclosure controls and procedures; and
- external and internal audit processes.

2. Committee Membership

The Committee shall consist of as many directors of the Board as the Board may determine (the "**Members**"), but in any event, not less than 3 (three) Members. Each Member shall meet the criteria for independence and financial literacy established by applicable laws and the rules of any stock exchanges upon which the Company's securities are listed, including National Instrument 52-110 – *Audit Committees* ("**NI 52-110**") subject to any exceptions permitted under NI 52-110. NI 52-110 also requires that to be independent, a Member be free of any relationship which could, in the view of the Board, reasonably interfere with the exercise of a Member's independent judgment.

Members shall be appointed by the Board, taking into account any recommendation that may be made by the compensation and nominating committee of the Board (the "**C&N Committee**"). Any Member may be removed and replaced at any time by the Board, and will automatically cease to be a Member if he or she ceases to meet the qualifications required of Members. The Board will fill vacancies on the Committee by appointment from among qualified directors of the Board, taking into account any recommendation that may be made by the C&N Committee. If a vacancy exists on the Committee, the remaining Members may exercise all of its powers so long as there is a quorum.

Chair

The Board will designate one of the independent directors of the Board to be the chair of the Committee (the "**Chair**"), taking into account any recommendation that may be made by the C&N Committee.

Qualifications

At least 3 (three) Members shall be independent and financially literate as described above. Members must have suitable experience and must be familiar with auditing and financial matters.

Attendance of Ex Officio Members, Management and other Persons

The Committee may invite, at its discretion, senior executives of the Company or such persons as it sees fit to attend meetings of the Committee and to take part in the discussion and consideration of the affairs of the Committee. The Committee may also require senior executives or other employees of the Company to produce such information and reports as the Committee may deem appropriate in the proper exercise of its duties. Senior executives and other employees of the Company shall attend a Committee meeting if invited by the Committee. The Committee may meet without senior executives in attendance for a portion of any meeting of the Committee.

Delegation

Subject to applicable law, the Committee may delegate any or all of its functions to any of its Members or any sub-set thereof, or other persons, from time to time as it sees fit.

3. Committee Operations

Meetings

The Chair, in consultation with the other Members, shall determine the schedule and frequency of meetings of the Committee. Meetings of the Committee shall be held at such times and places as the Chair may determine. To the extent possible, advance notice of each meeting will be given to each Member unless all Members are present and waive notice, or if those absent waive notice before or after a meeting. Members may attend all meetings of the Committee either in person or by telephone, video or other electronic means. Powers of the Committee may also be exercised by written resolutions signed by all Members.

At the request of the external auditors of the Company, the Chief Executive Officer or the Chief Financial Officer of the Company or any Member, the Chair shall convene a meeting of the Committee. Any such request shall set out in reasonable detail the business proposed to be conducted at the meeting so requested.

Agenda and Reporting

To the extent possible, in advance of every regular meeting of the Committee, the Chair shall prepare and distribute, or cause to be prepared and distributed, to the Members and others as deemed appropriate by the Chair, an agenda of matters to be addressed at the meeting together with appropriate briefing materials. The Committee may require senior executives and other employees of the Company to produce such information and reports as the Committee may deem appropriate in order for it to fulfill its duties.

The Chair shall report to the Board on the Committee's activities since the last Board meeting. However, the Chair may report orally to the Board on any matter in his or her view requiring the immediate attention of the Board. Minutes of each meeting of the Committee shall be circulated to the Directors following approval of the minutes by the Members. The Committee shall oversee the preparation of, review and approve the applicable disclosure for inclusion in the Company's annual information form.

Secretary and Minutes

The secretary of the Company may act as secretary of the Committee unless an alternative secretary is appointed by the Committee. The secretary of the Committee shall keep regular minutes of Committee proceedings and shall circulate such minutes to all Members and to the chair of the Board (and to any other Director that requests that they be sent to him or her) on a timely basis.

Quorum and Procedure

A quorum for any meeting of the Committee will be a simple majority. The procedure at meetings will be determined by the Committee. The powers of the Committee may be exercised at a meeting where a quorum is present or by resolution in writing signed by all Members. In the absence of the Chair, the Committee may appoint one of its other Members to act as Chair of any meeting.

Exercise of Power between Meetings

Between meetings, the Chair, or any Member designated for such purpose by the Committee, may, if required in the circumstance, exercise any power delegated by the Committee on an

interim basis. The Chair or other designated Member will promptly report to the other Members in any case in which this interim power is exercised.

4. Duties and Responsibilities

The Committee is responsible for performing the duties set out below and any other duties that may be assigned to it by the Board as well as any other functions that may be necessary or appropriate for the performance of its duties.

Financial Reporting and Disclosure

- Review and recommend to the Board for approval, the audited annual financial statements, including the auditors' report thereon, the quarterly financial statements, management discussion and analysis, financial reports, and other applicable financial disclosure, prior to the public disclosure of such information.
- Review and recommend to the Board for approval, where appropriate, financial information contained in any prospectuses, annual information forms, annual reports to shareholders, management proxy circulars, material change disclosures of a financial nature and similar disclosure documents prior to the public disclosure of such documents or information.
- Review with senior executives of the Company, and with external auditors, significant accounting principles and disclosure issues and alternative treatments under International Financial Reporting Standards ("**IFRS**"), with a view to gaining reasonable assurance that financial statements are accurate, complete and present fairly the Company's financial position and the results of its operations in accordance with IFRS, as applicable.
- Seek to ensure that adequate procedures are in place for the review of the Company's public disclosure of financial information extracted or derived from the Company's financial statements, the Company's disclosure controls and procedures and periodically assess the adequacy of those procedures and recommend any proposed changes to the Board for consideration.

Internal Controls and Internal Audit

- Review the adequacy and effectiveness of the Company's internal control and management information systems through discussions with senior executives of the Company and the external auditor relating to the maintenance of (i) necessary books, records and accounts in sufficient detail to accurately and fairly reflect the Company's transactions; (ii) effective internal control over financial reporting; and (iii) adequate processes for assessing the risk of material misstatements in the financial statements and for detecting control weaknesses or fraud. From time to time the Committee shall assess any requirements or changes with respect to the establishment or operations of the internal audit function having regard to the size and stage of development of the Company at any particular time.
- Satisfy itself, through discussions with senior executives of the Company that the adequacy of internal controls, systems and procedures has been periodically assessed in accordance with regulatory requirements and recommendations.
- Review and discuss the Company's major financial risk exposures and the steps taken to monitor and control such exposures, including the use of any financial derivatives and hedging activities.
- Review and make recommendations to the Board regarding, the adequacy of the Company's risk management policies and procedures with regard to identification of the Company's principal risks and implementation of appropriate systems and controls to manage such risks including an assessment of the adequacy of insurance coverage maintained by the Company.

- Periodically review the Company's policies and procedures for reviewing and approving or ratifying related-party transactions.

External Audit

- Recommend to the Board a firm of external auditors to be nominated for appointment as the external auditor of the Company.
- Ensure the external auditors report directly to the Committee on a regular basis.
- Review the independence of the external auditors.
- Review and recommend to the Board the fee, scope and timing of the audit and other related services rendered by the external auditors.
- Review the audit plan of the external auditors prior to the commencement of any audit.
- Establish and maintain a direct line of communication with the Company's external auditors.
- Meet in camera with only the auditors, senior executives of the Company, or the Members, where and to the extent that, such parties are present, at any meeting of the Committee.
- Oversee the work of the external auditors of the Company with respect to preparing and issuing an audit report or performing other audit or review services for the Company, including the resolution of issues between senior executives of the Company and the external auditors.
- Review the results of the external audit and the external auditor's report thereon, including, discussions with the external auditors as to the quality of accounting principles used and any alternative treatments of financial information that have been discussed with senior executives of the Company and any other matters.
- Review any material written communications between senior executives of the Company and the external auditors and any significant disagreements between the senior executives and the external auditors.
- Discuss with the external auditors their perception of the Company's financial and accounting personnel, records and systems, the cooperation which the external auditors received during their course of their review and availability of records, data and other requested information and any recommendations with respect thereto.
- Discuss with the external auditors their perception of the Company's identification and management of risks, including the adequacy or effectiveness of policies and procedures implemented to mitigate such risks.
- Review the reasons for any proposed change in the external auditors which is not initiated by the Committee or Board and any other significant issues related to the change, including the response of the incumbent auditors, and enquire as to the qualifications of the proposed auditors before making its recommendations to the Board.
- Review annually a report from the external auditors in respect of their internal quality-control procedures, any material issues raised by the most recent internal quality-control review, or peer review of the external auditors, or by any inquiry or investigation by governmental or professional authorities, within the preceding five years, respecting one or more independent audits carried out by the external auditors, and any steps taken to address any such issues.

Associated Responsibilities

- Monitor and periodically review the Whistleblower Policy of the Company and associated procedures for:
    - the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls or auditing matters; and

- the confidential, anonymous submission by directors, officers and employees of the Company of concerns regarding questionable accounting or auditing matters; and
- if applicable, any violations of applicable law, rules or regulations that relates to corporate reporting and disclosure, or violations of the Company's Code of Conduct.

- Review and approve the Company's hiring policies regarding employees and partners, and former employees and partners, of the present and former external auditors of the Company.

Non-Audit Services

- Pre-approve all non-audit services to be provided to the Company or any subsidiary entities by its external auditors or by the external auditors of such subsidiary entities. The Committee may delegate to one or more of its Members the authority to pre-approve non-audit services but pre-approval by such Member or Members so delegated shall be presented to the full Committee at its first scheduled meeting following such pre-approval.

Other Duties

- Direct and supervise the investigation into any matter brought to its attention within the scope of the Committee's duties. Perform such other duties as may be assigned to it by the Board from time to time or as may be required by applicable law.

5. The Committee Chair

In addition to the responsibilities of the Chair described above, the Chair has the primary responsibility for overseeing and reporting on the evaluations to be conducted by the Committee, as well as monitoring developments with respect to accounting and auditing matters in general and reporting to the Committee on any related significant developments.

6. Committee Evaluation

The performance of the Committee shall be evaluated by the Board as part of its regular evaluation of the Board committees.

7. Access to Information and Authority to Retain Independent Advisors

The Committee shall be granted unrestricted access to all information regarding the Company that is necessary or desirable to fulfill its duties and all directors of the Company, officers and employees will be directed to cooperate as requested by Members. The Committee has the authority to retain, at the Company's expense, independent legal, financial, and other advisors, consultants and experts to assist the Committee in fulfilling its duties and responsibilities, including sole authority to retain and to approve their fees. The Committee shall select such advisors, consultants and experts after taking into consideration factors relevant to their independence from management and other relevant considerations.

The Committee shall discharge its responsibilities, and shall assess the information provided by the Company's management and the external advisers, in accordance with its business judgment. Members are entitled to rely, absent knowledge to the contrary, on the integrity of the persons and organizations from whom they receive information, and on the accuracy and completeness of the information provided. Nothing in this Charter is intended or may be construed as imposing on any member of the Committee or the Board a standard of care or diligence that is in any way more onerous or extensive than the standard to which the directors are subject under applicable law.

The Committee also has the authority to communicate directly with internal and external auditors. While the Committee has the responsibilities and powers set forth in this Charter, it is

not the duty of the Committee to plan or conduct audits or to determine that the Company's financial statements are complete and accurate or comply with IFRS and other applicable requirements. These are the responsibilities of the senior executives of the Company responsible for such matters and the external auditors. The Committee, the Chair and any Members identified as having accounting or related financial expertise are members of the Board, appointed to the Committee to provide broad oversight of the financial, risk and control related activities of the Company, and are specifically not accountable or responsible for the day to day operation or performance of such activities. Although the designation of a Member as having accounting or related financial expertise for disclosure purposes is based on that individual's education and experience, which that individual will bring to bear in carrying out his or her duties on the Committee, such designation does not impose on such person any duties, obligations or liability that are greater than the duties, obligations and liability imposed on such person as a member of the Committee and Board in the absence of such designation. Rather, the role of a Member who is identified as having accounting or related financial expertise, like the role of all Members, is to oversee the process, not to certify or guarantee the internal or external audit of the Company's financial information or public disclosure. This Charter is not intended to change or interpret the constating documents of the Company or applicable law or stock exchange rule to which the Company is subject, and this Charter should be interpreted in a manner consistent with all such applicable laws and rules. Certain of the provisions of this Charter may be modified or superseded by the provisions of the investor rights agreement dated October 3, 2016 (the "**Investor Rights Agreement**"). In the event of a conflict between this charter and the Investor Rights Agreement, the Investor Rights Agreement shall prevail.

The Board may, from time to time, permit departures from the terms of this Charter, either prospectively or retrospectively. This Charter is not intended to give rise to civil liability on the part of the Company or its Directors or officers to shareholders, security holders, customers, suppliers, competitors, employees or other persons, or to any other liability whatsoever on their part.

8. Review of Charter

The Committee shall periodically review and assess the adequacy of this Charter and recommend any proposed changes to the Board for consideration.