DOREL INDUSTRIES INC.

ANNUAL INFORMATION FORM

For the fiscal year ended December 30, 2015

March 23, 2016

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In this annual information form, unless the context indicates otherwise, the terms "Dorel" and the "Company" mean Dorel Industries Inc. together with its subsidiaries.

Unless otherwise indicated, all references to "dollars" and the symbol "$" in this annual information form are to US dollars.

CAUTION REGARDING FORWARD-LOOKING STATEMENTS

Certain statements included in this annual information form may constitute "forward-looking statements" within the meaning of applicable Canadian securities legislation. Except as may be required by Canadian securities laws, the Company does not undertake any obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. Forward-looking statements, by their very nature, are subject to numerous risks and uncertainties and are based on several assumptions which give rise to the possibility that actual results could differ materially from the Company's expectations expressed in or implied by such forward-looking statements and that the objectives, plans, strategic priorities and business outlook may not be achieved. As a result, the Company cannot guarantee that any forward-looking statement will materialize, or if any of them do, what benefits the Company will derive from them. Forward-looking statements are provided in this annual information form for the purpose of giving information about Management's current expectations and plans and allowing investors and others to get a better understanding of the Company's operating environment. However, readers are cautioned that it may not be appropriate to use such forward-looking statements for any other purpose.

Forward-looking statements made in this annual information form are based on a number of assumptions that the Company believed were reasonable on the day it made the forward-looking statements. Factors that could cause actual results to differ materially from the Company's expectations expressed in or implied by the forward-looking statements include: general economic conditions; changes in product costs and supply channel; foreign currency fluctuations; customer and credit risk, including the concentration of revenues with a small number of customers; costs associated with product liability; changes in income tax legislation or the interpretation or application of those rules; the continued ability to develop products and support brand names; changes in the regulatory environment; continued access to capital resources and the related costs of borrowing; changes in assumptions in the valuation of goodwill and other intangible assets; and there being no certainty that the Company's current dividend policy will be maintained. These and other risk factors that could cause actual results to differ materially from expectations expressed in or implied by the forward-looking statements are discussed throughout this annual information form and, in particular, under "Risk Factors".

The Company cautions readers that the risks described above are not the only ones that could impact it. Additional risks and uncertainties not currently known to the Company or that the Company currently deems to be immaterial may also have a material adverse effect on the Company's business, financial condition or results of operations. Given these risks and uncertainties, investors should not place undue reliance on forward-looking statements as a prediction of actual results.

MARKET AND INDUSTRY DATA

Dorel has obtained market and industry data presented in this annual information form from a combination of third-party sources and the estimates of management. Although Dorel believes that these third-party sources and its management estimates are reliable, the accuracy and completeness of such data is not guaranteed and has not been verified by any independent sources. Market and industry data, including estimates and projections relating to size of market and market share, is inherently imprecise and cannot be verified due to limitations on the availability and reliability of data inputs, the voluntary nature of the data-gathering process and other limitations inherent in any market research or other survey. Management's estimates are based on internal research, its knowledge of the relevant market and industry and extrapolations from third-party sources. While Dorel is not aware of any misstatements regarding the market and industry data presented in this annual information form, such data involve risks and uncertainties and are subject to change based on various factors, including those factors discussed under "Caution Regarding Forward-Looking Statements" and "Risk Factors" in this annual information form.

CORPORATE STRUCTURE

Incorporation of Dorel Industries Inc.

Dorel was constituted on March 5, 1962 pursuant to Part I of the *Companies Act* (Québec) under the name Dorel Co. Ltd. On May 19, 1987, the Company was continued under Part IA of the *Companies Act* (Québec), at which time certain changes were effected to its share capital, the "private company" provisions were removed from its Articles and the Company's name was changed to Dorel Industries Inc./Les Industries Dorel Inc. On October 26, 1988, the Company amalgamated with its wholly-owned subsidiary, Ridgewood Industries Ltd. On September 20, 1991, the Company filed Articles of Amendment, effective October 1, 1991, converting each issued and outstanding common share into one-half of a Class "A" Multiple Voting Share carrying ten votes per share and one-half of a Class "B" Subordinate Voting Share carrying one vote per share. The Company was automatically continued under the *Business Corporations Act* (Québec) on February 14, 2011, the date on which that statute came into force. The Company's head and registered office is located at 1255 Greene Avenue, Suite 300, Westmount, Québec H3Z 2A4.

Subsidiaries

Schedule A annexed hereto sets out the major companies within the organizational structure of the Company as of December 30, 2015, the jurisdiction of incorporation of each subsidiary of the Company and the percentage of votes attaching to all voting securities of each beneficially owned, or controlled or directed, directly or indirectly, by the Company.

GENERAL DEVELOPMENT OF THE BUSINESS

Dorel is a world class juvenile products and bicycle company as well as a North American furniture distributor. It operates in three distinct reporting segments: Dorel Juvenile, Dorel Sports and Dorel Home Furnishings. Dorel's extensive product offering includes juvenile products such as infant car seats, strollers, high chairs, toddler beds, playpens, swings, developmental toys, furniture items and infant health and safety aids; in Dorel Sports, items such as bicycles, bicycling and running apparel, children's electric ride-ons, jogging strollers and bicycle trailers and related parts and accessories; and home furnishing items such as a wide variety of Ready-to-Assemble ("RTA") furniture for home and office use, as well as folding furniture, futons, mattresses, bunk beds, step stools, hand trucks, specialty ladders and other imported furniture items.

Dorel's safety and lifestyle leadership is pronounced in both its Juvenile and Bicycle categories with an array of trend-setting, innovative products. Dorel Juvenile's powerfully-branded products include global juvenile brands Safety 1st, Quinny, Maxi-Cosi and Tiny Love, complemented by regional brands such as Cosco, Bébé Confort, Infanti, Voyage, Angel and Mother's Choice. In Dorel Sports, brands include Cannondale, Schwinn, GT, Mongoose, Caloi, Roadmaster, Iron Horse and SUGOI. Dorel Home Furnishings markets a wide assortment of both domestically produced and imported furniture, principally within North America.

As at the date of this annual information form, Dorel employs approximately 10,450 people in 25 countries. Operations in the United States include Dorel Juvenile USA, which markets the Cosco, Maxi-Cosi, Quinny, Safety 1st and Tiny Love brands, as well as Eddie Bauer and Disney under licensing agreements; Pacific Cycle, which markets several brands, including Schwinn, Mongoose, Iron Horse, InStep, Kid Trax and Roadmaster; Cycling Sport Group ("CSG"), which markets GT along with Cannondale; Ameriwood Industries, Inc. ("Ameriwood"), which markets RTA furniture products under the Ameriwood, SystemBuild, Altra Furniture and Ridgewood brands; and Cosco Home & Office ("Cosco"), which markets home/office products under the Cosco brand. In Canada, Dorel operates Dorel Juvenile Canada, Ridgewood Industries, Dorel Home Products, CSG Canada and SUGOI Performance Apparel. CSG also has operations based in Switzerland, the Netherlands, Japan, China, Chile and the United Kingdom. Dorel Juvenile Europe principally markets juvenile products throughout Europe, primarily under the Maxi-Cosi, Quinny, Safety 1st and Tiny Love brands. Dorel Asia Inc. ("Dorel Living") sources and imports juvenile and home furnishings products. Dorel Juvenile Australia manufactures and distributes juvenile products in Australia, New Zealand and greater Southeast Asia under the local brand Mother's Choice as well as Dorel's North American and European brands. Dorel Juvenile Brazil manufactures car seats locally and imports other juvenile products such as strollers under local brands Infanti, Voyage and Stillo as well as international brands such as Maxi-Cosi and Quinny. Dorel Juvenile Chile has operations in Chile and Peru, sells to customers based in Bolivia and Argentina and owns the Infanti brand in these countries. Dorel Juvenile Chile operates close to 100 retail locations in Chile and Peru of which the majority are under the Baby Infanti banner. In addition, Dorel operates several outlet retail locations in Europe and Australia. Dorel Juvenile Colombia operates in Colombia and Panama and sells goods into several countries in Central America and the Caribbean. Dorel also owns a 70% interest in Caloi, a major Brazilian manufacturer of bicycles and bicycle equipment which markets the Caloi brand and assembles bicycles for Dorel's brands such as Cannondale, Schwinn, Mongoose and GT to serve the Brazilian and export markets. Dorel Juvenile China has manufacturing facilities in China and in Taiwan with an extensive research and development centre. Dorel brands sold in China include the local Angel brand for lower price-points products, augmented by other Dorel brands to address the premium juvenile products market within China. In addition, Dorel has other offices in China and Taiwan to oversee the sourcing, engineering and logistics of raw materials and finished goods in order to ensure the highest standard of quality and to ensure that the flow of product is not interrupted.

Events in the Development of the Business

The Company was founded in Montréal, Québec in 1962 by the late Mr. Leo Schwartz, who served as its President until 1992. Dorel began operations as a small manufacturer and distributor of juvenile products. By the early 1970s, Dorel had established a national sales network for its products.

In 1987, the Company completed an initial public offering in the province of Québec of two million common shares at a price of CAD$5.00 per share for gross proceeds of CAD$10 million. At the same time, its common shares commenced trading on the Montréal Exchange.

The Company's common shares were initially listed on the Toronto Stock Exchange ("TSX") in 1990.

In September 1991, the Company's shareholders approved a share capital reorganization, pursuant to which each issued and outstanding common share was converted into one-half of a Class "A" Multiple Voting Share carrying ten votes per share and one-half of a Class "B" Subordinate Voting Share carrying one vote per share.

In December 1991, the Company completed a public offering in Canada of 2.6 million Class "B" Subordinate Voting Shares at a price of CAD$5.75 per share for gross proceeds to the Company of CAD$14.95 million.

In late 1997, the Company issued 1,075,000 Class "B" Subordinate Voting Shares at a price of CAD$34.00 per share by way of public offering in Canada, for gross proceeds to the Company of CAD$36.55 million.

In May 1998, Dorel acquired Ameriwood; a portion of the purchase price for Ameriwood was financed by the issuance of 460,000 Class "B" Subordinate Voting Shares at a price of CAD$47.65 per share by way of a public offering in the United States and Canada. The net proceeds to the Company from this offering were CAD$20.2 million.

In August 1998, the Company announced a two-for-one stock split, which became effective in September 1998.

In May 2002, the Company issued 2,929,200 Class "B" Subordinate Voting Shares at a price of CAD$38.50 per share by way of a public offering in Canada, for gross proceeds to the Company of CAD$112.8 million. The net proceeds from the public offering were used by the Company to reduce bank indebtedness.

In July 2002, the Company sold, through one of its subsidiaries, $50 million principal amount of 6.80% Series A Senior Guaranteed Notes due July 26, 2012. The net proceeds from the sale of the notes were used to repay floating debt that was outstanding at the time. The notes were purchased by a group of institutional investors led by The Prudential Insurance Company of America.

In connection with the acquisition of Ampa France, now known as Dorel Juvenile France, Dorel completed the sale in February 2003 of $110 million principal amount of senior guaranteed notes. The senior guaranteed notes were purchased by a group of institutional investors including Prudential Capital Group, an institutional investment business of Prudential Financial, and Teachers Insurance and Annuity Association - College Retirement Equity Fund. Of the $110 million, Dorel issued $55 million of Series A Notes bearing interest at 5.09%, which were repaid on February 11, 2008, and $55 million of Series B Notes bearing interest at 5.63%, which were repaid on February 10, 2010.

In March 2007, the Company voluntarily delisted its Class "B" Subordinate Voting Shares from the NASDAQ Global Market. The Class "B" Subordinate Voting Shares continued to trade on the TSX after the delisting from NASDAQ.

For the first time in the Company's history, on March 12, 2007, the Board of Directors declared a quarterly dividend, in an amount of $0.125 per share on the Class "A" Multiple Voting Shares, Class "B" Subordinate Voting Shares and Deferred Share Units of the Company. Following the initial dividend declaration, the Company paid annualized dividends in the amount of $0.50 per share. On May 6, 2010, the annualized dividend was increased to $0.60 per share as a result of an increase in the quarterly dividend to $0.15 per share and on August 9, 2012, the annualized dividend was increased to $1.20 per share as a result of an increase in the quarterly dividend to $0.30 per share.

In connection with the acquisition of Cannondale/SUGOI, the Company entered into an amendment to its revolving bank loans on January 18, 2008. Under the amended revolving bank loans, the total availability was increased to $475 million with an "accordion" feature allowing the Company to have access to an additional amount of $50 million on a revolving basis.

On April 6, 2010, the Company announced that it had secured new long-term financing by issuing $50 million of Series “A” Senior Guaranteed Notes and $150 million of Series “B” Senior Guaranteed Notes, bearing interest at 4.24% and 5.14%, respectively. The notes were purchased by a group of institutional investors including Prudential Capital Group, an institutional investment business of Prudential Financial, Inc. In addition, on June 16, 2010, the Company announced that it had completed the extension of its revolving credit facility. This three-year agreement, which was effective July 1, 2010 with an expiry date of July 1, 2013, was co-led by Royal Bank of Canada and Bank of Montreal. The facility allowed for borrowing up to $300 million and contained provisions to borrow up to an additional $200 million.

Effective July 15, 2011, the Company amended its revolving bank loans in order to extend the maturity date from July 1, 2013 to July 1, 2014.

On November 3, 2011, the Company announced that it had significantly increased the presence of its Dorel Juvenile segment in Latin America by signing share purchase agreements to acquire a 70% interest in an existing group of companies, the Silfa Group (now known as Dorel Juvenile Chile), which owns and operates the popular Infanti brand in Chile, Bolivia, Peru and Argentina. The transaction was completed on November 30, 2011. With this investment, Dorel entered the juvenile retail business.

Effective April 10, 2012, the Company amended its revolving bank loans in order to extend the maturity date from July 1, 2014 to July 1, 2015; the total availability was reduced from $300 million to $260 million.

On September 25, 2012, the Company signed purchase agreements acquiring a 70% interest in two juvenile product businesses that sell to customers in Colombia and Central America (now known as Dorel Colombia). The Company now operates Best Brands Group SA in Panama and Baby Universe SAS in Colombia. This acquisition expanded the Company’s ownership of the Infanti brand to which the Company owned the rights in Chile, Bolivia, Peru and Argentina.

Developments in the Past Three Years

Developments in Fiscal 2013

On April 30, 2013, the Company announced that it would implement a new normal course issuer bid (“2013 NCIB”). Under the 2013 NCIB, Dorel was entitled to repurchase for cancellation up to 850,000 Class “B” Subordinate Voting Shares over a twelve-month period commencing May 2, 2013 and ending May 1, 2014, representing 3.07% of the Company’s then-issued and outstanding Class “B” Subordinate Voting Shares. The purchases by Dorel were realized through the facilities of the TSX and were made at the market price of the Class “B” Subordinate Voting Shares at the time of the purchase. The Company acquired a total of 10,000 Class “B” Subordinate Voting Shares at a total cost of $0.3 million pursuant to the 2013 NCIB.

Effective May 31, 2013, the Company amended its revolving bank loans in order to extend the maturity date from July 1, 2015 to July 1, 2016. In addition, effective August 21, 2013, the total availability of the Company’s revolving bank loans was increased from $260 million to $360 million and the accordion feature allowing the Company to have access to an additional amount was reduced from $200 million to $100 million.

On August 22, 2013, the Company announced that it had acquired a 70% interest in Caloi, a major Brazilian manufacturer of bicycles and bicycle equipment. This acquisition expanded the Company’s market share in Latin America as Caloi is the largest bicycle brand in that region and is the leader in the Brazilian market.

Developments in Fiscal 2014

On January 16, 2014, the Company announced that it had purchased 100% of the shares of juvenile business Tiny Love Ltd., a global baby products and developmental toy company headquartered in Tel Aviv, Israel. Tiny Love is recognized as an innovator in the developmental toy category, which comprises products such as activity gyms, mobiles, light gear and toys designed specifically for babies and toddlers. The purchase price was $55.8 million.

On January 23, 2014, the Company announced that the Dorel Sports segment had begun restructuring its operations during the second and fourth quarters of 2013 to enhance its competitiveness. Among the global initiatives, Dorel Sports closed its assembly and testing facility in Bedford, Pennsylvania, and leveraged the strengths and capabilities of its global resources, third party partners, and existing facilities to simplify and optimize its business model. As part of its initiative, Dorel Sports announced a new partnership in Australia with Monza Imports, which became the official distributor of the brands in Australia. The operations in Australia transitioned to Monza Imports on May 1, 2014. Operations performed at the Bedford, Pennsylvania facility, including manufacturing, testing, quality control and customer and technical services, were redeployed in early 2015. During the second quarter of 2015, the Bedford facility was made available for sale.

In addition, the Dorel Sports segment relocated its research and development facility in Bethel, Connecticut to Dorel Sports' new headquarters in Wilton, Connecticut, and converted its former retail lab in Bethel to accommodate GURU Academy activities. In April 2014, the Company made available for sale the building housing the facility in Bethel, Connecticut.

These restructuring initiatives are essentially completed and resulted in cumulative restructuring charges of $19.5 million, including $10.9 million of non-cash charges related to the write-down on long-lived assets, accelerated depreciation due to the revision of the estimated useful lives of long-lived assets and inventory markdowns, $7.8 million of employee severance and termination benefits and $0.8 million of other associated costs.

On April 3, 2014, Dorel Juvenile Brazil acquired the rights to sell Infanti-branded products in the Brazilian marketplace for a purchase price of approximately $7.0 million. This acquisition expanded the Company's ownership of the Infanti brand, to which the Company already owned the rights in Chile, Bolivia, Peru, Argentina, Colombia and most Central American and Caribbean countries.

On April 22, 2014, Caloi issued approximately $25.2 million (100.0 million BRL) of non-convertible debentures in Brazil ("Non-Convertible Debentures"). The proceeds from the issuance of the debentures were used to replace then-existing debts such as bank indebtedness and revolving bank loans. The terms and the principal repayments of these debentures are disclosed in Note 18 of the Company's Consolidated Financial Statements as at December 30, 2015 and 2014 (the "2015 Consolidated Financial Statements").

On May 12, 2014, the Company announced it would implement a normal course issuer bid ("2014 NCIB"). As approved by the TSX, under the 2014 NCIB, the Company was entitled to repurchase for cancellation up to 500,000 Class "B" Subordinate Voting Shares over a twelve-month period commencing May 14, 2014 and ending May 13, 2015, representing approximately 1.8% of the Company's then-issued and outstanding Class "B" Subordinate Voting Shares. The Company did not repurchase any Class "B" Subordinate Voting Shares pursuant to the 2014 NCIB.

Effective May 27, 2014, the Company amended the terms of its $360 million revolving bank loans in order to extend the maturity date from July 1, 2016 to July 1, 2017.

During the second quarter ended June 30, 2014, the Company implemented a long-term incentive plan which includes a Share Appreciation Rights Plan and a Performance Share Unit Plan for senior executives and certain key employees that entitle them to cash payments in certain circumstances. Further information on these plans can be found in Note 24 of the 2015 Consolidated Financial Statements.

On October 9, 2014, the Company completed a public offering in Canada of 5.50% extendible convertible subordinated debentures due November 30, 2019 in an aggregate principal amount of $120 million. The Company used the net proceeds from the offering to fund the Lerado Group acquisition referred to below.

On November 3, 2014, the Company completed the acquisition of all of the outstanding shares of the juvenile business of Hong Kong-based Lerado Group, a juvenile product manufacturer in China specializing in the design and manufacture of a wide range of infant and juvenile products. The Lerado Group was composed of subsidiaries of Lerado Group (Holding) Company Limited, a publicly-traded company listed on the Hong Kong Stock Exchange. The purchase price was established at HK$930 million in cash ($119.9 million), subject to postclosing adjustments based on the net asset value at the acquisition date, as a result of which the purchase price was reduced by $5.5 million. The acquisition was not accretive in the first year of operations as restructuring activities were required to integrate these new facilities into existing operations.

Developments in Fiscal 2015

On May 13, 2015, the Company announced that it would implement a new normal course issuer bid ("2015 NCIB"). Under the 2015 NCIB, the Company is entitled to repurchase for cancellation up to 200,000 Class "B" Subordinate Voting Shares over a twelve-month period commencing May 19, 2015 and ending May 18, 2016, representing approximately 0.71% of the Company's issued and outstanding Class "B" Subordinate Voting Shares. The purchases by the Company will be realized through the facilities of the TSX and will be made at the market price of the Class "B" Subordinate Voting Shares at the time of the purchase. To date, the Company has not repurchased any Class "B" Subordinate Voting Shares pursuant to the 2015 NCIB.

As of June 19, 2015, the Company amended and restated its Note Purchase Agreement of April 2010. Specifically, the Company repaid the $50 million Series "A" Senior Guaranteed Notes and issued $50 million Series "C" Senior Guaranteed Notes with similar terms and conditions. The existing Series "B" Senior Guaranteed Notes and the newly-issued $50 million Series "C" Senior Guaranteed Notes bear interest as at December 30, 2015 at 6.39% and 4.60%, respectively.

As of June 19, 2015, the Company amended and restated its Credit Agreement with respect to its revolving bank loans and increased the total availability under the revolving bank loans to $400 million from the availability as at December 30, 2014 of $360 million. The accordion feature included in the Credit Agreement allowing the Company to have access to an additional $100 million as of December 30, 2014 was decreased to $60 million. Effective November 20, 2015, the Company increased the total availability of its revolving bank loans from $400 million to $422 million, while decreasing the availability of the accordion feature by the same amount.

The Series "B" and "C" Senior Guaranteed Notes as well as the revolving bank loans are secured by certain of the Company's trade receivables and inventories. In addition, the Non-Convertible Debentures are secured by certain inventories in the minimum amount of $12.6 million (50.0 million BRL) and a maximum of $25.2 million (100.0 million BRL) and with a first-ranking mortgage over certain property, plant and equipment.

During the third quarter ended September 30, 2015, both the Dorel Juvenile and Dorel Sports segments initiated restructuring activities. Dorel Juvenile's strategic review is part of its on-going transformation into a more fully-integrated operation in its various markets. Dorel Juvenile expects to realize annualized cost savings of at least $9.0 million once the restructuring is completed in late 2016. For Dorel Sports, the initiatives include a new Go-to-Market strategy and a new structure for its North American independent bike dealer ("IBD") operation which were essentially completed at the end of 2015. Those particular initiatives are expected to deliver annual cost savings of approximately $4.0 million. Further information on these activities can be found in the operating results commentary of the 2015 annual Management's Discussion and Analysis ("MD&A") and in Note 6 of the 2015 Consolidated Financial Statements.

In the third quarter ended September 30, 2015, the economic and political instability in Brazil gave rise to revised assumptions on projected earnings and cash flow growth which resulted in impairment losses on goodwill and intangible assets at Dorel Sports – Caloi as set out in the operating results commentary of the 2015 annual MD&A.

NARRATIVE DESCRIPTION OF THE BUSINESS

Operating Segments and Principal Products

Within each of Dorel's three segments, there are several operating divisions or subsidiaries. Each segment has its own President & CEO and is operated independently by a separate group of managers. Senior management of the Company coordinates the businesses of all three segments and maximizes cross-selling, cross-marketing, procurement and other complementary business opportunities.

Dorel's channels of distribution vary by segment, but overall, its largest customers are major retail chains. These chains include mass merchant discount chains, department stores, club format outlets and hardware/home centres. Within Dorel Juvenile, sales are also made to independent boutiques and juvenile specialty stores. In Dorel Sports, the IBD network is a significant channel, along with sporting goods chains. Another growing channel of distribution for all Dorel divisions is the Internet retailer. These customers consist of both mass merchant sites such as Walmart.com and pure Internet retailers such as Amazon, and require the same level of service as traditional customers. Dorel also owns and operates approximately 100 retail stores in Chile and Peru, as well as several outlet retail locations in Europe and Australia.

Dorel conducts its business through a variety of sales and distribution arrangements. These consist of salaried employees; individual agents who carry the Company's products on either an exclusive or non-exclusive basis; individual specialized agents who sell products, including Dorel's, exclusively to one customer such as a major discount chain; and sales agencies which employ their own sales forces. All three segments market, advertise and promote their products through the use of advertisements on-line, via social media and on Company-owned websites, in specific magazines, multi-product brochures, and other media outlets. The Company's major retail customers also advertise Dorel's products, principally through circulars and brochures.

In the case of Dorel Sports, event and team sponsorships are also an important marketing tool. One of the principal promotional vehicles is the sponsorship of the Cannondale Pro Cycling team, with the team name appearing prominently on riders' jerseys. This allows for significant marketing integration between Cannondale and the team in order to showcase team riders and wins as well as capitalize on consumers' interests in pro-cycling. Additionally, other various sponsorships are provided to teams and individual athletes to promote the Caloi, GT and Mongoose brands.

Dorel believes that its commitment to providing a high quality, industry-leading level of service has allowed it to develop successful and mutually beneficial relationships with major retailers. A high level of customer satisfaction has been achieved by fostering particularly close contacts between Dorel's sales representatives and clients. Permanent full-service agency account teams have been established in close proximity to certain major accounts. These dedicated account teams provide such customers with the assurance that inventory and supply requirements will be met and that issues will be immediately addressed.

Dorel is a designer and manufacturer of a wide range of products, as well as an importer of finished goods, the majority of the latter from overseas suppliers. As such, the Company relies on its suppliers for both finished goods and raw materials and has always prided itself on establishing successful long-term relationships, both domestically and overseas. The Company has established a workforce of over 250 people in mainland China and Taiwan whose role is to ensure the highest standard of quality of its products and to ensure that the flow of product is not interrupted. The on-going economic downturn has illustrated the quality of these supplier relationships in that Dorel has not been adversely affected by issues with its supplier base and their continuing ability to service Dorel.

In addition to its solid supply chain, quality products and dedicated customer service, strong recognized consumer brands are an important element of Dorel's strategy. As examples, in North America, Dorel's Schwinn and Cannondale product lines are among the most recognized brand names in the sporting goods industry. Safety 1st is a highly regarded Dorel brand in the North American juvenile products market. Throughout Europe, the Maxi-Cosi brand has become synonymous with quality car seats. In most of Dorel's Latin American markets, Infanti is a leading brand in Dorel Juvenile for lower to medium priced products, and the Caloi brand is one of the largest bicycle brands in the market.

These brands, and the fact that Dorel has a wide range of other brand names, allow for product and price differentiation within the same product categories. Product development is a significant element of Dorel's past and future growth. Dorel has invested heavily in this area, focusing on innovation, quality, safety and speed to market with several design and product development centres. Over the past five years, Dorel has spent on average over $33 million per year on new product development.

Operating Segments

The following is a description of Dorel's three operating segments, namely, Dorel Juvenile, Dorel Sports and Dorel Home Furnishings.

Dorel Juvenile

Dorel Juvenile manufactures and distributes products such as infant car seats, strollers, high chairs, toddler beds, playpens, swings, developmental toys, furniture items and infant health and safety aids. Globally, within its principal categories, Dorel's combined juvenile operations make it one of the largest juvenile products company in the world. Innovative products and a strong brand portfolio form an integral part of Dorel Juvenile's business strategy.

The Safety 1st, Quinny, Maxi-Cosi and Tiny Love brands are sold globally in practically all of Dorel Juvenile's markets. Other brands such as Cosco, Bébé Confort, Infanti, Voyage, Angel and Mother's Choice are strong regional brands and Dorel Juvenile is able to address all price points with its range of brands and products. In addition, sales are made under licensed brands such as Disney and Eddie Bauer, principally in North America. Sales are also made to customers under their own unique house brand names. Dorel Juvenile has divisions in North America, Europe, Latin America, China, Israel, Australia and New Zealand. In total, Dorel Juvenile sells product to over 100 countries around the world.

Dorel Juvenile USA's operations are headquartered in Foxboro, Massachusetts. With the exception of car seats, the majority of its products are conceived, designed and developed at the Foxboro location. Manufacturing and warehousing operations are based in Columbus, Indiana, where car seat development is centralized at the Company's state-of-the-art Dorel Technical Centre for Child Safety. Additional West Coast warehousing is based in Ontario, California. Dorel Juvenile Canada is headquartered in Toronto, Ontario and sells to customers throughout Canada. The principal brand names in North America are Cosco, Safety 1st, Maxi-Cosi and Quinny. Dorel Living sells juvenile furniture to various major retailers, predominantly in the United States.

In North America, the majority of juvenile sales are made to larger retailers such as mass merchants, internet retailers and department stores, where consumers' priorities are design oriented, with a focus on safety and quality at reasonable prices. Dorel Juvenile's premium brands and innovative product designs are a focus for sales of medium to higher price points available at smaller boutiques and specialty stores. This North American collection, under principally the Quinny and Maxi-Cosi brand names, competes with smaller premium product juvenile companies. Dorel is one of several large juvenile products companies servicing the North American market along with Graco (a part of the Newell Rubbermaid Group of companies), Evenflo Company Inc. (a subsidiary of Goodbaby International Holdings Limited) and Britax.

Dorel Juvenile Europe is headquartered in Paris, France with major product design facilities located in Cholet, France and Helmond, Holland. Sales operations along with manufacturing and assembly facilities are located in France, Holland and Portugal. In addition, sales and/or distribution subsidiaries are located in Italy, Spain, the United Kingdom, Germany, Belgium, Switzerland and Poland. In Europe, products are principally marketed under the brand names Maxi-Cosi, Quinny, Safety 1st and Bébé Confort.

In Europe, Dorel sells juvenile products primarily across the mid-level to high-end price points. With Dorel's well-recognized brand names and superior designs and product quality, the majority of European sales are made to large European juvenile product retail chains, internet retailers and independent boutiques and specialty stores. Dorel is one of the largest juvenile products companies in Europe, competing with others such as Britax, Peg Perego, Chicco, Maclaren and Graco, as well as several smaller companies.

In Latin America, Dorel Juvenile has operating locations in the majority of markets. Dorel Juvenile Brazil manufactures car seats locally and imports other juvenile products, such as strollers. Brands sold in Brazil include local brands Infanti, Voyage and Stillo as well as Dorel's international brands such as Maxi-Cosi and Quinny. Dorel Juvenile Chile has operations in Chile and Peru and sells to customers based in Bolivia and Argentina. The principal brand sold by Dorel Juvenile Chile is Infanti, which is one of the most popular juvenile products brands in Latin America, and is one of the leader in the market as it caters to all price categories with a focus on opening to mid-price points. Dorel Juvenile Chile operates close to 100 retail locations in Chile and Peru of which the majority are under the Baby Infanti banner. Dorel Juvenile Colombia operates in Colombia and Panama and sells goods into several countries in Central America and the Caribbean. Dorel Juvenile Mexico was created in 2014 and serves that market by selling Dorel's global brands.

Dorel Juvenile Australia manufactures and/or distributes its products under both local brand Mother's Choice as well as Dorel's North American and European brands in Australia and New Zealand. Sales are made to both large retailers and specialty stores. In addition, Dorel Juvenile Australia serves customers located in the greater Southeast Asia market. Tiny Love is headquartered in Tel Aviv, Israel and is recognized as an innovator in the developmental toy category, which comprises products such as activity gyms, mobiles, light gear and toys designed specifically for babies and toddlers. Tiny Love sells products in more than 50 countries worldwide, both through Dorel subsidiaries and via a worldwide distributor network.

In 2014, Dorel Juvenile undertook a major initiative to improve its long-term profitability, secure its supply chain and broaden its global footprint by acquiring a juvenile business in China. Principally acquired for its manufacturing capability, Dorel Juvenile China also provides additional research and development skills and a base from which to expand its business in China and other parts of Asia. Dorel brands sold in China include the local Angel brand for lower price points, augmented by other Dorel brands to address the premium juvenile products market within China.

In 2015, the Dorel Juvenile segment accounted for 39% of Dorel's revenue (40% in 2014).

Dorel Sports

Dorel Sports participates in a worldwide marketplace that totals approximately $58 billion in retail sales annually. This includes bicycles, bicycling and running apparel, children's electric rides-on, jogging strollers and bicycle trailers, as well as related parts and accessories. The breakdown of bicycle industry sales around the world is approximately 54% in the Asia-Pacific region, 22% in Europe and 12% in North America, with the balance in the rest of the world. Bicycles are sold in the mass merchant channel, at IBDs as well as in sporting goods chains.

In the United States, mass merchants have captured a greater share of the market over the past 20 years and today account for over 75% of unit sales. Despite the growth of the mass merchant channel, the IBD channel remains an important retail outlet in North America, Europe and other parts of the world. IBD retailers specialize in higher-end bicycles and deliver a level of service to their customers that the mass merchants cannot provide. Retail prices in the IBDs are much higher, reaching to more than $10,000 a unit. This compares to the mass merchant channel where the highest prices are between $300 and $500 a unit. The sporting goods and outdoor specialty retailer chains sell bicycles in the mid-price range; in the United States; these channels account for approximately 9% of total industry retail sales.

Brand differentiation is an important part of the bicycle industry with different brands being found in the different distribution channels. High-end bicycles and brands are found in IBDs and some sporting goods chains, while the other brands can be purchased at mass market retailers. Consumer purchasing patterns are generally influenced by economic conditions, weather and seasonality. The Company's principal competitors include Huffy, Dynacraft, Trek, Giant, Specialized, Scott and Raleigh. In Europe, the market is significantly more fragmented as there is additional competition from much smaller companies that are popular in different regions.

Dorel Sports' worldwide headquarters is in Wilton, Connecticut. There are also significant operations in Madison, Wisconsin, Vancouver, British Columbia as well as São Paulo, Brazil. In addition, distribution centres are located in California and Illinois. European operations are headquartered in Oldenzaal, Holland with operations in Switzerland and the United Kingdom. Globally, there are sales and distribution companies based in Japan, China and Chile. In Australia, sales are made through a third party distributor. There is a sourcing operation based in Taiwan established to oversee Dorel Sports' Far East supplier base and logistics chain, ensuring that the Company's products are produced to meet the exacting quality standards that are required.

The IBD retail channel is serviced by CSG, which focuses exclusively on this category principally with the premium-oriented Cannondale and GT brands. The vast majority of sales to this channel consist of bicycles, with some sales of parts, accessories and apparel. The Caloi division sells to both IBD and mass merchant channels. The Pacific Cycle division has an exclusive focus on mass merchant and sporting goods chain customers, and along with bicycles and accessories, its product line also includes jogging strollers, bicycle trailers, children's electric ride-ons and some toys. The mass merchant product line of bicycles, parts and accessories are sold under several brands, the most significant being Schwinn and Mongoose. Other important brands used at varying price points include Roadmaster and Iron Horse, as well as licensed brands on children's bicycles and tricycles. Jogging strollers and bicycle trailers are sold under the InStep and Schwinn brands and children's electric ride-ons are sold mainly under Kid Trax as well as certain licenses.

In Europe and elsewhere around the world, certain bicycle brands are sold across these distribution channels. As an example, in Russia, GT is a successful brand in the sporting goods channel, whereas in the Czech Republic this same brand is sold in the IBD channel. Sales of sports apparel and related products are made by CSG through the IBDs, various sporting goods chains and specialty running stores. CSG's principal apparel brand is SUGOI and its major competitors are Castelli, Pearl Izumi, Bontrager, Rapha, and Assos, among others, as well as certain of the bicycle brands.

In 2015, the Dorel Sports segment accounted for 37% of Dorel's revenue (39% in 2014).

Dorel Home Furnishings

Dorel's Home Furnishings participates in the $100 billion North American furniture industry. Dorel ranks in the top ten of North American furniture manufacturers and marketers and has a strong foothold in both North American manufacturing and importation of furniture, with a significant portion of its supply coming from its own manufacturing facilities and the balance through sourcing efforts in Asia. Dorel is also the number two manufacturer of RTA furniture in North America. Products are distributed from Dorel's North American manufacturing locations as well as from several distribution facilities.

Dorel's Home Furnishings segment consists of four operating divisions. They are Ameriwood, Cosco, Dorel Home Products ("DHP") and Dorel Living. Ameriwood specializes in domestically manufactured RTA furniture and is headquartered in Wright City, Missouri. Ameriwood's manufacturing and distribution facilities are located in Tiffin, Ohio, Dowagiac, Michigan and Cornwall, Ontario. Ameriwood also has an import division, Altra Furniture ("Altra"). Altra is also located in Wright City, Missouri and designs and imports furniture mainly within the home entertainment and home office categories. Cosco is located in Columbus, Indiana and the majority of its sales consist of furniture, step stools, hand trucks, specialty ladders and outdoor furniture. DHP, located in Montréal, Québec, manufactures futons and baby mattresses and imports futons, bunk beds, mattresses and other accent furniture. Dorel Living specializes in sourcing upholstery and a full range of wooden goods from Asia for distribution throughout North America. Major distribution facilities are also located in Québec, California and Georgia.

With its major expansion into on-line sales in 2015, Dorel Home Furnishings grew revenue by over 16%, recording its highest year in sales to date. Dorel Home Furnishings has significant market share within its product categories and has a strong presence with its customer base. Sales are concentrated with mass merchants, warehouse clubs, home centres, Internet retailers and office and electronic superstores. On-line sales represent a significant portion of Dorel Home Furnishings' sales revenue and Dorel has made many investments in this channel. Dorel Home Furnishings markets its products under generic retail house brands as well as under a range of branded products including Ameriwood, Altra, System Build, Ridgewood, DHP, Dorel Fine Furniture, Dorel Living, Signature Sleep and Cosco. Dorel Home Furnishings has many competitors including Sauder Manufacturing and Whalen Furniture in the RTA category, Meco in the folding furniture category, Tricam in step stools and Werner in ladders.

In 2015, the Dorel Home Furnishings segment accounted for 24% of Dorel's revenue (21% in 2014).

Distribution

Dorel sells its products primarily to major retail chains. In 2015, Dorel had sales to the following: (i) mass merchant discount chains; (ii) speciality stores; (iii) department stores; (iv) club format outlets; (v) hardware/home centres; (vi) independent stores; (vii) sporting goods stores; and (viii) Internet retailers.

Dorel conducts its business through a variety of sales and distribution arrangements. These consist of salaried Dorel employees; individual agents who carry Dorel's products on either an exclusive or non-exclusive basis; individual specialized agents who sell products, including Dorel's, exclusively to one customer such as a major discount chain; and sales agencies which employ their own sales forces.

Major Customers

For the year ended December 30, 2015, one customer accounted for more than 10% of the Company's revenues, representing 27.3% of Dorel's total revenue. In 2014, this customer accounted for 25.9% of total revenues. Dorel believes that its commitment to provide a high-quality, industry-leading level of service has allowed it to develop successful and mutually-beneficial relationships with such major retailers as Wal-Mart, Target, K-Mart and Toys "R" Us. Dorel has achieved high levels of customer satisfaction by fostering particularly close contacts between its sales representatives and clients. To this end, Dorel has a permanent, full-service account team dedicated exclusively to Wal-Mart, located near Wal-Mart's headquarters in Bentonville, Arkansas. Dorel has also engaged account teams dedicated exclusively to Target, K-Mart and Toys "R" Us. These dedicated account teams give Dorel's customers the assurance that inventory and supply requirements will be met and that any problems will be immediately addressed. The account teams also provide product and market analysis and can assist with product specification and design.

Dorel believes that its mass merchant customers' preference is to buy from fewer but larger suppliers who are able to deliver a wide range of products, provide greater security of supply and render increased levels of service. Dorel believes that its ability to deliver a wide range of products on a reliable basis, combined with its demonstrated commitment to service, provides it with an important competitive advantage in this environment.

Dorel's relationship with each of Wal-Mart, Target, K-Mart and Toys "R" Us has the additional benefit of providing Dorel with important feedback which it uses to improve its product offerings and to respond rapidly to changing market trends.

Foreign Operations

In 2015, 60% of Dorel's sales took place in the United States, 4% in Canada, 21% in Europe, 9% in Latin America, 3% in Asia and 3% elsewhere The origin of Dorel's sales in 2015 from its various facilities is as follows: United States 54%, Canada 9%, Europe 21%, Latin America 9%, Asia 5% and 2% elsewhere.

Components

Dorel purchases raw materials, component parts and finished goods. The main commodity items purchased for production include particleboard and plastic resins, as well as corrugated cartons. Key component parts include car seat covers, hardware, buckles and harnesses, bicycle frames, futon frames and covers. These parts are derived from textiles and a wide assortment of metals, plastics, and wood. The Company's finished goods purchases are largely derived from steel, aluminum, resins, textiles, rubber and wood.

Intangible Properties

Strong consumer brands are an important element of Dorel's strategy. For example, in North America, Dorel's Cannondale and Schwinn product lines are two of the most recognized sporting goods brand names. Safety 1st is a highly-regarded Dorel brand in the North American juvenile products market. Throughout Europe, the Maxi-Cosi brand is synonymous with quality car seats. In most of Dorel's Latin American markets, Infanti is a leading brand in Dorel Juvenile for lower to medium priced products and Caloi is the largest bicycle brand in the region. These brands, and the fact that Dorel has a wide range of other brand names, allow for product and price differentiation within the same product categories.

Some of the intangible assets that Dorel has include: trademarks, customer relationships, a supplier relationship, patents and land use rights. Trademarks are considered to have an indefinite useful life, customer relationships acquired as part of business combinations have useful lives ranging from 9 to 25 years, a supplier relationship acquired as part of a business acquisition has a useful life of 10 years, patents have useful lives ranging from 4 to 18 years and land use rights also acquired as part of a business combination in China which have useful life over a period of 50 years or 70 years.

Cycles

Though revenues at the three operating segments within Dorel may vary in their seasonality, for the Company as a whole, variations between quarters are not significant.

Competitive Conditions

With regards to Dorel Juvenile, Dorel is one of several large juvenile products companies servicing the North American market along with Graco, Evenflo and Britax. In Europe, Dorel is one of the largest juvenile products companies, competing with companies such as Britax, Peg Perego, Chicco, Maclaren and Graco, as well as several smaller companies. In Latin America, Dorel is the largest juvenile products company, competing with Graco, Evenflo, Britax, Peg Perego, Chicco and Maclaren, along with several smaller local companies. The Chinese market is characterized by many local suppliers as well as most major international juvenile products companies attempting to establish a presence in this growing market. Feeding is the most important product category as the use of strollers and car seats is less common in China. Dorel is currently behind most of its major competitors in terms of Chinese market share and is beginning to support its international brands which are sold alongside the regional Chinese Angel brand acquired in 2014. Within its principal categories, Dorel's combined juvenile operations make it the largest juvenile products company in the world.

In the Dorel Sports segment, brand differentiation is an important part of the bicycle industry with different brands being found in the different distribution channels. High-end bicycles and brands are found in IBDs and some sporting goods chains, whereas the other brands can be purchased at mass market retailers. Consumer purchasing patterns are generally influenced by economic conditions, weather and seasonality. Principal competitors include Huffy, Dynacraft, Trek, Giant, Specialized, Scott and Raleigh. In Europe, the market is significantly more fragmented as there is additional competition from much smaller companies that are popular in different regions.

Dorel's Home Furnishings segment participates in the $100 billion North American furniture industry. Dorel ranks in the top ten of North American furniture manufacturers and marketers and has a strong foothold in both North American manufacturing and importation of furniture, with a significant portion of its supply coming from its own manufacturing facilities and the balance through sourcing efforts in Asia. Dorel is also the number two manufacturer of RTA furniture in North America. Products are distributed from Dorel's North American manufacturing locations as well as from several distribution facilities. The Dorel Home Furnishings segment has many competitors including Sauder Manufacturing and Whalen Furniture in the RTA category, Meco in the folding furniture category, Tricam in step stools and Werner in ladders.

Although the diversity of products and fragmented markets of the home furnishings and sports products industries make useful comparisons difficult, Dorel believes that the following table sets out the major competitors of each of its business segments:

Dorel Juvenile		**Dorel Sports**		**Dorel Home Furnishings**	
Artsana (Chicco, Prenatal, Neobaby)	Newell Rubbermaid (Graco)	Accell	Huffy	Home Star	South Shore
Britax Romer	Maclaren	Bridgeway	Kent	Lifetime	Tricam
Bugaboo	Peg Perego	Dynacraft	Specialized	Linon	Zinus
Summer Infant	The First Years	Giant	Trek	Louisville Ladder Group	Werner
Baby Trend	Munchkin	Scott	Merida	Meco	Whalen
Goodbaby/Evenflo /Cybex	Stokke	Pon Holdings		Mylex	Z-Line
Fisher Price	Team Tex			Sauder	Other imports from the Orient
Kolcraft					

Product Development

Product development is an important element of Dorel's past and future growth. As a growing consumer products company, Dorel has invested heavily in this area, focusing on innovation, quality, safety and speed to market with several design and product development centres. Each of Dorel's three operating segments generally introduce a large number of new products every year. Additionally, quality control is an essential part of Dorel's competitive position. Most products are developed to exclusive specifications and rigid safety standards, particularly with regards to Dorel Juvenile.

North American research and development is done at several locations. Except for car seat development, juvenile products are conceived, designed and developed at Dorel Juvenile USA's Foxboro, Massachusetts location. Car seat development is centralized at the Company's state-of-the-art car seat Dorel Technical Centre for Child Safety in Columbus, Indiana. Car seat engineering is done at Dorel Juvenile USA's plant in Columbus, Indiana. This facility includes a 25,000 square foot area with respect to car seats as well as for home furnishings products carried by the Cosco Home & Office division. Furniture products and futons are conceived and developed at a design centre at Ameriwood's head office in Wright City, Missouri as well as at Dorel Home Products in Montréal, Québec. In Europe, development for Dorel Juvenile is carried out in Helmond, Holland and Cholet, France. The acquisition of Dorel Juvenile China further expanded Dorel's research and development expertise with an extensive R&D centre in Taiwan. Recreational products are conceived and designed principally at Dorel's facilities in Wilton, Connecticut, Madison, Wisconsin, Vancouver, British Columbia and Sao Paulo, Brazil.

As new product development is vital to the continued success of Dorel, it must make capital investments in research and development, moulds and other machinery, equipment and technology. It is expected that Dorel will invest approximately $45.0 million over the course of 2016 to meet its new product development and other growth objectives. It is expected that these capital additions will be funded by cash flow generated from existing operations.

Environmental Protection

To Dorel's knowledge, all Dorel segments currently operate within existing environmental regulations. Dorel assumed certain environmental liabilities and contingencies associated with the Dowagiac, Michigan facility acquired with the purchase of Ameriwood in 1998.

Employees

At the end of fiscal 2015, Dorel had approximately 10,450 full-time employees in 25 countries. Approximately 4,100 employees are based in Asia, none of whom are unionized. Approximately 2,700 employees are based in North America, of whom 850 are unionized. The unionized North American employees are subject to an aggregate of three collective agreements. Approximately 2,150 employees are based in Latin America, of whom 430 are unionized, and approximately 1,400 employees are based in Europe, of whom 110 are unionized. The unionized Latin American employees are subject to an aggregate of three collective agreements while the unionized European employees are subject to an aggregate of two collective agreements. Approximately 100 employees are based in other regions around the world.

Social or Environmental Policies

Dorel's sustainability initiatives span all divisions and are designed to minimize the Company's environmental impact. In addition, the Company has a Code of Conduct to which all suppliers must adhere. Dorel's programs include:

Recycling and energy management: Standard practices at Dorel include the recycling of packaging materials such as shrink wrap, cardboard, plastics and Styrofoam. High volume scanners in many offices considerably reduce paper usage. Energy management systems for lighting include use of fluorescents, controls for intensity levels and motion detectors to turn off lights in unoccupied offices and other facilities.

Going green: Dorel has developed programs to encourage its employees to use bicycles, car pools and mass transit to commute to and from work.

Creating a healthy lifestyle: The link between employee wellbeing and overall corporate success is well-documented. Accordingly, Dorel pursues a number of pro-active initiatives with the goal of creating an environment where employees can continuously monitor their health and make adjustments to become healthier.

Built-in sustainability: The product development process at Dorel anticipates and foresees environmental impact. The Company's research and development centre in Europe is progressively integrating Life Cycle Assessment and ECO-design methodology to increase the environmental benefits of new products.

Company-wide minimization of environmental impact: Dorel is fostering sustainability at its divisions with the long-term view of helping to preserve and improve the environment:

- Dorel Juvenile USA's 1.2 million square foot car seat plant in Columbus, Indiana was converted a number of years ago into a zero landfill facility that recycles more than 99% of its plastic manufacturing waste and other materials. The remaining 1% is sold to an outside recycler (50 million pounds of plastic used per year). The installation of cooling tower systems in Columbus (for plastic pressers and air compressors) has also reduced water usage by more than 97% or 1.5 million gallons of water per day.

- Dorel Juvenile Europe's research and development centre is studying and progressively implementing new and alternative materials in Dorel Juvenile's products to lower their environmental impact, while training programs on ECO-design methods have been intensified to increase the competence of the centre's R&D specialists.

- Dorel Juvenile Europe has determined a sustainability strategy that will help develop products and services that work with consumers' changing lifestyles, align with their values and reduce Dorel's environmental footprint; by 2020, it is expected that more than 20% of Dorel's sales will come from sustainable solutions and that Dorel's footprint will be cut by 20%.

- At Dorel Juvenile USA and Cosco Home and Office Products, on-site Health and Wellness Centres provide employees with rapid access to a range of services. Additionally, Dorel conducts the American Lung Association's "Freedom From Smoking" program, which produces excellent results and should lead to reduced healthcare costs over the long-term.

- DHP holds formal periodic reviews of its policies through an outside firm to chart progress in reducing its carbon footprint. DHP's plant precludes the use of chemicals or the possibility of water contamination in the processing function, its Recycle/Shred initiative significantly reduces landfill use, and the facility is FSC (Forest Stewardship Council) certified and audited by QMI (Quality Management Institute).

RISK FACTORS

General Economic Conditions

In its more than 50-year history, the Company has experienced several economic downturns and its products have proven to be ones that consumers continue to purchase in varying economic conditions. In 2015, in most of its markets, the retail environment could be characterized as challenging. As a result, the majority of the Company's retail customers continued to emphasize price competitiveness as their primary focus. To provide these retail partners with value over and above competitive pricing, Dorel continued to invest in new product development and various brand support initiatives.

In Dorel Juvenile, the Company believes that demand generally remains steady as child safety is a constant priority and parents require products that fulfill that need. In the Company's traditional markets, birth rates are trending lower, meaning newer markets like Latin America and Asia with higher birthrates are being exploited. In recent years, while a trend to less expensive items has emerged for certain consumers, a segment of the market is attracted towards higher-end product, dividing the marketplace into two distinct consumer groups that the segment services with its multiple brand strategy.

In Dorel Sports, the Company believes that consumer trends that consider health and environmental concerns help buffer this segment against possible declines in overall consumer spending. However, demand can also be affected by weather conditions which are beyond the Company's control. In addition, Dorel offers a great assortment of products in the value priced product category available at its mass merchant customers. This means that should consumers elect to spend less on a particular recreational product, Dorel has alternatives to higher priced items.

In Dorel Home Furnishings, Dorel concentrates exclusively on value priced items and sells the majority of its products through the mass merchant and Internet sales distribution channels. During difficult economic times, when shopping for furniture, consumers are likely to spend less and tend to avoid furniture store outlets and shop at the mass merchants for reasonably priced items.

Should economic conditions worsen significantly, unemployment rise dramatically or bad weather conditions occur, it could have a negative impact on the Company as consumer spending would likely be curtailed. There can be no assurance that the economies, taken as a whole, in which the Company operates will improve going forward and in the event of a substantial deterioration of these economies, the Company could be adversely affected.

Product Costs and Supply

Dorel purchases raw materials, component parts and finished goods. The main commodity items purchased for production include particleboard and plastic resins, as well as corrugated cartons. Key component parts include car seat covers, hardware, buckles and harnesses, bicycle frames, futon frames and covers. These parts are derived from textiles and a wide assortment of metals, plastics and wood. The Company's finished goods purchases are largely derived from steel, aluminum, resins, textiles, rubber and wood.

Raw material costs fluctuations in North America and Europe were explained by resin prices decreasing in the United States and Europe in 2015, while particle board prices increased in North America. Although crude oil prices remain at very low levels, U.S. resin prices are expected to increase in 2016 due to tight supply conditions. Particle board prices are also forecasted to increase in 2016.

The Company's suppliers of components and finished goods experienced lower input material costs in 2015. The Chinese currency (RMB) depreciated approximately 4% in 2015 and labour costs in China continue to increase at a rate of 10-15% per year.

Industry container freight costs remained volatile in the 1st quarter of 2015 due to ongoing west coast congestion issues in the United States carried over from 2014. Overall container prices decreased in 2015. Current expectations are for container prices to further decline in 2016.

The Company's level of profitability is impacted by its ability to manage these various input costs and adjust pricing to its customers as required. In addition, Dorel relies on its suppliers to provide quality products on a timely basis and has always prided itself on establishing successful long-term relationships both domestically and overseas. The Company remains committed to actively working with its supplier base to ensure that the flow of product is not interrupted. Should input costs increase dramatically or should major existing vendors be unable to supply Dorel, it could have an adverse effect on the Company going forward.

Foreign Currency Fluctuations

Dorel uses the US dollar as its reporting currency. Dorel is subject to risk due to variations in currency values against the US dollar. Foreign currency risk occurs at two levels; transactional and translational. Transactional currency risk occurs when a given division either incurs costs or generates revenues in a currency other than its own functional currency. The Company's operations that are most affected by transactional currency risk are those that operate in the Euro zone, the United Kingdom, Canada, Latin America, Japan and Australia. Translational risk occurs upon conversion of non-US functional currency divisions' results to the US dollar for reporting purposes. Dorel's European, Latin American, Asian and Australian operations are the most significant divisions that do not use the US dollar as their functional currency, and as such translational risk is limited to those operations. The two major functional currencies in Europe are the Euro and Pound Sterling.

Dorel's European, Latin American, Asian and Australian operations are negatively affected by a stronger US dollar as portions of their respective purchases are in that currency, while their revenues are not. The Dorel Sports segment is growing its business more quickly outside of the United States and as such its exposure to fluctuations in the US dollar on both a transactional and translational basis has grown over the past few years. It is similar to the Dorel Juvenile segment in that portions of its purchases are in US dollars, while its revenues are not. Dorel's Canadian operations within Dorel Home Furnishings benefit from a stronger US dollar as large portions of its revenues are generated in the United States and the majority of its costs are in Canadian dollars. This situation is mitigated somewhat by Dorel Juvenile Canada's operations that import US dollar denominated goods and sell to Canadian customers.

Throughout 2015, all major divisions saw their currencies weaken significantly against the stronger US dollar. Since then, the surge in the value of the US dollar versus the majority of Dorel's other operating currencies has continued to have a net negative impact on Dorel's earnings from both transactional and translational levels. Dorel Juvenile and Dorel Sports are the segments most impacted negatively by the strengthening of the US dollar while Dorel Home Furnishings and Corporate benefit positively from it.

The Company uses options, futures and forward contracts to hedge against these adverse fluctuations in currency. Further details on the Company's hedging strategy and the impact in the year can be found in Note 20 of the 2015 Consolidated Financial Statements. Significant changes in the value of the US dollar can greatly affect the Company's future earnings.

Concentration of Revenues

For the year ended December 30, 2015, one customer accounted for more than 10% of the Company's revenues, at 27.3% of Dorel's total revenue. In 2014, this customer accounted for 25.9% of total revenue. Dorel does not have long-term contracts with its customers, and as such revenues are dependent upon Dorel's continued ability to deliver attractive products at a reasonable price, combined with high levels of service. There can be no assurance that Dorel will be able to sell to such customers on an economically advantageous basis in the future or that such customers will continue to buy from Dorel.

Customer and Credit Risk

The majority of the Company's revenue is derived from sales to major retail chains. The remainder of Dorel's sales are made mostly to specialty juvenile stores and IBDs. To minimize credit risk, the Company conducts ongoing credit reviews and maintains credit insurance on selected accounts. Should certain of these major retailers cease operations, there could be a material short-term adverse effect on the Company's consolidated results of operations. In the long term, the Company believes that should certain retailers cease to exist, consumers will shop at competitors at which Dorel's products will generally also be sold.

As at December 30, 2015, one customer accounted for 13.7% and another customer accounted for 12.3% of the Company's total trade accounts receivable balance. These same customers accounted for 16.0% and 4.1%, respectively, of the Company total trade accounts receivable balance as at December, 30, 2014. Based on past experience, the Company believes that no significant allowance for doubtful accounts is necessary in respect of trade accounts receivable not past due and past due for zero to 30 days, which together represent 86.9% of total gross trade accounts receivable (2014 – 88.7%).

Product Liability

As with all manufacturers of products designed for use by consumers, Dorel is subject to numerous product liability claims, particularly in the United States. Dorel makes ongoing efforts to improve quality control and to ensure the safety of its products. The Company is insured to mitigate its product liability exposure. No assurance can be given that a judgment will not be rendered against Dorel in an amount exceeding the amount of insurance coverage or in respect of a claim for which Dorel is not insured.

Income Taxes

The Company's current organizational structure has resulted in a comparatively low effective income tax rate. This structure and the resulting tax rate are supported by current domestic tax laws in the jurisdictions in which the Company operates and by the interpretation and application of these tax laws. The rate can also be affected by the application of income tax treaties between these various jurisdictions. Unanticipated changes to these interpretations and applications of current domestic tax laws, or to the tax rates and treaties, could adversely impact the effective income tax rate of the Company going forward.

Product and Brand Development

To support continued revenue growth, the Company must continue to update existing products, design innovative new items, develop strong brands and make significant capital investments. The Company has invested heavily in product development and plans to keep it at the centre of its focus. In addition, the Company must continue to maintain, develop and strengthen its end-user brands. Should the Company invest in or design products that are not accepted in the marketplace, or if its products are not brought to market in a timely manner, or in certain cases, fail to be approved by the appropriate regulatory authorities, this could negatively impact future growth.

Regulatory Environment

The Company operates in certain industries which are highly regulated and as such operates within constraints imposed by various regulatory authorities. In recent years greater concern regarding product safety has resulted in more onerous regulations being placed on the Company as well as on all of its competitors operating in these industries. Dorel has always operated within this environment and allocated a great deal of resources to meeting these obligations, and is therefore well positioned to meet these regulatory requirements. However, any future regulations that would require additional costs could have an adverse effect on the Company going forward.

Liquidity and Access to Capital Resources

Dorel requires continued access to capital markets to support its activities. Part of the Company's long-term strategy is to grow through the acquisition of complementary businesses that it believes will enhance the value of the Company for its shareholders. To satisfy its financing needs, the Company relies on long-term and short-term debt and cash flow from operations. Any impediments to the Company's ability to access capital markets, including significant changes in market interest rates, general economic conditions or the perception in the capital markets of the Company's financial condition or prospects, could have a material adverse effect on the Company's financial condition and results of operation.

Valuation of Goodwill and other Intangible Assets

As part of its annual impairment tests, the value of goodwill and other indefinite life intangible assets are subject to significant assumptions, such as future expected cash flows and assumed discount and weighted average cost of capital rates. In addition, the value of customer relationships and supplier relationships recognized includes significant assumptions in reference to customer attrition rates and useful lives. Should current market conditions adversely affect the Company's expectations of future results, this could result in a non-cash impairment being recognized at some point in the future. Additionally, in the current market environment, some of the other assumptions could be impacted by factors beyond the Company's control. For example, more conservative risk assumptions could materially affect these valuations and could require a downward adjustment in the value of these intangible assets in the future.

The Company performs its impairment tests of goodwill and intangible assets with indefinite useful lives (trademarks) during the fourth quarter or more frequently if an impairment indicator is triggered. After taking into consideration the impairment losses on goodwill and intangible assets recorded in the third quarter of 2015 and the fourth quarter of 2014 which were explained in the annual MD&A, the Company completed a reconciliation of the sum of the estimated fair values of its cash-generating units ("CGUs") to its market capitalization. The Company's market capitalization was determined by multiplying the number of Class "A" Multiple Voting Shares and Class "B" Subordinate Voting Shares outstanding as at October 31, 2015 by the market price of the Company's total shares as at October 31, 2015. The accounting principles regarding goodwill acknowledge that the observed market prices of individual trades of a company's stock (and thus its computed market capitalization) may not be representative of the fair value of the company as a whole. The Company believes that market capitalization alone does not capture the fair value of the business as a whole, or the substantial value that an acquirer would obtain from its ability to obtain control of the business. The amount of the control premium in excess of the Company's market capitalization requires significant judgment and the Company has observed recent market transactions as a guide to establish a range of reasonably possible control premiums to estimate the Company's fair value. The Company also considers the following qualitative items that cannot be accurately quantified and are based upon the beliefs of management, but provide additional support for the explanation of the remaining difference between the estimated fair values of the Company's CGUs and its market capitalization:

- The Company's stock has relatively low trading volume;
- Previously unseen pressures are in place given the global financial and economic crises.

As described above, the Company's share price and control premium are significant factors in assessing the Company's fair value for purposes of the goodwill impairment assessment. The Company's share price can be affected by, among other things, changes in industry or market conditions, including the effect of competition, changes in the Company's results of operations, and changes in its forecasts or market expectations relating to future results. In the fiscal year 2015, the Company's close share price has fluctuated significantly between a high of CAD$41.97 and a low of CAD$28.60. The Company will continue to monitor market trends in the business, the related expected cash flows and the calculation of market capitalization for purposes of identifying possible indicators of impairment. Should the Company's market capitalization decline or the Company have other indicators of impairment, the Company would be required to perform a goodwill impairment test. Additionally, the Company would then be required to review its remaining non-financial assets for impairment.

DIVIDENDS

The Company's current dividend policy is based on the declaration by the Board of Directors, on August 9, 2012, of an increase in the Company's quarterly dividend to $0.30 on each of the Class "A" Multiple Voting Shares, Class "B" Subordinate Voting Shares, Deferred Share Units and cash-settled Performance Share Units of the Company, which equates to an annual dividend of $1.20 per share.

During fiscal 2015, the Company declared and paid four quarterly dividends of $0.30 per share on the Class "A" Multiple Voting Shares, Class "B" Subordinate Voting Shares and Deferred Share Units of the Company for an aggregate amount $1.20 per share for the year, or $38.8 million. In fiscal 2014 and 2013, these four quarterly dividends totalled $38.7 million and $38.2 million, respectively.

Under the Company's current financing arrangements, the payment of dividends is prohibited if the Company is in default under its Credit Agreement. These financing arrangements also include certain customary financial covenants that may indirectly restrict the Company's ability to pay dividends.

DESCRIPTION OF CAPITAL STRUCTURE

The designation of each class and series of the Company's authorized share capital is as follows:

- An unlimited number of preferred shares without nominal or par value, issuable in series (none of which are outstanding as at the date hereof), with such rights and conditions as may be determined by the Board of Directors of the Company prior to issuance thereof, carrying no voting rights, except as prescribed by law, and ranking prior to the Class "A" Multiple Voting Shares and Class "B" Subordinate Voting Shares with respect to the payment of dividends and return of capital in the event of liquidation, dissolution or other distribution of the assets of the Company for purpose of winding-up its affairs;

- An unlimited number of Class "A" Multiple Voting Shares (ten votes per share) without nominal or par value, convertible at any time at the option of the holder into Class "B" Subordinate Voting Shares on a one-for-one basis, entitling their holders to participate equally with the holders of the Class "B" Subordinate Voting Shares in respect of payment of dividends, and ranking equally with the Class "B" Subordinate Voting Shares in respect of return of capital in the event of liquidation, dissolution or other distribution of the assets of the Company for purpose of winding-up its affairs; and

- An unlimited number of Class "B" Subordinate Voting Shares (one vote per share) without nominal or par value, convertible into Class "A" Multiple Voting Shares, under certain circumstances, if an offer is made to purchase the Class "A" Multiple Voting Shares, entitling their holders to participate equally with the holders of the Class "A" Multiple Voting Shares in respect of payment of dividends, and ranking equally with the Class "A" Multiple Voting Shares in respect of return of capital in the event of liquidation, dissolution or other distribution of the assets of the Company for purpose of winding-up its affairs.

MARKET FOR SECURITIES

The Company's Class "A" Multiple Voting Shares and Class "B" Subordinate Voting Shares are listed on the TSX under the symbols DII.A and DII.B, respectively.

The following provides the price range and volume of shares traded of the Class "A" Multiple Voting Shares and Class "B" Subordinate Voting Shares, respectively, on the TSX for each month of 2015:

	Class "A" Multiple Voting Shares			Class "B" Subordinate Voting Shares		
	Price Range (in Canadian dollars)			Price Range (in Canadian dollars)		
Month	Low	High	Volume Traded	Low	High	Volume Traded
January	$38.40	$42.00	4,371	$35.59	$42.12	1,056,935
February	$37.78	$41.19	4,895	$36.22	$41.35	688,482
March	$35.10	$41.83	2,402	$34.60	$40.95	910,544
April	$34.92	$36.49	1,330	$34.00	$36.18	1,031,334
May	$33.91	$36.08	3,177	$32.94	$35.67	1,410,479
June	$33.11	$34.55	4,150	$32.15	$34.14	767,815
July	$33.35	$35.29	2,105	$32.30	$34.95	481,745
August	$33.41	$36.07	6,984	$32.09	$35.91	981,823
September	$31.37	$33.54	5,205	$30.81	$35.75	783,804
October	$30.01	$34.13	3,950	$29.50	$34.20	748,423
November	$30.41	$34.58	3,680	$29.07	$34.79	1,092,149
December	$28.35	$31.49	2,290	$28.13	$31.72	791,537

The Company's 5.50% extendible convertible subordinated debentures due November 30, 2019 are listed on the TSX under the symbol DII.DB.U. The following provides the price range and volume of the debentures traded on the TSX for each month of 2015:

5.50% Extendible Convertible Subordinated Debentures

	Price Range ($)		
Month	**Low**	**High**	**Volume Traded**
January	99.00	105.00	2,061,000
February	99.99	102.50	934,000
March	98.25	102.51	10,149,000
April	99.00	100.20	2,112,000
May	98.00	100.15	3,215,000
June	98.80	99.75	1,058,000
July	97.00	99.50	3,861,000
August	97.10	98.75	1,349,000
September	95.52	98.35	1,325,000
October	96.70	97.26	488,000
November	96.95	97.76	1,825,000
December	92.50	97.68	902,000

DIRECTORS AND SENIOR OFFICERS

As at the date of this annual information form, the name, province or state and country of residence, period during which each has served as a director, where applicable, offices held with the Company and principal occupations of each of the directors and senior officers of the Company are as follows:

Name and place of residence	Director since	Offices	Principal occupation
Martin Schwartz.................................. Québec, Canada	1987	President, Chief Executive Officer and Director	President and Chief Executive Officer of the Company
Jeff Segel... Québec, Canada	1987	Executive Vice-President, Sales and Marketing and Director	Executive Vice-President, Sales and Marketing of the Company
Alan Schwartz .... Québec, Canada	1987	Executive Vice-President, Operations and Director	Executive Vice-President, Operations of the Company
Jeffrey Schwartz .... Ontario, Canada	1987	Executive Vice-President, Chief Financial Officer, Secretary and Director	Executive Vice-President and Chief Financial Officer of the Company
Frank Rana... Québec, Canada	—	Vice-President, Finance and Assistant-Secretary	Vice-President, Finance of the Company
Edward Wyse .... Québec, Canada	—	Vice-President, Global Procurement	Vice-President, Global Procurement of the Company
Maurice Tousson(1)(2)(3)........................ Ontario, Canada	1995	Lead Director	President and Chief Executive Officer CDREM Group Inc. (retailer)
Harold P. (Sonny) Gordon, Q.C.(2) (3) . Florida, USA	2003	Director	Vice Chairman and a Director Dundee Corporation (financial services and investment company) and Chairman and a Director Dundee Energy Limited (oil and natural gas company)
Dian Cohen(3) .... Ontario, Canada	2004	Director	Corporate Director and Economic Consultant
Alain Benedetti, FCPA, FCA(1)(2) .... Québec, Canada	2004	Director	Corporate Director
Rupert Duchesne(3)……………… Ontario, Canada	2009	Director	Group Chief Executive and Director Aimia Inc. (loyalty-management company)
Michelle Cormier, CPA, CA(1)…… Québec, Canada	2015	Director	Operating Partner Wynnchurch Capital (Canada) Ltd. (private equity fund)

(1) Member of the Audit Committee.
(2) Member of the Human Resources and Compensation Committee.
(3) Member of the Corporate Governance and Nominating Committee.

During the last five years, the directors and senior officers have been engaged in their respective present principal occupations or in other executive capacities with the companies indicated opposite their respective names. The term of each of the directors listed above will expire at the next annual meeting of shareholders of the Company.

Beneficial Ownership

As at December 30, 2015, the directors and senior officers beneficially owned in the aggregate, or exercised control or direction over, directly or indirectly, 3,070,101 Class "A" Multiple Voting Shares, representing 73.2% of the issued and outstanding Class "A" Multiple Voting Shares, and 1,993,714 Class "B" Subordinate Voting Shares, representing 7.1% of the issued and outstanding Class "B" Subordinate Voting Shares.

Cease Trade Orders, Bankruptcies, Penalties or Sanctions

To the knowledge of the Company, none of the foregoing directors or executive officers of the Company is as of the date of this annual information form, or has been within ten years before the date of this annual information form, a director, chief executive officer or chief financial officer of any company that:

(a) was subject to a cease trade or similar order, or an order that denied such company access to any exemption under applicable securities legislation for a period of more than 30 consecutive days (an "Order") that was issued while the director or executive officer was acting in the capacity as director, chief executive officer or chief financial officer of such company; or

(b) was subject to an Order that was issued after the director or executive officer ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer of such company.

To the knowledge of the Company, none of the foregoing directors or executive officers of the Company, or a shareholder holding a sufficient number of securities of the Company to affect materially its control:

(a) 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 that, while that person was acting in that capacity, or within a year of that person 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

(b) 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 his, her or its assets.

To the knowledge of the Company, none of the foregoing directors or executive officers of the Company, or a shareholder holding a sufficient number of securities of the Company to affect materially its control, has been subject to: (a) 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 (b) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

LEGAL PROCEEDINGS AND REGULATORY ACTIONS

In the normal course of business activities, Dorel is subject to various legal actions, none of which involve any claim for damages exceeding ten percent, exclusive of interest and costs, of Dorel's current assets. Dorel contests these actions and believes that their resolution will not have a material adverse impact on the Company's financial condition.

During fiscal 2015, the Company (i) was not subject to any penalty or sanction imposed by a court relating to securities legislation or by a securities regulatory authority, (ii) was not subject to any other penalty or sanction imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision, and (iii) did not enter into any settlement agreement before a court relating to securities legislation or with a securities regulatory authority.

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

No director or senior officer of the Company, and no person or company that beneficially owns, or controls or directs, directly or indirectly, more than 10% of the Class "A" Multiple Voting Shares or Class "B" Subordinate Voting Shares, and any of their respective associates or affiliates, has or had a material interest, direct or indirect, in any transaction, within the three most recently completed fiscal years or during the current fiscal year, that has materially affected or is reasonably expected to materially affect the Company.

MATERIAL CONTRACTS

The Company did not enter into any contract out of the ordinary course of its business during fiscal year 2015.

TRANSFER AGENT AND REGISTRAR

Computershare Investor Services Inc., at its principal offices in Toronto, Ontario, is the registrar and transfer agent for the Class "A" Multiple Voting Shares and Class "B" Subordinate Voting Shares of the Company.

NAMES AND INTERESTS OF EXPERTS

The Company's external auditors are KPMG LLP, 600 de Maisonneuve Boulevard West, Suite 1500, Montreal, Québec H3A 0A3, who reported on the 2015 Consolidated Financial Statements, which financial statements have been filed under Québec *Regulation 51-102 respecting Continuous Disclosure Obligations* and National Instrument 51-102 *Continuous Disclosure Obligations*. KPMG LLP is independent in accordance with auditors' rules of professional conduct in Québec.

INFORMATION ON THE AUDIT COMMITTEE

Audit Committee Charter

The Audit Committee Charter sets out the roles and responsibilities of the Audit Committee of the Board of Directors. A copy of the Charter is attached hereto as Schedule B.

Composition of the Audit Committee

The Audit Committee is composed of Alain Benedetti, FCPA, FCA, Maurice Tousson and Michelle Cormier, CPA, CA. Each member of the Audit Committee is independent and financially literate within the meaning of Québec *Regulation 52-110 respecting Audit Committees* and National Instrument *52-110 Audit Committees*.

Financial Literacy

Each member of the Audit Committee has a good command of generally accepted accounting principles and has the ability to understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Company's financial statements. This section describes at greater length how these members acquired that financial literacy.

Alain Benedetti, FCPA, FCA: Mr. Benedetti is the retired Vice-Chairman of Ernst & Young LLP, where he worked for 34 years, most recently as the Canadian area managing partner, overseeing all Canadian operations.

Prior thereto, he was the managing partner for eastern Canada and the Montréal office. Mr. Benedetti has extensive experience with both public and private companies and currently serves on the Board of Directors of Russel Metals Inc. and Discovery Air Inc. A former Chair of the Canadian Institute of Chartered Accountants, Mr. Benedetti has served on the Audit Committee of the Company since 2004 and has been chairperson of the Audit Committee since 2005.

Maurice Tousson: Mr. Tousson is the President and Chief Executive Officer of CDREM Group Inc., a chain of retail stores known as Centre du Rasoir or Personal Edge, a position he has held since January 2000. Mr. Tousson has held executive positions at well-known Canadian specialty stores, including Chateau Stores of Canada, Consumers' Distributing and Sports Experts, with responsibilities for operations, finance, marketing and corporate development. Mr. Tousson currently sits on the Board of Directors of several privately-held companies. Mr. Tousson holds an MBA degree from Long Island University in New York.

Michelle Cormier, CPA, CA: Mrs. Cormier is Operating Partner for the Québec-based investments of Wynnchurch Capital (Canada) Ltd., a $2.3 billion private equity fund. Prior to joining Wynnchurch, she was Chief Financial Officer of a privately-held company and of a publicly-traded forest products company with operations in Canada and the United States. Ms. Cormier has extensive senior management experience in corporate strategy, finance, human resources and turnaround situations. She is an accredited corporate director and has strong knowledge and experience in corporate governance. She serves on the Boards of Directors of Hydro-Québec, Industries Moreau Inc. and Pro-Fab Inc.

Pre-approval Policies and Procedures for Audit and Non-Audit Services

In 2003, the Audit Committee adopted a policy regarding the breadth of services provided by external auditors. This policy forbids the Company from hiring external auditors to provide certain non-auditing services. Under certain exceptions, the policy provides that the Company may hire external auditors to provide non-audit services that are not prohibited, on condition that they are pre-approved by the Audit Committee. A copy of the policy is attached hereto as Schedule C.

External Auditor Service Fees (by Category)

In 2015, the Company's auditors were KPMG LLP. The table below represents all fees paid to the Company's auditors for the years ended December 30, 2015 and 2014:

	Years ended December 30	
	2015	**2014**
Audit fees	$ 3,354,148	$ 2,547,498
Audit-related fees	1,482,837	2,440,875
Tax fees	51,298	23,682
All other fees	123,594	179,038
TOTAL	$ 5,011,877	$ 5,191,093

1. Audit fees were charged for professional services rendered by the auditors for the audit of the Company's annual Consolidated Financial Statements or services provided in connection with certain statutory and regulatory filings or engagements.
2. Audit-related fees were charged for due diligence services relating to business acquisitions, miscellaneous assurance and related services that are reasonably related to the performance of the audit or review of the annual Consolidated Financial Statements and which are not reported as part of audit fees.
3. Tax fees were charged for tax compliance services.
4. Other fees were charged for operational advisory services.

ADDITIONAL INFORMATION

Additional information, including directors' and officers' remuneration and indebtedness (if any), principal holders of the Company's securities, and securities authorized for issuance under equity compensation plans, that is not included herein, is contained in the Company's Management Proxy Circular dated April 23, 2015 sent and filed in connection with the Company's annual and special meeting of shareholders held on May 28, 2015. Additional information relating to the Company may be found on SEDAR at www.sedar.com. Additional financial information may be found in the 2015 Consolidated Financial Statements and MD&A for the fiscal year ended December 30, 2015.

Schedule A

Major Companies within Dorel Industries Inc.
As of December 30, 2015

Name	Jurisdiction of Incorporation	Percentage of Votes Attaching to Shares
North America		
Ameriwood Industries, Inc.	Delaware	100%
Ameriwood Industries, Inc.	Michigan	100%
Ameriwood Industries, Inc.	Ohio	100%
Cannondale Sports Group, LLC	Delaware	100%
Cycling Sports Group, Inc.	Delaware	100%
Dorel Asia Inc.	Delaware	100%
Dorel China America, Inc.	Delaware	100%
Dorel Juvenile Group, Inc.	Massachusetts	100%
Pacific Cycle Inc.	Delaware	100%
PCL Holdings Inc.	Delaware	100%
Sugoi Performance Apparel Limited Partnership	British Columbia	100%
Europe		
AMPA 2P SAS	France	100%
BabyArt BVBA	Belgium	100%
Cycling Sports Group GmbH	Switzerland	100%
Cycling Sports Group Europe B.V.	The Netherlands	100%
Dorel Belgium SA	Belgium	100%
Dorel France Holding SAS	France	100%
Dorel France SAS	France	100%
Dorel Germany GmbH	Germany	100%
Dorel Hispania SA	Spain	100%
Dorel Italia SpA	Italy	100%
Dorel Juvenile Switzerland SA	Switzerland	100%
Dorel Luxembourg Sàrl	Luxembourg	100%
Dorel Sports Luxembourg Sàrl	Luxembourg	100%
Dorel Polska Sp z.o.o.	Poland	100%
Dorel Portugal – Artigos para bébé Unipessoal, Lda	Portugal	100%
Dorel Suisse Sàrl	Switzerland	100%
Dorel (UK) Limited	United Kingdom	100%
IBD Bikes UK Limited	United Kingdom	100%
Maxi Miliaan B.V.	The Netherlands	100%
Pacific Cycle (UK) Ltd.	United Kingdom	100%

Schedule A

Major Companies within Dorel Industries Inc.
As of December 30, 2015 (cont'd)

Name	Jurisdiction of Incorporation	Percentage of Votes Attaching to Shares
Latin America		
Baby Universe SAS	Colombia	70%
Best Brands Group S.A.	Panama	70%
Caloi Norte S.A.	Brazil	70%
Comercial e Industrial Silfa S.A.	Chile	70%
Comexa Comercializadora Extranjera SA	Panama	70%
Companhia Dorel Brasil Produtos Infantis	Brazil	100%
Cycling Sports Group Brazil Investimentos Limitada	Brazil	100%
DJGM, S.A. de C.V.	Mexico	100%
Dorel Sports Chile S.A.	Chile	70%
Dorel Sports Peru S.R.L.	Peru	100%
Ofir S.A.	Panama	70%
Asia		
Angel Juvenile Products (Zhongshan) Co., Ltd.	People's Republic of China	100%
Cannondale Japan KK	Japan	100%
Cycling Sports Group China Co., Ltd	People's Republic of China	100%
Dorel Consulting (Shanghai) Co., Ltd.	People's Republic of China	100%
Dorel Juvenile (Huangshi) Product Co., Ltd.	People's Republic of China	100%
Dorel Juvenile (Yangjiang) Product Co., Ltd.	People's Republic of China	100%
Dorel Juvenile (Zhongshan) Industrial Co., Ltd.	People's Republic of China	100%
Dorel Global (MCO) Limited	Macau	100%
Guohong (Zhongshan) Industrial Co., Ltd.	People's Republic of China	100%
Peaceful Trust Co., Ltd.	Taiwan	100%
Shanghai Dorel Juvenile Product Co., Ltd.	People's Republic of China	100%
Tiny Love Ltd.	Israel	100%
Zhongshan Jiemeng Children Articles Co., Ltd.	People's Republic of China	100%
Other		
Comexa Distribution Limited	Barbados	70%
Dorel Asia SRL	Barbados	100%
Dorel Australia Pty Ltd	Australia	100%
Dorel Colombian Holdings Limited	Barbados	70%
Dorel Finance Limited	Barbados	100%
Dorel International Trade Limited	Barbados	100%
Dorel Limited	Barbados	100%
IGC Dorel New Zealand Limited	New Zealand	100%

Schedule B

DOREL INDUSTRIES INC.

AUDIT COMMITTEE CHARTER

The Audit Committee (the "Committee") of the Board of Directors of Dorel Industries Inc. (the "Company") assists the Board of Directors in fulfilling its oversight responsibilities relating to the quality and integrity of the accounting, auditing, and reporting practices of the Company and such other duties as directed by the Board of Directors or imposed by legislative and securities and exchange authorities.

• STRUCTURE AND ORGANIZATION

1. The Committee will be composed solely of directors who are independent of the management of the Company and are free of any relationship that, in the opinion of the Board of Directors, may interfere with their exercise of independent judgment as a Committee member, all in accordance with applicable securities and exchange regulations.

2. The membership of the Committee will consist of at least three independent members of the Board of Directors. Committee members and the Committee Chairman shall be designated by and serve at the pleasure of the Board of Directors. All members must be financially literate and at least one member shall be designated as the "financial expert" as defined by applicable legislation and regulation. The Committee shall appoint a Secretary who need not be a director of the Company.

3. The Committee shall meet at least four times per year or more frequently as circumstances require. All Committee members may attend meetings in person or via tele- or video-conference. The Committee may ask members of management, auditors or others to attend the meetings and provide pertinent information as necessary. The required quorum is a simple majority of members.

4. The Committee has the authority to maintain free and open communication with Company officers, employees, internal audit, the external auditors and outside counsel.

5. The Committee has the authority to investigate any matter brought to its attention and to retain independent counsel, accountants, or others for this purpose if, in its judgment, that is appropriate. The Committee further has the authority to set and authorize the compensation for any advisors employed by the Committee.

6. Members of the Audit Committee are prohibited from receiving any payment, either directly or indirectly, from the Company other than for the Board of Directors and its committees' membership.

7. The Committee may delegate to one or more independent members the authority to pre-approve non-audit services provided that such services meet the definition pursuant to securities and exchange regulations. Such pre-approval must be presented to the Committee by the respective member at its first scheduled meeting following such pre-approval.

8. Meeting agendas will be prepared and provided in advance to members, along with appropriate briefing materials. Minutes will be prepared.

• GENERAL RESPONSIBILITIES

1. Meet periodically with representatives of the external auditors, the Director, Internal Audit, and management in separate sessions to discuss any matters that the Committee or these groups believe should be discussed privately (in camera) with the Committee. Provide sufficient opportunity for the external auditors to meet with the internal auditor as appropriate without members of the management being present.

2. Submit the minutes of all Committee meetings to the Board of Directors and regularly report to the Board of Directors about Committee activities and issues that arise with respect to the quality and integrity of the Company's financial statements, the Company's compliance with legal or regulatory requirements, the performance and independence of the Company's independent auditors and the performance of the internal audit function.

3. Review and reassess the adequacy of this Charter annually.

• RESPONSIBILITIES FOR ENGAGING AND MONITORING EXTERNAL AUDITORS

1. Recommend for approval by the Board of Directors and ratification by the shareholders the selection and retention of an independent firm of Chartered Accountants as external auditors, for the purpose of preparing or issuing an auditor's report or performing other audit, review or attest services; approve all compensation of the external auditors; and review and approve in advance the discharge of the external auditors.

2. Review the independence of the external auditors. In considering the independence of the external auditors, the Committee will review the nature of the services provided by the external auditors' firm and the fees charged, and such other matters as the Committee deems appropriate.

3. Arrange for the external auditors to be available to the Board of Directors at least annually to help provide a basis for the Board's approval of the external auditors' appointment.

4. Review services and related fees for work done by the external auditors in the period and newly pre-approved services since the prior meeting as well as an updated projection of the total costs for the fiscal year.

5. Pre-approve all non-audit related services to be provided by the Company's external auditors on a case-by-case basis provided that such services meet the definition pursuant to securities and exchange regulations.

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

7. Oversee the rotation of lead, concurring and other external audit partners, to the extent required by securities and exchange regulations.

8. Review at least annually, representations by the external auditors describing their internal quality-control procedures, as well as significant results arising from regulatory and professional quality-control procedures.

9. Review with the external auditors and management the audit plan, including scope and approach, of the external auditors for the current year.

• RESPONSIBILITIES FOR OVERSIGHT OF THE QUALITY AND INTEGRITY OF ACCOUNTING, AUDITING, AND REPORTING PRACTICES OF THE COMPANY

1. Review the annual audited financial statements and quarterly financial statements, including the Company's disclosures under "Management's Discussion and Analysis of Financial Condition and Results of Operations", Annual Information Form and the Management Proxy Circular with management and the external auditors prior to release. The Committee should review each annual and interim profit or loss announcement with management (and the external auditors if desired) prior to release, filing and distribution. These discussions should cover the quality of the financial reporting, and such others matters as the Committee deems appropriate.

2. Review with management and the external auditors the results of the audit, including any difficulties encountered, and management's response and/or action plan related to any Management Letter issued by the external auditors and any significant recommendations contained therein. This will also include a review of any restrictions on the scope of the independent auditor's activities or on access to requested information, and any significant disagreements with management.

3. Ensure 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, other than the public disclosure referred to in (1), and periodically assess the adequacy of those procedures.

4. Review disclosures made by the President and Chief Executive Officer and the Executive Vice-President, Chief Financial Officer and Secretary during the Form 52-109F certification process about significant deficiencies and or material weaknesses in the design or operation of internal controls, or any fraud that involves management or other employees who have a significant role in the Company's internal controls.

5. Review the periodic report of the Company's Disclosure Committee, including the reassessment of its Charter annually.

6. Consider the adequacy and effectiveness of the Company's internal control system, including information technology security and control.

7. Understand the scope of internal audit's review of internal control over financial reporting, and obtain reports on significant findings and recommendations, together with management's responses.

8. Establish procedures for the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls or auditing matters. Such complaints regarding questionable accounting or auditing matters are to be treated confidentially and anonymously.

9. Review and approve all related party transactions undertaken by the Company.

• **PERIODIC RESPONSIBILITIES**

1. Review periodically with management any legal and regulatory matters that may have a material impact on the Company's financial statements, compliance policies and compliance programs.

2. Review the effectiveness of the system for monitoring compliance with laws and regulations and the results of management's investigation and follow-up (including disciplinary action) of any instances of noncompliance.

3. Review with the chief audit executive the charter, plans, activities, staffing and organizational structure of the internal audit function and its effectiveness. Ensure there are no unjustified restrictions or limitations, and review and concur in the appointment, replacement, or dismissal of the chief audit executive.

4. Discuss with management the Company's major compliance policies with respect to risk assessment and risk management, including but not limited to: Code of Business Conduct, Disclosure Policy, Policy on Financial Reporting, Policy on Whistle blowing, Policy Regarding Procurement of Audit Services and Non Audit Services, Insider Trading and Blackout Periods Policy, Policy Statement on Internal Audit Services, Policy on Incident Reporting and Policy on Hiring of Employees from Independent Auditors.

5. Review the process for communicating the Code of Business Conduct to Company personnel, and for monitoring compliance therewith.

6. Perform such other functions assigned by law, the Company's charter or bylaws, or by the Board of Directors.

Schedule C

DOREL INDUSTRIES INC.

POLICY REGARDING PROCUREMENT OF AUDIT SERVICES AND NON AUDIT SERVICES

The primary purpose of this Policy is to ensure that Dorel Industries Inc. (the "Company") engages its public accountants to only provide permitted audit and non-audit services that are compatible with maintaining independence. The Company recognizes that investor confidence in public companies is based in part on the maintenance of independence, in fact and in appearance, by the public accounting firms that perform financial statement audits for those companies. The Company and its Audit Committee (the "Committee") believe that it is prudent to establish a formal policy to define the basis upon which the external auditors may be engaged to provide audit and non-audit services. Services discussed below where external auditors are engaged require the pre-approval of the Committee, in accordance with this Policy.

This Policy applies to the Company and all corporations, subsidiaries, branches and other entities directly or indirectly owned by the Company that are included in the Company's consolidated financial statements. This Policy is to be approved annually by the Company's Committee or more frequently as necessary due to changes in securities regulations.

The responsibility for ensuring that the Company's external auditor is engaged to perform only those services that are compatible with maintaining the firm's independence from the Company rests with the:

- external auditor;
- Executive Vice-President, Chief Financial Officer and Secretary;
- Vice-President, Finance and Assistant Secretary;
- Director of Finance; and
- Audit Committee.

Annually, the Vice President, Finance and Assistant Secretary will prepare a summary of the fees paid to the external auditor for audit and other permitted services, for inclusion in the annual proxy statement.

In accordance with this Policy, all audit services and related fees have to be pre-approved by the Committee. To allow efficiency in the performance of such services, the Chairman of the Committee can act on behalf of the Committee by providing pre-approval, between meetings of the Committee. He will report such approval at the next Committee meeting.

Any questions or interpretations of such matters should be addressed to the Committee.

For the purposes of this Policy, the scope of external auditor services is classified into the following categories.

PERMITTED SERVICES

These services generally are highly correlated with the role of an independent auditor.

Such services include matters such as analysis and interpretation of accounting principles and their application.

1. AUDIT SERVICES:

- Audits of consolidated financial statements including quarterly reviews, consultation on accounting issues, attendance at Audit Committee meetings, and use of specialists in connection with the foregoing. Assistance in the implementation of new accounting principles.

- Audits of opening balance sheets of acquired companies.

- Compliance letters, agreed-upon procedures, reviews and similar reports based on audited financial statements and the role of external auditors as independent auditors.

- Audits of financial statements and transactions that are used by lenders, filed with government and regulatory bodies and similar reports.

2. AUDIT RELATED SERVICES:

- Services that result from the role of the firm as independent auditor such as reviews of securities regulator filings and letters to underwriters.

- Employee benefits plan audits and revenues of relevant filings.

3. TAX SERVICES:

These services are expressly allowed under this Policy:

- Tax return and tax accrual reviews, consultations and assistance.

- Tax planning and other compliance related consultation or services.

Tax services cannot however be based on confidential transactions or aggressive interpretation of tax rules.

Fees for tax services may not be on a contingency basis.

Pre the execution of the proposed service, the external auditor is to provide a description of the proposed tax service to the Committee detailing how it could or could not hamper external auditor independence.

4. SPECIFIC APPROVALS:

These services are allowed if specific pre-approval is given by the Committee:

- Employee benefit plan advisory services.
- Cash management and treasury advisory services.
- Strategic planning support (e.g., corporate, business unit, information technology).
- Forensic and other investigative services.

RESTRICTED SERVICES

Restricted services are those services that may not be provided by external auditors, as they are considered by securities legislation and/or in the Company's opinion to be incompatible with the role of an independent auditor, unless it is reasonable to conclude that the results of the service would not be subject to audit procedures during an audit of the Company's financial statements. Areas of doubt must be submitted to the Committee in advance of the commitment.

- Bookkeeping or other services related to accounting records or financial statements (e.g., recording journal entries, reconciling accounts, processing data, preparing financial statements, etc.).
- Internal audit services.
- Appraisals, valuation services or fairness opinions.
- Signing tax returns (including payroll tax returns) on behalf of the Company.
- Actuarial services.
- Signing or co-signing cheques.
- Acting as an agent for the Company.
- Human resources functions (managerial position search and evaluation activities).
- Payroll services.

- Broker-Dealer services (including underwriting, promoting, investment banking and investment management).
- Maintaining custody of the Company's funds.
- Acting in a capacity equivalent to that of the Company's management or employees, or performing any decision making, supervisory or ongoing monitoring functions for the Company.
- Financial information systems design and/or implementation.
- Legal services.
- Expert witness or testimony services, except where specifically related to the Company's accounting policy, procedure, or audited financial statements.
- Providing tax services to management members (or their immediate family) who have a role in financial reporting.
- All other consulting or auditing services of any nature, except as specifically allowed in other sections above.