

THE COMPETITION TRIBUNAL

IN THE MATTER of the *Competition Act*, R.S.C. 1985, c. C-34 as amended;

AND IN THE MATTER of an inquiry commenced pursuant to subparagraphs (10)(1)(b)(ii) and (iii) of the *Competition Act* into certain alleged misleading advertising practices of The Forzani Group Ltd., hereinafter "FGL";

AND IN THE MATTER of the filing and registration of a Consent Agreement pursuant to section 74.12 of the *Competition Act*.

BETWEEN:

THE COMMISSIONER OF COMPETITION

Applicant

-and-



THE FORZANI GROUP LTD.

Respondent

CONSENT AGREEMENT

WHEREAS the Commissioner of Competition (the "Commissioner") is head of the Competition Bureau and is responsible for the administration and the enforcement of the *Competition Act* (the "Act") including the misleading advertising provisions of the Act (Part VII.1) which include the Ordinary Price provisions of the Act [subsections 74.01(2) and (3)];

AND WHEREAS The Forzani Group Ltd. ("FGL") is a publicly traded company which operates on a national basis and is the largest sporting products retailer in Canada;

AND WHEREAS FGL operates 217 corporate stores, under the banners of Sport Chek, Sport Mart and Coast Mountain Sports and 174 franchise stores under the banners of Sports Experts, Intersport, RnR, Atmosphere, Econosports and Tech Shop;



P. LAVOIE

AND WHEREAS in September 2003, the Commissioner commenced an inquiry (the “Inquiry”) pursuant to subparagraphs (10)(1)(b)(ii) and (iii) of the Act into certain alleged misleading advertising practices of FGL carrying on business as Sport Chek and Sport Mart;

AND WHEREAS the practices in question related to price representations made to the public for the purpose of promoting the supply or use of certain sporting-related goods (the “products”);

AND WHEREAS further to the inquiry, the Commissioner gathered and analyzed evidence relating to the pricing practices of FGL, in respect of Sport Chek and Sport Mart banner stores, including evidence seized pursuant to a search warrant issued by the Federal Court of Canada pursuant to sections 15 and 16 of the Act;

AND WHEREAS the Commissioner had reason to believe that FGL engaged in reviewable conduct under the Ordinary Price provisions of the Act [subsections 74.01(2) and (3)], in that in respect of the products:

74.01(2) Ordinary Price: *Suppliers generally*

- (a) FGL, for the purpose of generating sales at its Sport Mart retail locations, used the terminology “compare at” in making references to ordinary prices offered by suppliers generally in the relevant geographic market when promoting products at a reduced price, representations of which were made to the public through newspaper, inserts, print and electronic flyers, its website, its in-store placards and price tags on items or price cards near items;
- (b) These prices represented by FGL as being the ordinary prices offered by suppliers generally in the relevant geographic market were overstated, in that, having regard to the nature of the products in issue, FGL could not establish that:
 - (i) a substantial volume of the products were sold by suppliers generally in the relevant geographic market at or above the represented prices within a reasonable period of time before the making of the representations; and
 - (ii) the products were offered by suppliers generally in the relevant geographic market at or above the represented prices in good faith for a substantial period of time recently before the making of the representations;
- (c) FGL did not exercise sufficient due diligence in its efforts to ensure compliance with the Act in good faith even though management had made corporate policies and structured internal mechanisms for achieving compliance available.

74.01(3) Ordinary Price: *Supplier's own*

- (d) FGL, for the purpose of generating sales at its Sport Chek retail locations, used the terminology "Original Price" in making reference to its own ordinary prices when promoting products at a reduced price, representations of which were made to the public through newspaper, inserts, print and electronic flyers, its website, its in-store leaflets and price tags on items or price cards near items;

AND WHEREAS the evidence gathered by the Commissioner demonstrated that:

- (e) Certain prices represented by FGL as being its own ordinary prices, were overstated, in that, having regard to the nature of the products at issue and the relevant geographic market:
 - (i) In respect of the products the Competition Bureau examined, FGL had not sold a substantial volume of the products at or above the represented prices within a reasonable period of time before the making of the representation; and
 - (ii) In respect of the products the Competition Bureau examined, FGL did not offer the products at or above the represented prices for a substantial period of time recently before the making of the representations; and
- (f) FGL did not exercise sufficient due diligence in its efforts to ensure compliance with the Act in good faith even though management had made corporate policies and structured internal mechanisms for achieving compliance available. Although FGL included a disclaimer in its advertising intended to inform consumers that the original prices did not represent prices at which the products were ordinarily sold, the Competition Bureau was of the view that the disclaimer was insufficient for this purpose.

AND WHEREAS in respect of (4) four individual products examined by the Competition Bureau, the Commissioner believes the prices represented by FGL as its own ordinary prices or as the ordinary prices offered by suppliers generally in the relevant geographic market were higher than the Manufacturer's Suggested Retail Prices (MSRP);

AND UPON CONSIDERING THAT the Commissioner and FGL have reached an agreement which finally resolves, as of the date of the implementation of this Consent Agreement, all of the Commissioner's concerns regarding the alleged misleading advertising practices of FGL and FGL Personnel pursuant to subsections 74.01(2) and (3) of the Act and which is reflected in this Consent Agreement (the "Agreement");

AND IT BEING UNDERSTOOD THAT while the Commissioner has come to the foregoing conclusions and while FGL does not agree with those conclusions, solely for the purposes of the Agreement or any proceeding relating to it, including an application to vary or rescind the Agreement pursuant to section 74.13 of the Act, FGL does not contest the Commissioner's conclusions. For greater certainty, nothing in the Agreement will be taken as an admission by FGL now or in the future of any facts, submissions or legal arguments for any other purposes, nor will it derogate from any rights or defences available to FGL under the Act or otherwise;

AND WHEREAS FGL is committed to compliance with the Act generally, and the misleading advertising provisions (Part VII.1) specifically;

AND WHEREAS the Commissioner and FGL agree that upon the signing of the Agreement, the Parties shall file the Agreement with the Competition Tribunal for immediate registration;

AND WHEREAS the Commissioner and FGL understand that upon registration, the Agreement shall be enforceable pursuant to section 74.12 of the Act;

1. The preamble hereof forms part of the Agreement as if recited at length herein.

I. Interpretation

2. For the purpose of the Agreement, the following definitions shall apply:
 - (a) **"Agreement"** means this Consent Agreement entered into by FGL and the Commissioner of Competition;
 - (b) **"Commissioner"** means the Commissioner of Competition, appointed pursuant to section 7 of the Act, and her/his authorised representatives;
 - (c) **"FGL"** means The Forzani Group Ltd., a company incorporated under the laws of the Province of Alberta carrying on business under the banners of Sport Chek, Sport Mart, Coast Mountain Sports, Sports Experts, Intersport, Atmosphere, RnR, Econosport and Tech Shop or any subsidiary corporation of The Forzani Group Ltd. within the meaning of subsection 2(3) of the Act;
 - (d) **"FGL Personnel"** means all current and future FGL Senior Management and all other FGL employees who are materially involved in the formulation and/or the implementation of advertising and/or pricing policies;
 - (e) **"FGL Senior Management"** means the current and future Chairman of the Board of FGL, the Chief Executive Officer, the President and Chief Operating Officer, the Vice-President, Law, General Counsel and Corporate Secretary, the Vice-President of Marketing and Customer Service, the Vice-President of Sport Mart Division, the President of Franchise Division and the Vice-President of

Purchasing and Marketing – Franchise Division, it being understood that the FGL Senior Management and FGL Personnel associated exclusively with one or more FGL banners have responsibility only for the advertising and/or pricing policies of the FGL banner or banners with which they are exclusively associated;

- (f) **“Parties”** means the Commissioner of Competition and FGL;
- (g) **“Person”** means any individual, partnership, firm, corporation, association, trust, unincorporated organisation or other entity;
- (h) **“Products”** means any goods or services supplied or sold by FGL; and
- (i) **“Tribunal”** means the Competition Tribunal established by the *Competition Tribunal Act Canada*, R.S.C. 1985, c. 19 (2nd Supp.), as amended.

II. Application

- 3. The provisions of the Agreement shall apply to:
 - (a) FGL, its subsidiaries, its affiliates and successors, and FGL Personnel; and
 - (b) The Commissioner.

NOW THEREFORE in order to finally resolve the Commissioner’s Inquiry into certain alleged misleading advertising practices of FGL, the Parties hereby agree as follows:

A. ORDINARY PRICE REPRESENTATIONS

- 4. FGL and FGL Personnel shall comply with the Ordinary Price provisions of the Act, which provide:

74.01(2) Ordinary Price: *Suppliers generally*

Subject to subsection (3), a person engages in reviewable conduct who, for the purpose of promoting, directly or indirectly, the supply or use of a product or for the purpose of promoting, directly or indirectly, any business interest, by any means whatever, makes a representation to the public concerning the price at which a product or like products have been, are or will be ordinarily supplied where suppliers generally in the relevant geographic market, having regard to the nature of the product,

- (a) have not sold a substantial volume of the product at that price or a higher price within a reasonable period of time before or after the making of the representation, as the case may be; and
- (b) have not offered the product at that price or a higher price in good faith for a substantial period of time recently before or immediately after the making of the representation, as the case may be.

74.01(3) Ordinary Price: *Supplier's own*

A person engages in reviewable conduct who, for the purpose of promoting, directly or indirectly, the supply or use of a product or for the purpose of promoting, directly or indirectly, any business interest, by any means whatever, makes a representation to the public as to price that is clearly specified to be the price at which a product or like products have been, are or will be ordinarily supplied by the person making the representation where that person, having regard to the nature of the product and the relevant geographic market,

- (a) has not sold a substantial volume of the product at that price or a higher price within a reasonable period of time before or after the making of the representation, as the case may be; and
- (b) has not offered the product at that price or a higher price in good faith for a substantial period of time recently before or immediately after the making of the representation, as the case may be.

74.01(4) References to time in subsections (2) and (3)

For greater certainty, whether the period of time to be considered in paragraphs (2)(a) and (b) and (3)(a) and (b) is before or after the making of the representation depends on whether the representation relates to

- (a) the price at which products have been or are supplied; or
- (b) the price at which products will be supplied.

74.01(5) Saving

Subsections (2) and (3) do not apply to a person who establishes that, in the circumstances, a representation as to price is not false or misleading in a material respect.

74.01(6) General Impression to be Considered

In proceedings under this section, the general impression conveyed by a representation as well as its literal meaning shall be taken into account in determining whether or not the representation is false or misleading in a material respect.

B. CORPORATE MONETARY PENALTY

5. FGL shall pay an administrative monetary penalty in the amount of \$1,200,000.00 dollars.

C. COSTS

6. FGL shall fully indemnify the Competition Bureau for all of the costs and disbursements incurred during the course of its investigation into this matter in the amount of \$500,000.00 dollars.

D. FORM OF PAYMENT

7. The payments referred to in paragraphs 5 and 6 shall be made forthwith, and no later than the point of execution of the Agreement and shall be in certified funds, cashiers cheques or by wire transfers.

E. CORRECTIVE NOTICE

8. FGL shall publish a corrective notice (the "Notice") as set out in Appendix "A" of the Agreement in accordance with the terms and conditions set out in Appendices "B" through "E" of the Agreement.
9. FGL shall, upon publication confirm in writing to the Commissioner that the Notice was published as provided in paragraph 8 of the Agreement. In addition to the written confirmation, FGL shall provide tear-sheets of the Notice from each publication referred to in Appendices "B" and "C" of the Agreement within (2) two weeks of publication thereof.

F. CORPORATE COMPLIANCE PROGRAM

10. FGL shall establish and maintain a Corporate Compliance Program (the "Compliance Program"), the goal of which will be to promote the compliance of FGL's business with the Act generally, and specifically, without limiting the generality of the foregoing, the misleading advertising provisions of the Act (Part VII.1) which include the Ordinary Price provisions of the Act [subsections 74.01(2) and (3)] specifically. The Compliance Program shall be framed and implemented in a manner consistent with the Commissioner's Information Bulletin on "Corporate Compliance Program" published on the Competition Bureau's website at www.cb-bc.gc.ca
11. FGL Senior Management shall fully support and enforce the Compliance Program and shall take an active and visible role in its establishment and maintenance.
12. FGL Senior Management shall acknowledge their commitment to the Compliance Program via commitment letters as provided in Appendix "F" of the Agreement.
13. The Compliance Program shall include:
 - (a) the designation of a Corporate Compliance Officer within thirty (30) days of the execution of the Agreement;
 - (b) the development of a Corporate Compliance Policy in Respect of Advertising (the "Compliance Policy");
 - (c) the distribution of the Compliance Policy to FGL Personnel;
 - (d) the inclusion of the Compliance Policy in any and all marketing, advertising and/or pricing policies manuals and retail store operations manuals;
 - (e) the placement of the Compliance Policy on the FGL Intranet network;
 - (f) the development of and delivery to FGL Personnel of a mandatory Compliance Program/Policy education session;
 - (g) the development and delivery of an annual refresher Compliance Program and Compliance Policy education session for FGL Personnel; and
 - (h) the annual acknowledgement, in writing, by FGL Personnel of their awareness and comprehension of the Compliance Program and Compliance Policy as provided in Appendix "G" of the Agreement.
14. The Commissioner or her/his authorized representative shall, on an annual basis, be entitled to require FGL to provide a written report on its annual review of FGL's Compliance Program and Compliance Policy and their implementation. Any such report shall be submitted under the oath or affirmation of the Corporate Secretary within (30) thirty days of the request being made. The request may include, but is not limited to, a requirement for the production of computer-generated product price histories as evidence of due diligence. The written report shall include proof of 'price representation validation' for FGL products to be selected at the discretion of the Competition Bureau. Proof of 'price representation validation' would include:

- (a) (Market Price) the submission of all market price comparison research conducted that supports any market price claims made along with all associated price representations made (e.g. in-store representations and flyers) for the selected products; and
 - (b) (Suppliers Own) the submission of time and/or volume data (as the case may be) along with all associated price representations made (e.g. in-store representations and flyers) for the selected products.
15. The Commissioner or her/his authorized representative may also request and FGL shall reasonably facilitate access to education sessions conducted by FGL.
16. Following the execution of the Agreement, the Competition Bureau shall meet with FGL to discuss and review FGL's future advertising compliance. Draft outlines of the Compliance Program and Compliance Policy shall be submitted to the Commissioner within forty-five (45) days of such meeting. The Commissioner shall provide written acknowledgment that the Compliance Program and Compliance Policy, as written, meet the requirements of the Commissioner's Information Bulletin on "Corporate Compliance Program".

G. COPIES OF THE AGREEMENT

17. FGL, and any entity for which they (collectively or individually) have *de facto* or actual control, shall provide a copy of the Agreement in its entirety to all current and future FGL Senior Management, within thirty (30) days of the execution of the Agreement. Further, within forty-five (45) days of the execution of the Agreement, and in any event, upon commencing employment with FGL, FGL shall secure from each such person identified above a signed and dated statement acknowledging that he or she has read and understood the Agreement and subsections 74.01(2) and (3) of the Act.

III. Notices

18. Notices pursuant to the Agreement shall be given to the Parties at the following addresses or facsimile numbers:

(a) The Commissioner

Sheridan Scott
Commissioner of Competition
Competition Bureau
Place du Portage, Phase I, 50 Victoria Street
Gatineau, Québec K1A 0C9
Telephone: 819-997-3301
Facsimile: 819-953-5013

With copies to:

Josephine A.L. Palumbo
A/ Senior Crown Counsel
Department of Justice
Competition Law Division
Competition Bureau
Place du Portage, Phase I, 50 Victoria Street
Gatineau, Québec K1A 0C9

Telephone: 819-997-3325
Facsimile: 819-953-9267

(b) The Forzani Group Ltd.

Calvin Goldman, Q.C.
Robert Kwinter
Blake, Cassels & Graydon LLP
199 Bay Street, Suite 2800
Box 25, Commerce Court West
Toronto, Ontario M5L 1A9

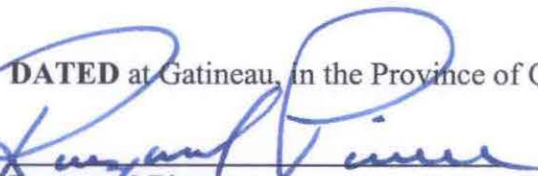
IV. General

19. The Agreement may be executed in two or more counterparts, each of which shall be an original instrument, but all of which shall constitute one and the same Agreement.
20. The Agreement shall be governed by and interpreted in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein.
21. The Parties shall be bound by the terms of the Agreement for a period of ten (10) years following the registration of the Agreement with the Tribunal.
22. For greater certainty, the Tribunal shall retain jurisdiction for the purpose of any application by the Commissioner or FGL to rescind or vary any of the provisions of the Agreement in the event of a change of circumstances or otherwise pursuant to section 74.13 of the Act, or with respect to any issue concerning the Agreement with the exception of matters contained in paragraphs 5 through to 7 above.
23. For the purpose of determining or securing compliance with the Agreement, the Commissioner shall allow FGL three (3) weeks in which to clarify any objections raised by the Commissioner with regard to compliance with the Agreement prior to the commencement of formal proceedings by the Commissioner before the Tribunal.
24. In the event of a dispute as to the interpretation or application of the Agreement, including any decision by the Commissioner pursuant to the Agreement or breach of the Agreement by FGL, either of the Parties shall be at liberty to apply to the Tribunal for an order interpreting any of the provisions of the Agreement.
25. In the event that the Agreement is rescinded or varied for any reason prior to its registration, then either of the Parties may terminate the Agreement within thirty (30) days of such rescission or variation, on written notice to the other Party hereto.

DATED at Calgary, in the Province of Alberta this 2nd day of July, 2004.


for: **The Forzani Group Ltd.**

DATED at Gatineau, in the Province of Québec this 5th day of July, 2004.


Raymond Pierce
Deputy Commissioner of Competition

Appendix "A"

For newspapers and FGL corporate website, the title and first paragraph of the Notice should read as follows:

NOTICE BY THE FORZANI GROUP LTD. ("FGL")
RE: SPORT CHEK AND SPORT MART ADVERTISEMENTS

The Competition Bureau (the "Bureau") has informed The Forzani Group Ltd. ("FGL") that certain of its Sport Chek and Sport Mart advertised items contained representations of savings that have raised concerns under the civil ordinary price provisions of the Competition Act (the "Act"). The Bureau believes that the comparison prices overstated the prices at which those products were regularly offered for sale or sold.

For all other media of distribution, the title and first paragraph of the Notice will make reference only to FGL and the respective banner and read as follows:

NOTICE BY THE FORZANI GROUP LTD. ("FGL") RE:
SPORT CHEK [or SPORT MART] ADVERTISEMENTS

The Competition Bureau (the "Bureau") has informed The Forzani Group Ltd. ("FGL") that certain of its Sport Chek [Sport Mart] advertised items contained representations of savings that have raised concerns under the civil ordinary price provisions of the Competition Act (the "Act"). The Bureau believes that the comparison prices overstated the prices at which those products were regularly offered for sale or sold.

For all media of distribution, the last three (3) paragraphs of the Notice shall read as follows:

FGL does not admit to any conduct contrary to the Act, however, in recognition of both the Bureau's concerns and the importance of providing accurate information to consumers, FGL and the Bureau have filed a Consent Agreement (the "Agreement") with the Competition Tribunal which addresses the Bureau's concerns. Pursuant to the Agreement, FGL shall, among other things:

- ensure that all of its future savings claims and regular selling price representations comply with the misleading advertising provisions of the Act;
- develop and implement a corporate compliance program designed to ensure compliance with the Act; and
- pay a substantial administrative monetary penalty along with the Bureau's costs for its investigation.

The Consent Agreement can be found on the Competition Tribunal's website at www.ct-tc.gc.ca. For additional information, consult the Competition Bureau's website at www.cb-bc.gc.ca.

Appendix "B"

The newspapers in which The Forzani Group Ltd. is to publish the Notice identified in Appendix "A" of the Agreement include the following:

Vancouver Sun Edmonton Journal Calgary Herald Regina Leader Post Winnipeg Free Press Toronto Star	Ottawa Citizen Saint John Telegraph Journal Halifax Herald Limited (St-Johns) The Telegram National Post Globe and Mail
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1. FGL shall commence publishing of the Notice within five (5) days of the registration of the Agreement;
2. FGL shall publish the Notice as set out in Appendix "A" of the Agreement in the Wednesday and Saturday editions of each of the newspapers named above for a period of three (3) consecutive weeks. FGL shall obtain publication space in accordance with the following hierarchy of special availability, and every effort shall be made to obtain publication space in the following order of priority:
 - (i) within the first five (5) pages of the cover section;
 - (ii) within the first four (4) pages of the business section;
3. The Notice shall appear in a space no less than 6 inches x 4.5 inches in size when published in the newspapers named above;
4. The title of the Notice, as set out in Appendix "A" of the Agreement, shall be capitalized and shall appear in 16-point bold font unembellished print; and
5. The text of the Notice shall appear in 10-point font unembellished print in the newspapers named above.

Appendix "C"

1. The Forzani Group Ltd. is to publish the Notice, as it appears in Appendix "A" of the Agreement, in each of three (3) consecutive Sport Chek and Sport Mart newspaper insert, print and electronic advertising flyers between late-July 2004 and mid-August 2004;
2. For both Sport Chek and Sport Mart flyers, the title of the Notice, as set out in Appendix "A" of the Agreement, shall be capitalized and shall appear in 12-point bold font unembellished print;
3. The text of the Notice shall appear in no less than 8-point font unembellished print;
4. The size and appearance of the notices shall strictly conform to the sample flyer pages submitted to the Competition Bureau for its review by cover letter dated June 17, 2004. The Notice shall cover 11% of the back page of the Sport Chek flyer and 15% of the back page of the Sport Mart flyer; and
5. Distribution shall be in the volume and frequency as already submitted and agreed to by the Commissioner and normally planned by Sport Chek and Sport Mart for each of the relevant distribution markets.

Appendix "D"

1. The Forzani Group Ltd. is to publish the Notice, as it appears in Appendix "A" of the Agreement, on each of the following websites:
 - (i) FGL's Corporate website located at the address www.forzanigroup.com;
 - (ii) Sport Mart's website located at the address www.sportmart.ca; and
 - (iii) Sport Chek's website located at the address www.sportchek.ca;
2. Publication of the Notice on the websites shall occur within five (5) days of the registration of the Agreement;
3. The Notice shall remain on the websites for a period of twelve (12) consecutive weeks;
4. The Notice shall be accessible through a link on the menu-bar of each website homepage entitled 'Notice';
5. The Notice shall have a link to the Competition Tribunal website at www.ct-tc.gc.ca and to the Competition Bureau website at www.cb-bc.gc.ca;
6. The Notice shall take up the full screen size of the linked page;
7. The text of the Notice shall appear in no less than 12-point font unembellished print; and
8. The title of the Notice, as set out in Appendix "A" of the Agreement, shall be capitalized and appear in no less than 16-point bold font unembellished print.

Appendix "E"

1. The Forzani Group Ltd. shall display the Notice, as set out in Appendix "A" of the Agreement, for a period of six (6) consecutive weeks in all Sport Mart and Sport Chek stores;
2. Display of the Notice shall begin within five (5) days of the registration of the Agreement;
3. The Notice shall be displayed in plain view at the cash register station in a manner that is visible to all customers. Where a store has cash exits on multiple levels, the Notice shall be displayed at the cash register station on each such store level;
4. The Notice shall be no less than 8 1/2 inches x 11 inches in size;
5. The title of the Notice, as set out in Appendix "A" of the Agreement, shall be capitalized and shall appear in 16-point bold font unembellished print; and
6. The text of the Notice shall appear in 12-point font unembellished print.

Appendix "F"

(FGL LETTER HEAD)

, 2004

CONFIDENTIAL

Sheridan Scott
Commissioner of Competition
Competition Bureau
Place du Portage I
50, rue Victoria
Gatienau (Québec)
K1A 0C9

Dear Ms. Scott:

RE: Commitment to Establishment and Maintenance of Compliance Programs

Further to paragraph 11 of the Consent Agreement between the Commissioner of Competition (the "Commissioner") and The Forzani Group Ltd. ("FGL") registered before the Competition Tribunal on June xx, 2004, I hereby commit to the successful implementation of FGL's Corporate Compliance Program and Compliance Policy towards promoting compliance with the *Competition Act*, R.S.C. 1985 c. C-34 (as amended) (the "Act") generally and the misleading advertising provisions (Part VII. 1) which include the Ordinary Price provisions of the Act [subsections 74.01(2) and (3)] specifically and will take an active and visible role in their establishment and maintenance.

Sincerely,

cc. Josephine A.L. Palumbo
A/ Senior Crown Counsel
Department of Justice

Appendix "G"

I, _____ of the City of _____, am employed by The Forzani Group Ltd. in the capacity of _____. In this capacity, I am materially involved in the formulation and/or the implementation of FGL marketing, advertising and/or pricing policies. I acknowledge that I am subject to and am required to comply with FGL's Corporate Compliance Program and FGL's Compliance Policy with respect to the *Competition Act*, R.S.C. 1985 c. C.-34 (as amended) (the "Act").

This is to advise that:

- (a) I have read and understand FGL's Corporate Compliance Program, the goal of which is to promote compliance with the Act generally and the misleading advertising provisions of the Act (Part VII. 1) which include the Ordinary Price provisions of the Act [subsections 74.01(2) and (3)] specifically; and
- (b) I have read and understand FGL's Compliance Policy with respect to the Act.

Date: ____/____/____

Signature: _____

THE COMPETITION TRIBUNAL

IN THE MATTER of the *Competition Act*, R.S.C. 1985, c.C-34, as amended;

AND IN THE MATTER of an inquiry commenced pursuant to subparagraphs (10)(1)(b)(ii) and (iii) of the *Competition Act* into certain alleged misleading advertising practices of The Forzani Group Ltd., hereinafter "FGL";

AND IN THE MATTER of the filing and registration of a Consent Agreement pursuant to section 74.12 of the *Competition Act*.

BETWEEN:

THE COMMISSIONER OF COMPETITION

Applicant

- and -

THE FORZANI GROUP LTD.

Respondent

CONSENT AGREEMENT

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Counsel to the Commissioner of Competition