ROCKY MOUNTAIN DEALERSHIPS INC.

ANNUAL INFORMATION FORM

For the fiscal year ended December 31, 2015

Dated March 15, 2016

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GENERAL DISCLOSURE MATTERS

Certain References

Unless the context otherwise requires, use in this Annual Information Form of "**Rocky**", "**the Corporation**", "**we**", "**us**" or "**our**" means Rocky Mountain Dealerships Inc. and its direct and indirect wholly owned subsidiaries including Rocky Mountain Equipment Canada Ltd., and Rocky Mountain Dealer Acquisition Corp., collectively.

Date of Information

The information in this Annual Information Form is presented as at December 31, 2015, unless otherwise indicated.

Forward-Looking Statements

Certain statements contained in this Annual Information Form may constitute forward-looking statements and forward-looking information within the meaning of applicable securities laws. All statements, other than statements of historical fact, included herein may be forward-looking information or statements. Generally, forward-looking information or statements may be identified by the use of forward-looking terminology including, but not limited to "plans", "expects" or "does not expect", "proposed", "is expected", "budgets", "scheduled", "estimates", "forecasts", "intends", "anticipates", "does not anticipate", "believes", "may", "could", "will", or variations of such words and phrases, or by the use of words or phrases which state that certain actions, events or results may, could, would, or might occur or be achieved. In particular, forward-looking information and statements in this Annual Information Form include, but are not limited to: statements relating to continuing demand for the Corporation's products and services and the cyclical nature of agriculture equipment demand; statements pertaining to the growth of the Corporation's business and operations, including through acquisitions; statements that recent fluctuations in the Canadian dollar relative to the U.S. dollar are expected to increase pricing on the Corporation's new equipment inventory; statements or discussions regarding the Corporation's inventory management; statements relating to the Corporation's beliefs regarding continued brand recognition and support services from its equipment manufacturers; statements relating to the current labour market, potential labour shortages or any economic recovery; statements that terms of the Proposed CNH Sales and Service Agreement (as defined herein) are not anticipated to have any material impact on the Corporation or its operations; statements relating to the effects of fluctuation in interest rates on the Corporation's business; and statements relating to the Corporation's expectations regarding renewal of leases for current branch premises from certain affiliated persons.

This forward-looking information reflects the Corporation's current beliefs and is based on information currently available to the Corporation and on assumptions the Corporation believes are reasonable. These assumptions include, but are not limited to: the expected performance of the Canadian and U.S. economies; weather and climate conditions continuing to create favourable conditions for both agriculture and industrial activities; demand conditions; the barriers to entry in the equipment distribution industry; commodity prices related to the agriculture sector and industrial sector continuing to remain strong; the impact of increasing competition and future costs and expenses being based on historical costs and expenses (adjusted for inflation); historical buying patterns of the Corporation's customer base; that the establishment of a broader customer and equipment base will generate ongoing and stable equipment sales; the continuation of exclusivity rights held by the Corporation; the use of technology in the agriculture industry; favourable public perception of brands carried by the Corporation; continued availability of brand name products carried by the Corporation; proposed changes to the Existing CNH Sales and Service Agreement (as defined herein) will not place any undue burden or financial strain on the Corporation; the historical tender processes of various government departments and agencies; and consistent results of dealership evaluations by equipment manufacturers.

Forward-looking information is subject to known and unknown risks, uncertainties and other factors that may cause the actual results, level of activity, performance or achievements of the Corporation to be materially different from those expressed or implied by such forward-looking information, including the risks discussed herein under the heading "**Risk Factors**", as well as the risks discussed in the Corporation's Annual Management's Discussion & Analysis for the year ended December 31, 2015. Although the Corporation has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking information or statements, there may be other factors that cause results not to be as anticipated, estimated or intended. Accordingly, readers should not place undue reliance on forward-looking information or statements. The forward-looking statements or information contained in this Annual Information Form are made as of the date hereof and the Corporation undertakes no obligation to update or revise any forward-looking statements or information, whether as a result of new information, future events or otherwise, unless required by applicable securities laws.

CORPORATE STRUCTURE

Name, Address and Incorporation

Rocky was incorporated in Alberta on September 17, 2007, under the *Business Corporations Act* (the "**ABCA**") as Rocky Mountain Dealerships Inc. The Corporation's corporate head office, including its registered office and records office, is located at #301, 3345 8th Street S.E., Calgary, Alberta T2G 3A4. The Corporation's common shares (the "**Common Shares**") trade on the Toronto Stock Exchange under the symbol "**RME**".

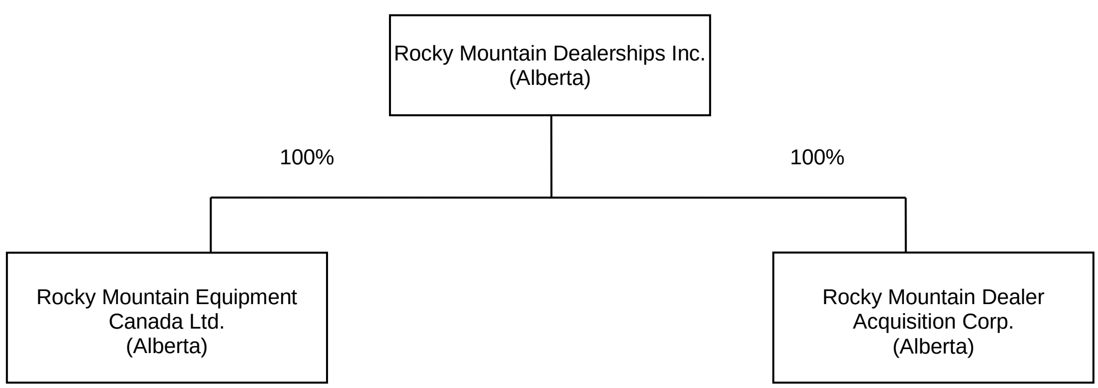
On October 29, 2012, the Corporation announced that it had joined the OTCQX International Marketplace, the top tier of the U.S. OTC markets, and that the Corporation's Common Shares would trade under the symbol "**RCKXF**".

Organizational Structure and Inter-corporate Relationships

Rocky's material subsidiaries, each of which was owned 100%, directly or indirectly, by Rocky as at December 31, 2015, are summarized in the following table:

Name	Jurisdiction where organized	Description
Rocky Mountain Equipment Canada Ltd. (hereinafter "**RME Canada**")	Alberta	Incorporated December 11, 2013. All the Corporation's operations are run through RME Canada.
Rocky Mountain Dealer Acquisition Corp. (hereinafter "**RMDAC**")	Alberta	Amalgamated January 1, 2015, from Hi-Way Service Ltd., Hammer Equipment Ltd., and Miller Equipment Ltd.

The following diagram sets forth the organizational structure of Rocky as at December 31, 2015:



General Development of the Business of Rocky

2013

On February 1, 2013, the Corporation announced that it had acquired all the issued and outstanding shares of M.J. Solomon Ltd. ("**MJS**"), operating as "Murray's Farm Supplies," a dealer of various agriculture "short-lines" such as Bourgault, Kubota and MacDon, with locations in Shoal Lake and Russell, Manitoba. The assets of the acquisition were subsequently transferred into the Rocky Mountain Dealer Group Partnership (the "**Partnership**") and MJS was dissolved.

On May 13, 2013, the Corporation announced a 48% increase in its annual dividend to $0.40 per Common Share, with the increase to take effect with the June 28, 2013 dividend payment.

On May 14, 2013, the Corporation announced that Robert Mackay had been appointed to the Corporation's Board of Directors (the "**Board**" or the "**Board of Directors**"). Mr. Mackay was, at the time, President of Ritchie Bros. Auctioneers Incorporated.

On May 17, 2013, the Corporation announced that it had accepted the resignation of Keith Macdonald as a director of Rocky, which was tendered by Mr. Macdonald following Rocky's annual and special meeting of shareholders held on May 10, 2013.

2014

Effective January 2, 2014, the Corporation effected a restructuring whereby the business assets, liabilities, and all other operations of the Partnership were rolled over to RME Canada pursuant to an asset transfer agreement. All the Corporation's operations in Alberta, Saskatchewan and Manitoba are conducted through RME Canada as of January 2, 2014. In connection with this restructuring, the Partnership was dissolved on February 27, 2014.

On May 6, 2014, the Corporation announced a 15% increase in its annual dividend to $0.46 per Common Share, with the increase to take effect with the June 30, 2014 dividend payment.

On June 2, 2014, the Corporation acquired the assets of York Auto Supply (Yorkton) 1976 Ltd., a distributor of automotive and agricultural parts and supplies, located in Yorkton, Saskatchewan.

On August 5, 2014, the Corporation announced that Mr. Scott Tannas had been appointed to the Corporation's Board of Directors. At the time of his appointment to the Corporation's Board, Mr. Tannas was the Founder, Vice-Chairman and former CEO of Western Financial Group Inc., as well as a director of both Bank West and Western Life Assurance Company. Mr. Tannas also served in the Canadian Senate, being one of Alberta's elected Senators.

On August 5, 2014, the Corporation also announced that Mr. Matthew Campbell and Mr. Derek Stimson had declared their intentions to retire as, respectively, CEO and President of the Corporation.

On November 12, 2014, the Corporation announced that Ms. Tracey Zehl had been appointed to the Corporation's Board of Directors. Prior to the appointment, Ms. Zehl had served as a partner at Deloitte & Touche LLP from 2007 to 2014.

2015

On January 1, 2015, the Corporation’s wholly-owned subsidiaries, Hi-Way Service Ltd., Hammer Equipment Ltd. and Miller Equipment Ltd. were amalgamated pursuant to the ABCA to form RMDAC.

On February 2, 2015, the Corporation announced that Mr. Garrett Ganden had been appointed President and Chief Executive Officer of the Corporation, effective February 2, 2015. At the time of his appointment, Mr. Ganden served as the Corporation’s Chief Operating Officer.

On February 2, 2015, the Corporation announced that Mr. Matthew Campbell and Mr. Derek Stimson had resigned their positions as CEO and President, respectively, effective February 2, 2015. Mr. Campbell will remain as Chair of the Board of Directors and Mr. Stimson has been appointed as Vice Chair of the Board of Directors, both effective February 2, 2015.

On February 12, 2015, the Corporation acquired all of the issued and outstanding shares of NGF Geomatics Inc. ("**NGF**"), a geomatics company specializing in the collection of geospatial survey data using unmanned aerial vehicles. The acquisition was completed through the use of the Corporation's cash.

On April 1, 2015, the Corporation announced that acquired all of the issued and outstanding shares of the entities forming Chabot Implements ("**Chabot**"). Chabot is Manitoba-based dealer of Case IH agriculture equipment with locations in Portage La Prairie, Steinbach and Elie. Chabot also sells Kubota equipment through its Neepawa, Manitoba location. The acquisition was completed through the use of the Corporation's cash and credit facilities.

On September 24, 2015, the Corporation announced that it had upsized and amended its syndicated credit facility (the "**Credit Facility**"), which consolidated several sub-facilities unto three general lines and re-termed the amortizing debt, which reduced future scheduled debt repayments. The Credit Facility was upsized to $270 million and provides the Corporation with a $70 million operating facility, a $125 million flooring facility, and a $75 million revolving term facility, with the availability of an additional $50 million "accordion" feature. Among the amendments made to the Credit Facility were the inclusion of an interest-only period of 6 months on the term debt and an extension of the amortization period of the term debt to seven years. Canadian Imperial Bank of Commerce ("**CIBC**") and HSBC Bank Canada acted as Co-Lead Arrangers and Joint Bookrunners on the Credit Facility, with CIBC acting as Administrative Agent. The Bank of Nova Scotia ("**BNS**"), Rabobank Nederland Canadian Branch ("**Rabobank**"), De Lage Landen Financial Services Canada Inc. and Alberta Treasury Branches continue to participate in the syndicate, with BNS now acting as Syndication Agent and Rabobank acting as Documentation Agent.

On October 5, 2015, the Corporation announced that Mr. Cameron Crawford, FCA, and Mr. William DeJong, Q.C., had been appointed to its Board of Directors. Mr. Crawford is a corporate finance specialist with over 30 years of experience in the areas of mergers and acquisitions and strategic projects. He serves as a partner in The Catalyst Group, a professional services firm in Western Canada with an extensive base of agri-business clients. Mr. DeJong is a lawyer with over 25 years of experience in corporate, commercial, securities and finance matters, and is a partner in the international law firm of Dentons Canada LLP.

DESCRIPTION OF THE BUSINESS OF ROCKY

Overview of the Business

We are, based on revenue, the largest independent dealer of CNH Industrial N.V. ("**CNH**") equipment in Canada, and one of Canada's foremost multi-branch, full-service agriculture and industrial equipment dealers. As at March 15, 2016, we operate a network of 37 dealership branches: 22 located across Alberta, 11 in Manitoba and 4 in Saskatchewan, through which we sell and rent new and used agriculture and industrial equipment. We offer full product support to our customers by selling parts and providing in-branch and on-site repair and maintenance services. We support our sales and leasing departments by providing third party finance and insurance products for our customers. Our rights to sell, rent and support the various brands of equipment we carry extend, depending on the particular brand, throughout Alberta, Eastern British Columbia, parts of Saskatchewan, Manitoba, the Northwest Territories and Nunavut.

Technology is playing an ever-increasing role in our business, especially as it relates to agriculture equipment. To that end, we provide global positioning satellite ("**GPS**") equipment and signal subscriptions, to assist our agriculture customers with optimizing their agricultural inputs and outputs, a practice known as "precision farming." Our recent expansion into geomatics, as well as our strategic alliances with specialized agronomy companies and manufacturers of precision application equipment, expands our footprint in this potential growth industry. This, in turn, enables our agriculture customers to use modern technology such as unmanned aerial vehicles equipped with cameras, thermal infra-red scanners, and multispectral imagery equipment, as well as have access to agronomy experts and an increasing assortment of technologically advanced equipment. This enables the Corporation to be well-positioned to meet the continually evolving needs and requirements of its agricultural customer base.

Operations

We operate as an independent, multi-branch equipment dealership consisting of 37 agriculture and industrial equipment dealership branches as of March 15, 2016. The Corporation's operations are conducted through RME Canada, operating as "Rocky Mountain Equipment." We generate revenues and gross profit from five inter-related areas of our business operations; new equipment sales, used equipment sales, parts sales, service sales, and other sales (comprised of commissions and fees associated with finance & insurance) as illustrated by the following table (in $ thousands):

	Year Ended December 31, 2015	Year Ended December 31, 2014
New Equipment	449,997	521,747
Used Equipment	377,482	303,536
Parts Revenue	107,509	101,622
Service Revenue	35,865	35,064
Other Revenue	4,603	3,438
Total	**975,456**	**965,407**

New Equipment Sales

The sale of CNH equipment products (under the brands Case IH, Case Construction, and New Holland) represent a significant portion of our business. We believe the market recognizes the CNH brand for both quality products and superior customer support. Case IH agriculture has been manufacturing equipment for over 150 years and produces a full range of products for the agriculture industry, from small utility tractors to large-scale harvesters, sprayers, and articulated 4WD tractors. Case Construction has been in the construction equipment business for more than 50 years, being a pioneer in product lines such as loader-backhoes. Today, Case Construction has an expanded product offering of both light and heavy construction equipment, ranging from small 50 horsepower ("**HP**") skid steer loaders to large excavators weighing over 80 metric tons, as well as wheel loaders weighing over 30 metric tons. CNH shares technology and parts distribution between the Case Construction, Case IH and New Holland agriculture brands, which leads to greater efficiencies for us, given our structure as a dealer for all of those brands. We believe that we benefit from being associated with the CNH brand as it has a strong customer following and enjoys good brand and product recognition. These factors help to draw new customers into our branches, while retaining our repeat customers each year.

To provide our customers with a complete variety of products, we also sell a number of complementary products from other manufacturers, sometimes referred to as "short-line" manufacturers. On the agriculture equipment side, we sell equipment from leading brands such as Bourgault, Seed Hawk, MacDon and Claas. On the industrial equipment side, we complement our CNH offering by carrying products manufactured by Metso, Lee-Boy and Dynapac, among others. The products we carry from these manufacturers are also recognized for their quality and customer satisfaction, and fill an important role within our overall product offering.

Sales of new equipment and the profitability of those sales depend on the effective management of the size, age and mix of our new equipment inventories and effective marketing to, and servicing of, our customers. The strength of the brands and product features of the equipment we distribute are important factors in driving our new equipment sales. We believe, however, that the factor most important to our customers in making a buying decision is their confidence in our product support capabilities, and our ability to be a dependable equipment partner to our customers not just at the point of sale, but long after the equipment has left our yard.

Another part of our mandate to be a dependable equipment partner is effectively managing our inventory levels. We must maintain an inventory level that meets our customers' needs for timely delivery of product on the one hand, while on the other hand not over-burdening the Corporation with the significant debt and financing costs associated with carrying too much inventory, or carrying inventory for too long. Furthermore, a large portion of our equipment sales (primarily agriculture equipment sales) involve a trade-in of an older machine as part of the consideration for the transaction, which we must then eventually sell. Sometimes these trade-ins are financed through our various credit facilities prior to their sale. Accordingly, effective inventory management is critical to both sales execution and profitability.

We usually sell agriculture equipment to our customers under sale agreements with no accompanying rental or lease provisions. Sales prospects for new agriculture equipment vary based on the size and complexity of the equipment. New mid-to-low HP tractor sales involve a range of customers from acreage owners to large corporate customers. A new tractor often is sold with extra implements such as tillage, seeding, spraying, or baling equipment. Our customers for new high-HP tractors, combines and application equipment are, principally, large-acreage farms. These customers typically replace their equipment every one to three years of use. Reliability of the equipment, production capabilities, efficiency (in terms of both time and inputs required such as fuel, seed and fertilizer) and the dependability of the after-sales support are of increasing importance to these customers' operations as their farms increase in size and seeded acreage. In addition, the increased hours of use per year and the increased acreage harvested helps cover the capital cost of replacing the equipment every few years. The trade-in equipment as a result of these new sales is often resold to smaller family farms. Production operations for livestock, including beef, pork and poultry, are also customers for new equipment, including agriculture and industrial equipment for maintaining barns and feedlots. There is also a market for certain types of agriculture equipment in the industrial industry, as high-HP tractors are often used for pulling implements such as scrapers, mowers, compactors and tillage instruments. Agriculture equipment can have a service life of up to 25 years, due primarily to the fact that the equipment will typically only has a seasonal use, rather than being used year-round.

Our industrial equipment customers purchase equipment and services primarily based on their workloads, as well as the reliability of the equipment. Most of our industrial customers' work is obtained through the tender processes of various government departments and agencies, or through negotiations with private sector entities. Accordingly, they are generally unable to know, at a given time or with any certainty, the volume of work for the upcoming construction season until the project is awarded. Industrial equipment customers often begin their purchase transactions under a lease or "rent-to-own" arrangement, enabling them to more effectively match their cash flow from a particular project (as payments are received and the volume of work is more certain) with the equipment requirements for that project. Our government-related customers generally purchase equipment through a public tender process in which we compete by submitting bids in response to their specified equipment requirements. For our industrial equipment customers, infrastructure spending and residential and non-residential industrial volumes can significantly influence workloads and equipment requirements. In most circumstances, a new piece of industrial equipment typically operates intensively for the first four or five years of use. After the initial use period has expired, the equipment is generally replaced or put into a secondary, less intensive application.

Used Equipment Sales

The used equipment we sell is comprised mainly from inventory acquired through trade-ins from our customers, as well as certain selective purchases. The majority of our used equipment comprises the brands we offer to customers as new equipment sales. Management of the size, age and mix of our used equipment inventories is critical to successful used equipment sales and the profitability of those sales.

Our used agriculture equipment customers are influenced by factors similar to those influencing the purchase of new agriculture equipment. The market for agriculture equipment is an established market and a significant portion of new equipment purchases involve an equipment trade. Used agriculture equipment customers typically operate "family farms" and purchase harvesting equipment that is one to three seasons old, and other agriculture equipment that is one to five seasons old. Those customers generally keep their used harvesting equipment for several years, after which it is traded in on a newer unit, or sold at auction.

In the industrial equipment market, new industrial equipment sales typically do not involve an equipment trade as customers operate the equipment for substantially all of its useful life. Historically, our inventories of used industrial equipment have been relatively small and used industrial equipment sales have not been a major focus. Our used industrial equipment customers therefore tend to be smaller-scale end users that do not buy multiple pieces of equipment at one time. These customers generally look to purchase equipment that is one to five years old. Used industrial equipment is increasingly being sold through auctions, particularly when it has been used for several years.

Parts and Service Sales (Product Support)

Our product support revenues consist of sales of maintenance and replacement parts for equipment that we sell and rent (as well as for other types of equipment) together with charges for repairs (including warranty repairs) and maintenance provided for our customers' equipment through our parts and service departments. Product support is critical to the successful operation of each branch as it is typically the highest margin revenue source and typically exhibits more stability year-over-year than equipment sales. The total installed base grows through the sale of new equipment, which increases product support demand as we are often the only approved vendor of a particular manufacturer's parts in an area and are often identified as the only provider of warranty work approved by the manufacturer.

We drive our product support revenue by offering value-added programs to our customers at the time of sale such as repair and maintenance contracts, extended warranties, and full maintenance leases whereby we perform all maintenance and repairs on the equipment for a pre-established price. The types of equipment we sell (or rent) and their maintenance and repair requirements are becoming more complex and technical in nature, usually requiring expensive diagnostic and service equipment to effect proper repairs. This usually results in it being increasingly difficult for our customers to perform maintenance or repair work with their own staff. Furthermore, qualified mechanics to actually perform the work necessary are becoming much more difficult to find and retain. As a result, customers often outsource their equipment repair and maintenance requirements to us. As an authorized dealer for the equipment manufacturers we represent, we are better able to attract and retain quality personnel because of our wages, training, benefits, hours of work and general work environment. We are also able to invest in necessary sophisticated diagnostic equipment given the scale of our operations.

Our product support revenue related to agriculture equipment is primarily a function of the size of the installed base of agriculture equipment in our markets and geographic territories. Generally speaking, agriculture equipment will be used for fewer hours per year than industrial equipment. Because of the brief operating season for many types of agriculture equipment (e.g. during crop planting or harvesting), the equipment must be in good repair, fully operational and productive on short notice and on a timely basis. It is not uncommon for the life span of this equipment to be as long as 25 years, making for a long stream of potential parts and service business for many years after the initial purchase.

Other Sales - Finance and Insurance ("F&I"),

Each sale of new or used equipment enables us to offer our customer proprietary or third party purchase and lease financing, third party insurance products and manufacturers' extended warranties. We earn commissions and fees in respect of the F&I products we place through third parties.

The F&I products available through our F&I department fall into the following general categories: Disability Insurance, Life Insurance, Extended Warranties, Maintenance Packages, and Finance Rate Reserves. In addition to commissions earned and fees charged by our F&I department, certain F&I product suppliers may provide additional types of discretionary compensation to the Corporation when we achieve certain financial or other performance targets, which adds to our overall results.

Our Dealership Agreements

Our equipment dealerships operate pursuant to dealer agreements with the equipment manufacturers (or the applicable operating divisions of such manufacturers) whose products we sell, lease and support. Our typical dealer agreement assigns to us, as an independent equipment dealership, a geographically defined area of principal responsibility, providing us with distribution and product support rights within the identified territory for specific equipment products of the manufacturer. In each territory, there is typically only one dealership representing a particular brand that is responsible for retail sales to end-users; this same dealer will typically have responsibility for after-sales product support of the equipment, including approved warranty work. Whenever we acquire a new dealership, we also acquire the dealership agreements affiliated with that dealership, and incorporate that dealership's designated sales and service territory into our own.

Under these dealer agreements, we have both the right and obligation to sell the manufacturer's equipment and related parts and products and provide customers with the services specified by the equipment manufacturer. Our typical dealer agreement also imposes requirements on us regarding the location, appearance and maintenance of our branch facilities (including our showrooms), levels of new equipment and parts inventories, our facilities and equipment for servicing customers' equipment, and the training of personnel. Generally, we are restricted from marketing the manufacturer's equipment outside of our designated territory; however, we may have customers from outside our territory who chose to purchase equipment or obtain product support from one of our branches from time to time. This same geographic restriction does not apply to sales of used equipment.

Our dealer agreements, including our agreements with CNH, generally stipulate that we must display the equipment manufacturer's trademarks, service marks and designs in the form and manner approved by the manufacturer and that we must obtain applicable manufacturer's approval with respect to a number of matters. Certain agreements, including our agreements with CNH, identify key individuals who are to remain active participants in our business and, in certain cases, require that we obtain the manufacturer's approval of the individuals appointed as directors or executive officers of the Corporation. The equipment manufacturers closely monitor compliance with these requirements. In addition, some of our agreements, including our agreements with CNH, require us to maintain certain debt-to-tangible net worth ratios, working capital levels, sales levels and market share results, while also restricting our ability to carry competitors' products. Most of our equipment manufacturers, including CNH, require us to submit financial information and sales forecasts to them at regular periods.

Several of our dealer agreements have a one-year term that is automatically renewed for successive one-year terms, unless either party elects not to renew the term of the agreement. In most cases, our dealer agreements also permit the applicable equipment manufacturer to terminate the agreement in the event of our insolvency or bankruptcy or our material breach of other fundamental provisions or acts of default. Dealership agreements, including our CNH dealer agreements, are terminable by us or the manufacturer, generally on 30 to 180 days' notice. That being said, strong barriers to entry exist in the business due to the long lead time that is required to develop relationships with major manufacturers, the significant investment that is required for inventory and shop facilities, and customer relationships developed over time.

In addition to the foregoing, there exist certain legislative protections for agriculture equipment dealers in Alberta, Saskatchewan and Manitoba. The specifics of these laws vary from province to province. Generally speaking, however, these laws prohibit a manufacturer/distributor of farm equipment from arbitrarily and unilaterally terminating a dealer agreement without first proving proper "cause" (with "cause" being defined in each province's specific legislation). Upon termination of a dealer agreement, each province's legislation generally requires the manufacturer to repurchase from the dealer all new, unsold machine and parts inventories provided by said manufacturer to the dealer pursuant to the dealer agreement.

Similar legislative protections and manufacturer repurchase obligations do not exist for our industrial equipment manufacturers/distributors. It is not uncommon, however, for a distribution agreement with an industrial equipment manufacturer to permit, at the manufacturer’s option, the repurchase of unused equipment from the dealer.

Competition

The portfolio of equipment brands that we sell is unique, and our competition can vary widely depending on the brand. We face competition from other dealership groups that sell the same brands of equipment as we do, as well as those that sell competing brands of equipment. We have positioned our equipment portfolio such that there are no other dealership groups competing with us across the full range of our products. We represent the sole Case Construction dealership group for most of Alberta, and continue to be the most significant Case IH agriculture dealership group within Canada. Our in-line competition among Case Construction and Case IH agriculture dealers will generally be limited to competitors in provinces other than Alberta and Manitoba, along with several smaller agriculture equipment dealers.

Most equipment dealers operate within a designated area of prime responsibility as outlined in their dealer agreements with the various manufacturers they represent. As a result of these defined sales territories, our competition for equipment sales and rentals is predominantly with dealers of competing product lines. By and large, the agriculture equipment dealer competitors in our region have not been consolidated to the same extent that industrial equipment dealers have, and therefore are generally smaller in size. The size of our operation allows us to carry and maintain both a larger amount and greater variety of new and used equipment than many of our competitors. Additionally, we believe that with 37 branches across three provinces, a strong employee base and the infrastructure needed to meet all our customers' needs, we are well positioned to capitalize on equipment sales due to our broad product support coverage.

Competition for product support comes mainly from our customers' own work forces and smaller, independent mechanic shops. The size and complexity of the equipment we distribute, along with equipment manufacturers' desires to have warranty work performed only through authorized dealers, have inhibited the creation of large, multi-brand repair businesses in this industry. Competing equipment dealerships tend not to repair all makes of equipment, as their priority is to service their customer base and the product lines they distribute. To compete for product support business, we promote extended warranty and service agreements to our customers. Our branches are strategically located with hours of operation appropriate for meeting our customers' needs. In many instances, particularly during high-demand seasons such as harvest, our branches will have a 24-hour emergency service call line that our customers can use outside normal business hours. We also have field service vehicles at each branch, which are capable of servicing customers' equipment at their places of business or their job sites, eliminating the need for such customers to incur high transportation costs.

We face competition for our finance and insurance products from outside finance sources, such as chartered banks and independent finance companies. Our ability to offer manufacturers' captive finance programs, which may include subsidized finance rates, gives us a competitive advantage in meeting our customers' needs at the lowest cost. In addition, we offer a complete suite of finance and insurance products for customers, including warranty and maintenance packages, which are not available from outside sources. Finance and insurance products are sold at the time of the equipment sale, giving us the first and best opportunity to offer these products to the customer.

Seasonality and Cyclicality

Fluctuating seasonal revenue cycles are common in both the agriculture and industrial industries as a result of weather conditions, the timing of crop receipts and farming cycles and the timing of infrastructure expenditures. As a result, our financial results typically vary between quarters. The first quarter is generally the weakest due to the lack of agriculture activity and winter shutdowns, while the fourth quarter is the strongest due to conversions of equipment on rent with purchase options, and the post-harvest purchases that are typical in the agriculture sector.

Employees

As at December 31, 2015, we employed 860 non-unionized employees and management staff within the following functional groups: Sales Departments, Product Support - Parts Departments, Product Support - Service Departments, Finance and Insurance Departments, Agriculture Optimization/Geomatics, and Administration.

Environmental Responsibility

We are subject to a wide range of environmental laws and regulations, including those governing discharges into the air and water, the storage of petroleum substances and chemicals, the handling and disposal of wastes and the remediation of contamination. As with dealerships generally, and product support operations in particular, our business involves the generation, use, handling and disposal of hazardous substances and wastes. Pursuant to the laws and regulations governing these activities, provincial environmental agencies have established approved methods for the handling, storage, treatment, transportation and disposal of regulated substances and wastes with which we must comply.

Our business also involves the use of above ground storage tanks for waste petroleum products. Under applicable laws and regulations we are responsible for the proper use, maintenance and abandonment of our regulated storage tanks and for remediation of subsurface soils and groundwater impacted by releases from existing or abandoned storage tanks.

We are also subject to laws and regulations governing remediation of contamination at or from our facilities or to which we send hazardous or toxic substances or wastes for treatment, recycling or disposal. Our employees, through training by our team of employees responsible for health, safety and environment, have been educated in the proper handling and disposal of hazardous materials.

While we continue to monitor our compliance to the various environmental laws and regulations applicable to the Corporation, we do not anticipate the capital or operational cost of our compliance to these laws to be material in current and future periods.

RISK FACTORS

The following are certain risk factors related to the business of the Corporation in addition to those discussed elsewhere in this Annual Information Form. The following information is a summary only of certain risk factors and, is qualified in its entirety by reference to, and must be read in conjunction with, the detailed information appearing elsewhere in this Annual Information Form.

Risks Related to Our Business

Economic Conditions

Our business depends in large measure on general activity levels in the agriculture industry. There are many factors which could adversely affect that industry and ultimately result in a decrease in the amount of agriculture equipment that our customers purchase, including changes in farm income and farmland value, legislative changes, the level of worldwide farm output and demand for farm products, commodity prices, animal diseases and crop pests, economic protectionism in target markets, transportation constraints and difficulties getting crop to market, as well as other limits on agriculture imports. Certain adverse changes, including changes to government regulations and programs to the ethanol and biofuels industry may adversely impact commodity prices, and thus, our business. The nature of the agriculture equipment industry is such that a downturn in demand can occur suddenly, resulting in excess inventories, un-utilized production capacity and reduced prices for new and used equipment. There are also numerous factors that could result in a decrease in the amount of industrial equipment that our customers purchase, including downturns in energy and commodity prices, reductions in public and infrastructure spending, downturns in housing markets and downturns in residential or commercial industrial activity. These downturns may be prolonged and our revenue and profitability would be harmed, which harm could last for an extended period of time.

Our customers generally operate in the agriculture, industrial, resource development, transportation, manufacturing, industrial processing and utilities industries. Those industries generally are capital intensive and cyclical in nature. As a result, customer demand for our products and services may be affected by economic conditions at both a global and a local level. Changes in interest rates, consumer and business confidence, corporate profits, credit conditions, foreign exchange, commodity prices and the level of capital and/or infrastructure spending by both government and private business may influence our customers' operating, maintenance and capital spending, and consequently our sales. These macro-economic factors, combined with the effect it may have on our customer demand and timing of purchases from us, may also affect our compliance under the financial covenants imposed on us by our lenders (see discussion under the heading "**Credit Facilities**" in this AIF for more information). As such, adverse changes in the foregoing economic conditions, among others, may adversely affect our results of operations and cash flows, may cause our debt to become current, and may impact our ability to pay our dividend.

Weather and Climate Conditions

Much of our business is both directly and indirectly affected by unfavourable or extreme changes in climate and weather. For instance, unfavourable weather conditions can create circumstances where it is difficult or even impossible for our agriculture customers to plant or harvest their crops, resulting in partial or total crop loss in a given growing season or seasons. Such a situation would adversely affect our customers' operations and revenues, which in turn could result in our customers being unable or unwilling to add to or replace their equipment fleet. Furthermore, such weather conditions can create situations where our customers are more likely to perform certain maintenance activities on their equipment themselves, thereby adversely affecting our product support revenues. Additionally, extreme weather, even in an area not directly serviced by Rocky, could result in an over-supply of inventory for our industry and our competitors, which could create downward pressure on prices and negatively affect our revenues and profitability. In short, an adverse change in weather or climate conditions could have significant consequences on our operations, cash flows and profitability.

Commodity Prices

Many of our customers are directly and indirectly affected by fluctuations in commodity prices in the agriculture, forestry, metals and minerals, petroleum and natural gas industries and, as a result, we are also indirectly affected by fluctuations in those prices. An adverse change in commodity prices or the regulatory, tax or operating environments for customers in those industries may adversely affect our results of operations, cash flows and profitability.

Inventory Risk

The vast majority of our inventory consists of both new and used agriculture and industrial equipment. At all times, we strive to maintain an appropriate balance of equipment inventory on-hand to meet our customers' ever-changing needs. We acquire inventory through two primary channels – (i) new inventory received from our manufacturer partners for retail sale and (ii) used inventory, specifically used agriculture equipment inventory, primarily in the form of trades on agriculture equipment sales. Accordingly, while significant sales of agriculture equipment, both new and used, can drive revenue and cash flow, the trade-in equipment generally taken in on such sales can create a significant risk to our balance sheet. We strive to ensure that all new and used inventory throughout our network is acquired and priced appropriately at all times. And while we believe that our inventory management and pricing systems are sufficient, variations in market demand for the products we sell, as well as external market conditions beyond our control, can result in certain items in our inventory becoming obsolete, or otherwise requiring a significant write-down of our inventory balance.

For instance, a prolonged period of adverse weather, such as a drought or a flood, even if it occurs in an area in which the Corporation does not maintain active operations, may cause sales to stagnate and our inventory levels, including the carrying costs of the same, to stay constant or even increase. This could create downward pricing pressure on the inventory we carry. Another scenario is one of our manufacturers discontinuing a particular product that we carry, thereby rendering our existing inventories of that particular product obsolete or devalued. Additionally, certain equipment we carry has a seasonal use and application, such as seeders, sprayers and combine harvesters. Inventory in those product categories generally sell during a specific period occurring once per year. Any unsold inventory in those product categories may have to be held by the Corporation for an additional year, increasing the risk of a write-down of that inventory balance. In each instance, these could have a significant negative impact on our results from operations, cash flows, and profitability.

Industry Oversupply

Equipment manufacturers continue to offer incentives to dealers of agriculture and industrial equipment. As a result, the volume of new equipment made available to us for distribution has increased as such incentives are offered. An oversupply of equipment in the marketplace could adversely affect equipment prices. As stated above, in many instances a sale of agriculture equipment usually involves a trade-in. When customers purchase new equipment and trade in old equipment on a frequent (i.e. yearly) basis, this can create a significant supply of used equipment not only for us, but across the industry. Hence, an oversupply of used equipment could adversely affect demand for, or the market prices of, new and used equipment.

Seasonality and Cyclicality

Our customers operate in industries that are affected by seasonality. The seasonal nature of our customers' businesses affects their demand for our equipment and services. We generally experience a lower volume of equipment sales during the first quarter of the calendar year due to winter weather making certain types of agriculture and industrial work difficult or impossible to perform. Historically the fourth quarter of the calendar year has been the strongest quarter for the Corporation. Typically, farmers purchase agriculture equipment immediately prior to planting or harvesting crops, which occurs during our second and third quarters, or at the end of the calendar year. Winter weather in Alberta also limits construction activity and, therefore, also typically results in lower sales of industrial equipment in the first quarter. A significant increase in the severity of weather cycles may adversely affect our results of operations and financial condition. In addition, if we acquire any businesses in geographic areas other than where we currently have operations, we may be affected by additional seasonal trends.

Sales of equipment, particularly new units, have historically fluctuated with general economic cycles. During economic downturns, industrial equipment dealerships may experience declines in new equipment sales in particular. Our agriculture equipment business is affected by additional factors including farm cash receipts, generally a function of crop prices and yields, which can be adversely affected by factors such as extreme weather conditions.

Foreign Exchange Exposure

The valuation of equipment in the North American market is largely dictated in U.S. dollars. The recent decline of the Canadian dollar relative to the U.S. dollar has resulted in significant pricing increases on our new equipment inventory. As most equipment inventory throughout the industry is purchased in U.S. dollars, the resulting price disparity within Canadian dealers' equipment profiles results from the timing of orders and the foreign exchange rates which prevailed at the time of the transaction. Sudden increases in pricing due to foreign exchange fluctuations can alter buying patterns of customers, prompting them to delay or altogether cancel any anticipated equipment purchases. While a disparity in the Canadian dollar relative to the U.S. dollar can create a market for our used equipment in the United States, the positive impact of this would not likely be enough to offset the negative consequences of a currency depreciation.

Reliance on Key Manufacturers

We hold the right to distribute new CNH equipment and parts, and to provide warranty work, in our defined sales territories. Subject to certain legislative requirements and restrictions noted below under the heading "**Nature of Dealership Agreements**", the distribution rights associated with these dealership agreements can be cancelled by CNH if the Corporation does not observe certain established guidelines and covenants, which is common for this industry.

Our business also depends on the continued market acceptance of our equipment manufacturers' products. We also depend on those manufacturers for the timely supply of parts and equipment to fulfill our deliveries to customers.

Much of our success depends upon our ability to manage the supply and cost of new and used equipment. Prices of new and used agriculture and industrial equipment may fluctuate significantly due to economic cycles, utilization trends and degrees of specialization. We depend upon our manufacturers continuing to supply us with equipment at competitive prices, and to provide us with competitive pricing programs for our customers. Adverse changes in equipment prices may occur for a variety of reasons, and can materially adversely affect our results of operations and financial condition.

While we believe that our equipment manufacturers have excellent brand recognition and customer support and will continue to do so, there can be no assurance that they will be able to maintain their reputations and market positions in the future. If our equipment manufacturers are unsuccessful in developing and enhancing their product lines to meet evolving customer needs, are unable to maintain the quality of their products, are unable to provide products at competitive prices, or stop manufacturing a particular line or brand of products altogether, the market acceptance for the equipment manufacturers we represent and/or their products they make may diminish. Any resulting decrease in the demand for our equipment manufacturers' products may materially adversely affect our business, results of operations, cash flow and profitability.

Continued Ability to Pay Dividend

As noted below under the heading "**Dividends**", dividends are declared by the Corporation after first assessing its cash availability, and after giving consideration to the consolidated growth and maintenance capital requirements and the consolidated debt repayment requirements of the Corporation. Our continued ability to declare and pay dividends will depend on the financial performance of the Corporation going forward, and dividends may be impacted from time to time by the risk factors set out herein. Furthermore, there is a risk that, under certain conditions, our lenders may impose restrictions on the timing of, or our ability to pay or increase, our dividends. Accordingly, the amount and timing of future dividends is not assured and is always subject to the review and approval of the Corporation's Board of Directors, as well as being subject to various external factors.

Nature of Dealership Agreements

In the equipment dealership industry, relationships with equipment manufacturers are generally governed by dealer agreements, which are often called a "Sales and Service Agreement." In most instances, these agreements automatically renew at the end of their terms. These agreements usually contain a termination provision allowing either party to terminate the agreement for any reason after providing a short notice period. In addition, they usually contain provisions allowing for immediate termination of the agreement under certain circumstances. As stated earlier, however, certain legislative protections exist in Alberta, Saskatchewan and Manitoba requiring the manufacturer/distributor to prove proper "cause" sufficient to terminate these agreements.

These agreements generally impose a number of restrictions and obligations on us, including obligations to actively promote the sale of certain equipment within designated geographic areas of responsibility, provide certain product support to our customers, maintain certain parts inventories, fulfill warranty obligations, maintain adequate working capital and maintain branches in authorized locations.

Furthermore, equipment manufacturers may unilaterally change the terms of their agreements with us to change, among other things, our sales and service areas, products, pricing or delivery terms. As at the date of this Annual Information Form, the Corporation is in discussions with CNH regarding their proposed implementation of a new and updated Sales and Service Agreement (the "**Proposed CNH Sales and Service Agreement**"). While we believe that the new terms of the Proposed CNH Sales and Service Agreement will not have significant or material changes to its operations relative to the Existing CNH Sales and Service Agreement, there is no guarantee this will be the case. We will note, however, that all terms of the Proposed CNH Sales and Service Agreement must conform to the requirements of provincial dealer protection laws, as discussed earlier. Any term in the Proposed CNH Sales and Service Agreement that conflicts with these provincial dealer protection laws will be deemed null and void.

Equipment manufacturers routinely conduct evaluations of dealership standards, customer satisfaction surveys and market share studies. The results of those studies may affect our relationships with the equipment manufacturers. Equipment manufacturers may use the evaluation results to increase or decrease the pricing to dealers such as ourselves, or limit or expand the availability of financing, warranty reimbursements or other marketing incentives, as well as make changes to payment terms for dealers. This may affect our interest rates or repayment terms, which may have a materially negative or positive impact on working capital balances such as cash, inventory, accounts payable, floor plan payable and bank indebtedness. If our equipment manufacturers were to change the terms of our dealership agreements, or terminate any or all of these agreements in a manner that adversely affects us (notwithstanding the legislative protection available to agriculture equipment dealers), our business may be harmed.

Interest Rates

Our customers finance the majority of the equipment that they purchase from us. A customer's decision to purchase equipment is significantly affected by the interest rates available to the customer. Increases in interest rates make financing equipment purchases more expensive for our customers and, as a result, our revenue and profitability may decrease as we manage excess inventory and reduce prices for equipment.

We also finance our equipment inventory, certain capital expenditures, business acquisitions, and occasionally, our other general working capital requirements, by way of various financing facilities under which we are charged interest at floating rates. As a result, rising interest rates may have the effect of increasing our costs. To the extent we cannot pass these increased costs on to our customers, our net income may decrease.

Changes in Common Share Value

In 2014 and 2015, the Corporation entered into a number of total return swap transactions to hedge the exposure associated with increases in its share value on its outstanding Directors' Share Units and Share Appreciation Rights. The total return swaps are derivative financial instruments, whose purpose is to offset the incremental cost to the Corporation associated with increases in its Common Share price on its cash-settled, share-based payments. As at the date of this AIF, the decline in the Corporation's share price, relative to the mark-to-market on the total return swap, had created a non-cash charge to the Corporation. To the extent that the Common Share price is below the weighted average cost of the hedged position, the Corporation may be exposed to cash charges that may materially impact its earnings and balance sheet. For further discussion on these total return swap transactions, please refer to the discussion contained under the headings "**Derivative Financial Instruments**" and "**Total Return Swaps**" in the Corporation's Management's Discussion and Analysis, dated March 15, 2016, which discussion is incorporated by reference into this Annual Information Form.

Government Regulation

Our business is subject to evolving laws and government regulations. Changes to such laws and regulations may impose additional costs on us or may adversely affect our business in other ways. As well, many of our customers operate in highly regulated industries. Regulatory changes in the industries in which our customers operate may affect their capital spending and consequently may adversely affect our revenues and results of operations.

An example of legal or regulatory changes affecting our business is the legislative changes regarding off-road diesel engine emissions in both Canada and the United States. The transition from the prior "Tier 3" emissions standard to the finalized "Tier 4" emissions standard resulted in increased manufacturing costs, which have then in turn increased wholesale cost of equipment. To the extent we cannot pass on these increased costs of inventory to our customers, our profitability may decrease.

Changes in government agriculture policy can adversely affect sales of agriculture equipment. Government support programs, as well as various taxation programs, influence demand for agriculture equipment. The reduction or elimination of these various programs or tax incentives can have a negative impact on the demand for our products and services. Furthermore, recent changes in employment, health and safety legislation in Alberta may result in increased compliance costs for farmers. While the full economic effects of these changes are not known at this time, to the extent that these changes create additional expense to our customers' business, this may have a negative effect on demand for our products and services.

Competition

The agriculture and industrial equipment sales and distribution industries are highly competitive and fragmented. We have a large number of competitors that range from multi-location, regional operators to single-location, local dealers, in addition to dealers and distributors of competing equipment brands. In sales of industrial equipment, we compete with dealers of equipment from manufacturers such as Caterpillar, John Deere, Volvo and Komatsu. In sales of agriculture equipment, we compete with dealers of equipment from manufacturers such as AGCO and John Deere. We also compete with other CNH equipment dealers, primarily with respect to agriculture equipment. Some of our competitors may have substantially greater capital resources than we do. Our competitors may seek to compete aggressively on the basis of pricing. To the extent we choose to match our competitors' downward pricing, we may adversely affect our results of operations. To the extent we choose not to match or remain within a reasonable competitive distance from our competitors' pricing, we may adversely affect our results of operations, as we may lose sales volume. In addition, to the extent our competitors' equipment manufacturers provide them with more innovative and/or higher quality products, better customer financing, or have more effective marketing efforts, our ability to compete, financial condition and results of operations could be adversely affected.

There can be no assurance that we will be able to continue to effectively compete. Increased competitive pressures or our inability to maintain the factors that have enhanced our competitive position could adversely affect our results of operations, cash flows and profitability.

Credit Facilities

The Corporation has various credit facilities to finance its equipment inventory, certain capital expenditures and, occasionally, other general working capital requirements. While we believe that these credit facilities will be adequate to fund our working capital requirements, there can be no assurance that additional credit will be made available if required, or that an appropriate amount of credit with comparable terms and conditions will be available when these credit facilities mature. The maturity dates for our various credit facilities vary depending on the facility in question. For further discussion, please refer to the discussion set forth under the heading "**Adequacy of Capital Resources**" in the Corporation's Management's Discussion and Analysis, dated March 15, 2016, which discussion is incorporated by reference into this Annual Information Form.

The Corporation utilizes derivative financial instruments, such as interest rate swaps, to hedge its exposure to changes in interest rates. We do not use derivatives to speculate, but rather as a risk management tool.

Our credit facilities contain restrictive covenants that place restrictions on, among other things, the ability of the Corporation to encumber or dispose of its assets, the Corporation's liquidity and financial leverage, and certain reporting obligations. A failure to comply with the obligations and financial covenants of these credit facilities could result in an event of default, which, if not cured or waived, could result in:

(i) the associated debt becoming due and payable;

(ii) the implementation of restrictions on our ability to draw on our facilities; and/or,

(iii) the implementation of restrictions on our ability to make distributions to shareholders.

There can be no assurance that the Corporation's assets would be sufficient to repay our credit facilities in full.

Consolidation within the Equipment Manufacturing Industry

Consolidation within the heavy equipment manufacturing industry may affect the products we can distribute, in either a favourable or unfavourable manner. Consolidation of manufacturers may have a negative impact on our results of operations, profitability and cash flow if the product lines we distribute become unavailable as a result of consolidation.

Non-Exclusive Nature of Key Geographic Markets

Our equipment manufacturers have assigned geographically defined areas of principal responsibility to us, which generally grant us distribution and product support rights within those markets. However, there can be no assurance that our equipment manufacturers will not appoint other equipment dealers in close proximity to our existing branches. In some cases, and with relatively little advance warning, the sales and service geographic areas of responsibility assigned to our dealerships can be enlarged or reduced by our equipment manufacturers upon prior written notice. Dealers of competing equipment brands can also sell in our sales and service geographic areas of responsibility. To the extent our equipment manufacturers enlarge or reduce the sales and service geographic areas of responsibility relating to our branches, amend our dealership agreements, or impose new or different terms or conditions under such agreements, our operations and financial condition may be adversely affected.

Customer Credit Risks

We extend credit to our customers, generally on an unsecured basis. Although we are not substantially dependant on any one customer and we have a system of credit management in place, the failure to collect a large receivable would have an adverse effect on our profitability.

In some circumstances, we provide recourse assurances to finance providers on behalf of our customers. Such assurances can take the form of assuring the resale value of equipment or agreeing to buy back the equipment if the customer defaults on payments. Those assurances are subject to certain conditions being met by the customer, such as maintaining the equipment in good working condition. While in most cases the fair market value of the equipment on the exercise date has been greater than the guaranteed repurchase price, there can be no assurance that we will not incur losses as a result of those assurances in the future. Again, the exercise of a recourse assurance against us could have a significant impact on our profitability.

Information Systems

Our business processes, including marketing of equipment and support services, inventory and logistics, and finance largely depend upon the integrity of our information systems. We use an integrated business system for dealers in the industrial or agriculture equipment business. Any disruptions to our information systems or the failure of such systems to operate as expected may adversely affect our operating results by limiting our ability to effectively monitor and control our operations.

Available Floor Plan Financing

We generally finance our equipment inventories with floor plan financing facilities provided by certain equipment manufacturers and other lenders. As we grow, whether internally or through acquisitions, our inventory requirements will increase and, as a result, our financing requirements will also increase. In the event that our available financing sources are not maintained or are insufficient to satisfy our future requirements, we would be required to obtain financing from other sources. To the extent such additional financing cannot be obtained on commercially reasonable terms, our growth and results of operations may be adversely affected.

Unfavourable Conditions in Key Geographic Markets

Our performance is also subject to local economic, competitive and other conditions prevailing in the particular geographic areas of our authorized equipment dealerships. All of our dealerships are, as of March 15, 2016, located in Alberta (22 branches), Manitoba (11 branches) and Saskatchewan (4 branches). Because all of our branches are located in these three provinces, our performance may be subject to local economic, competitive and other conditions prevailing in those provinces.

Import Product Restrictions and Foreign Trade Risks

A significant portion of our new equipment business involves the sale of equipment or parts that are manufactured outside Canada. As a result, our operations are subject to customary risks of importing merchandise, including fluctuations in the relative values of currencies, import duties, exchange controls, trade restrictions, work stoppages, international disputes, increases in shipping rates, environmental catastrophes, shipping or transportation disruptions and general political and socio-economic conditions in foreign countries. Canada or the countries from which our products are imported may, from time to time, impose new quotas, duties, tariffs or other restrictions, or adjust presently prevailing quotas, duties or tariffs, which may affect our operations and our ability to purchase imported equipment or parts at reasonable prices.

Insurance

We maintain insurance coverage that is ordinarily maintained by similar businesses, including property insurance and general liability insurance. Although the limits and deductibles of such insurance have been established through risk analysis and the recommendation of professional advisors, there can be no assurance that such insurance will remain available to us at commercially reasonable rates or that the amount of such coverage will be adequate to cover all liability incurred by us. If we are held liable for amounts exceeding the limits of our insurance coverage or for claims outside the scope of that coverage, our business, results of operations and financial condition may be adversely affected.

Branch Leases

We lease our branch premises from both unrelated third parties and related parties, and if we are unable to obtain commercially reasonable terms and conditions from these related parties or unrelated third parties in the future, our growth and financial condition may be adversely affected.

As of March 15, 2016, we lease 19 of our 37 branch premises from entities affiliated with one or more executive officers or directors of the Corporation. We expect that we may renew leases on current branch premises from parties affiliated with one or more of our executive officers. Notwithstanding the foregoing, there is no guarantee that, on renewal, we will be able to maintain commercially reasonable terms and conditions for our current dealership sites. Furthermore, there is no guarantee we will be able to obtain commercially reasonable terms and conditions for any future dealership that we may wish to grow into. In each instance, this could impact our growth and profitability.

Key Personnel

Our success largely depends on the abilities and experience of our senior management team and other key personnel. Historically, certain individuals such as Matthew Campbell, Derek Stimson and Garrett Ganden have carried a significant amount of the management responsibility of our business. Mr. Campbell and Mr. Stimson no longer work in an executive capacity for the Corporation, and we continue to transition to a new generation of leadership within Rocky. However, the continued guidance, leadership, support and knowledge of Mr. Campbell and Mr. Stimson are still important to the Corporation's continued success in the short-term, and therefore maintain their respective positions as Chair and Vice-Chair of the Corporation’s Board of Directors.

Our future performance will also depend on our ability to attract, develop, and retain highly qualified employees in all areas of our business. We face significant competition for individuals with the skills required to develop, market and support our products and services. If we fail to recruit and retain sufficient numbers of these highly skilled employees, we may not be able to achieve our growth objectives and our business may be adversely affected.

Labour Relations

Although none of our employees are currently unionized, any organized work stoppage or other similar job action may have a material adverse effect on our business, financial condition, liquidity and results of operations. In addition, there can be no assurance that some or all of our employees will not unionize in the future. Such an occurrence could increase labour costs and thereby have a material adverse effect on our business, financial condition, liquidity and results of operations.

Labour Costs and Shortages

The success of our business depends on a large number of employees. Historically, we have had some challenge in attracting and retaining skilled labour, particularly equipment technicians, due to competition with the energy sector for these people. In 2012, we responded to this challenge by implementing a program to hire temporary foreign workers as heavy-equipment technicians. The terms of their employment and related work permits required them to remain employed with Rocky for a period of two years. In 2015, local economic conditions created an increase in available local talent, thereby allowing Rocky to significantly scale back its reliance on its temporary foreign worker program.

While at present these market conditions have resulted in a period of ample local labour resources at reasonable costs, we are mindful of how quickly these conditions can change. We are continually evaluating our practices in attracting and retaining the skilled employees we need. In particular, we continue to invest in relationships with various trade schools and other organizations, both local and abroad, to help ensure a steady supply of talent when needed. We are cognizant, however, that an upturn in the economy, particularly in the energy sector, can and will most likely create another labour shortage that we will have to contend with. To the extent that we are not able to meet our customers' needs with our workforce, our revenue and operational results may suffer, and could have a material effect on our business.

Freight Costs

Our freight costs are affected by changes in fuel prices and other shipping costs. Fuel prices and other shipping costs affect freight costs both on inbound freight from vendors to our dealership and our outbound freight as well. Increases in fuel prices or other shipping costs may increase freight costs and thereby increase our cost of goods sold, which may in turn adversely affect our dealership's business, financial condition, liquidity and results of operations.

Future Warranty Claims

We provide manufacturers' warranties for most of the equipment we sell. There is a risk that we may not complete warranty claims within the times allowed by the manufacturer resulting in less than full coverage of our costs. If our shortfall for such claims is greater than anticipated, it may adversely affect our business, results of operations, and financial condition.

Product Liability Risks

Products sold or serviced by us may expose us to potential liabilities for personal injury or property damage claims relating to the use of such products. There can be no assurance that we will not incur any liability for such claims in the future. While we maintain product liability insurance, there can be no assurance that such insurance will be adequate to cover all product liability claims. There also can be no assurance that such insurance will continue to be available on commercially reasonable terms. An uninsured or partially insured claim for which indemnification is not provided could have a material adverse effect on our financial condition. Furthermore, if any significant claims are made against us or against any of our equipment manufacturers, our business may be adversely affected by any resulting negative publicity.

Restrictions on and Impediments to Acquisitions

The success of our growth strategy depends largely on our ability to acquire additional equipment dealerships, and, by consequence, additional exclusive sales territories. Our ability to acquire additional geographic areas of responsibility and store locations or other businesses depends upon the availability and price of suitable acquisition candidates, the availability of capital to complete acquisitions and our ability to compete effectively for available acquisition candidates. In addition, acquiring equipment dealerships generally requires the consent of the equipment manufacturer itself. Equipment manufacturers typically evaluate management, performance, capitalization of a prospective acquirer, and competing product offerings, in determining whether to consent to the sale of a dealership. There can be no assurance that any equipment manufacturer will consent to any or all acquisitions of dealerships that we may propose.

Aviation Risks

In 2015, the Corporation began offering geomatics and geospatial survey services, utilizing data collected by unmanned aerial vehicles or "**Drones**". While these services represent an immaterial portion of the Corporation's overall operations and revenue, the potential hazards of flight of any kind can create a material risk. The Corporation acknowledges that this is an evolving area of business and activity and that the regulatory environment for Drone operation continues to evolve. There is always a risk that regulations may change and the Corporation may be found to be non-compliant. At present, we maintain Special Flight Operations Certificates with Transport Canada, which allow us to operate our Drones across Canada.

To help mitigate risk in this area, the Corporation maintains a set of safety protocols and procedures that meet or exceed all current regulatory requirements in this field. It also maintains insurance to cover flight risks, and generally works to keep aware of any changes or proposed changes to the regulatory landscape in this area. However, there is still no assurance that all risks can be avoided, and the consequences of an incident involving a Drone may present a material liability to the Corporation.

Growth Risks

As part of our long-term corporate strategy, we intend to grow our business through a combination of organic growth and strategic acquisitions. Our ability to successfully grow our business will depend on a number of factors including: identification of accretive new business or acquisition opportunities; negotiation of purchase agreements on satisfactory terms and prices; prior approval of acquisitions by the applicable equipment manufacturer or other parties, including regulatory authorities; securing attractive financing arrangements; and integration of newly acquired operations into the existing business. All of those activities may be more difficult to implement or may take longer to execute than we anticipate. Any failure of the Corporation to manage its acquisition strategy may have a material adverse impact on our business, results of operations, and financial condition.

Further, any significant expansion of our business may increase the operating complexity of the Corporation, and divert management's attention from regular business activities.

There can be no assurance that our systems, procedures and controls will be adequate to support our expanding operations. Any future growth may also impose significant added responsibilities on our executives, including the need to identify, recruit and integrate new senior level managers and executives. There can be no assurance we will be able to identify and retain such additional management. If we are unable to manage growth efficiently and effectively, or are unable to attract and retain additional qualified management, there could be a material adverse effect on our financial condition and results of operations.

Integration of Acquisitions

We face certain risks in integrating acquired dealerships into our business. Those risks include incurring significantly higher than anticipated capital expenditures and operating expenses; failing to assimilate the operations and personnel of the acquired dealerships; disrupting our ongoing business; dissipating our management resources; and failing to maintain uniform standards, controls and policies. Additionally, due to the nature of our business, a significant proportion of our acquisition targets are located in rural communities. Personal relationships with customers and community play an integral role in these businesses, especially within agriculture equipment dealerships. When making an acquisition, we must be very attentive to the pre-existing relationships that are in place between the current management and staff, the customers and the community at large in these locations. Each acquisition carries the risk of impairing these vital relationships that have been forged over time. There can be no assurance that we will be successful in overcoming these risks or any other problems encountered with such acquisitions. To the extent we do not successfully overcome the risks related to acquisitions, our results of operations and financial condition may be adversely affected. Future acquisitions also will have a significant impact on our financial position and capital needs, and may cause substantial fluctuations in our quarterly and yearly results of operations. Acquisitions may include significant goodwill and intangible assets, which may result in future impairment charges that would reduce our stated earnings. Although we make every effort to integrate new operations, there can be no assurance that we will fully realize the anticipated revenues, synergies, or other intended benefits associated with potential acquisitions.

DIVIDENDS

The Corporation has historically made quarterly cash dividend payments of a portion of its funds available for dividends to shareholders. Dividends are declared by the Corporation after first assessing its cash availability, and after giving consideration to the consolidated growth and maintenance capital requirements and the consolidated debt repayment requirements of the Corporation. Commencing June 30, 2008, the Corporation began paying an annual dividend of $0.18 per Common Share, paid in quarterly payments of $0.045 per Common Share on the last business day of each fiscal quarter. On May 14, 2012, the Corporation announced a 50% increase in the annual dividend to $0.27 per Common Share, to be paid in quarterly payments of $0.0675 per Common Share. On May 13, 2013, the Corporation announced a 48% increase in the annual dividend to $0.40 per Common Share, to be paid in quarterly payments of $0.10 per Common Share. On May 6, 2014, the Corporation announced a 15% increase in its annual dividend to $0.46 per Common Share, to be paid in quarterly payments of $0.115 per Common Share. On May 5, 2015, the Corporation approved a quarterly dividend of $0.115 per Common Share. The following tables summarize our quarterly dividends paid for the three most recently completed fiscal years:

2013

Record Date	Payment Date	Dividend Per Share ($)
February 28, 2013	March 28, 2013	0.0675
May 31, 2013	June 28, 2013	0.10
August 30, 2013	September 30, 2013	0.10
November 29, 2013	December 31, 2013	0.10

2014

Record Date	Payment Date	Dividend Per Share ($)
February 28, 2014	March 31, 2014	0.10
May 30, 2014	June 30, 2014	0.115
August 29, 2014	September 30, 2014	0.115
November 28, 2014	December 31, 2014	0.115

2015

Record Date	Payment Date	Dividend Per Share ($)
February 27, 2015	March 31, 2015	0.115
May 29, 2015	June 30, 2015	0.115
August 31, 2015	September 30, 2015	0.115
November 30, 2015	December 31, 2015	0.115

The payment of dividends is subject to the ongoing discretion of the Board of Directors, and dividends may be reduced or terminated based on such discretion. In addition, our credit facilities, including our floor plan financing agreements, and certain of our dealer agreements may limit our ability to pay dividends and, accordingly, our ability to pay dividends on our Common Shares will depend on, among other things, our level of indebtedness at the time of the proposed dividend and whether we are in compliance with such agreements.

DESCRIPTION OF CAPITAL STRUCTURE

Common Shares

Rocky is authorized to issue an unlimited number of Common Shares without nominal or par value. As at March 15, 2016, a total of 19,384,086 Common Shares are issued and outstanding. The holders of Common Shares are entitled to receive dividends if, as and when declared by the Board, to one vote per share at meetings of shareholders and, upon liquidation, to share equally in the remaining assets of the Corporation.

Class A Shares

Rocky is authorized to issue an unlimited number of Class A shares, issuable in series, without nominal or par value. No Class A shares are issued as at the date hereof. The Class A shares may from time to time be issued in one or more series, and the Board may fix the number of shares for, and the designation, rights, privileges, restrictions and conditions attaching to, each series of Class A shares including, without limitation, any voting rights, dividends, terms and conditions of redemption, purchase and conversion or other provisions.

MARKET FOR SECURITIES

Trading Price and Volume of the Corporation's Shares

The Common Shares of the Corporation trade on the Toronto Stock Exchange under the symbol "RME." The Corporation's Common Shares are also quoted on the OTCQX International Marketplace under the symbol "RCKXF."

The following table sets forth the monthly high, low, and closing trading prices on the Toronto Stock Exchange and the aggregate volume traded for the Common Shares of the Corporation in 2015, as reported by sources the Corporation believes to be reliable for the periods indicated:

Period (2015)	High ($)	Low ($)	Close ($)	Volume Traded
January	9.74	8.20	8.30	436,518
February	8.88	8.26	8.76	543,340
March	9.22	8.55	8.70	321,687
April	9.48	8.55	8.94	315,206
May	9.50	8.90	9.10	186,012
June	9.39	8.54	9.20	596,554
July	9.49	8.17	8.62	666,891
August	8.74	5.82	6.88	1,171,729
September	7.53	6.38	6.43	409,335
October	7.23	6.42	6.84	320,582
November	6.89	6.30	6.53	707,682
December	6.70	5.65	6.24	730,594

DIRECTORS AND OFFICERS

The following table lists the names of the directors and executive officers of Rocky, their province and country of residence, positions and offices with the Corporation, principal occupations and the number of Common Shares held by each director and officer as at the date of this Annual Information Form:

Name, Province and Country of Residence	Position with the Corporation	Principal Occupation (During preceding five (5) years)	Number of Shares and of Shares Beneficially owned, controlled or directed(5)
Matthew C. Campbell Alberta, Canada	Director and Board Chair since February, 2015	Board Chair, Former Chief Executive Officer of the Corporation	2,330,130(4)
Derek I. Stimson Alberta, Canada	Director and Board Vice-Chair since February, 2015	Board Vice-Chair, Former President of the Corporation	1,747,898
Paul S. Walters(1)(2)(3) Ontario, Canada	Director since October, 2007	Independent Businessman, President of Canada One Auto Group Ltd.	10,000
Dennis J. Hoffman(1)(2) Alberta, Canada	Director since October, 2007	Independent Businessman	25,750
Robert K. Mackay(2) British Columbia, Canada	Director since May, 2013	Independent Businessman, former President of Ritchie Bros. Auctioneers Incorporated.	Nil
Scott A. Tannas(1)(2) Alberta, Canada	Director since August, 2014	Independent Businessman, Canadian Senator	20,000
Cameron W. Crawford(1) Alberta, Canada	Director since October, 2015	Independent Businessman	Nil
William DeJong(2) Alberta, Canada	Director since October, 2015	Barrister & Solicitor	Nil
Garrett A.W. Ganden Alberta, Canada	President and Chief Executive Officer since February, 2015, Director since May, 2015	President and CEO of the Corporation, former COO and CFO of the Corporation	101,752(4)
David J. Ascott Alberta, Canada	Chief Financial Officer since August, 2011	Chief Financial Officer of the Corporation	14,216
Jerald D. Palmer, Jr. Alberta, Canada	General Counsel & Corporate Secretary since November, 2010	General Counsel & Corporate Secretary of the Corporation	5,569

Notes:
(1) Member of the Audit Committee.
(2) Member of the Compensation, Governance and Nominating Committee.
(3) Lead Independent Director.
(4) 1229458 Alberta Ltd., a company in which both Mr. Campbell (indirectly through other companies) and Mr. Ganden are shareholders, owns 10,000 shares of the Corporation. Mr. Campbell (indirectly through other companies) is the majority owner of this company and said shares are reported in this Annual Information Form as owned by Mr. Campbell only.
(5) Numbers reported here are based on share numbers reported on the System for Electronic Disclosure by Insiders (SEDI) as at the date of this Annual Information Form.

The term of office for each of the foregoing directors will expire at the close of the next annual meeting of the shareholders of the Corporation.

The directors and officers of the Corporation, as a group, beneficially own, directly or indirectly, or exercise control or direction over, an aggregate of 4,255,315 Common Shares of the Corporation representing 21.95% of the issued and outstanding Common Shares of the Corporation as at March 15, 2016, calculated on a basic, undiluted basis.

The principal occupations of each of the directors and executive officers of the Corporation for the five years preceding the date of this Annual Information Form are set out below.

Matthew C. Campbell currently serves as the Board Chair for the Corporation. Mr. Campbell is the former Chief Executive Officer of the Corporation, resigning from that role on February 2, 2015. Mr. Campbell has been a successful entrepreneur for approximately 40 years, owning and operating businesses in a variety of fields, including automobile dealerships, scrap metal sales and heavy equipment services such as trucking, contracting and rentals, sand and gravel hauling, asphalt paving and road salt operations. Mr. Campbell established Hammer Equipment Sales Limited in 1993 when he bought Case Construction equipment dealerships in Edmonton and Calgary, Alberta. At the time of the acquisition of Hammer Equipment Sales Limited by the Corporation, he had successfully expanded the Hammer Equipment Sales Limited's dealership operation to include six branches located across Alberta and over 230 employees. In addition to his involvement with numerous industry committees and associations, Mr. Campbell was elected President of the Saskatchewan Roadbuilders, 1987-88, Chairman of the Saskatchewan Construction Association 1990, and President of the Western Canada Roadbuilders 1990.

Derek I. Stimson is the Board Vice-Chair for the Corporation. He was formerly the President of the Corporation, serving in that capacity from the Corporation's Initial Public Offering in December 2007 (the "**IPO**"), until stepping down from that role on February 2, 2015. Prior to the IPO, Mr. Stimson had been the President and Chief Executive Officer of Hi-Way Service Ltd. for 28 years. Mr. Stimson had expanded Hi-Way Service Ltd.'s operations from the initial offices in Taber and Lethbridge, to include offices in Balzac, Bow Island, High River, Medicine Hat, and Picture Butte, Alberta. In 1979, he purchased the Hi-Way Service Ltd. business from his father and was awarded CNH's Top North American Dealer Award in that same year. Mr. Stimson has considerable experience in the independent equipment dealership industry having been involved in the agriculture equipment industry for over 45 years, being a dealer principal for over 28 years.

Paul S. Walters is an independent businessman and currently works as President of Canada One Auto Group Ltd. Mr. Walters has served as past Chairman, President and CEO of Sears Canada Inc. In addition, Mr. Walters held a number of executive management positions with Hudson's Bay Company. He is also a past director of the Richard Ivey School of Business at the University of Western Ontario, as well as being a past director of the University of British Columbia, the Retail Council of Canada, the International Mass Retail Association and the Conference Board of Canada. Mr. Walters also served as a director of the Forzani Group Ltd. until 2011.

***Dennis J. Hoffman*, F.C.P.A., F.C.A.**, is an independent businessman and was, until 2005, a partner at PricewaterhouseCoopers LLP, Chartered Accountants, in Calgary, Alberta. After receiving a Bachelor of Commerce degree and a Bachelor of Science degree in 1970 from the University of Saskatchewan, he joined PricewaterhouseCoopers LLP in 1970, was admitted to the partnership in 1982, and became office managing partner and a member of the Canadian Leadership team in 2001 until his retirement in 2005. Mr. Hoffman is a member of the Institute of Corporate Directors (ICD) and completed the ICD's Director Education Program in 2005. Currently, Mr. Hoffman is a director of Mullen Group Ltd. and a trustee of Northview Real Estate Investment Trust.

Robert K. Mackay is an independent businessman. He started his working career in the family highway construction business in Saskatchewan. He earned a Bachelor of Commerce degree from the University of Saskatchewan in 1984 and shortly thereafter joined Ritchie Bros. Auctioneers Incorporated ("**RBA**") in 1985. During his 28-year tenure at RBA, he held numerous management positions all closely involved in

RBA's global expansion into overseas markets throughout Europe, the Middle East, Asia and Australia. In 2005 he became President of RBA, a position he held until his retirement from RBA in the fall of 2013.

Scott A. Tannas is the Founder, Vice-Chairman and former CEO of Western Financial Group Inc., a diversified financial services organization headquartered in Alberta. As the founder of Western Financial Group, he oversaw numerous acquisitions and significant expansion of the business across Canada, successfully consolidating it into a widely-recognized financial services business. He also currently serves as a director of Western Life Assurance Company. In 2013, Mr. Tannas was appointed to the Canadian Senate as one of Alberta's elected Senators.

***Cameron W. Crawford*, F.C.P.A., F.C.A.**, is a corporate finance specialist with over 30 years of experience in the areas of mergers and acquisitions and strategic projects. Mr. Crawford is a partner in The Catalyst Group, a professional services firm in Western Canada with an extensive base of agri-business clients. Mr. Crawford has served on the Board of Directors of PFK International ("PFK"), a leading association of professional business advisory firms, and is a past Chairman of PFK's affiliate, PFK North American Network. Mr. Crawford graduated from the University of Calgary in 1976 with a Bachelor of Commerce, and received his Chartered Accountant designation in 1979. In 1997 he received his designation as a Fellow of the Institute of Chartered Accountants of Alberta, and became a Chartered Business Valuator in 2001.

***William DeJong*, Q.C.**, is a lawyer with over 25 years of practice experience in the areas of securities and corporate finance, as well as corporate and commercial matters. Mr. DeJong is currently Senior Counsel with the international law firm of Dentons Canada LLP, and, until 2016, had been a Partner with said firm. He has been a director, officer and in many instances founder of a number of public companies traded on various stock exchanges, including the American Stock Exchange, Toronto Stock Exchange and the TSX Venture Exchange. Mr. DeJong graduated from the University of Calgary in 1980 with a Bachelor of Arts, and received his Juris Doctor from the University of Victoria in 1983. He also received a Master of Business Administration, Finance Specialization (Summa Cum Laude) from the International University of Monaco in 2001, and received his designation as Queen's Counsel in 2009.

***Garrett A.W. Ganden,* C.A.**, was appointed President and Chief Executive Officer of the Corporation on February 2, 2015. Prior to this appointment, Mr. Ganden had served as the Corporation's Chief Operating Officer since May 9, 2011, and, prior to that, had served as Chief Financial Officer of the Corporation since its IPO. Mr. Ganden has a long history in the heavy equipment business, serving as the Chief Financial Officer of Hammer Equipment Sales Limited since October 23, 2007 and, prior thereto, was the Corporate Controller at Hammer Equipment Sales Limited for five years. Mr. Ganden attended the University of Lethbridge and received his Bachelor of Management in 1997. Prior to joining Hammer Equipment Sales Limited in 2002, he worked at Deloitte & Touche LLP, Chartered Accountants in Calgary, Alberta where in 2000 he earned his Chartered Accountant designation.

***David J. Ascott,* C.A.**, has been the Corporation's Chief Financial Officer since August 2011. Prior to this appointment, he served as the Chief Financial Officer of Opta Minerals Inc., a publicly-traded company engaged in acquiring and consolidating suppliers of industrial minerals and abrasives in North America and Europe. Before that, Mr. Ascott was employed as the Corporate Controller of a large North American abrasive blasting and painting contractor and, from 1992 to 1999, was employed in various positions with Ernst & Young in offices both in Canada and in Europe. Mr. Ascott attended the University of Waterloo, graduating with a Bachelor of Arts-Honours Accounting in 1993, and has been a Chartered Accountant since 1994.

Jerald D. Palmer Jr. has been the General Counsel and Corporate Secretary of the Corporation since November, 2010. Prior to joining the Corporation, Mr. Palmer worked as a barrister & solicitor in private legal practice, where he focused on commercial transactions, corporate reorganizations, agri-business and real estate. He is a graduate of the University of Calgary, where he received a Bachelor of Arts (with distinction) in Political Science. Mr. Palmer then attended the University of Alberta where he graduated with a Bachelor of Laws in 2006. Upon completing his articles, he was called to the Alberta Bar in 2007. Mr. Palmer currently sits on the Board of Directors for the Association of General Counsel of Alberta.

Corporate Cease Trade Orders or Bankruptcies

To the knowledge of the management of Rocky, no officer or director is, or within the ten years prior to the date hereof, has been, a director, chief executive officer or chief financial officer of any company that, while that person was acting in that capacity: (i) was the subject of a cease trade order or similar order, or an order that denied the relevant company access to any exemption under Canadian securities legislation, which, in each case, was in effect for a period of more than 30 consecutive days; or (ii) had an event occur that resulted in, after the director or executive officer ceased to be a director, chief executive officer or chief financial officer, the company being the subject of a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation, for a period of more than 30 consecutive days.

To the knowledge of the management of Rocky, no executive officer or director or shareholder holding a sufficient number of Common Shares of Rocky to affect materially the control of Rocky is, or within the ten years prior to the date hereof, has been, 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.

Penalties or Sanctions

To the knowledge of the management of Rocky, no executive officer or director or a shareholder holding a sufficient number of shares of Rocky to affect materially the control of Rocky has been subject to any penalties or sanctions imposed by a court relating to Canadian securities legislation or by a Canadian securities regulatory authority or has entered into a settlement agreement with a Canadian securities regulatory authority, or 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.

Personal Bankruptcies

To the knowledge of the management of Rocky, no executive officer or director or a shareholder holding a sufficient number of shares of Rocky to affect materially the control of Rocky has, during the ten years prior to the date hereof, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or became subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold such person's assets.

Conflicts of Interest

There are no known existing or potential material conflicts of interest between the Corporation, or a subsidiary of the Corporation, and their respective directors or officers as a result of their outside business interests, except as described elsewhere in this Annual Information Form. It is possible, however, that a conflict may arise between their duties as directors or officers of the Corporation (or a subsidiary thereof) and their outside business interests or duties as directors and/or officers of other companies. In accordance with the ABCA, directors who have a material interest in any person who is a party to a material contract or proposed material contract with the Corporation (or a subsidiary thereof) are required, subject to certain exceptions, to disclose that interest and abstain from voting on any resolution to approve that contract. In addition, the directors and officers are required to act honestly and in good faith with a view to the best interests of the Corporation.

AUDIT COMMITTEE INFORMATION

Audit Committee Charter

The Audit Committee of Rocky ("**Audit Committee**") is responsible for reviewing Rocky's financial reporting procedures, internal controls and the performance of the external auditors. The Audit Committee Charter of Rocky is set forth as Appendix "A" of this Annual Information Form

Composition of the Audit Committee

The current members of the Audit Committee are Dennis J. Hoffman (Chair), Paul S. Walters, Scott A. Tannas and Cameron W. Crawford. The Audit Committee is a standing committee appointed by the Board of Directors of Rocky to assist the Board of Directors of Rocky in fulfilling its oversight responsibilities with respect to the financial reporting by Rocky. Each member of the Audit Committee is independent as defined under National Instrument 52-110 *Audit Committees* ("**NI 52-110**") and none received any compensation, directly or indirectly, from Rocky other than for services as a member of the board of directors of Rocky and its committees, as applicable. All members of the Audit Committee are financially literate as defined in NI 52-110.

Relevant Education and Experience of Members of the Audit Committee

***Dennis J. Hoffman*, F.C.P.A., F.C.A.** is an independent businessman and was, until 2005, a partner at PricewaterhouseCoopers LLP, Chartered Accountants, in Calgary, Alberta. Mr. Hoffman is a member of other audit committees of other public companies.

Paul S. Walters is an independent consultant and President of Canada One Auto Group Ltd. Mr. Walters has served as past Chairman, President and CEO of Sears Canada Inc. In addition, Mr. Walters held a number of executive management positions with Hudson's Bay Company and as such has had experience in dealing with financial statements of public companies and internal controls and procedures for financial reporting of public companies.

Scott A. Tannas is the Founder, Vice-Chairman and former CEO of Western Financial Group Inc., a diversified financial services organization headquartered in Alberta. Mr. Tannas also serves as a director of both Bank West and Western Life Assurance Company, and has significant experience dealing with the financial statements and internal controls of public companies, as well as those of financial institutions.

***Cameron W. Crawford,* F.C.P.A., F.C.A.** is a corporate finance specialist with over 30 years of experience in the areas of mergers and acquisitions and strategic projects. Mr. Crawford is a partner in The Catalyst Group, a professional services firm in Western Canada with an extensive base of agri-business clients.

Pre-Approval Policies and Procedures

The Audit Committee has delegated to the Chairman of the Audit Committee (or such other member of the Audit Committee who may be delegated authority), the authority to act on behalf of the Audit Committee between meetings of the Audit Committee with respect to the pre-approval of audit and permitted non-audited services provided by our external auditors, PricewaterhouseCoopers LLP. The Audit Committee is required to be notified of any non-approved services over and above audit and tax. The Chairman of the Audit Committee reports on any such pre-approval at the next meeting of the Audit Committee.

Auditor Service Fees

The following table provides information about fees billed to Rocky and its affiliates for professional services rendered by PricewaterhouseCoopers LLP, Rocky's external auditors, during the last two fiscal years:

Type of service provided (all figures in CAD $)	Year-ended December 31, 2015	Year-ended December 31, 2014
Audit[1]	$322,991	$350,371
Audit-related fees	$0	$0
Tax fees[2]	$14,700	$166,684
All other fees[3]	$246,173	$130,338
Total	**$583,864**	**$647,394**

LEGAL PROCEEDINGS AND REGULATORY ACTIONS

There are no proceedings material to the Corporation, to which the Corporation is a party, or of which any of its assets is the subject matter, nor are any such proceedings known to the Corporation. There have not been any penalties or sanctions imposed against Rocky by a court relating to securities legislation or by a securities regulatory authority during the year ended December 31, 2015. There have not been any other penalties or sanctions imposed by a court or regulatory body against the Corporation that would likely be considered important by a reasonable investor in making an investment decision. The Corporation has not entered into any settlement agreements before a court relating to securities legislation or with a securities regulatory authority during the year ended December 31, 2015.

INTERESTS OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

Except as set forth in Note 26 of the Corporation's audited financial statements for the year ended December 31, 2015, which note is incorporated by reference into this Annual Information Form, the Corporation is not aware of any director, executive officer or any person or company that beneficially owns, controls or directs (either directly or indirectly) more than 10% of the outstanding Common Shares, or any associate or affiliate of the foregoing, who has any material interest, direct or indirect, in any transaction within the three most recently completed financial years or during the current financial year, that has materially affected or is reasonably expected to materially affect the Corporation.

TRANSFER AGENT AND REGISTRAR

The registrar and transfer agent of the Common Shares is Computershare Trust Company of Canada at its principal offices in Calgary, Alberta and Toronto, Ontario.

MATERIAL CONTRACTS

1. Agricultural Equipment Canada Sales and Service Agreement between CNH Canada, Ltd. and Rocky Mountain Equipment Canada Ltd., and an Amending Agreement thereto, all dated as of January 2, 2014 (the "**Agricultural Equipment Agreement**").

2. Construction Equipment Canada Sales and Service Agreement CNH Canada, Ltd. and Rocky Mountain Equipment Canada Ltd., and an Amending Agreement thereto, all dated February 26, 2014 (the "**Construction Equipment Agreement**" and together with the Agricultural Equipment Agreement, the "**Existing CNH Sales and Service Agreement**").

A general description of the above-described agreements is found elsewhere in this Annual Information Form.

[1] Figures included under this heading refer to fees billed for annual audit and quarterly reviews of the Corporation's financial statements.

[2] Figures included under this heading include fees billed for preparation of tax returns, work related to the Corporation's corporate restructuring and tax rollovers, and other tax advice delivered to the Corporation from time to time.

[3] Figures included under this heading relate to fees billed for translation of the Corporation's financial disclosure into French, as well as the for providing assessments of the Corporation's systems and controls during 2014 and 2015 and an information technology security assessment

Copies of the material agreements described above, have been filed by Rocky on SEDAR and are available online at www.sedar.com.

INTERESTS OF EXPERTS

There is no person or company whose profession or business gives authority to a statement made by such person or company and who is named as having prepared or certified a statement, report or valuation described or included in a filing, or referred to in a filing, made under National Instrument 51-102 by Rocky during, or related to, its most recently completed financial year other than PricewaterhouseCoopers LLP, the external auditors of Rocky.

PricewaterhouseCoopers LLP has advised that they are independent with respect to the Corporation within the meaning of the rules of professional conduct of the Institute of Chartered Accountants of Alberta.

ADDITIONAL INFORMATION

Additional information concerning Rocky is available on SEDAR at www.sedar.com. Copies of such information may also be obtained without charge by request to the General Counsel and Corporate Secretary of Rocky by mail at #301, 3345 8th Street S.E. Calgary, Alberta T2G 3A4, telephone at 403-265-7364 or facsimile at 403-214-5644.

Additional information concerning Rocky, including directors' and officers' remuneration and indebtedness, principal holders of Rocky's securities and securities authorized for issuance under equity compensation plans, where applicable, is contained in Rocky's information circular for its most recent annual meeting of securityholders that involved the election of directors.

Additional financial information is provided in Rocky's Consolidated Financial Statements and Management's Discussion and Analysis for the year-ended December 31, 2015, which will also be contained in Rocky's December 31, 2015 Annual Report. Copies of such documents may be obtained in the manner set forth above.

APPENDIX "A"

ROCKY MOUNTAIN DEALERSHIPS INC. (the "Corporation")

AUDIT COMMITTEE CHARTER

Purpose

1. The purpose of the Audit Committee is to:

   (a) review and recommend to the Board for acceptance, prior to their public release, all material financial information required to be gathered and disclosed by the Corporation;

   (b) oversee management designed and implemented accounting systems and internal controls; and

   (c) recommend, engage, supervise, arrange for the compensation and ensure the independence of the external auditor to the Corporation.

Composition

2. The Audit Committee will be comprised of at least three members of the Board to serve at the pleasure of the Board. Each member will at all times be independent and financially literate as those terms are defined in National Instrument 52-110 and possess:

   (i) an understanding of the accounting principles used by the Corporation to prepare its financial statements;

   (ii) the ability to assess the general application of such accounting principles in connection with the accounting for estimates, accruals and reserves;

   (iii) experience preparing, auditing, analyzing or evaluating financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of issues that can reasonably be expected to be raised by the Corporation's financial statements, or experience actively supervising one or more individuals engaged in such activities; and

   (iv) an understanding of internal controls and procedures for financial reporting.

Meetings

3. The Audit Committee is required to meet in person, or by telephone conference call, at least once each quarter and as often thereafter as required to discharge the duties of the Audit Committee.

4. The Chair of the Audit Committee appointed by the Board will, in consultation with the members, determine the schedule, time and place of meetings, and in consultation with management and the external auditor, establish the agenda for meetings.

5. A quorum for a meeting of the Audit Committee shall be a majority of members present in person or by telephone conference call.

6. Notice of the time and place of every meeting shall be given in writing, by email or facsimile to each member of the Audit Committee at least 24 hours prior to the time fixed for such meeting, provided that a member may in any manner waive a notice of meeting.

Duties and Responsibilities of the Committee

7. The Committee's primary duties and responsibilities are to:

   (a) identify and monitor the management of the principal risks that could impact the financial reporting of the Corporation;

   (b) monitor the integrity of the Corporation's financial reporting process and system of internal controls regarding financial reporting and accounting compliance;

   (c) monitor the independence and performance of the Corporation's external auditors;

   (d) deal directly with the external auditors to approve external audit plans, other services (if any) and fees;

   (e) directly oversee the external audit process and results including review and attest services;

   (f) provide an avenue of communication among the external auditors, management and the Board;

   (g) be satisfied and obtain reasonable assurance from internal audit and the external auditors that effective internal controls and management information systems are in place;

   (h) review and implement effective corporate communications policies and practices; and

   (i) ensure that the external auditor and the Corporation's Internal Audit Leader report directly to the Committee.

8. The Committee shall have the authority to:

   (a) inspect any and all of the books and records of the Corporation, its subsidiaries and affiliates;

   (b) discuss with the management of the Corporation, its subsidiaries and affiliates and senior staff of the Corporation, any affected party and the external auditors, such accounts, records and other matters as any member of the Committee considers necessary and appropriate;

   (c) engage independent counsel and other advisors as it determines necessary to carry out its duties;

   (d) set and instruct the Corporation to pay the compensation for any advisors employed by the Committee; and

   (e) communicate directly with the internal and external auditors of the Corporation.

9. The Committee shall, at the earliest opportunity after each meeting, report to the Board the results of its activities and any reviews undertaken and make recommendations to the Board as deemed appropriate.

10. The Committee shall be directly responsible for overseeing the work of the external auditor engaged for the purpose of preparing or issuing an auditor's report or performing other audit, review or attest services for the Corporation, including the resolution of any disagreements between management and the external auditor regarding financial reporting.

11. The Committee shall:

(a) review the audit plan with the Corporation's external auditors and with management;

(b) discuss with management and the external auditors any proposed changes in major accounting policies or principles, the presentation and impact of significant risks and uncertainties and key estimates and judgments of management that may be material to financial reporting;

(c) review with management and with the external auditors significant financial reporting issues arising during the most recent fiscal period and the resolution or proposed resolution of such issues;

(d) review any problems experienced or concerns expressed by the external auditors in performing an audit, including any restrictions imposed by management or significant accounting issues on which there was a disagreement with management;

(e) at the request of either the Committee or the external auditors meet separately to discuss any matters that the Committee or the external auditors believe should be discussed privately

(f) review with senior management the process of identifying, monitoring and reporting the principal risks affecting financial reporting;

(g) review audited annual financial statements and related documents in conjunction with the report of the external auditors and obtain an explanation from management of all significant variances between comparative reporting periods;

(h) consider and review with management, the internal control memorandum or management letter containing the recommendations of the external auditors and management's response, if any, including an evaluation of the adequacy and effectiveness of the internal financial controls of the Corporation and subsequent follow-up to any identified weaknesses;

(i) review the Corporation's financial statements, management's discussion and analysis and annual and interim earnings press releases and with financial management and the external auditors before release to the public;

(j) before release, review and recommend for approval by the Board, all public disclosure documents containing financial forecast or pro-forma information, audited or unaudited financial information, including any prospectuses, annual reports, annual information forms, management discussion and analysis and material press releases;

(k) oversee any of the financial affairs of the Corporation, its subsidiaries or affiliates, and, if deemed appropriate, make recommendations to the Board, external auditors or management; and

(l) be satisfied that adequate procedures are in place for the review of the Corporation's public disclosure of financial information extracted or derived from the Corporation's financial statements and periodically assess the adequacy of such procedures.

12. The Committee shall:

(a) evaluate the independence and performance of the external auditors and annually recommend to the Board the appointment of the external auditor, and their compensation, or the discharge of the external auditor when circumstances are warranted;

(b) consider the recommendations of management in respect of the appointment of the external auditors;

(c) pre-approve all non-audit services to be provided to the Corporation or its subsidiary entities by its external auditors, or the external auditors of the Corporation's subsidiary entities;

(d) approve the engagement letter for non-assurance services to be provided by the external auditors or affiliates, together with estimated fees, and consider the potential impact of such services on the independence of the external auditors;

(e) when there is to be a change of external auditors, review all issues and provide documentation related to the change, including the Change of Auditor Notice called for by National Instrument 51-102 and as required by other applicable securities regulation, and the planned steps for an orderly transition period; and

(f) review all reportable events, including disagreements, unresolved issues and consultations, as defined by applicable securities policies, on a routine basis, whether or not there is to be a change of external auditors.

13. The Committee shall:

(a) review with management, at least annually, the financing strategy and plans of the Corporation; and

(b) review all securities offering documents (including documents incorporated therein by reference) of the Corporation.

14. The Committee shall:

(a) review and approve the annual internal audit plan and obtain reports on significant findings and recommendations together with management's responses;

(b) at the request of either the Committee or the Internal Audit Leader meet separately to discuss any matters that the Committee or the Internal Audit Leader believe should be discussed privately; and

(c) review and concur in the appointment, compensation, replacement, reassignment or dismissal of the Internal Audit Leader.

15. The Committee shall annually review the amount and terms of any insurance to be obtained or maintained by the Corporation with respect to risks inherent in its operations and potential liabilities incurred by the directors or officers in the discharge of their duties and responsibilities.

16. The Committee shall review the appointments of the Chief Financial Officer and any key financial managers who are involved in the financial reporting process.

17. The Committee shall enquire into and determine the appropriate resolution of any conflict of interest in respect of audit or financial matters, which are directed to the Committee by any member of the Board, a shareholder of the Corporation, the external auditors, internal audit, or senior management.

18. The Committee shall establish and maintain procedures for:

(a) the receipt, retention and treatment of complaints received by the Corporation regarding accounting, internal accounting controls, or auditing matters; and

(b) the confidential, anonymous submission by employees of the Corporation of concerns regarding questionable accounting or auditing matters.

19. The Committee shall review and approve the Corporation's hiring policies regarding partners, employees and former partners and employees of the present and former external auditors.

20. The Committee shall assess, on an annual basis, the adequacy of this Charter and the performance of the Committee.