

Argyle Industries Inc.

OFFER CIRCULAR
issued by
ARGYLE INDUSTRIES INC.
to purchase
any or all issued shares of

HARDWARE & LUMBER LIMITED

Offer Circular dated January 29, 2016

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

CASH OFFER

by

ARGYLE INDUSTRIES INC.

for 33,764,719 ordinary stock units in

HARDWARE & LUMBER LIMITED

(being all the issued ordinary stock units not already held by the Offeror)

at J\$18.50 per stock unit

When considering what action you should take, you are recommended immediately to seek your own personal financial advice from a licensed securities dealer, licensed investment adviser, attorney-at-law, accountant or other independent professional adviser.

This document should be read in conjunction with the accompanying Form of Acceptance and Transfer.

If you no longer hold any shares in Hardware & Lumber Limited (“**the Company**”) please hand this document and the accompanying Form of Acceptance and Transfer to the person to whom you transferred your stock units or to the securities dealer through whom the sale was effected for onward transmission to the purchaser or transferee.

Neither the Financial Services Commission (“**FSC**”) nor the Jamaica Stock Exchange (“**JSE**”) assumes any responsibility for the correctness of any statement made, reports contained, or opinions expressed in this Circular.

THIS MANDATORY OFFER IS NOT INTENDED TO BE, AND IN NO CIRCUMSTANCES SHOULD IT BE CONSTRUED TO BE, AN OFFER TO ACQUIRE, DIRECTLY OR INDIRECTLY, SHARES OF OR FROM ANY RESIDENT OF ANY TERRITORY IN WHICH DELIVERY OF THIS CIRCULAR WOULD VIOLATE ITS SECURITIES LAW OR REQUIRE THE OFFEROR OR THE COMPANY TO MAKE ANY FILING WITH THE SECURITIES AND EXCHANGE COMMISSION OF THE UNITED STATES OF AMERICA OR ANY OTHER AGENCY OUTSIDE JAMAICA (THE “**RESTRICTED JURISDICTIONS**”). NO TENDERS MADE BY OR ON BEHALF OF RESIDENTS OF ANY RESTRICTED JURISDICTION WILL BE ACCEPTED AND TENDERING SHAREHOLDERS MUST CERTIFY THAT THEY ARE NOT RESIDENTS OF ANY RESTRICTED JURISDICTION. THE OFFER IS NOT BEING MADE TO, NOR WILL TENDERS BE ACCEPTED FROM OR ON BEHALF OF HOLDERS OF THE COMPANY’S SHARES IN ANY JURISDICTION IN WHICH THE MAKING OF THE OFFER OR THE ACCEPTANCE THEREOF WOULD NOT BE IN COMPLIANCE WITH THE LAWS OF SUCH JURISDICTION.

THE OFFER CIRCULAR MAY BE SENT TO “**US PERSONS**” IN RELIANCE ON TIER 1 EXEMPTION FROM US SECURITIES LAWS. IN SUCH CASE THE OFFER WOULD CONTINUE TO BE GOVERNED BY THE LAWS OF JAMAICA WHICH MAY DIFFER FROM UNITED STATES FEDERAL LAW OR THE LAW OF THE RELEVANT STATE IN WHICH IT IS SENT. IF AND TO THE EXTENT THAT THE OFFER TO A US PERSON BECOMES SUBJECT TO ANY US FEDERAL OR STATE LAW THE BENEFIT OR BURDEN OF SUCH LAW SHALL ONLY APPLY TO SUCH US PERSON. IF YOU ARE A US PERSON THEN ON RECEIPT OF THIS OFFER CIRCULAR YOU SHOULD SEEK PROFESSIONAL ADVICE TO DETERMINE WHETHER US FEDERAL OR STATE LAW ALLOWS YOU TO TREAT WITH THE OFFER. IF IT DOES NOT THEN YOU SHOULD CONTACT YOUR LOCAL SECURITIES DEALER FORTHWITH OR GK CAPITAL MANAGEMENT LIMITED FOR FURTHER INSTRUCTIONS.

NO PERSON HAS BEEN AUTHORISED TO GIVE ANY INFORMATION OR MAKE ANY REPRESENTATION ON BEHALF OF THE OFFEROR NOT CONTAINED IN THIS CIRCULAR AND IF GIVEN OR MADE SUCH INFORMATION OR REPRESENTATION MUST NOT BE RELIED UPON AS HAVING BEEN AUTHORISED.

THIS TRANSACTION HAS NOT BEEN APPROVED OR DISAPPROVED BY THE FSC NOR HAS THE FSC PASSED UPON THE ACCURACY, FAIRNESS OR MERITS OF THE OFFER.

THE COMPANY IS LISTED ON THE JAMAICA STOCK EXCHANGE. THE RULES OF THE STOCK EXCHANGE PROVIDE THAT A COMPANY IS ELIGIBLE FOR LISTING ON THE STOCK EXCHANGE IF IT HAS NOT LESS THAN 100 SHAREHOLDERS HOLDING NOT LESS THAN 20% OF ITS ISSUED ORDINARY CAPITAL (SUCH PERCENTAGE BEING NOT LESS THAN J\$50,000.00 NOMINAL VALUE). THE OFFEROR ALREADY HOLDS 58.23% OF THE SHARES IN THE COMPANY. IF IT RECEIVES ACCEPTANCES FOR SHARES WHICH TAKE ITS HOLDING BEYOND THE 80% SHAREHOLDING THRESHOLD THEN THE COMPANY COULD BE DE-LISTED.

Important Dates and Times

Date of the Offer	January 29, 2016
Opening Date & Time	9:00 a.m. February 1, 2016
First Date on which Acceptances become irrevocable	12.01 a.m. February 9, 2016
Offer Closing Time	4.30 p.m. March 4, 2016

Argyle Industries Inc, hereby gives notice to all of the Company's Shareholders that it does not intend to extend the Offer beyond the Closing Date, but if it does it will give you notice of the extension of the Closing Date in accordance with the TOMS Regulations and the Code.

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FORWARD LOOKING STATEMENTS

This document may include certain forward looking statements. These statements are not historical facts and may include statements about anticipated outcomes, future intentions, beliefs, expectations or actions that may never occur. You should be aware that the anticipated outcome of this transaction is subject to a number of risk factors that may result in a materially different outcome than those contemplated in this document. Forward-looking statements by their very nature involve known and unknown risks, uncertainties, and other factors that may cause actual future results, actions, performance or achievements of the Company to differ materially from any expected results, actions performance or achievements. The directors, officers and advisers of the Offeror are not representing or warranting to you that the actual future results, actions, performance or achievements of the Company or the Offeror will be as those discussed in this document. Further, the Offeror and the Company disclaim any responsibility to update any of those forward-looking statements or to publicly announce any revisions to those forward-looking statements to reflect future developments, events or circumstances.

For a brief discussion of material risks and other factors to be considered by Accepting Shareholders, see **Appendix III** (“Risks Factors and Special Consideration”).

The procedure for acceptance is set out at paragraph 7. If you are in doubt as to how to complete the **Form of Acceptance and Transfer**, please contact Sagicor Bank Jamaica Limited, the Registrar and Transfer Agent or any licensed securities dealer or licensed investment adviser. The contact persons at Sagicor Bank Jamaica Limited are:

<u>Contact Person</u>	<u>Telephone numbers</u>	<u>E-mail</u>
Camille Lennon	1 888 724 4267 or 1 876 929 5583 – 4	camille_lennon@sagicor.com
Susan Gray	1 888 724 4267 or 1 876 929 5583 – 4	susan_gray@sagicor.com

Acceptance should be dispatched as soon as possible but in any event so as to arrive not later than 4:30 p.m. on March 4, 2016.

DEFINITIONS

In this document and in the Form of Acceptance and Transfer, except where the context otherwise requires, the following expressions shall have the following meanings:

“Accepting Shareholders”	means Hardware & Lumber Limited Shareholders who accept the Offer in respect of any or all of their Hardware & Lumber Limited Shares;
“Business Day”	means any day in Jamaica other than a Saturday, Sunday or public general holiday;
“Code”	means the General Principles relating to Take-Overs and Mergers set out in Appendix 1 to the Rules of the Jamaica Stock Exchange;
“the Company”	means Hardware & Lumber Limited, a company incorporated under the laws of Jamaica;
“Expiry Time”	means 4.30 p.m. on March 4, 2016 or such later date pursuant to which the Offer may be extended by the Offeror pursuant to the TOMS Regulations and the Code;
“Form of Acceptance and Transfer”	means the Form of Acceptance and Transfer and authority relating to the Offer and which accompanies this document;
“FSC”	means the Financial Services Commission of Jamaica;
“GCT”	means general consumption tax payable in Jamaica;
“H&L Shareholders”	means holders of any of the Hardware & Lumber Limited ordinary stock units;
“H&L Shares” or “Shares”	means the existing issued or unconditionally allotted fully paid ordinary stock units in the capital of the Company;
“J\$”	means the lawful currency of Jamaica.
“JCSD”	means the Jamaica Central Securities Depository Limited;
“JSE”	means the Jamaica Stock Exchange;
“Offer”	means the cash offer by the Offeror contained in this document to acquire all the Company Shares except those owned by the Offeror;
“Offeree”	means a shareholder of the Company to whom this offer is directed;
“Offer Price”	means J\$ 18.50 per H&L Share;
“Offeror”	means Argyle Industries Inc.;

- “Regulatory Authority”** includes:
- (i) the FSC and JSE;
 - (ii) any: (a) multinational, federal, provincial, state, regional, municipal, local or other government, governmental or public department, central bank, court, tribunal, arbitral body, commission, board, bureau or agency, domestic or foreign; (b) subdivision, agent, commission, board, or authority of any of the foregoing, or (c) quasi-governmental or private body exercising any regulatory, expropriation or taxing authority under or for the account of any of the foregoing, and includes a stock exchange or self-regulatory authority;
 - (iii) any entity exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to government; and
 - (iv) any corporation or other entity owned or controlled, through stock or capital ownership or otherwise, by any of such entities or other bodies pursuant to the foregoing;
- “TOMS Regulations”** means the Securities (Takeovers and Mergers) Regulations, 1999 as amended by the Securities (Takeovers and Mergers) (Amendment) Regulations, 2014;
- “Transaction”** means the transaction involving the acquisition of certain of the H&L Shares by the Offeror pursuant to this Offer Circular;

For purposes of this Offer Circular, one person (X) shall be deemed to “**control**” another person (Y) if the first person (X) has the right or power, whether directly or indirectly: (a) to receive more than one-half of all distributions, whether of capital or revenue, at any time made by the other person (Y); or (b) holds shares carrying more than 50% of the voting rights of the other person (Y) (but excluding any votes which are only exercisable upon the occurrence of any contingency); or (c) to control the composition of more than one-half of the board of directors of such other person (Y). Any company or other corporate body which controls, is controlled by, or is under common control with another company or corporate body shall be deemed to be in the same Group

Words importing the singular shall where, applicable, include the plural and *vice versa* and references to one gender includes all other genders. References to person shall include corporate bodies.

The terms “holding company” and “subsidiary” shall have the meaning ascribed thereto by section 151 of the Companies Act, 2004 and parent company means a holding company.

DIRECTORY & CORPORATE INFORMATION

Name of Offeror : **Argyle Industries Inc.**

Board of Directors of Offeror : **Joseph Bogdanovich, Marcus Richards,
Christopher Bovell**

Registered Office of Offeror : **1st Floor,
Bourbon Street,
Castries,
St. Lucia.**

Legal Advisers to the Offeror : **Myers, Fletcher & Gordon**
Attorneys-at-law
21 East Street
Kingston
Jamaica

**Registrar & Transfer
Agent to the Offer** : **Sagicor Bank Jamaica Limited**
Group Legal, Trust & Corporate Services
Attention: Camille Lennon or Susan Gray
Sagicor Life Building
28-48 Barbados Avenue
Kingston 5
Jamaica

Sponsoring Broker to the Offer : **GK Capital Management Limited**
Attention: Steven Wittingham
58 Hope Road
Kingston 6
Jamaica

INDICATIVE TIMETABLE

Announce Offer & Launch Bid	:	January 29, 2016
Acceptances become irrevocable	:	February 9, 2016
Close bid	:	March 4, 2016
Announce results	:	March 8, 2016
Settlement Date/Completion Date	:	March 18, 2016

Please note that the above timetable is only indicative and may be subject to change. Where any of the events cannot take place on the date specified or changes are required thereto an appropriate announcement stipulating an alternate date may be made by the Offeror prior thereto through a JSE announcement posted on the JSE's website www.jamstockex.com.

Please therefore monitor the JSE's website for any such development.

THE OFFER

January 29, 2016

TO: THE SHAREHOLDERS OF HARDWARE & LUMBER LIMITED

Introduction

1. On December 30, 2015 Argyle Industries Inc. (“the Offeror”) announced that it had acquired approximately 58.23% of the issued stock units of H&L Shares. The acquisition was made from GraceKennedy Limited principal shareholder of the Company at the price of J\$18.50 per share.
2. As a result of the Offeror acquiring 50% or more of the issued ordinary stock units of the Company it became obliged under the Securities (Take-overs and Mergers) Regulations, 1999 (“TOMS Regulations”) and General Principles relating to Take-overs and Mergers set out in Appendix 1 to the Rules of the Jamaica Stock Exchange (“the Code”) to make a mandatory “follow-up” offer to the remaining shareholders of the Company. This Offer Circular contains the mandatory follow-up offer and is accompanied by, and should be read in conjunction with, the Form of Acceptance and Transfer which is enclosed herewith.

The Offeror

3. The Offeror is an international business company incorporated under the laws of St. Lucia as a special-purpose vehicle for the purpose of acquiring and holding its shareholders’ equity interests in the Company. The registered address of the Offeror is 1st Floor, Bourbon Street, Castries, St. Lucia. Shareholders wishing to communicate with the Offeror may do so at the following address:

Argyle Industries Inc.
c/o Argyle Industries (Jamaica) Limited
Suite 1, 9th Floor,
63-67 Knutsford Boulevard,
Kingston 5, St. Andrew,
Jamaica.

The Offeror was established for the purpose of acquiring and holding up to 100% of the Company’s Shares.

The Offer

4. The Offeror now hereby offers to purchase, on the terms and subject to the conditions set out or referred to in this document, all of the Company’s Shares held by the H&L Shareholders (excluding the Offeror) on the following terms and conditions:

- (a) Offer Price: J\$18.50 per Share of the Company (ex. dividend)¹;

No dividend or distribution (save and except dividend declared at the meeting of the Board of Directors of the Company held on the 30th December 2015 payable on the 29th January 2016 to stockholders of record on the close of business on the 15th January 2016) will be made by the Company prior to closing and during the offer period no material change will be made to the Company’s capital structure.

¹ Note if the Offer is likely to run beyond any usual dividend payment date then the price will be adjusted for such dividend(s).

The Offer Price is the same price per Share, and the consideration is in the same form, as the Offeror paid GraceKennedy Limited in respect of the acquisition of the 58.23% shareholding of the Company which the Offeror acquired on 30th December 2015.

- (b) How Payable: In cash (by banker's draft drawn on a local bank) in the lawful currency of Jamaica (J\$) or by wire transfer provided that (i) the Offeree shall have provided the Offeror with a valid form of Acceptance and Transfer and other documents as provided in paragraph 7 of this Offer Circular and (ii) the relevant Company Shares shall actually have been transferred to the Offeror.
- (c) When Payable: No later than fourteen (14) days after the final Closing Date.
- (d) Costs: The Offeror will bear all stockbroking fees payable to the Sponsoring Broker (whether on the sell or buy side).

Offerees may elect to use their own broker. Offerees who so elect will be responsible for paying:-

- (i) the fees of such broker.
- (ii) Stock Exchange fees and cess applicable to the "sell" side.

The Offeror will bear such fees and cess applicable to the "buy" side.

- (e) Other Terms and Conditions: All H&L Shares will be acquired free and clear of all liens, charges, encumbrances and equitable interest and with all rights attached thereto (including the right to receive any dividend or other distribution made or declared after the date of this Offer Circular).

The JSE's approval is required for the transfer of the H&L Shares, for which forms of Acceptance and Transfer have been received, to be effected by way of un-interrupted put – through (or block transaction) across the floor of the JSE.

The Offer is not conditional on a minimum number of Shares being received for acceptance.

Each holder of H&L Shares that wishes to accept the Offer must deliver such H&L Shares free and clear of all liens, charges, encumbrances and equitable interest and with all rights attached thereto.

- (f) Restricted Jurisdiction: This Offer is not, and shall not be deemed to be, effective in, and shall be deemed not to be an offer in, any jurisdiction where the making of the Offer would be illegal or would require the Offeror to effect any filing with any securities exchange or governmental authority (each a "Restricted Jurisdiction"). Please refer to Appendix II for further information regarding Restricted Jurisdiction.

Shares deposited by, or on behalf of, residents of any Restricted Jurisdiction will be rejected.

An Offeree who accepts this Offer will be deemed to represent and warrant that he is not resident in a Restricted Jurisdiction.

- (g) Offeror's Right to Amend the Offer The Offeror reserves the right to amend the Offer or to amend or waive any of the terms thereof at any time subject to compliance with the Code and the TOMS Regulations.

80% ownership Threshold

5. The Company is listed on the Jamaica Stock Exchange. The Offeror already controls approximately 58.23% of the listed shares of the Company. Under the Rules of the JSE a listed company is liable to be de-listed if a single shareholder controls, directly or indirectly, more than 80% of the listed shares of the company. The Company could also be de-listed under the Rules of the JSE if on completion of Offer among other things it has less than one hundred (100) participating voting shareholders. If the Company were de-listed from the JSE, going forward

- The H&L Shares will not be tradeable on the floor of the JSE.
- All transfers of the H&L Shares will render both the transferor and the transferee liable to stamp duty and the transferor liable to transfer tax

Financial Capability

6. The Offeror has the financial ability to carry out the Offer, that is, to pay the relevant monies to those shareholders of Hardware & Lumber Limited that accept the Offer in accordance with the terms of the Offer. The Offeror has caused an unconditional and irrevocable undertaking to be given to the FSC and the JSE in relation to the payment, in immediately available funds in sufficient amount to pay all the H&L Shareholders who accept the Offer in accordance with its terms.

Acceptances

7. If you wish to accept this Offer, you must complete and sign the enclosed Form of Acceptance and Transfer in accordance with the instructions contained therein. The Form of Acceptance and Transfer, duly completed in all respects, should be returned, with the relevant share certificate(s) and/or, in the case of H&L, Shares deposited in the JCSD, a copy of the shareholder's statement or other written deposit receipt or confirmation issued by the JCSD or other document(s) of title by personal delivery or by post to any of the following:

- (i) Sagicor Bank Jamaica Limited,
Group Legal, Trust & Corporate Services,
Attention: Camille Lennon or Susan Gray
28-48 Barbados Avenue,
Kingston 5, Jamaica.

Attn. H&L Offer

(ii) GK Capital Management Limited
Attention: Steven Wittingham
58 Hope Road
Kingston 6
Jamaica

Attn. H&L Offer

8. The Offeror has appointed Sagicor Bank Jamaica Limited, Group Legal & Corporate Services, as the Registrar and Transfer Agent. It has also appointed GK Capital Management Limited Sponsoring Broker. The Offeror reserves the right to appoint any one or more commercial banks and/or licensed securities dealer as sub-receiving agent.

9. If the Offeror appoints any bank or securities dealer as sub-receiving agent it will release an announcement to the Jamaica Stock Exchange for publication on its web-site and will also publish a notice in the press listing the banks and/or securities dealer(s) which have accepted appointment as sub-receiving agents.

10. No acknowledgment of documents will be given by the Offeror. The Registrar and Transfer Agent (and any sub-receiving agents) will however be required to provide H&L Shareholders submitting Forms of Acceptance and Transfer and Hardware & Lumber Limited Share Certificates (or JCSD receipts) with receipts for such documents deposited. The Offeror reserves the right to treat as valid in whole or in part, acceptances of the Offer which are not entirely in order or which are not accompanied by the relevant share certificates or other documents of title.

11. By signing and returning a duly completed Form of Acceptance and Transfer, you shall be deemed conclusively:

- (a) to agree that such Form of Acceptance and Transfer shall constitute a proper instrument of transfer for all purposes, including section 75 of the Companies Act, 2004;
- (b) in respect of H&L Shares deposited in the JCSD to have given, after announcement of acceptance by the Offeror, your irrevocable authority and mandate to your stockbroker or a stockbroker appointed by the Offeror for such H&L Shares to be transferred from your account in the JCSD to the Offeror's account or the account of any other person nominated by the Offeror on condition that the same shall be re-transferred if payment is not made within 14 days of the close of the Offer;
- (c) to represent and warrant to the Offeror that the H&L Shares in respect of which the Offer is accepted shall be transferred to the Offeror free from all liens, charges, encumbrances and equitable interests of whatsoever nature and together with all rights attaching thereto including the right to all dividends and other distributions (if any) declared, made or paid hereafter;
- (d) to represent and warrant to the Offeror that you have the necessary power and authority to accept the Offer and to sell and transfer the relevant H&L Shares free from all liens, charges, encumbrances and equitable interests of whatsoever nature and otherwise on the terms of the Offer herein;
- (e) to constitute your irrevocable authority to the Offeror and its agent to sign such instrument of transfer or other documents on your behalf and to do all such acts and things in your name and on your behalf to procure the transfer and registration of the relevant H&L Shares in the name of the Offeror or its nominee(s) on condition that the same shall be re-transferred if payment is not made within 14 days of the close of the Offer;

- (f) to agree that the terms of the Offer as contained in this document shall be deemed to be incorporated in and form part of the Form of Acceptance and Transfer, which shall be read and construed accordingly;
- (g) to agree that, if required, you will sign and deliver any requisite document and do all such acts and things as shall be necessary or expedient to vest in the Offeror the H&L Shares in respect of which your Acceptance relates;
- (h) to agree that the Offer is made solely on the basis of the information contained in this Offer Circular and the Form of Acceptance and Transfer;
- (i) to agree that any cheque, share certificate or other document which is posted in accordance with the provisions hereof shall be deemed to be posted at your risk;
- (j) to agree that from the date on which the you have tendered your shares you will not vote any of the Shares in respect of which the Offer is accepted at any general meeting of the Company and if any such general meeting is summoned to appoint the Offeror or its nominee as proxy with power to vote at such meeting as it deems fit PROVIDED that if payment for the tendered and accepted H&L Shares are not received within 14 days after close of the Offer then this agreement shall cease to apply.

12. The attention of H&L Shareholders (particularly those who are citizens or residents of jurisdictions outside Jamaica) is drawn to **Appendix II**. **However, all H&L Shareholders wherever resident should read paragraph 4 of Appendix II which contains additional representations and warranties which will be incorporated in their acceptance of the Offer.**

Further Offer Details

13. The Offer will open at 9.00 am on February 1, 2016 and will remain open for 32 days from that date.
14. The Offer will be open for acceptance until 4:30 pm on March 4, 2016. Although no revision is envisaged, if the Offer is revised, it will remain open for acceptance for a period of at least fourteen (14) days from the date of posting of the revised offer document to H&L Shareholders or publication of the revision in a daily newspaper circulated in Jamaica, whichever is earlier.
15. The Offeror reserves the right to extend the Offer to a later time(s) and date(s) at any time prior to the Expiry Time. Any such extension may be made by publication of a notice of extension in a daily newspaper circulated in Jamaica.
16. Any H&L Shares deposited pursuant to the Offer may be withdrawn by the Offeree at any time before the expiration of seven (7) days from the opening date of the Offer and Shares tendered in response to the Offer will not be taken up before such 7-day period and will be paid at the time and in the manner set out in paragraph 25.
17. The Offeror reserves the right to extend the Offer to a later time(s) and date(s) at any time prior to the Expiry Time. Any such extension may be made by publication of a notice of extension in a daily newspaper circulated in Jamaica.
18. The Offeror intends to acquire 100% of the H&L Shares at any time in the near future.
19. This Offer Circular was delivered to the Directors of the Company and will be dispatched to H&L Shareholders. In spite of the Offeror's best efforts, it is possible that there could be delays in the postal service

delivering this Offer Circular to H&L Shareholders. Accordingly, the Offeror will seek to obtain consent to up-load the offer onto the web sites of the JSE and the Registrar and Transfer Agent.

Announcements

20. On the Business Day prior to the day on which the Offer is due to expire, the Offeror may, but need not, make an announcement and simultaneously inform the JSE of the total number of H&L Shares deposited in response to the Offer. Other announcements may be made from time to time. On the Business Day following the Expiry Time the Offeror will make an appropriate announcement and simultaneously inform the Stock Exchange of the results of the Offer. Such announcement will unless otherwise directed by the JSE or the FSC state:

- (a) the total number of H&L Shares tendered;
- (b) the total consideration to be paid for the H&L Shares accepted.

21. References to an announcement by the Offeror include the distribution of a press release by hand delivery, facsimile transmission or electronic mail to at least three (3) media organizations in Jamaica one of which must be a newspaper circulated generally in the Island. An announcement made otherwise than to the JSE shall be notified simultaneously to the JSE.

Rights of Withdrawal

22. Any H&L Shares deposited pursuant to the Offer may be withdrawn by the Offeree at any time until the expiration of seven (7) days from the opening of the Offer. The Offer will open on February 1, 2016.

23. Except as provided in paragraphs 16 and 22 above, the deposit of H&L Shares in response to the Offer shall be irrevocable and may not be withdrawn.

Completion & Settlement

24. As soon as reasonably practicable after the Offer closes, the Offeror shall, subject to the approval of the JSE, transfer the H&L Shares from the Accepting Shareholders to the Offeror or its nominee(s) by way of a pre-approved, un-interrupted put-through (block transaction) across the JSE. It should be noted that under the terms on which Sagicor Bank Jamaica Limited, Group Legal, Trust & Corporate Services is engaged as Registrar and Transfer Agent, it should not deliver Forms of Acceptance submitted by Accepting Shareholders to the Sponsoring Broker for the block transfer to be “put through” across the Stock Exchange unless and until it is satisfied that the requisite funds to effect payment to Accepting Shareholders have been transferred to an account under its control or it receives an acceptable undertaking from the Sponsoring Broker or from Myers, Fletcher & Gordon. In this regard, an acceptable undertaking is one which confirms that the Sponsoring Broker or Myers, Fletcher & Gordon is holding the requisite funds in its trust account and irrevocably undertakes to transfer such funds to Sagicor Bank Jamaica Limited, Group Legal, Trust & Corporate Services for payments to be made to Accepting Shareholders forthwith upon the block transfer being “put through”.

25. All cheques or drafts for the purchase price due to each Accepting Shareholder drawn on a bank in Jamaica will, unless such accepting Offeree instructs otherwise, be dispatched by post, to him at his address shown in the Register of Members or in the Form of Acceptance and Transfer (if different from that shown in the Register of Members) within fourteen (14) days after the last day on which shares are deposited pursuant to this Offer. Payments will be effected in Jamaican currency. Offerees are reminded that payment will be made only in respect of acceptances completed in all respects.

26. If an Accepting Shareholder elects, on the Form of Acceptance and Transfer, to collect his cheque/draft then it will be held for collection at Sagicor Bank Jamaica Limited, Group Legal, Trust & Corporate Services or the office of the stockbroker at which the Form of Acceptance and Transfer was deposited.

27. All stockbrokers' commissions payable to the Sponsoring broker, and GCT thereon (where applicable) payable in connection with the transfer of the H&L Shares from Accepting Shareholders to the Offeror or its nominee(s) will be paid by the Offeror. Offerees who elect to use their own broker will be responsible for the fees of such broker. JSE cess on the sell side (with GCT where applicable) will be borne by each Accepting Shareholder and will be deducted from the sum due to him on account of the sale of his H&L Shares.

Reasons for the Offer

28. The Offeror recognized that the Company, has been a successful company. It believes that operational synergies can be achieved by acquiring the Company.

Directors

As respects the Offeror:

29. The current Directors of the Offeror are:

Officers	Title & Qualification
Joseph Bogdanovich	<p>Director of Downsound Records Limited, which is a music producing company; Artiste Manager and Producer of Musical Shows; Director of K.L.E Group Limited, which is listed on the Junior Market of the Jamaica Stock Exchange.</p> <p>He is also a Director of Hardware & Lumber Limited.</p>
Marcus Richards	<p>Managing Partner, Greystone Equity Partners Inc. and Executive Vice-Chairman, Greystone Capital Partners Limited. Mr. Richards has almost two (2) decades of experience in private equity, mergers & acquisitions, restructuring and corporate finance. Mr. Richards has originated, structured and/or executed over US\$15 billion in transactions for companies in the USA, Latin America, Australia, Europe and the Caribbean. Mr. Richards began his career in financial services at JPMorgan Securities, advising on a variety of transactions including mergers & acquisitions, divestitures, corporate restructuring, recapitalizations and debt and equity financing. He is a graduate of Howard University, from which he holds a BBA with a concentration in finance.</p> <p>He is also a Director of Hardware & Lumber Limited.</p>

Christopher Bovell

Attorney-at-Law and Consultant at DunnCox, Attorneys-at-Law, Chairman of Barnett Limited, Director of Celebration Jamaica Development Limited, and former Director of Several Companies listed on the Jamaica Stock Exchange. He has the degrees of M.A and LL.M from Cambridge University and became a Barrister-at-Law at Middle Temple, London in 1961. Admitted to practice in Jamaica in 1961.

He is also a Director of Hardware & Lumber Limited.

30. No director, manager or employee of the Company will directly or indirectly receive any special compensation or incentive arising out of, or conditional upon, the outcome of the Offer.

DIRECTORS

As respects the Company:

31. The Offeror acquired control of the Company on December 30, 2015, when the Offeror purchased the majority shareholding of GraceKennedy Limited in the Company. Consequent upon GraceKennedy Limited selling all its shares in the Company, all the directors of the Company appointed by GraceKennedy Limited resigned from the Company's Board of Directors. Thereupon, the Offeror re-organized the Board of Directors of the Company. This should in no way be regarded as a reflection on the directors concerned who are all eminently qualified but rather reflects the desire of Offeror to acquire first-hand knowledge of the operations and to facilitate a smooth transition. It is the Offeror's intention to pursue a policy of sound corporate governance which so far has included the appointment and retention of qualified independent directors. Mr Erwin Burton has been asked to and has agreed to continue as Chairman of the Board. The following directors have indicated their willingness to continue to serve on the board: - Messrs Michael A. Ammar, Paul A.B. Facey, Paul Hanworth and Harry A.J. Smith. The following persons were also appointed to the Board of the Company; namely: - Joseph Bogdanovich, Marcus Richards, Christopher Bovell (mentioned earlier), Anthony Bell and Patrick Williams.

Having regard to the dynamic nature of business this should not be taken as an absolute commitment on the part of the Offeror to maintain any of the above-mentioned changes or to do so within any time period. Except as respects matters which are the subject of specific binding agreements they represent plans formulated as an outsider with respect to the Company prior to acquiring control and the Offeror's perspective could be influenced by "on the ground" experience over time.

32. The Offeror will maintain the Audit Committee and the Corporate Governance Committee of the Board of Directors of the Company. The Audit Committee will continue to be given full access to management and all pertinent corporate information to enable the Committee to discharge its duties of ensuring that adequate accounting records are maintained coupled with an effective system of internal control and that the assets of the Company are duly safeguarded. The Audit Committee will have discretion to invite any director or key executive to attend its meetings. In addition, all future transactions with related parties shall be subject to review by the Audit Committee and any director who is interested in any such contract shall abstain from voting thereon, whether at the Committee meeting or at the Board. The Offeror recognizes the importance of the Audit Committee and will ensure that it is given adequate resources and support to enable it to discharge its duties.

33. Any omission to dispatch this document to, or any failure to receive the same by any person to whom the Offer is made, or is intended to be made, shall not invalidate the Offer in any way.

34. The Offer and the acceptances thereof and any elections in respect thereof shall be governed by and construed in accordance with Jamaican law.

35. The information set out in the Appendices attached, forms an integral part of this Offer and should be read in conjunction therewith.

Yours faithfully
ARGYLE INDUSTRIES INC.



Chairman

Dated this 29th day of January, 2016

APPENDIX I

Regulatory Requirements

The following information is included in this Offer by virtue of the Securities (Take-overs and Mergers) Regulations, 1999 and the Rules of the Jamaica Stock Exchange and to provide additional information to H&L Shareholders.

- (a) The persons listed under column 1 below own directly or indirectly the number of H&L Shares set opposite their names in columns 2 and 3 in the table below:

Column 1 Person	Column 2 Direct Ownership	Column 3 Indirect Ownership
(i) The Offeror	47,077,304	None
(ii) Subsidiary, parent or affiliate of the Offeror Company	None	None
(iii) Any Director of the Offeror Company	None	None
(iv) Any officer of the Offeror Company	None	None
(v) Any person or company holding directly or indirectly more than 10% of the Offeror shares	None	None

- (b) With the exception of the acquisition by the Offeror of 47,077,304 H & L Shares on December 30, 2015, none of the persons listed in the table above has directly or indirectly traded in the H&L Shares during the last six (6) months preceding the date of this Offer.
- (c) The conditions attached to the Offer are set out in paragraph 4(e) of this Offer document.
- (d) Particulars of the method and terms of payment of the cash consideration are stated in paragraphs 4(b) and 4(c) of this Offer Document.
- (e) Any H&L Shares deposited pursuant to the Offer may be withdrawn by or on behalf of the Offeree at any time before the expiration of seven (7) days from the opening date of the Offer.
- (f) The financing required to complete the Offer will be provided from funds held at Belgravia International Bank and Trust Company Limited, Nassau, Bahamas ("Belgravia") Based on the Offer price of J\$18.50 per Share the maximum amount required to pay for all H&L Shares tendered and accepted is approximately J\$624,647,301.50. A letter of confirmation issued by Belgravia confirming that the funds are available to the Company is among the Documents Available for Inspection. See "**Documents for Inspection**" below. The Offeror is therefore satisfied that the requisite funds will be available to carry out the Offer.
- (g) The following is a summary showing the volume of trading and price range of H&L Shares in the six (6) months preceding the opening date of the Offer:

Month	Traded Volume	Price Range (Low)	Price Range (High)	Offer Premium (Low)	Offer Premium (High)
June	519,031	17.50	19.00	1.00	(0.50)
July	3,695	15.00	17.00	3.50	1.50
August	16,486	12.75	17.50	5.75	1.00
September	28,097	11.00	13.00	7.50	5.50
October	22,566	11.50	17.10	7.00	1.40
November	8,625	14.16	17.00	4.34	1.50
December	47,138,980	13.50	18.50	5.00	nil
1 – 27 January	907,061	18.00	18.50	0.50	nil

The foregoing information in this paragraph (g) is extracted from information available from the JSE and was not verified with, or by, the Company.

- (h) The Offeror has not entered into nor has it proposed the entry into any agreement or arrangement with any of the following persons, namely: (i) any person holding 10% or more of the voting shares or voting rights of the Company or (ii) any officer or director of the Company or (iii) any person who, within the nine (9) month period before the Offer was made, held more than 10% of the voting shares or the Voting Rights in the Company.
- (i) The Offeror is not aware of any material change in the financial position or prospects of the Company since September 30, 2015, being the date of the Company's last published unaudited financial statements.

The Company has, in accordance with its customary dividend policy, declared the following interim dividend during the previous financial year:

Record Date	Amount dividend per share	Ex-Dividend Date	Payment Date
Jan 7, 2015	0.32	Jan 5, 2015	Jan 23, 2015

- (j) The Offeror, at the present time, does not intend to make any material changes to the business strategy and operations of the Company and is focusing on building and expanding the business with a view of maximizing shareholder value.

The Offeror does not intend, in the near future, to make any material change to the Company's current dividend policy. However, changes in Jamaica tax policy, the outlook for the construction and agriculture industries and other factors affecting the prospects of the Company may compel modification of that policy in the interest of the Company and all its stockholders.

The Offeror has no plans to lay-off or reduce the Company's work force in the near future or to make any wholesale management changes as a result of this Offer. In order to better understand the business of the Company, the Offeror may engage a few key persons to work with the Company.

- (k) Paragraph 7 of this Offer Circular sets out the documents required to be lodged with the Offeror or its Registrar and Transfer Agent for an acceptance of this Offer to be valid.
- (l) There are no special arrangements relating to the Offer, between the Offeror and any director, past directors or shareholders of the Company or any party acting in concert with any of them.

With the exception of the acquisition of 58.23% of the issued shares of the Company by the Offeror on December 30, 2015, neither the Offeror nor its investors have acquired any shares in the Company in the past twelve (12) months or at all.

In this sub-paragraph, "special arrangement" includes any indemnity or option arrangement or undertaking, formal or informal, of whatever nature relating to the H&L Shares or any securities convertible into rights to subscribe for, or options to acquire, the H&L Shares which may be an inducement to deal or refrain from dealing in such shares or securities.

- (m) The Directors of the Offeror (whose names are set out in the Offer at paragraph 29 above) accept full responsibility for the information contained in this document. To the best of the knowledge and belief of such Directors (who have taken all reasonable care to ensure that such is the case) all such information is in accordance with the facts and the Directors are not aware of any fact the omission of which would make any statement in the Circular misleading. Where information in this Circular has been extracted from publicly available sources or obtained from a named source, the sole responsibility of the Directors of the Offeror has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in the Circular in the proper form and context.
- (n) There is no agreement, arrangement or understanding whereby the beneficial ownership of any of the H&L Shares to be acquired by the Offeror pursuant to this Offer will be transferred to any other person.
- (o) There is no intention, at the present time, to vary the total emoluments receivable by any director of the Offeror as a result of the transaction contemplated herein.

PROCEDURE FOR ACCEPTANCE

How to Tender Shares

(a) To tender your H&L Shares for acceptance you must complete Box 1 on the **Form of Acceptance & Transfer** - stating the number of H&L Shares that you wish to tender for acceptance. If you do not complete Box 1 it will be assumed that you are tendering all of your H&L Shares. If the number of Shares inserted in Box 1 is greater than the number of H&L Shares registered in your name then it will be assumed that you intend to tender all of your H&L Shares.

(b) Boxes 2 and 3 state how you wish the cheque in payment for your H&L Shares which are accepted to be delivered to you. Please select one by ticking the relevant Box. If you do not select Box 2 or Box 3 then your cheque will not be dispatched until valid instructions are provided.

(c) Cheques will be paid in Jamaican currency.

(d) You should sign the Form in the space indicated and insert in legible block letters your name below your signature and your address. If the Shares are registered in the name of more than one person then all registered shareholders should sign the Form. There is space on the Form for only two signatures but if there are additional shareholders then get a second Acceptance and Transfer Form and have the additional shareholder(s) sign that Form (without completing Boxes 1, 2 or 3) and staple that additional Form to the main Form on which Boxes 1, 2 or 3 have been completed. A company must affix its seal in accordance with its constitutional documents or an authorized representative must sign.

(e) The **Form of Acceptance and Transfer** duly completed in all respects should then be returned, along with the share certificate(s) in respect of your H&L Shares, by post or by courier or by hand as soon as possible and in any event, so as to be received no later than **4.30 p.m. on March 4, 2016** to:

**Sagicor Bank Jamaica Limited,
Group Legal, Trust & Corporate Services Department,
Attention: Camille Lennon or Susan Gray
Sagicor Life Building
24-48 Barbados Avenue
Kingston 5
Jamaica**

(f) If your H&L Shares are held in the Jamaica Central Securities Depository then you will not need to send in a share certificate.

If you have lost your Share Certificate

(g) If your share certificate(s) and or other document(s) of title is/are not readily available or is/are lost or destroyed and you wish to tender your H&L Shares then you should nevertheless complete, sign and return the **Form of Acceptance and Transfer** in the manner stated above. You may then send a separate note or make a notation on the Acceptance and Transfer Form that your share certificate is missing or lost. Your tender will be

processed in the normal way but you will not be paid for your Shares which are accepted unless and until you find and deliver the share certificate as stated in paragraph (e) above or you sign a form of Indemnity for Lost Share Certificate provided by Sagicor Bank Jamaica Limited. The form of Indemnity for Lost Share Certificate can be obtained from Sagicor Bank Jamaica Limited.

Risk of Post and Courier Delivery

(h) All documents sent through the post or by courier to Sagicor Bank Jamaica Limited Limited will be at your risk.

Offeror's Reservation

(i) The Offeror reserves the right to accept and to treat tenders as valid even though not complete in all respects or not accompanied by the relevant share certificate(s) and/or other documents.

Settlement

(j) Cheques drawn on a local bank for the cash amount due to you will be dispatched to tendering H&L Shareholders within 2 Business Days after the accepted Shares are transferred to the Offeror on the Jamaica Stock Exchange and, in any event, within 14 days of the close of the Offer; subject to the Jamaica Stock Exchange granting approval for the Shares to be "block transferred" across the Exchange to the Offeror within such 14 day period. Tendering H&L Shareholders can make special arrangements with Sagicor Bank Jamaica Limited for their payment to be sent instead by wire transfer to their bank account or their account with any securities dealers. (Tendering H&L Shareholders should note that wire transfer fees may be deducted from such payments).

Assistance & Help Desk

(k) Your securities dealer or bank or lawyer may be willing to provide assistance in completing and delivering the **Form of Acceptance and Transfer**.

DOCUMENTS FOR INSPECTION

Copies of the following documents will be available for inspection during the hours of 9:00 a.m. to 4:30 p.m. on any Business Day (Saturday, Sunday and public holidays excepted) whilst the Offer remains open for acceptance at the office of:

Myers, Fletcher & Gordon
Attorneys-at-law
21 East Street
Kingston
Jamaica

- (i) the Memorandum and Articles of Association of the Offeror;
- (ii) the Certificate of Incorporation of the Offeror;
- (iii) Letter of Undertaking issued by Belgravia International Bank and Trust Company Limited, Nassau, Bahamas.

APPENDIX II

Matters Affecting Overseas Shareholders

1. The making of the Offer to persons resident in, or to citizens of, jurisdictions outside Jamaica or to persons who are custodians, nominees or trustees for residents of jurisdictions outside Jamaica may be affected by the laws of the relevant jurisdictions. H&L Shareholders not resident in Jamaica should inform themselves about and observe any applicable legal requirements. It is the responsibility of any person outside Jamaica wishing to accept the Offer to satisfy himself as to the full observance of the laws of the relevant jurisdictions in connection therewith, including the obtaining of any governmental or other consents which may be required, the compliance with necessary formalities and the payment of any issue, transfer or other taxes due in such jurisdiction. H&L Shareholders other than residents of the Restricted Jurisdictions (as identified below) wishing to accept the Offer should not use the mail service of any of the Restricted Jurisdictions or the mail service of any other foreign country where such action may constitute a breach of any legal or regulatory requirement of such jurisdictions (herein called "Affected Foreign Country") or any means, instrumentality or facility for any purpose directly or indirectly relating to acceptance of the Offer. Envelopes containing Forms of Acceptance and Transfer, share certificates, other evidence of title or other documents relating to the Offer should not be postmarked in any of the Restricted Jurisdictions or any Affected Foreign Country or otherwise dispatched from any of the Restricted Jurisdictions or any Affected Foreign Country for the receipt of consideration to which they are entitled under the Offer or for the return of Forms of Acceptance and Transfer. Any acceptance which violates this provision will be deemed invalid in the absence of proof satisfactory to the Offeror that such acceptance was not in violation of the laws of any jurisdiction outside Jamaica.

2. If notwithstanding the restrictions described above, any person pursuant to a contractual or other legal obligation or otherwise, forwards this document, the Form of Acceptance and Transfer or any related document in, into or from any of the Restricted Jurisdictions or any Affected Foreign Country or uses the mail service or any means or instrumentality (including, without limitation, facsimile transmission, telex, telephone or electronic mail) of interstate or foreign commerce of, or any facilities of a national securities exchange of any of the Restricted Jurisdictions or any Affected Foreign Country in connection with such forwarding, such person should (i) forthwith inform the recipient of such fact; (ii) explain to the recipient that such action may invalidate any purported acceptance by the recipient and (iii) draw the attention of the recipient to this **Appendix II**.

3. An H&L Shareholder may be deemed NOT to have properly and validly accepted the Offer if (i) his address on the Form of Application is an address in any of the Restricted Jurisdictions or any Affected Foreign Country and in the case of an Affected Foreign Country, he fails to satisfy the Offeror that acceptance will not violate the laws and regulations of such Affected Foreign Country and he does not provide the Offeror with the name and address of a person or agent in Jamaica to whom he wishes the consideration to which he is entitled under the Offer to be sent; or (ii) the Form of Acceptance and Transfer received from him is received in an envelope postmarked in, or which otherwise appears to the Offeror or its agents to have been sent from any of the Restricted Jurisdictions or any Affected Foreign Country.

4. Each H&L Shareholder by whom or on whose behalf, a Form of Acceptance and Transfer is executed irrevocably undertakes, represents, warrants and agrees with the Offeror (so as to bind him, his personal representatives, heirs, successors and assigns) that:

- (a) the Form of Acceptance and Transfer and this document have not been mailed or otherwise distributed or sent (directly or indirectly) in, into, or from any of the Restricted Jurisdictions or any Affected Foreign Country;
- (b) such H&L Shareholder is not a resident of any of the Restricted Jurisdictions and is not a US Person;

- (c) in connection with the Offer, there has been no use, directly or indirectly by or on behalf of such H&L Shareholder, of the mail service, or other means or instrumentality (including, without limitation, facsimile transmission, telex, telephone or electronic mail or any electronic publication or advertisement) of foreign or interstate commerce, or any facility of a national securities exchange of any of the Restricted Jurisdictions or any Affected Foreign Country;
- (d) such H&L Shareholder was outside the Restricted Jurisdictions or an Affected Foreign Country when the Form of Acceptance and Transfer was sent and at the time of accepting the Offer in respect of the H&L Shares to which such Form of Acceptance and Transfer relates;
- (e) in respect of the H&L Shares to which the Form of Acceptance and Transfer relates, such H&L Shareholder is not an agent or fiduciary acting for a principal, unless such agent or fiduciary is an authorised employee of such principal or such principal has given instructions with respect to the Offer from outside any of the Restricted Jurisdictions or an Affected Foreign Country;
- (f) if such Accepting Shareholder is a citizen, resident or national of a jurisdiction other than Jamaica and other than the Restricted Jurisdictions, he has observed the laws of all relevant jurisdictions, obtained all requisite governmental, exchange control or other required consents, complied with all requisite formalities and paid any issue, transfer or other taxes or other requisite payments due from him in each case in connection with such acceptance, in any jurisdiction and that he has not taken or omitted to take any action which will or may result in the Offeror or any other person acting in breach of the legal or regulatory requirements of any such jurisdictions in connection with the Offer or his acceptance thereof.

Each H&L Shareholder by whom or on whose behalf a Form of Acceptance and Transfer is executed hereby agrees to indemnify and to keep the Offeror fully indemnified in respect of the consequences of any breach of any of the representations and warranties set out above.

5. The provisions of this Appendix supersede any terms of the Offer inconsistent therewith.

APPENDIX III

Forward looking Statements, Risk Factors & Special Considerations

This document may include certain forward looking statements. Such statements are not historical facts and may include statements about anticipated outcomes, intentions, beliefs and expectations that may never occur. You should be aware that the anticipated outcome of this Transaction is subject to a number of risk factors that may result in a materially different outcome than those contemplated in this document. The effect of risk factors will depend on whether you elect to tender your Shares in response to the Offeror or whether you elect to hold your Shares and continue as a shareholder in the Company.

Accepting Shareholders

If you are an Accepting Shareholder then your risks will relate primarily to the completion of the transaction. Some of those risk factors include but are not limited to the following:

- (a) The FSC and the JSE assumes regulatory oversight of transactions such as that contemplated herein and their ruling and directions could delay or adversely affect the completion of the Transaction;
- (b) Legal and/or regulatory risk (the risk of changes in the law or applicable regulation that may have a negative effect on either the Company and/or the Offeror) or the manner in which the Transaction is implemented. At the present time the Directors of the Offeror are not aware of any pending legal or regulatory changes which could negatively affect the process;
- (c) Interest rate and currency risk (the risk of changes in global interest rates and currency values that may have a negative effect on the Company and/or the Offeror, on the terms of the Offer);
- (d) Legal and/or regulatory risk (the risk of changes in the law or applicable regulation that may have a negative effect on either the Company and/or the Offeror); and/or
- (e) Trading risk (the risk of adverse changes in the economy which results in a decline in the demand for the services provided by the Company).

FORM OF ACCEPTANCE & TRANSFER

For use by stockholders of HARDWARE & LUMBER LIMITED (“H&L”) who wish to accept the offer made by ARGYLE INDUSTRIES INC. (“Argyle”) to purchase their registered ordinary stock units in H&L.

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. It should be read in conjunction with the accompanying offer document dated 29th January, 2016 (“the Offer Circular”). If you are in doubt as to the action you should take, you are advised to consult a licensed securities dealer, licensed investment advisor, accountant, attorney-at-law or other independent professional advisor. Definitions set out in the Offer Circular have the same meanings in this Form of Acceptance and Transfer.

THE OFFER TO WHICH THIS FORM OF ACCEPTANCE & TRANSFER RELATES IS NOT INTENDED TO BE, AND IN NO CIRCUMSTANCES SHOULD IT BE CONSTRUED TO BE, AN OFFER TO ACQUIRE, DIRECTLY OR INDIRECTLY, SHARES OF H&L FROM ANY RESIDENT OF CANADA, THE UNITED KINGDOM, AUSTRALIA, JAPAN OR ANY TERRITORY IN WHICH DELIVERY OF THE OFFER CIRCULAR WOULD VIOLATE ITS SECURITIES LAW OR REQUIRE THE OFFEROR OR THE COMPANY TO MAKE ANY FILING WITH THE SECURITIES AND EXCHANGE COMMISSION OF THE UNITED STATES OF AMERICA OR ANY OTHER AGENCY OUTSIDE JAMAICA (THE “RESTRICTED JURISDICTIONS”). NO TENDERS MADE BY OR ON BEHALF OF RESIDENTS OF ANY RESTRICTED JURISDICTION WILL BE ACCEPTED AND TENDERING SHAREHOLDERS MUST CERTIFY THAT THEY ARE NOT RESIDENTS OF ANY RESTRICTED JURISDICTION. THE OFFER IS NOT BEING MADE TO, NOR WILL TENDERS BE ACCEPTED FROM OR ON BEHALF OF HOLDERS OF H&L SHARES IN ANY JURISDICTION IN WHICH THE MAKING OF THE OFFER OR THE ACCEPTANCE THEREOF WOULD NOT BE IN COMPLIANCE WITH THE LAWS OF SUCH JURISDICTION.

THE OFFER CIRCULAR MAY BE SENT TO “US PERSONS” IN RELIANCE ON TIER 1 EXEMPTION FROM US SECURITIES LAWS. IN SUCH A CASE THE OFFER WOULD CONTINUE TO BE GOVERNED BY THE LAWS OF JAMAICA WHICH MAY DIFFER FROM UNITED STATES FEDERAL LAW OR THE LAW OF THE RELEVANT STATE IN WHICH IT IS SENT. IF AND TO THE EXTENT THAT THE OFFER TO A US PERSON BECOMES SUBJECT TO ANY US FEDERAL OR STATE LAW THE BENEFIT OR BURDEN OF SUCH LAW SHALL ONLY APPLY TO SUCH US PERSON. IF YOU ARE A US PERSON THEN ON RECEIPT OF THE OFFER CIRCULAR YOU SHOULD SEEK PROFESSIONAL ADVICE TO DETERMINE WHETHER US FEDERAL OR STATE LAW ALLOWS YOU TO TREAT WITH THE OFFER. IF IT DOES NOT THEN YOU SHOULD CONTACT YOUR LOCAL SECURITIES DEALER FORTHWITH OR SAGICOR BANK (JAMAICA) LIMITED FOR FURTHER INSTRUCTIONS.

If you have sold your H&L Shares, please send this Form of Acceptance and Transfer along with the Offer Circular to the purchaser or to the securities dealer or other agent through whom the sale was effected, for transmission to the purchaser.

ACTION TO BE TAKEN TO ACCEPT THE OFFER

Please read this form, complete in the box below the number of H&L Shares you wish to tender for sale and then sign at the foot of the Form and complete in block letters your full name and address below your signature(s) as indicated. If the box below is not completed it will be assumed that your tender is for all the H&L Shares registered in your name.

Box 1

No. of H&L: Shares Tendered

TO: ARGYLE INDUSTRIES INC.

1. I/WE, being the registered holder(s) of the number of ordinary stock units in the capital of H&L specified above (herein "H&L Shares"), which are not subject to any lien, charge or incumbrances, hereby irrevocably tender for your acceptance such H&L Shares upon the terms and subject to the conditions set out in the Offer Circular dated 29th January, 2016 and I/we enclose the relevant share certificate(s) or depository statement issued by Jamaica Central Securities Depository Limited ("JCSD") or other document(s) of title in respect of such H&L Shares.

2. My/Our signature(s) to this form shall constitute my/our execution of an instrument of transfer of my/our said holding of H&L Shares to you and I/we will execute any further assurances that may be necessary in connection with such transfer.

3. I/we hereby authorise and request you to:

Please tick appropriate box

Box 2

send by post at my/our risk to me/us at the address filled in below my/our signature(s) (or as instructed otherwise in writing) a cheque in my/our favour for the purchase consideration;

Box 3

hold my/our cheque for collection at the office of your Registrar and Transfer Agent, Sagicor Bank Jamaica Limited.

4. I/We authorise the return of my/our said certificate(s) or other document(s) of title and this form by post at my/our risk to me/us to the address given below within 14 days after the lapsing of the Offer.

5. By accepting the Offer I/we shall be deemed to make/give the representations, warranties and authorisations set out in paragraph 14 of the Offer Circular and paragraph 4 of Appendix II of the Offer Circular and to appoint any director of Argyle Industries Inc. as my/our attorney to sign and deliver any further or other instrument of transfer or other document required by the Jamaica Stock Exchange or by H&L or any other person (including any Governmental department or authority) to effect and complete the transfer of my/our H&L Shares to you or your nominees.

Dated this day of , 2016

First Holder

Second Holder

Signed by: _____

Name: _____
(Please complete in block letters)

Address: _____

JCSD A/C #: _____

Notes:

(1) *All joint holders must sign. A company must affix its seal or an authorised representative must sign. If there are more than two joint holders then the other joint holders should sign and complete section 5 of another Form of Acceptance and Transfer and staple both Forms together before returning them.*

- (2) *If you wish to accept the offer, this form duly completed must be forwarded, together with the relevant certificate(s) or JCSD statement or other document(s) of title for your H&L Shares to: (i) Sagicor Bank (Jamaica) Limited, Group Legal, Trust & Corporate Services, Attention: Camille Lennon or Susan Gray, Sagicor Life Building, 28-48 Barbados Avenue, Kingston 5; or (ii) any stockbroker in Jamaica (a list of which appears at the foot of this document) so as to arrive as soon as possible and in any event not later than **4.30 p.m. on March 4, 2016** (or such later date, if any, as may be announced). An acceptance once lodged can be withdrawn at any time before the expiration of seven (7) days from the opening date of the offer or at anytime thereafter with the Offeror's consent.*
- (3) *If prior to receipt of this form you sold or otherwise disposed of part of your H&L Shares then you should call any of the following persons at Sagicor Bank Jamaica Limited immediately:*
- Camille Lennon
Susan Grey*
- Tel: 1-888-724-4267*
- (4) *Instructions for cheques in settlement of the purchase consideration to be made payable or sent otherwise than to the registered shareholders or, in the case of a joint account, to the first-named will not be accepted.*