

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 8-K

CURRENT REPORT
PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934

DATE OF REPORT (Date of earliest event reported): FEBRUARY 10, 1999

THE MEN'S WEARHOUSE, INC.
(Exact name of registrant as specified in charter)

<TABLE>

<S>	TEXAS	<C>	000-20036	<C>	74-1790172
	(State of Incorporation)		(Commission File No.)		(I.R.S. Employer Identification No.)

</TABLE>

5803 GLENMONT DRIVE	
HOUSTON, TEXAS	77081
(Address of Principal Executive Offices)	(Zip Code)

REGISTRANT'S TELEPHONE NUMBER, INCLUDING AREA CODE: (713) 592-7200

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ITEM 2. ACQUISITION OR DISPOSITION OF ASSETS.

On February 10, 1999, The Men's Wearhouse, Inc., a Texas corporation (the "Company"), effected the acquisition of Moores Retail Group Inc., a New Brunswick, Canada corporation ("Moores"), through the combination (the "Combination") of Golden Moores Company, a Nova Scotia unlimited liability company and wholly owned subsidiary of the Company ("Canco"), with Moores. The Combination was effected pursuant to a Combination Agreement dated November 18, 1998 (the "Combination Agreement"), by and between the Company, Canco, Moores and the shareholders of Moores signatory thereto (collectively, the "Shareholders"). The Shareholders and employees of Moores who hold certain options to purchase a class of Moores capital stock (collectively, the "Optionholders") will receive 2.5 million shares of the Company's common stock, par value \$0.01 per share (the "Company Common Stock"), upon exchange of the Exchangeable Shares of Moores which they received in the Combination, as discussed below. The number of shares to be issued in the Combination was based on arms-length negotiations between the parties. The Combination will be accounted for as a pooling of interests.

Pursuant to the Combination Agreement, Moores has been restructured so that Canco now owns the only outstanding common stock of Moores. The Shareholders and Optionholders exchanged their shares of capital stock of Moores and their options for a new class of exchangeable shares (the "Exchangeable Shares") of Moores. Except to the extent required by the laws of the Province of New Brunswick, the only rights of the Exchangeable Shares are to permit the holders thereof to exchange each Exchangeable Share for one share of the Company Common Stock and to receive dividends on the Exchangeable Shares in an amount equal to dividends, if any, paid on the Company Common Stock. Each Exchangeable Share has the right pursuant to a Voting Trust Agreement dated February 10, 1999, by and between the Company, Canco, Moores and The Trust Company of Bank of Montreal (the "Voting Trustee") to cast a vote equivalent to the vote of one share of the Company Common Stock on each matter submitted to the holders of the Company Common Stock for a vote. The Voting Trustee will cast such votes on behalf of the holders of the Exchangeable Shares under the terms of the one share of Series A Special Voting Preferred Stock, par value \$0.01 per share, issued by the Company to the Voting Trustee.

In connection with the closing of the Combination, Moores' existing indebtedness of approximately \$85 million (Canadian dollars) was repaid. The Company, through Golden Moores Finance Company, a Nova Scotia unlimited liability company and wholly owned subsidiary of the Company ("Finco"), entered into a five-year term loan in the amount of Canadian \$75,000,000 which was used to refinance the Moores' indebtedness. Following the closing of the Combination, Moores entered into a five year revolving credit facility in the amount of Canadian \$30,000,000 which will be used to provide working capital, capital

expenditures and other ongoing financing needs of Moores. Terms and conditions are substantially similar to those contained in the Company's Credit Agreement which was amended and restated in connection with the closing of the Combination to adjust certain covenants to take into consideration the Combination, to extend the maturity date and to provide for additional lenders.

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Moores, through its subsidiaries, operates 115 men's apparel stores, 107 stores in Canada and 8 stores in the United States, and an integrated manufacturing facility in Montreal, Quebec, capable of producing approximately 500,000 jackets and one million pair of pants annually. The Company intends to continue to operate the business of Moores and integrate Moores' operations with the Company's existing men's retail operations.

A copy of the press release announcing the closing of the Combination is filed as Exhibit 99.1 and is hereby incorporated herein by reference. A copy of the press release announcing the completion of the financing transactions is filed as Exhibit 99.2 and is hereby incorporated herein by reference.

ITEM 7. FINANCIAL STATEMENTS AND EXHIBITS

(a) Financial statements of business acquired.

The following financial statements of Moores Retail Group Inc. are included in Appendix A hereto and filed herewith:

Auditors' Report
Consolidated Balance Sheet
Consolidated Statement of Income and Comprehensive Income
Consolidated Statement of Stockholders' Equity
Consolidated Statement of Cash Flows
Notes to Consolidated Financial Statements

(b) Pro forma financial information.

The following pro forma financial information is included in Appendix B hereto and filed herewith:

Pro Forma Combined Financial Statements - Basis of Presentation
Pro Forma Combined Balance Sheet at October 31, 1998
Pro Forma Combined Statements of Net Earnings:
For the Year Ended January 31, 1998
For the Nine Months Ended October 31, 1998

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For the Nine Months Ended November 1, 1997

Notes to Pro Forma Combined Financial Statements

(c) Exhibits.

- 2.1 - Combination Agreement dated November 18, 1998, by and between The Men's Wearhouse, Inc., Golden Moores Company, Moores Retail Group Inc. and the Shareholders of Moores Retail Group signatory thereto (incorporated by reference from Exhibit 2.1 to the Company's Registration Statement on Form S-3 (Registration No. 333-69979)).
- 4.1 - Registration Rights Agreement dated as of November 18, 1998, by and among The Men's Wearhouse, Inc. and Marpro Holdings, Inc., MGB Limited Partnership, Capital D'Amérique CDPQ Inc., Cerberus International, Ltd., Ultra Cerberus Fund, Ltd., Styx International Ltd., The Long Horizons Overseas Fund Ltd., The Long Horizons Fund, L.P. and Styx Partners, L.P. (incorporated by reference from Exhibit 4.13 to the Company's Registration Statement on Form S-3 (Registration No. 333-69979)).
- 4.2 - Support Agreement dated February 10, 1999, between The Men's Wearhouse, Inc., Golden Moores Company, Moores Retail Group Inc. and Marpro Holdings, Inc., MGB Limited

Partnership, Capital D'Amérique CDPQ Inc., Cerberus International, Ltd., Ultra Cerberus Fund, Ltd., Styx International Ltd., The Long Horizons Overseas Fund Ltd., The Long Horizons Fund, L.P. and Styx Partners, L.P.

- 9.1 - Voting Trust Agreement dated February 10, 1999, by and between The Men's Wearhouse, Inc., Golden Moores Company, Moores Retail Group Inc. and The Trust Company of Bank of Montreal.
- 23.1 - Consent of Ernst & Young LLP.
- 99.1 - Press Release of the Company dated February 10, 1999, announcing the closing of the Combination.
- 99.2 - Press Release of the Company dated February 10, 1999, announcing the completion of the financing transactions.

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SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

THE MEN'S WEARHOUSE, INC.

Dated: February 25, 1999

/s/ GARY CKODRE

Gary Ckudre
Vice President - Finance

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Appendix A

Moores Retail Group, Inc.
Consolidated Financial Statements

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AUDITORS' REPORT

To the Directors of
MOORES RETAIL GROUP INC.

We have audited the consolidated balance sheet of MOORES RETAIL GROUP INC. as at January 31, 1998 and the consolidated statements of income and comprehensive income, stockholders' equity and cash flows for the year then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in Canada. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Company as at January 31, 1998 and the results of its operations and the changes in its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States.

Montreal, Canada,
 March 20, 1998 Chartered Accountants
 [except note 15, which is as of November 18, 1998
 and notes 6 and 8, which are as of December 30, 1998].

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MOORES RETAIL GROUP INC.
 (INCORPORATED UNDER THE LAWS OF NEW BRUNSWICK, CANADA)

CONSOLIDATED BALANCE SHEET
 (IN THOUSANDS OF U.S. DOLLARS)

<TABLE>
 <CAPTION>

	OCTOBER 31, 1998 \$	JANUARY 31, 1998 \$
	----- (UNAUDITED)	-----
<S>	<C>	<C>
ASSETS (NOTES 6 AND 8)		
CURRENT		
Cash.....	1,696	54
Accounts receivable (note 13).....	719	702
Inventories (note 3).....	38,482	33,184
Prepaid expenses.....	500	724
Deferred income taxes.....	1,838	1,284
	-----	-----
TOTAL CURRENT ASSETS.....	43,235	35,948
	-----	-----
Property, plant and equipment (note 4).....	10,430	9,033
Other assets (note 5).....	25,109	28,044
	-----	-----
	78,774	73,025
	=====	=====
LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES		
Bank indebtedness and revolving credit facility (note 6)....	7,941	3,294
Revolving credit facility due to significant stockholder (note 6).....	2,580	--
Accounts payable and accrued liabilities (notes 7, 11 and 13).....	14,123	10,963
Income taxes payable.....	660	1,532
Current portion of long-term debt (note 8).....	2,552	2,319
Current portion of long-term debt payable to significant stockholders (note 8).....	851	1,050
	-----	-----
TOTAL CURRENT LIABILITIES.....	28,707	19,158
	-----	-----
Deferred income taxes.....	264	280
Long-term debt (note 8).....	14,341	17,261
Long-term debt payable to significant stockholders (note 8).....	30,331	32,834
	-----	-----
	73,643	69,533
	-----	-----
STOCKHOLDERS' EQUITY		
Capital stock (note 9)		
Preferred shares, no par value, issuable in series, unlimited shares authorized, none issued.....	--	--
Common shares, no par value, unlimited shares authorized, 30,000 shares issued and outstanding.....	732	732
Class B common shares, no par value, 70,000 shares authorized, issued and outstanding.....	976	976
Class C common shares, no par value, 122,222 shares authorized, 100,000 shares issued and outstanding.....	--	--
Class D common shares, no par value, 135,000 shares authorized, issued and outstanding.....	--	--
Class E common shares, no par value, 66,000 shares authorized, none issued.....	--	--
Class F common shares, no par value, 6,698 shares authorized, none issued.....	--	--
Retained earnings.....	3,786	1,972
Accumulated comprehensive loss.....	(363)	(188)
	-----	-----
TOTAL STOCKHOLDERS' EQUITY.....	5,131	3,492
	-----	-----
	78,774	73,025
	=====	=====

</TABLE>

Commitments and contingencies (note 11)

See accompanying notes

MOORES RETAIL GROUP INC.

CONSOLIDATED STATEMENT OF INCOME
AND COMPREHENSIVE INCOME
(IN THOUSANDS OF U.S. DOLLARS)

<TABLE>
<CAPTION>

	NINE-MONTH PERIOD ENDED OCTOBER 31, 1998 \$	NINE-MONTH PERIOD ENDED OCTOBER 31, 1997 \$	YEAR ENDED JANUARY 31, 1998 \$
	(UNAUDITED)	(UNAUDITED)	
<S>	<C>	<C>	<C>
NET SALES.....	94,682	92,402	131,414
COST OF SALES, INCLUDING STORE OCCUPANCY COSTS.....	59,002	58,129	82,751
GROSS PROFIT.....	35,680	34,273	48,663
Selling, general and administrative expenses (note 9).....	25,863	24,184	33,775
INCOME BEFORE THE UNDERNOTED ITEMS.....	9,817	10,089	14,888
Transaction costs (note 14).....	--	--	1,521
Interest (note 12).....	5,310	5,478	7,234
INCOME BEFORE INCOME TAXES.....	4,507	4,611	6,133
Provision for income taxes (note 10).....	2,693	2,550	4,065
NET INCOME FOR THE PERIOD.....	1,814	2,061	2,068
Foreign currency translation adjustment.....	(175)	(121)	(212)
COMPREHENSIVE INCOME.....	1,639	1,940	1,856

</TABLE>

Related party transactions (note 12)

See accompanying notes

MOORES RETAIL GROUP INC.

CONSOLIDATED STATEMENT OF STOCKHOLDERS' EQUITY
(IN THOUSANDS OF U.S. DOLLARS)

FOR THE NINE-MONTH PERIOD ENDED OCTOBER 31, 1998
(UNAUDITED)

<TABLE>
<CAPTION>

	COMMON SHARES		CLASS B COMMON SHARES		CLASS C COMMON SHARES		RETAINED EARNINGS \$	ACCUMULATED COMPREHENSIVE LOSS \$	TOTAL \$
	SHARES #	AMOUNT \$	SHARES #	AMOUNT \$	SHARES #	AMOUNT \$			
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
BALANCE AT JANUARY 31, 1998.....	30,000	732	70,000	976	100,000	--	1,972	(188)	3,492
Net income.....	--	--	--	--	--	--	1,814	--	1,814
Foreign currency translation adjustment...	--	--	--	--	--	--	--	(175)	(175)
BALANCE AT OCTOBER 31, 1998.....	30,000	732	70,000	976	100,000	--	3,786	(363)	5,131

</TABLE>

FOR THE NINE-MONTH PERIOD ENDED OCTOBER 31, 1997
(UNAUDITED)

<TABLE>
<CAPTION>

	COMMON SHARES		CLASS B COMMON SHARES		CLASS C COMMON SHARES		RETAINED EARNINGS \$	ACCUMULATED COMPREHENSIVE INCOME (LOSS) \$	TOTAL \$
	SHARES #	AMOUNT \$	SHARES #	AMOUNT \$	SHARES #	AMOUNT \$			
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
BALANCE AT JANUARY 31, 1997.....	30,000	732	70,000	976	--	--	(96)	24	1,636
Net income.....	--	--	--	--	--	--	2,061	--	2,061
Pro-rata distribution of Class C common shares (note 9).....	--	--	--	--	100,000	--	--	--	--
Foreign currency translation adjustment...	--	--	--	--	--	--	--	(121)	(121)

BALANCE AT OCTOBER 31, 1997.....	30,000	732	70,000	976	100,000	--	1,965	(97)	3,576
	=====	===	=====	===	=====	===	=====	=====	=====

</TABLE>

FOR THE YEAR ENDED JANUARY 31, 1998

<TABLE>
<CAPTION>

	COMMON SHARES		CLASS B COMMON SHARES		CLASS C COMMON SHARES		RETAINED EARNINGS	ACCUMULATED COMPREHENSIVE INCOME (LOSS)	TOTAL
	SHARES #	AMOUNT \$	SHARES #	AMOUNT \$	SHARES #	AMOUNT \$			
BALANCE AT JANUARY 31, 1997.....	30,000	732	70,000	976	--	--	(96)	24	1,636
Net income.....	--	--	--	--	--	--	2,068	--	2,068
Pro-rata distribution of Class C common shares (note 9).....	--	--	--	--	100,000	--	--	--	--
Foreign currency translation adjustment...	--	--	--	--	--	--	--	(212)	(212)
BALANCE AT JANUARY 31, 1998.....	30,000	732	70,000	976	100,000	--	1,972	(188)	3,492
	=====	===	=====	===	=====	===	=====	=====	=====

</TABLE>

There were no changes in preferred shares and Class D, E and F common shares during the nine-month periods ended October 31, 1998 and 1997 and for the year ended January 31, 1998.

See accompanying notes

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MOORES RETAIL GROUP INC.

CONSOLIDATED STATEMENT OF CASH FLOWS
(IN THOUSANDS OF U.S. DOLLARS)

<TABLE>
<CAPTION>

	NINE-MONTH PERIOD ENDED OCTOBER 31, 1998	NINE-MONTH PERIOD ENDED OCTOBER 31, 1997	YEAR ENDED JANUARY 31, 1998
	\$	\$	\$
	(UNAUDITED)	(UNAUDITED)	<C>
	<C>	<C>	<C>
OPERATING ACTIVITIES			
Net income.....	1,814	2,061	2,068
Items not affecting cash			
Depreciation of property, plant and equipment.....	1,628	1,633	2,252
Amortization of goodwill and deferred financing fees....	1,535	1,639	2,166
Interest expense related to amortization of debt discount (note 9).....	132	141	185
Deferred income taxes recovered.....	(680)	(513)	(256)
Decrease (increase) in accounts receivable.....	(59)	313	(34)
Increase in inventories.....	(7,506)	(4,120)	(4,072)
Decrease (increase) in prepaid expenses.....	192	(436)	(200)
Increase (decrease) in accounts payable and accrued liabilities.....	3,954	(123)	1,034
Increase (decrease) in income taxes payable.....	(821)	715	1,369
CASH PROVIDED BY OPERATING ACTIVITIES.....	189	1,310	4,512
FINANCING ACTIVITIES			
Bank indebtedness and revolving credit facility.....	7,754	(855)	(4,421)
Capitalized interest on long-term debt.....	--	2,620	3,124
Proceeds from (repayment of) long-term debt.....	(2,239)	905	649
Deferred merger costs and other.....	(256)	(284)	(40)
CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES.....	5,259	2,386	(688)
INVESTING ACTIVITIES			
Other.....	--	680	674
Additions to property, plant and equipment.....	(3,624)	(2,261)	(3,184)
CASH USED IN INVESTING ACTIVITIES.....	(3,624)	(1,581)	(2,510)
Effect of foreign exchange rate changes on cash.....	(182)	(1,685)	(2,109)
INCREASE (DECREASE) IN CASH POSITION.....	1,642	430	(795)
Cash position, beginning of period.....	54	849	849
CASH POSITION, END OF PERIOD.....	1,696	1,279	54
SUPPLEMENTARY DISCLOSURE OF CASH FLOW INFORMATION:			
Cash interest paid.....	4,592	4,240	5,747
Cash income taxes paid.....	4,245	2,374	3,030

</TABLE>

See accompanying notes

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MOORES RETAIL GROUP INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
(IN U.S. DOLLARS)

INFORMATION AS AT OCTOBER 31, 1998 AND FOR THE NINE-MONTH PERIODS ENDED OCTOBER 31, 1998 AND 1997 IS UNAUDITED. [ALL TABULAR AMOUNTS ARE EXPRESSED IN THOUSANDS OF U.S. DOLLARS UNLESS OTHERWISE INDICATED.]

The consolidated financial statements of the Company have been prepared by management in accordance with accounting principles generally accepted in the United States, including the rules and regulations adopted by the United States Securities and Exchange Commission ["the SEC"]. The consolidated financial statements have, in management's opinion, been properly prepared using careful judgment within reasonable limits of materiality and within the framework of the accounting policies summarized in note 2.

The accompanying financial statements have been prepared in connection with the merger transaction referred to in note 15 and present the financial position of the Company as at October 31, 1998 and January 31, 1998 and the results of operations and changes in cash flow and stockholders' equity for the nine-month periods ended October 31, 1998 and 1997 and for the year ended January 31, 1998.

1. DESCRIPTION OF BUSINESS

Moores Retail Group Inc. ["the Company"] is a holding company with three wholly owned operating subsidiaries: Moores The Suit People Inc. ["Moores"], Golden Brand Clothing (Canada) Ltd. ["Golden Brand"] and Moores The Suit People U.S. Inc. ["Moores U.S."]. Moores U.S. commenced commercial operations during the year ended January 31, 1998.

The Company is a Canadian specialty retailer of men's tailored clothing, with approximately 115 retail outlets. The Company is integrated and manufactures virtually all of its tailored clothing, which includes men's suits, sports coats and dress pants.

The Company's merchandise also includes dress shirts, sportswear, outerwear and accessories which are not manufactured in-house.

The Company was incorporated on December 9, 1996 under the laws of New Brunswick, Canada as Zorro Holding Corp. By way of a resolution of the Board of Directors dated September 26, 1997, the name of the Company was changed to Moores Retail Group Inc.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) PRINCIPLES OF CONSOLIDATION

The consolidated financial statements include the accounts of the Company and its wholly owned subsidiaries, Golden Brand, Moores and Moores U.S. In preparing the consolidated financial statements, all intercompany balances and transactions have been eliminated.

(b) INVENTORY VALUATION

Raw materials are valued at the lower of cost and replacement cost. Work-in-process is valued at the lower of cost and net realizable value.

Finished goods are valued at the lower of cost and net realizable value, using the retail inventory method for retail inventories.

The above costs are determined on an average cost basis.

(c) REVENUE RECOGNITION

Revenue is recognized at the time of sale for retail goods. Wholesale revenues are recognized at the time of shipment.

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MOORES RETAIL GROUP INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS -- (CONTINUED)

(d) USE OF ESTIMATES

The preparation of the Company's financial statements requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses. Actual results could differ materially from these estimates.

(e) PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment is stated at cost less accumulated depreciation and is depreciated over their estimated useful lives on a declining balance basis as follows:

<TABLE>

<S>	<C>
Furniture, fixtures and computer equipment.....	20%-30%

Machinery and equipment.....	20%
Rolling stock.....	30%

</TABLE>

Leasehold improvements are amortized on a straight-line basis over the terms of the leases.

(f) GOODWILL

Goodwill is amortized on a straight-line basis over its estimated useful life of 20 years. On an ongoing basis, management reviews the valuation and amortization of goodwill, taking into consideration any events or circumstances which might have impaired the carrying value. The amount of goodwill impairment, if any, is measured based on future cash flows.

(g) DEFERRED FINANCING COSTS

Deferred financing costs are amortized as interest expense, on a straight-line basis over the term of the related long-term debt. Substantially all of the deferred financing costs are being amortized over a five-year period.

(h) FOREIGN CURRENCY TRANSLATION

These financial statements are displayed in U.S. dollars. The functional currency of the Company is the Canadian dollar. As such, the assets and liabilities of the Company have been translated into U.S. dollars at the exchange rates in effect at each balance sheet date. Stockholders' equity has been translated into U.S. dollars at applicable historical exchange rates. Revenues, expenses and cash flows are translated at weighted average rates of exchange.

Gains or losses resulting from foreign currency transactions are included in income, while those resulting from the translation of the financial statements are included as a separate component of stockholders' equity.

The relevant foreign exchange rates, expressed as the foreign currency equivalent of one Canadian dollar to one U.S. dollar, used in the preparation of these financial statements are 0.6481 and 0.6870 as at October 31, 1998 and January 31, 1998, respectively, and 0.6779, 0.7244 and 0.7182 for the nine-month periods ended October 31, 1998 and 1997 and for the year ended January 31, 1998, respectively.

(i) INCOME TAXES

The Company accounts for income taxes using the asset and liability approach in accordance with Financial Accounting Standards Board ("FASB") Statement No. 109. Under the asset and liability approach, deferred income taxes are recognized for the tax consequences in future years of differences between the tax bases of assets and liabilities and their financial reporting amounts based on enacted tax laws and statutory tax rates applicable to the periods in which the differences are expected to affect taxable income. Valuation

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MOORES RETAIL GROUP INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS -- (CONTINUED)

allowances are established when necessary to reduce deferred tax assets to the amount expected to be realized. Income tax expense consists of both the tax payable for the period and the change during the period in deferred tax assets and liabilities.

(j) ADVERTISING AND STORE OPENING COSTS

Advertising and store opening costs are expensed as incurred. Total advertising expenses are approximately \$9,004,000, \$8,223,000 and \$11,178,000 for the nine-month periods ended October 31, 1998 and 1997 and the year ended January 31, 1998, respectively.

(k) STOCK OPTIONS

The Company applies Accounting Principles Board Opinion No. 25 in accounting for stock options. Accordingly, compensation expense has been recognized in these financial statements in connection with certain stock options granted at less than fair market value.

(l) COMPREHENSIVE INCOME

In June 1997, the FASB issued Statement No. 130, "Reporting Comprehensive Income", which is effective for fiscal years beginning after December 15, 1997. FASB Statement No. 130 establishes standards for reporting and displaying comprehensive income and its components in financial statements. This pronouncement has been applied retroactively in these financial statements.

(m) DEFERRED MERGER COSTS

The costs incurred by the Company to October 31, 1998 related to the merger transaction set out in note 15 have been deferred and will be recorded as an expense in the period in which the merger transaction is consummated.

(n) RECENTLY ISSUED ACCOUNTING STANDARD

In June 1998, the FASB issued Statement No. 133, "Accounting for Derivative Instruments and Hedging Activities", which establishes accounting and reporting for derivative instruments, including certain derivative instruments embedded in

other contracts, and for hedging activities. The Company is required to adopt this standard in the first quarter of the fiscal year ending January 31, 2000. The Company is currently assessing the impact that this standard will have on its financial position and results of operations.

3. INVENTORIES

<TABLE>
<CAPTION>

	OCTOBER 31, 1998 \$	JANUARY 31, 1998 \$
	-----	-----
	(UNAUDITED)	
<S>	<C>	<C>
Raw materials.....	2,219	2,226
Work-in-process.....	2,117	1,830
Finished goods.....	4,720	9,455
Retail inventories.....	29,426	19,673
	-----	-----
	38,482	33,184
	=====	=====

</TABLE>

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MOORES RETAIL GROUP INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS -- (CONTINUED)

4. PROPERTY, PLANT AND EQUIPMENT

<TABLE>
<CAPTION>

	COST \$	ACCUMULATED DEPRECIATION \$	NET BOOK VALUE \$
	-----	-----	-----
<S>	<C>	<C>	<C>
OCTOBER 31, 1998 (UNAUDITED)			
Leasehold improvements.....	10,903	6,045	4,858
Furniture, fixtures and computer equipment.....	7,021	3,893	3,128
Machinery and equipment.....	7,284	4,867	2,417
Rolling stock.....	133	106	27
	-----	-----	-----
	25,341	14,911	10,430
	=====	=====	=====
JANUARY 31, 1998			
Leasehold improvements.....	9,751	5,612	4,139
Furniture, fixtures and computer equipment.....	7,114	4,184	2,930
Machinery and equipment.....	6,184	4,256	1,928
Rolling stock.....	141	105	36
	-----	-----	-----
	23,190	14,157	9,033
	=====	=====	=====

</TABLE>

5. OTHER ASSETS

<TABLE>
<CAPTION>

	COST \$	ACCUMULATED AMORTIZATION \$	NET BOOK VALUE \$
	-----	-----	-----
<S>	<C>	<C>	<C>
OCTOBER 31, 1998 (UNAUDITED)			
Goodwill.....	24,148	2,227	21,921
Deferred financing costs and debt discount.....	4,648	1,706	2,942
Deferred merger costs.....	246	--	246
	-----	-----	-----
	29,042	3,933	25,109
	=====	=====	=====
JANUARY 31, 1998			
Goodwill.....	25,596	1,399	24,197
Deferred financing costs and debt discount.....	4,927	1,080	3,847
	-----	-----	-----
	30,523	2,479	28,044
	=====	=====	=====

</TABLE>

6. BANK INDEBTEDNESS AND REVOLVING CREDIT FACILITY

<TABLE>
<CAPTION>

	OCTOBER 31, 1998 \$	JANUARY 31, 1998 \$
	-----	-----
	(UNAUDITED)	
<S>	<C>	<C>
(a) Revolving credit facility.....	10,317	3,294
(b) Bank indebtedness.....	204	--
	-----	-----
	10,521	3,294
	=====	=====

</TABLE>

(a) REVOLVING CREDIT FACILITY

The revolving credit facility represents funds advanced to the Company under a portion of the credit facility referred to in note 8(a) to fund working capital needs. This portion of the facility bears interest at the rate of either 2% above the Canadian prime rate or the Canadian banker's acceptance rate plus 3%, at the option of the Company. The Company's effective borrowing rate in respect of this indebtedness approximated 9% at October 31, 1998.

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MOORES RETAIL GROUP INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS -- (CONTINUED)

The Canadian prime rate was 7% and 6.5% at October 31, 1998 and January 31, 1998, respectively. The Canadian banker's acceptance rate was 5.21% and 4.56% at October 31, 1998 and January 31, 1998, respectively.

Loans to the Company under the revolving credit facility are limited to certain percentages of accounts receivable and inventories (as defined in the loan agreement). The maximum available credit under this portion of the facility is Canadian \$20,000,000.

As at October 31, 1998, the Company had approximately \$1,842,000 remaining undrawn against this credit facility. This amount is subject to a standby fee of 1% per annum.

The revolving credit facility is collateralized as described in note 8(a).

A portion of this indebtedness is held by a significant stockholder.

(b) BANK INDEBTEDNESS

The bank indebtedness at October 31, 1998 relates primarily to cheques in circulation.

7. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

<TABLE>
<CAPTION>

	OCTOBER 31, 1998 \$	JANUARY 31, 1998 \$
	-----	-----
	(UNAUDITED)	
<S>	<C>	<C>
Trade accounts payable.....	7,784	5,315
Wages and benefits.....	2,208	1,931
Other accrued liabilities and provisions.....	4,131	3,717
	-----	-----
	14,123	10,963
	=====	=====

</TABLE>

8. LONG-TERM DEBT

<TABLE>
<CAPTION>

	OCTOBER 31, 1998 \$	JANUARY 31, 1998 \$
	-----	-----
	(UNAUDITED)	
<S>	<C>	<C>
(a) Loan payable.....	22,522	26,106
(b) Subordinated loan payable to significant stockholders...	22,311	23,923
(c) Notes payable to companies controlled by a significant stockholder.....	3,242	3,435
	-----	-----
	48,075	53,464
Less current portion.....	3,403	3,369
	-----	-----
	44,672	50,095
	=====	=====

</TABLE>

(a) LOAN PAYABLE

The loan bears interest at the rate of either 2% above the Canadian prime rate or the Canadian banker's acceptance rate plus 3%, at the Company's option. The Company's effective borrowing rate in respect of this indebtedness approximated 9% at October 31, 1998.

The funds for this loan, as well as for the revolving credit facility referred to in note 6(a), were obtained from the proceeds of a credit facility aggregating Canadian \$60,000,000. This portion of the credit facility is repayable in varying quarterly installments up to January 31, 2002, at which time a final installment of Canadian \$16,000,000 will be due.

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MOORES RETAIL GROUP INC.

A fixed and floating first charge covering substantially all of the assets and undertakings of the Company serves to collateralize this indebtedness.

The credit facility contains numerous restrictive covenants including limitations on the sale of assets, the payment of dividends or redemption of stock, the repayment of the loans referred to in (b) and (c) below and the level of permitted capital expenditures.

The credit facility also provides for certain financial covenants that must be met on a consolidated basis [as defined in the loan agreement] including the maintenance of specified levels of working capital, fixed charge coverage and debt-to-earnings ratios.

As at October 31, 1998, the Company was in default in respect of the above financial covenants. Subsequent to October 31, 1998, waivers and covenant modifications were obtained from the lenders in question, allowing the related debt to be classified as non-current.

A portion of this indebtedness is held by a significant stockholder.

(b) SUBORDINATED LOAN PAYABLE TO SIGNIFICANT STOCKHOLDERS

The subordinated loan, from significant stockholders, represents a Canadian \$30,000,000 credit facility advanced jointly to Golden Brand and Moores. The loan carries a coupon interest rate of 13%. The coupon interest rate in respect of the one-year period ended December 23, 1997 was 15%, with interest capitalized to the loan balance for this one-year period only. As set out in note 9, the effective interest rate in respect of this loan approximates 15.7%. As at December 23, 1997, approximately \$3,300,000 of interest had been capitalized in respect of this loan.

The loan principal is due in one payment on February 28, 2002. The capitalized interest accumulated to December 23, 1997 is repayable out of excess cash flow (as defined in the loan agreement). The first mandatory payment out of excess cash flow in the approximate amount of \$278,000 was made on May 31, 1998. Subsequent payments are due on May 31 of each fiscal year until the earlier of the repayment of the capitalized interest or the maturity date of the loan.

The loan is collateralized by a fixed and floating second charge on all of the assets and undertakings of the Company.

This facility contains numerous restrictive covenants including limitations on the sale of assets, the payment of dividends or redemption of stock, the repayment of the loan referred to in (c) below and the level of permitted capital expenditures. With the exception of the mandatory repayments based on excess cash flow, the credit facility has been subordinated in favour of the credit facilities referred to in (a) above and in note 6(a).

The credit facility also provides for certain financial covenants that must be met on a consolidated basis [as defined in the agreement] including the maintenance of specified levels of working capital, fixed charge coverage and debt-to-earnings ratios.

As at October 31, 1998, the Company was in default in respect of the above financial covenants. Subsequent to October 31, 1998, waivers and covenant modifications were obtained from the lenders in question, allowing the related debt to be classified as non-current.

(c) NOTES PAYABLE TO COMPANIES CONTROLLED BY A SIGNIFICANT STOCKHOLDER

The notes bear interest at the rate of 10% and mature on March 31, 2002. The notes call for mandatory early repayments to the extent that excess cash flow (as defined in the notes payable) is available after repayment of the capitalized interest referred to in note 8(b) above.

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MOORES RETAIL GROUP INC.

With the exception of the mandatory repayment in respect of excess cash flow, these notes are subordinated in favour of the loans referred to in (a) above and in note 6(a).

Principal payments on the Company's long-term debt are due in the following approximate amounts for years ending January 31:

<TABLE>
<CAPTION>

	\$

<S>	<C>
1999.....	3,403
2000.....	3,565
2001.....	4,213
2002.....	13,935
2003.....	22,959

	48,075
	=====

</TABLE>

(a) CAPITAL STOCK

Each of the stockholders of the Class D common shares has granted a proxy over a portion of their Class D shares to the remaining stockholders such that the voting power of each stockholder is in accordance with its holdings of common and Class B common shares. The proxy is revocable upon an event of default under the loan agreements described in notes 8(a) and 8(b). In connection with the defaults referred to in note 8, this proxy was not revoked.

The 70,000 Class B common shares were issued for nominal consideration in connection with the advance to the Company of the Canadian \$30 million credit facility described in note 8(b). The fair value on the date of issue was determined to be approximately \$976,000 and the corresponding debt discount is being amortized as interest expense, as an adjustment to the interest rate on the credit facility. The effective interest rate over the life of the facility, including this adjustment, is approximately 15.7%.

The amortization of debt discount is approximately \$132,000, \$141,000 and \$185,000 for the nine-month periods ended October 31, 1998 and 1997 and for the year ended January 31, 1998, respectively.

(b) STOCK OPTION PLAN

On March 5, 1997 the Company granted 10,000 stock options [of a maximum authorized number of 11,111] to purchase Class C common shares to certain employees and a director of the Company, under an employee and executive stock option plan [the "Stock Option Plan"]. As a result of the pro-rata distribution of shares to stockholders on May 28, 1997, the number of shares subject to the options and the exercise price were adjusted proportionately in accordance with the provisions of the Stock Option Plan, resulting in 20,000 Class C common shares being subject to granted options [of a maximum authorized number of 22,222]. The stock options vest fully on March 4, 2005, based solely on continued employment with the Company, and are exercisable at a price of Canadian \$16.67 per Class C common shares [after the adjustment on May 28, 1997 is taken into account].

Pursuant to a directors' resolution dated February 24, 1998, an additional 1,839 options were granted at an exercise price of Canadian \$389.43. These options vest fully on March 4, 2006, based solely on continued employment with the Company.

The Stock Option Plan provides for accelerated vesting based on the achievement of certain financial performance targets as established by the Board of Directors.

The provisions of the Stock Option Plan call for the number of options to be granted under the Stock Option Plan to be adjusted proportionately for certain share reorganizations.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS -- (CONTINUED)

The provisions of the Stock Option Plan also provide that any options forfeited upon the departure of an employee are available for grant to other employees of the Company. As at October 31, 1998, 12,949 stock options are outstanding, 2,222 stock options have vested based on financial performance, 8,890 options had been forfeited upon employee departures, 10,727 options remain unvested and 9,273 options remain available for grant. The 10,727 unvested options potentially vest on an accelerated basis as follows:

<TABLE>
<CAPTION>

ACCELERATION BASED ON FINANCIAL PERFORMANCE OF FISCAL YEAR ENDING -----	NUMBER OF STOCK OPTIONS VESTING ON AN ACCELERATED BASIS -----
<S>	<C>
January 31, 1999.....	2,590
January 31, 2000.....	2,590
January 31, 2001.....	2,590
January 31, 2002.....	2,590
January 31, 2003.....	367

The options vest on an accelerated basis on the May 31 immediately following each January 31 period referred to above. The option rights pursuant to the Stock Option Plan expire 10 years from March 5, 1997.

(c) COMPENSATION EXPENSE

The fair value of the Class C common shares exceeded the exercise price of the options on the grant dates. The aggregate excess of fair market value approximated \$2,305,000.

Following the departure of two employees and the cumulative amortization of the excess of fair market value as compensation expense, an amount of approximately \$1,000,000 remains to be amortized as expense at October 31, 1998.

Compensation expense has been included in selling, general and administrative expenses as follows:

<TABLE>

<CAPTION>

	NINE-MONTH PERIOD ENDED OCTOBER 31, 1998 \$	NINE-MONTH PERIOD ENDED OCTOBER 31, 1997 \$	YEAR ENDED JANUARY 31, 1998 \$
	----- (UNAUDITED)	----- (UNAUDITED)	-----
<S>	<C>	<C>	<C>
	117	161	211

</TABLE>

(d) SUPPLEMENTARY INFORMATION ON STOCK-BASED COMPENSATION

As described in note 2(k), the Company applies APB 25 in accounting for stock options. Had the Company used the alternative method set forth under FASB Statement No. 123, net income would have been reduced. The impact of FASB Statement No. 123 may not be representative of the effect on income in future years because options vest based on the financial performance of the Company and additional option grants may be made each year.

Pro-forma information regarding net income is required by FASB Statement No. 123 and has been determined as if the Company had accounted for the Stock Option Plan using the minimum value method (excluding the effects of volatility). The fair value for these options was estimated at the date of grant with the following assumptions: risk-free interest rates of 6.6%, dividend yield of 0%, and a weighted-average expected life of the options of 5.4 years.

The Company's pro-forma net income would be reduced by approximately \$8,000 to \$2,060,000 for the year ended January 31, 1998 if FASB Statement No. 123 were applied.

The weighted average fair value of the options granted during the year ending January 31, 1998 was \$103.44 per share, which is net of the discounted exercise price. The weighted average remaining contractual life is 8 years.

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MOORES RETAIL GROUP INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS -- (CONTINUED)

10. INCOME TAXES

The income tax provision reported differs from the amount computed by applying Canadian federal and Quebec provincial rates to income before taxes. The reasons for the differences and the related tax effects are as follows:

<TABLE>
<CAPTION>

	NINE-MONTH PERIOD ENDED OCTOBER 31, 1998 \$	NINE-MONTH PERIOD ENDED OCTOBER 31, 1997 \$	YEAR ENDED JANUARY 31, 1998 \$
	----- (UNAUDITED)	----- (UNAUDITED)	-----
<S>	<C>	<C>	<C>
Earnings before income taxes.....	4,507	4,611	6,133
Statutory income tax rate.....	38%	38%	38%
	-----	-----	-----
Statutory income tax expense.....	1,713	1,752	2,331
Increase (decrease) in tax expense related to:			
Non-deductible goodwill amortization.....	360	385	504
Non-deductible compensation expense related to stock options.....	44	61	80
Non-deductible interest expense related to the amortization of debt discount.....	50	53	70
Non-deductible transaction costs.....	--	--	578
Manufacturing and processing tax credit.....	(438)	(400)	(437)
Unrecognized tax benefits of operating losses of U.S. subsidiary.....	765	218	456
Higher provincial income tax rates in provinces other than Quebec.....	247	268	339
Other.....	(48)	213	144
	-----	-----	-----
PROVISION FOR INCOME TAXES.....	2,693	2,550	4,065
	=====	=====	=====

The composition of the income tax provision is as follows:

Current.....	3,373	3,063	4,321
Deferred.....	(680)	(513)	(256)
	-----	-----	-----
PROVISION FOR INCOME TAXES.....	2,693	2,550	4,065
	=====	=====	=====

</TABLE>

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MOORES RETAIL GROUP INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS -- (CONTINUED)

The tax effect of temporary differences that give rise to significant portions of the deferred tax assets and liabilities is as follows:

<TABLE>
<CAPTION>

	OCTOBER 31, 1998 \$	JANUARY 31, 1998 \$
	-----	-----
	(UNAUDITED)	
<S>	<C>	<C>
DEFERRED TAX ASSETS		
Excess of tax basis of inventory over accounting value.....	1,838	1,284
Net operating losses of U.S. subsidiary.....	1,015	346
	-----	-----
	2,853	1,630
Valuation allowance.....	(1,015)	(346)
	-----	-----
TOTAL DEFERRED TAX ASSETS.....	1,838	1,284
	=====	=====
DEFERRED TAX LIABILITIES		
Excess of accounting value of capital assets over tax basis.....	264	280
	-----	-----
TOTAL DEFERRED TAX LIABILITIES.....	264	280
	=====	=====

</TABLE>

As at October 31, 1998, the Company has net operating loss carryforwards relating to its U.S. subsidiary of approximately \$2.6 million which expire between 2013 and 2019.

11. COMMITMENTS AND CONTINGENCIES

(a) LEASES

The minimum rental payments under long-term operating leases, exclusive of certain operating costs for which the Company is responsible, approximate the following for the years ending January 31:

<TABLE>
<CAPTION>

	\$

<S>	<C>
1999.....	7,304
2000.....	6,940
2001.....	6,172
2002.....	5,399
2003.....	4,427
Thereafter.....	9,148

	39,390
	=====

</TABLE>

Certain of the lease agreements provide for additional annual rental payments based on sales. These contingent rental payments are not significant for any of the periods presented.

(b) LETTERS OF CREDIT

As at October 31, 1998, the Company had open letters of credit of approximately \$804,000 collateralized under the credit facility referred to in note 8(a) above.

In addition, accounts payable and accrued liabilities at October 31, 1998 include approximately \$380,000, the payment of which is guaranteed by accepted letters of credit. Those amounts are collateralized as noted above.

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MOORES RETAIL GROUP INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS -- (CONTINUED)

(c) LETTERS OF GUARANTEE

As at October 31, 1998, the Company had letters of guarantee outstanding amounting to approximately \$519,000.

(d) CONTINGENCIES

The Company, in the normal course of operations, is subject to certain litigation. Management is of the opinion that the outcome of this litigation will not have a material impact on the Company.

(e) YEAR 2000

The Year 2000 issue arises because many computerized systems use two digits rather than four to identify a year. Date-sensitive systems may recognize the Year 2000 as 1900 or some other date, resulting in errors when information using Year 2000 dates is processed. In addition, similar problems may arise in some systems which use certain dates in 1999 to represent something other than a date. The effects of the Year 2000 issue may be experienced before, on, or after January 1, 2000, and, if not addressed, the impact on operations and financial reporting may range from minor errors to significant systems failure which could affect the Company's ability to conduct normal business operations. It is not

possible to be certain that all aspects of the Year 2000 issue affecting the Company including those related to the efforts of customers, suppliers, or other third parties, will be fully resolved.

12. RELATED PARTY TRANSACTIONS

(a) RENT EXPENSE

Rent expense paid to a significant stockholder is as follows:

<TABLE>
<CAPTION>

	NINE-MONTH PERIOD ENDED OCTOBER 31, 1998 \$	NINE-MONTH PERIOD ENDED OCTOBER 31, 1997 \$	YEAR ENDED JANUARY 31, 1998 \$
	(UNAUDITED)	(UNAUDITED)	
<S>	<C>	<C>	<C>
	281	326	414

</TABLE>

The rent expense was recorded at the exchange amount, this being the amount agreed upon by the related parties in question.

(b) INTEREST EXPENSE

Interest expense on loans from related parties approximated \$2,995,000, \$3,268,000 and \$4,298,000 for the nine-month periods ended October 31, 1998 and 1997 and the year ended January 31, 1998, respectively. The interest expense was recorded at the exchange amount, this being the amount determined by the related parties in question.

13. FINANCIAL INSTRUMENTS

CREDIT AND CURRENCY RISK

Accounts payable and accrued liabilities

Approximately \$710,000 and \$543,000 of the Company's accounts payable and accrued liabilities were denominated in U.S. dollars as at October 31, 1998 and January 31, 1998, respectively.

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MOORES RETAIL GROUP INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS -- (CONTINUED)

Forward contracts

From time to time, the Company enters into foreign exchange forward contracts to buy U.S. dollars at specified dates in the future. This activity is carried out in an attempt to manage the currency risk associated with U.S. dollar purchases and accounts payable.

The Company is exposed to credit-related losses in the event of nonperformance by the counterparty to these foreign exchange forward contracts, but it does not expect the counterparty to fail to meet its obligations. The credit exposure of forward contracts is represented by the fair value of contracts with a positive fair value at the reporting date.

Details of foreign exchange forward contracts outstanding as at October 31, 1998 are as follows:

<TABLE>
<CAPTION>

MATURITY DATE		NOMINAL AMOUNT \$	CANADIAN DOLLAR SPOT PRICE OCTOBER 31, 1998 (000'S) \$	CANADIAN DOLLAR CONTRACT PRICE (000'S) \$	CANADIAN DOLLAR UNREALIZED GAIN (000'S) \$
<S>	<C>	<C>	<C>	<C>	<C>
November 30, 1998	U.S. dollar.....	1,000	1,543	1,506	37
December 31, 1998	U.S. dollar.....	1,000	1,543	1,506	37
			-----	-----	--
			3,086	3,012	74
			=====	=====	==

</TABLE>

No forward contracts were outstanding as at January 31, 1998.

14. TRANSACTION COSTS

Transaction costs relate to professional fees, regulatory filing fees and other costs in respect of a withdrawn financing initiative.

15. SUBSEQUENT EVENTS

On November 18, 1998, the Company signed a definitive merger agreement with The Men's Wearhouse, Inc. ("Men's Wearhouse") whereby the outstanding stock of each class of capital stock of the Company, including all stock options, will be

exchanged for a maximum of 2.75 million shares of common stock of Men's Wearhouse.

At the consummation of the above transaction, the Company will record as a charge to income certain costs related to the transaction. These include the following:

- (a) The write-off of the deferred merger costs set out in note 5 to the financial statements;
- (b) An investment advisory fee of approximately Canadian \$1.5 million;
- (c) Additional professional fees in the approximate amount of Canadian \$710,000;
- (d) Termination payments to certain officers and directors of the Company approximating Canadian \$740,000;
- (e) The recognition of approximately \$1,000,000 of compensation expense related to the write-off of the unamortized balance of the excess of the fair market value over the exercise price at the grant date of certain stock options (see note 9).

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Appendix B

THE MEN'S WEARHOUSE, INC. AND SUBSIDIARIES

PRO FORMA COMBINED FINANCIAL STATEMENTS

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THE MEN'S WEARHOUSE, INC. AND SUBSIDIARIES

PRO FORMA COMBINED FINANCIAL STATEMENTS
BASIS OF PRESENTATION
(UNAUDITED, IN THOUSANDS)

The unaudited pro forma combined financial statements give effect to the proposed combination of The Men's Wearhouse, Inc. (Men's Wearhouse) and Moores Retail Group Inc. (Moores) under the pooling of interests method of accounting. The unaudited pro forma combined financial statements should be read in conjunction with the historical consolidated financial statements and the notes thereto of Men's Wearhouse, which are incorporated by reference in this Prospectus, and of Moores, which are included elsewhere in this Prospectus. The unaudited pro forma combined balance sheet assumes that the proposed combination was consummated on October 31, 1998 and combines the Men's Wearhouse and Moores October 31, 1998 consolidated balance sheets. The unaudited pro forma combined balance sheet includes adjustments which give effect to events that are directly attributable to the transaction. The unaudited pro forma combined statements of earnings for the nine months ended October 31, 1998 and November 1, 1997 and for the year ended January 31, 1998 assume that the proposed combination was consummated on February 2, 1997 and have been prepared by combining the historical results of Men's Wearhouse and Moores for such periods. Moores commenced operations on December 23, 1996 and reported a net loss of U.S. \$96 for the 40 day period from December 23, 1996 to January 31, 1997. No pro forma combined statements of earnings have been presented for years prior to fiscal 1997 because the effect of the proposed combination on such statements is not significant.

Nonrecurring charges totaling \$4,927, net of a \$219 tax benefit, which result directly from the transaction and which are expected to be included in the results of operations of Men's Wearhouse within the twelve months succeeding the transaction have been excluded from the unaudited pro forma combined statements of earnings. In addition, an extraordinary charge of approximately \$3,058, net of a \$1,534 tax benefit, relating to refinancing certain Moores debt has not been reflected. The effect of these nonrecurring and extraordinary charges have, however, been reflected in the pro forma adjustments to retained earnings in the pro forma combined balance sheet.

The historical consolidated financial statements of Moores included in the pro forma combined balance sheets and statements of earnings are stated in United States dollars and have been prepared in accordance with generally accepted accounting principles in the United States. The exchange rates used in translating the historical Canadian currency financial statements of Moores reflect the current exchange rate as of the balance sheet date and the weighted average exchange rates for the periods presented in the statements of earnings. The cumulative translation adjustments are reported as a separate component of shareholders' equity. The historical statements of earnings for Moores included in the pro forma combined statements of earnings do not reflect earnings per share data since Moores, as a privately owned company, has not reported such

data.

All share and per share data reflected in the historical Men's Wearhouse statements of earnings have been adjusted to give effect to a 50% stock dividend effected on June 2, 1998. The pro forma combined earnings per share reflect the 2,500,000 shares of common stock that Men's Wearhouse will be required to ultimately issue to the existing shareholders and optionholders of Moores.

The preparation of unaudited pro forma combined financial statements requires management to make estimates and assumptions based on information currently available. The pro forma adjustments made in connection with the development of the pro forma information are preliminary and have been made solely for purposes of developing such pro forma information for illustrative purposes necessary to comply with the disclosure requirements of the Securities and Exchange Commission. The unaudited pro forma combined financial statements do not purport to be indicative of the results of operations for future periods or the combined financial positions or the results that actually would have been realized had the entities been a single entity during the periods presented.

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THE MEN'S WEARHOUSE, INC. AND SUBSIDIARIES

PRO FORMA COMBINED BALANCE SHEET
OCTOBER 31, 1998
(UNAUDITED -- IN THOUSANDS)

<TABLE>
<CAPTION>

	AS REPORTED			PRO FORMA ADJUSTMENTS	PRO FORMA COMBINED	ADJUSTMENTS FOR REFINANCING		ADJUSTED PRO FORMA COMBINED
	MEN'S WEARHOUSE	MOORES	TOTAL			<C>	<C>	
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
ASSETS								
CURRENT ASSETS:								
Cash.....	\$ 5,910	\$ 1,696	\$ 7,606	\$	\$ 7,606	\$		\$ 7,606
Inventories.....	275,215	38,482	313,697		313,697			313,697
Other current assets.....	13,596	3,057	16,653		16,653	(2)	511	17,164
Total current assets.....	294,721	43,235	337,956		337,956		511	338,467
PROPERTY AND EQUIPMENT, NET...	96,434	10,430	106,864		106,864			106,864
OTHER ASSETS, NET.....	24,683	25,109	49,792	(1)	(246)	(2)	(2,941)	46,605
TOTAL.....	\$415,838	\$78,774	\$494,612	\$ (246)	\$494,366	\$ (2,430)		\$491,936
LIABILITIES AND SHAREHOLDERS' EQUITY								
CURRENT LIABILITIES:								
Revolving debt.....	\$	\$10,521	\$ 10,521	\$	\$ 10,521	(2)	\$(10,521)	\$
Current portion of long-term debt.....		3,403	3,403		3,403	(2)	(3,403)	
Accounts payable and accrued expenses.....	96,054	14,123	110,177	(1)	(314)			109,863
Income taxes payable.....	837	660	1,497	(1)	(219)			1,278
Total current liabilities.....	96,891	28,707	125,598		(533)		(13,924)	111,141
LONG-TERM DEBT.....	32,750	44,672	77,422	(1)	3,912	(2)	15,575	96,909
OTHER LIABILITIES.....	7,089	264	7,353		7,353	(2)	(1,023)	6,330
Total liabilities.....	136,730	73,643	210,373	3,379	213,752		628	214,380
COMMITMENTS AND CONTINGENCIES								
SHAREHOLDERS' EQUITY:								
Preferred stock.....								
Common stock.....	348	1,708	2,056	(3)	(1,683)			373
Capital in excess of par....	148,264		148,264	(1) (3)	2,985			151,249
Retained earnings.....	131,490	3,786	135,276	(1)	(4,927)	(2)	(3,058)	127,291
Total.....	280,102	5,494	285,596	(3,625)	281,971		(3,058)	278,913
Currency translation adjustment.....		(363)	(363)		(363)			(363)
Treasury stock, at cost....	(994)		(994)		(994)			(994)
Total shareholders' equity.....	279,108	5,131	284,239	(3,625)	280,614		(3,058)	277,556
TOTAL.....	\$415,838	\$78,774	\$494,612	\$ (246)	\$494,366	\$ (2,430)		\$491,936

</TABLE>

See Notes to Pro Forma Combined Financial Statements.

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THE MEN'S WEARHOUSE, INC. AND SUBSIDIARIES

PRO FORMA COMBINED STATEMENT OF EARNINGS

FOR THE YEAR ENDED JANUARY 31, 1998
(UNAUDITED -- IN THOUSANDS, EXCEPT PER SHARE DATA)

<TABLE>
<CAPTION>

AS REPORTED

	MEN'S WEARHOUSE	MOORES	TOTAL	PRO FORMA ADJUSTMENTS	PRO FORMA COMBINED
		(U.S. \$)			
<S>	<C>	<C>	<C>	<C>	<C>
Net sales.....	\$631,110	\$131,414	\$762,524		\$762,524
Cost of goods sold, including buying and occupancy costs.....	388,517	82,751	471,268		471,268
Gross margin.....	242,593	48,663	291,256		291,256
Selling, general and administrative expenses.....	191,063	35,296	226,359		226,359
Operating income.....	51,530	13,367	64,897		64,897
Interest expense, net.....	2,366	7,234	9,600		9,600
Earnings before income taxes.....	49,164	6,133	55,297		55,297
Provision for income taxes.....	20,281	4,065	24,346		24,346
Net earnings.....	\$ 28,883	\$ 2,068	\$ 30,951		\$ 30,951
Assuming issuance of 2,500 shares:					
Net earnings per share --					
Basic.....	\$ 0.89		\$ 0.89		\$ 0.89
Diluted.....	\$ 0.87		\$ 0.87		\$ 0.87
Weighted average shares outstanding --					
Basic.....	32,345		32,345 (4)	2,500	34,845
Diluted.....	35,384		35,384 (4)	2,500	37,884

</TABLE>

See Notes to Pro Forma Combined Financial Statements.

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THE MEN'S WEARHOUSE, INC. AND SUBSIDIARIES

PRO FORMA COMBINED STATEMENT OF EARNINGS
FOR THE NINE MONTHS ENDED OCTOBER 31, 1998
(UNAUDITED - IN THOUSANDS, EXCEPT PER SHARE DATA)

<TABLE>
<CAPTION>

AS REPORTED

	MEN'S WEARHOUSE	MOORES	TOTAL	PRO FORMA ADJUSTMENTS	PRO FORMA COMBINED
		(U.S. \$)			
<S>	<C>	<C>	<C>	<C>	<C>
Net sales.....	\$504,450	\$ 94,682	\$599,132		\$599,132
Cost of goods sold, including buying and occupancy costs.....	311,432	59,002	370,434		370,434
Gross margin.....	193,018	35,680	228,698		228,698
Selling, general and administrative expenses.....	153,910	25,863	179,773		179,773
Operating income.....	39,108	9,817	48,925		48,925
Interest expense, net.....	1,674	5,310	6,984		6,984
Earnings before income taxes.....	37,434	4,507	41,941		41,941
Provision for income taxes.....	15,442	2,693	18,135		18,135
Net earnings before extraordinary item....	\$ 21,992	\$ 1,814	\$ 23,806		\$ 23,806
Assuming issuance of 2,500 shares:					
Net earnings before extraordinary item per share --					
Basic.....	\$ 0.66		\$ 0.66		\$ 0.66
Diluted.....	\$ 0.64		\$ 0.64		\$ 0.64
Weighted average shares outstanding --					
Basic.....	33,517		33,517 (4)	2,500	36,017
Diluted.....	36,261		36,261 (4)	2,500	38,761

</TABLE>

See Notes to Pro Forma Combined Financial Statements.

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THE MEN'S WEARHOUSE, INC. AND SUBSIDIARIES

PRO FORMA COMBINED STATEMENT OF EARNINGS
FOR THE NINE MONTHS ENDED NOVEMBER 1, 1997
(UNAUDITED -- IN THOUSANDS, EXCEPT PER SHARE DATA)

<TABLE>
<CAPTION>

	AS REPORTED			PRO FORMA ADJUSTMENTS	PRO FORMA COMBINED
	MEN'S WEARHOUSE	MOORES	TOTAL		
		(U.S. \$)			
<S>	<C>	<C>	<C>	<C>	<C>
Net sales.....	\$410,867	\$92,402	\$503,269		\$503,269
Cost of goods sold, including buying and occupancy costs.....	256,104	58,129	314,233		314,233
Gross margin.....	154,763	34,273	189,036		189,036
Selling, general and administrative expenses.....	127,508	24,184	151,692		151,692
Operating income.....	27,255	10,089	37,344		37,344
Interest expense, net.....	1,824	5,478	7,302		7,302
Earnings before income taxes.....	25,431	4,611	30,042		30,042
Provision for income taxes.....	10,490	2,550	13,040		13,040
Net earnings.....	\$ 14,941	\$ 2,061	\$ 17,002		\$ 17,002
Assuming issuance of 2,500 shares:					

Net earnings per share --					
Basic.....	\$ 0.47		\$ 0.47		\$ 0.49
Diluted.....	\$ 0.47		\$ 0.47		\$ 0.49
Weighted average shares outstanding --					
Basic.....	32,089		32,089 (4)	2,500	34,589
Diluted.....	35,123		35,123 (4)	2,500	37,623

</TABLE>

See Notes to Pro Forma Combined Financial Statements.

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THE MEN'S WEARHOUSE, INC. AND SUBSIDIARIES

NOTES TO PRO FORMA COMBINED FINANCIAL STATEMENTS
(UNAUDITED, IN THOUSANDS)

The pro forma combined financial statements as of October 31, 1998 and for the nine months ended October 31, 1998 and November 1, 1997 and for the year ended January 31, 1998 include the following adjustments to reflect the combination as a pooling of interests and the concurrent debt refinancing:

1. To record the estimated transaction costs to complete the combination of Men's Wearhouse and Moores under pooling of interests accounting. The costs, which primarily relate to investment banking fees, professional fees, contract termination payments and unamortized stock option compensation expenses, are currently estimated to be approximately \$4,927, net of a tax benefit of \$219, and are reflected as a reduction in retained earnings in the accompanying balance sheet. These costs are not reflected in the pro forma combined statements of earnings.

2. To adjust the pro forma combined balance sheet for the effects of refinancing approximately \$60 million of existing Moores debt as of October 31, 1998 as follows:

<TABLE>

<S>	<C>
Revolving debt refinanced with long-term debt.....	\$10,521
Current portion of long-term debt refinanced with long-term debt.....	3,403
Prepayment penalty from early retirement of long-term debt.....	1,651
Addition to long-term debt.....	\$15,575
Write off of Moores historical deferred financing costs, net of tax of \$907.....	\$ 2,034
Prepayment penalty from early retirement of long-term debt, net of tax of \$627.....	1,024
Adjustment to retained earnings.....	\$ 3,058

</TABLE>

The effects of the refinancing are not reflected in the pro forma combined statements of earnings.

3. To adjust common stock and capital in excess of par value to reflect the issuance of 2,500,000 shares of Men's Wearhouse common stock to Moores shareholders and optionholders.

4. Pro forma basic earnings per share is computed based on the weighted average number of common shares outstanding. Pro forma diluted earnings per share is computed based on the weighted average number of common shares plus the dilutive impact of options and convertible securities for each period after giving effect to the combination on a pooling of interests basis. Pro forma shares and earnings per share data is presented to reflect the issuance of 2,500,000 shares of Men's Wearhouse common stock.

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INDEX TO EXHIBITS

<TABLE>
<CAPTION>

Exhibit Number -----	Description -----
<S>	<C>
2.1	Combination Agreement dated November 18, 1998, by and between The Men's Wearhouse, Inc., Golden Moores Company, Moores Retail Group Inc. and the Shareholders of Moores Retail Group signatory thereto (incorporated by reference from Exhibit 2.1 to the Company's Registration Statement on Form S-3 (Registration No. 333-69979)).
4.1	Registration Rights Agreement dated as of November 18, 1998, by and among The Men's Wearhouse, Inc. and Marpro Holdings, Inc., MGB Limited Partnership, Capital D'Amérique CDPQ Inc., Cerberus International, Ltd., Ultra Cerberus Fund, Ltd., Styx International Ltd., The Long Horizons Overseas Fund Ltd., The Long Horizons Fund, L.P. and Styx Partners, L.P. (incorporated by reference from Exhibit 4.13 to the Company's Registration Statement on Form S-3 (Registration No. 333-69979)).
4.2	Support Agreement dated February 10, 1999, between The Men's Wearhouse, Inc., Golden Moores Company, Moores Retail Group Inc. and Marpro Holdings, Inc., MGB Limited Partnership, Capital D'Amérique CDPQ Inc., Cerberus International, Ltd., Ultra Cerberus Fund, Ltd., Styx International Ltd., The Long Horizons Overseas Fund Ltd., The Long Horizons Fund, L.P. and Styx Partners, L.P.
9.1	Voting Trust Agreement dated February 10, 1999, by and between The Men's Wearhouse, Inc., Golden Moores Company, Moores Retail Group Inc. and The Trust Company of Bank of Montreal.
23.1	Consent of Ernst & Young LLP.
99.1	Press Release of the Company dated February 10, 1999, announcing the closing of the Combination.
99.2	Press Release of the Company dated February 10, 1999, announcing the completion of the financing transactions.

</TABLE>

SUPPORT AGREEMENT

THIS SUPPORT AGREEMENT is entered into as of February 10, 1999, between The Men's Wearhouse, Inc., a Texas corporation ("TMW"), Golden Moores Company, a Nova Scotia unlimited liability company and wholly owned subsidiary of TMW ("Canco"), and Moores Retail Group Inc., a New Brunswick corporation ("MG"), and MARPRO Holdings, Inc., MGB Limited Partnership, Capital D'Amérique CDPQ Inc., Cerberus International, Ltd., Ultra Cerberus Fund, Ltd., Styx International Ltd, The Long Horizons Overseas Fund Ltd., The Long Horizons Fund, L.P. and Styx Partners, L.P. (collectively, the "Shareholders" and each a "Shareholder").

RECITALS

WHEREAS, pursuant to a Combination Agreement dated as of November 18, 1998, by and between TMW, Canco, MG and the Shareholders (such agreement as it may be amended or restated is hereinafter referred to as the "Combination Agreement") the parties agreed that on the Effective Date (as defined in the Combination Agreement), TMW, Canco and MG would execute and deliver a Support Agreement containing the terms and conditions set forth in Exhibit N to the Combination Agreement together with such other terms and conditions as may be agreed to by the parties to the Combination Agreement acting reasonably.

WHEREAS, pursuant to a share restructuring (the "Share Restructuring") effected by a share restructuring plan (the "Share Restructuring Plan") filed pursuant to the Business Corporations Act (New Brunswick) (or any successor or other corporate statute by which MG may in the future be governed) (the "Act") each issued and outstanding Common Share, Class B Share, Class C Share and Class D Share of MG (the "MG Shares") and each option to purchase MG Shares (the "Options") was exchanged for issued and outstanding Exchangeable Shares of MG (the "Exchangeable Shares"), and thereafter, MG's sole issued and outstanding Preferred Share was exchanged by the holder thereof for one hundred issued and outstanding Common Shares.

WHEREAS, the above-mentioned Share Restructuring Plan sets forth the rights, privileges, restrictions and conditions (collectively the "Exchangeable Share Provisions") attaching to the Exchangeable Shares.

WHEREAS, the parties hereto desire to make appropriate provision and to establish a procedure whereby TMW and Canco will take certain actions and make certain payments and deliveries necessary to ensure that TMW and Canco will be able to make certain payments and to deliver or cause to be delivered shares of TMW Common Stock in satisfaction of the obligations of TMW and Canco under the Exchangeable Share Provisions.

WHEREAS, the parties hereto desire to make appropriate provision and to establish a procedure whereby TMW and Canco will take certain actions and make certain payments and deliveries necessary to ensure that MG will be able to make certain payments and to deliver or cause to be delivered shares of TMW Common Stock in satisfaction of the obligations of MG under the Exchangeable Share Provisions.

NOW, THEREFORE, in consideration of the respective covenants and agreements provided in this agreement and for other good and valuable consideration (the receipt and sufficiency of which are hereby acknowledged), the parties agree as follows:

ARTICLE I.

DEFINITIONS AND INTERPRETATION

1.1 Defined Terms. Each term denoted herein by initial capital letters and not otherwise defined herein shall have the meaning attributed thereto in the Exchangeable Share Provisions, unless the context requires otherwise.

1.2 Interpretation Not Affected by Headings, Etc. The division of this agreement into articles, sections and paragraphs and the insertion of headings

are for convenience of reference only and shall not affect the construction or interpretation of this agreement.

1.3 Number, Gender, Etc. Words importing the singular number only shall include the plural and vice versa. Words importing the use of any gender shall include all genders.

1.4 Date for Any Action. If any date on which any action is required to be taken under this agreement is not a Business Day, such action shall be required to be taken on the next succeeding Business Day.

ARTICLE II.

Covenants of TMW and Canco

2.1 Delivery by TMW. TMW hereby agrees that it will provide directly to the Shareholders or to Canco, as required by the Exchangeable Share Provisions or the Share Restructuring Plan, out of TMW's authorized and unissued capital stock such number of shares of TMW Common Stock (or other shares or securities into which TMW Common Stock may be reclassified or changed as contemplated by section 3.7 hereof) (a) as is equal to the sum of the number of Exchangeable Shares issued and outstanding from time to time and (b) as are now and may hereafter be required to enable and permit TMW, Canco or MG, as applicable, to meet their obligations hereunder, under the Combination Agreement, the Share Restructuring Plan, the Exchangeable Share Provisions or any other related document.

2.2 Delivery by Canco. Canco hereby agrees to deliver to the Shareholders or MG, as required by the Exchangeable Share Provisions or the Share Restructuring Plan, such shares of TMW Common Stock as they may become entitled to under the provisions hereof or of the Combination Agreement, the Share Restructuring Plan, the Exchangeable Share Provisions or any other related document.

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ARTICLE III.

Covenants of TMW, Canco and MG

3.1 Covenants of TMW and Canco Regarding Exchangeable Shares. So long as any Exchangeable Shares are outstanding, TMW will or will cause Canco and Canco will or will cause MG, as the case may be, to:

- (a) not declare or pay any dividend on TMW Common Stock unless (A) MG will have sufficient assets, funds and other property available to enable the due declaration and the due and punctual payment in accordance with applicable law of an equivalent dividend on the Exchangeable Shares and (B) subsection 3.1(b) shall be complied with in connection with such dividend;
- (b) cause MG to declare simultaneously with the declaration of any dividend on TMW Common Stock an equivalent dividend on the Exchangeable Shares and, when such dividend is paid on TMW Common Stock, cause MG to pay simultaneously therewith such equivalent dividend on the Exchangeable Shares, in each case in accordance with the Exchangeable Share Provisions;
- (c) advise MG sufficiently in advance of the declaration by TMW of any dividend on TMW Common Stock and take all such other actions as are necessary, in cooperation with MG, to ensure that the respective declaration date, record date and payment date for a dividend on the Exchangeable Shares shall be the same as the record date, declaration date and payment date for the corresponding dividend on TMW Common Stock;
- (d) ensure that the record date for any dividend declared on TMW Common Stock is not less than ten Business

Days after the declaration date for such dividend;

- (e) take all such actions and do all such things as are necessary or desirable to enable and permit MG, in accordance with applicable law, to pay and otherwise perform its obligations with respect to the satisfaction of the Liquidation Amount in respect of each issued and outstanding Exchangeable Share upon the liquidation, dissolution or winding-up of MG or any other distribution of the assets of MG for the purpose of winding up its affairs, including without limitation all such actions and all such things as are necessary or desirable to enable and permit MG to cause to be delivered shares of TMW Common Stock to the holders of Exchangeable Shares in accordance with the provisions of Article 5 of the Exchangeable Share Provisions;
- (f) take all such actions and do all such things as are necessary or desirable to enable and permit MG, in accordance with applicable law, to pay and otherwise perform its obligations with respect to the satisfaction of the

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Retraction Price and the Redemption Price, including without limitation all such actions and all such things as are necessary or desirable to enable and permit MG to cause to be delivered shares of TMW Common Stock to the holders of Exchangeable Shares, upon the retraction or redemption of the Exchangeable Shares in accordance with the provisions of Article 6 or Article 7 of the Exchangeable Share Provisions, as the case may be;

- (g) take all such actions and do all such things as are necessary or desirable to enable and permit TMW and Canco, in accordance with applicable law and any contractual obligation of TMW, Canco and MG, to, and TMW and Canco shall, pay and perform their obligations to purchase Exchangeable Shares, including without limitation all such actions and all such things as are necessary or desirable to enable and permit TMW and Canco to deliver shares of TMW Common Stock to the holder of Exchangeable Shares, in accordance with Article 6, Article 8 or Article 9 of the Exchangeable Share Provisions and Sections 4.1, 4.2 and 4.3 of the Share Restructuring Plan; and
- (h) cause the Transfer Agent to take all actions to be taken by the Transfer Agent to carry out the terms of the Exchangeable Share Provisions and the Share Restructuring Plan.

3.2 Segregation of Funds. TMW will or will cause Canco and Canco will or will cause MG, as required by the Exchangeable Share Provisions or the Share Restructuring Plan, to deposit a sufficient amount of funds in a separate account and segregate a sufficient amount of such assets and other property as is necessary to enable TMW, Canco and MG to pay or otherwise satisfy their obligations under the Exchangeable Share Provisions or the Share Restructuring Plan to deliver and pay the Exchangeable Share Consideration and the Exchangeable Share Price, in each case for the benefit of holders from time to time of the Exchangeable Shares, and TMW, Canco and MG will use such funds, assets and other property so segregated exclusively for the payment of dividends and the payment or other satisfaction of the Exchangeable Share Consideration and the Exchangeable Share Price, net of any corresponding withholding tax obligations and for the remittance of such withholding tax obligations.

3.3 Reservation of Shares of TMW Common Stock. TMW hereby represents, warrants and covenants that it has irrevocably reserved for issuance and will at all times keep available, free from pre-emptive and other rights, out of TMW's

authorized and unissued capital stock such number of shares of TMW Common Stock (or other shares or securities into which TMW Common Stock may be reclassified or changed as contemplated by section 3.7 hereof) (a) as is equal to the sum of the number of Exchangeable Shares issued and outstanding from time to time and (b) as are now and may hereafter be required to enable and permit TMW, Canco and MG to meet their obligations hereunder, under the Combination Agreement, the Share Restructuring Plan, the Voting Trust Agreement, the Exchangeable Share Provisions and any other related document pursuant to which TMW, MG or Canco may now or hereafter be required to deliver shares of TMW Common Stock to the holders of Exchangeable Shares.

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3.4 Notification of Certain Events. In order to assist TMW and Canco to comply with their obligations hereunder, MG will give TMW and Canco notice of each of the following events at the time set forth below:

- (a) immediately, in the event of any determination by the Board of Directors of MG to take any action which would require a vote of the holders of Exchangeable Shares for approval;
- (b) immediately, upon the earlier of (A) receipt by MG of notice of, and (B) MG otherwise becoming aware of, any threatened or instituted claim, suit, petition or other proceedings with respect to the involuntary liquidation, dissolution or winding-up of MG or to effect any other distribution of the assets of MG among its shareholders for the purpose of winding-up its affairs;
- (c) immediately, upon receipt by MG of a Retraction Request (as defined in the Exchangeable Share Provisions);
- (d) at least 130 days prior to any Automatic Redemption Date determined by the Board of Directors of MG in accordance with clause (b) of the definition of Automatic Redemption Date in the Exchangeable Share Provisions; and
- (e) as soon as practicable upon the issuance by MG of any Exchangeable Shares or rights to acquire Exchangeable Shares.

3.5 Delivery of Shares of TMW Common Stock. In furtherance of its obligations hereunder, upon notice of any event which requires MG to cause to be delivered shares of TMW Common Stock to any holder of Exchangeable Shares, TMW shall deliver to Canco and Canco shall forthwith deliver or TMW shall be entitled to deliver directly the requisite shares of TMW Common Stock to or to the order of the former holder of the surrendered Exchangeable Shares, as MG shall direct. All such shares of TMW Common Stock shall be duly issued as fully paid and non-assessable and shall be free and clear of any lien, claim, encumbrance, security interest or adverse claim or interest.

3.6 Qualification of Shares of TMW Common Stock. TMW covenants that if any shares of TMW Common Stock to be issued and delivered hereunder or under the Combination Agreement, the Share Restructuring Plan or the Exchangeable Share Provisions require registration or qualification with or approval of or the filing of any document including any prospectus or similar document the taking of any proceeding with or the obtaining of any order, ruling or consent from any governmental or regulatory authority under any Canadian or United States federal, provincial or state law or regulation or pursuant to the rules and regulations of any regulatory authority, or the fulfillment of any other legal requirement (collectively, the "Applicable Laws") before such shares may be delivered to the initial holder thereof or in order that such shares may be freely traded thereafter (other than any restrictions on transfer by reason of a holder being a "control person" of TMW for purposes of Canadian federal or provincial securities law or an "affiliate" of TMW for purposes of United States federal or state securities law), TMW will in good faith expeditiously take all such actions and do all such things as are necessary to cause such shares of TMW Common Stock to be

and remain duly registered, qualified or approved. TMW represents and warrants that it has in good faith taken all actions and done all things as are necessary under Applicable Laws as they exist on the date hereof to cause the shares of TMW Common Stock to be issued and delivered hereunder or under the Combination Agreement, the Share Restructuring Plan or the Exchangeable Share Provisions to be freely tradeable thereafter (other than restrictions on transfer by reason of a holder being a "control person" of TMW for the purposes of Canadian federal and provincial securities law or an "affiliate" of TMW for purposes of United States federal or state securities law). TMW will in good faith expeditiously take all such actions and do all such things as are necessary to cause all shares of TMW Common Stock to be delivered hereunder or under the Combination Agreement, the Share Restructuring Plan or the Exchangeable Share Provisions to be listed, quoted or posted for trading on all stock exchanges and quotation systems on which such shares are listed, quoted or posted for trading at such time.

3.7 Equivalence.

(a) TMW will not:

- (i) issue or distribute shares of TMW Common Stock (or securities exchangeable for or convertible into or carrying rights to acquire shares of TMW Common Stock) to the holders of all or substantially all of the then outstanding shares of TMW Common Stock by way of stock dividend or other distribution; or
- (ii) issue or distribute rights, options or warrants to the holders of all or substantially all of the then outstanding shares of TMW Common Stock entitling them to subscribe for or to purchase shares of TMW Common Stock (or securities exchangeable for or convertible into or carrying rights to acquire shares of TMW Common Stock); or
- (iii) issue or distribute to the holders of all or substantially all of the then outstanding shares of TMW Common Stock (A) shares or securities of TMW of any class other than TMW Common Stock (other than shares convertible into or exchangeable for or carrying rights to acquire shares of TMW Common Stock), (B) rights, options or warrants other than those referred to in subsection 3.7(a)(ii) above, (C) evidences of indebtedness of TMW or (D) assets of TMW;

unless

- (iv) one or all of TMW, Canco and MG is permitted under applicable law and any contractual obligations of TMW, Canco and MG to issue or distribute the economic equivalent on a per share basis of such rights, options, warrants, securities, shares, evidences of indebtedness or other assets to holders of the Exchangeable Shares; and

- (v) one or all of TMW, Canco and MG shall issue or distribute such rights, options, warrants, securities, shares, evidences of indebtedness or other assets simultaneously to holders of the Exchangeable Shares.

- (b) TMW will not:
- (i) subdivide, redivide or change the then outstanding shares of TMW Common Stock into a greater number of shares of TMW Common Stock; or
 - (ii) reduce, combine or consolidate or change the then outstanding shares of TMW Common Stock into a lesser number of shares of TMW Common Stock; or
 - (iii) reclassify or otherwise change the shares of TMW Common Stock or effect an amalgamation, merger, reorganization or other transaction affecting the shares of TMW Common Stock;
- unless
- (iv) MG is permitted under applicable law and any contractual obligation of MG to simultaneously make the same or an economically equivalent change to, or in the rights of holders of, the Exchangeable Shares; and
 - (v) the same or an economically equivalent change is made to, or in the rights of the holders of, the Exchangeable Shares.
- (c) TMW will ensure that the record date for any event referred to in section 3.7(a) or 3.7(b) above, or (if no record date is applicable for such event) the effective date for any such event, is not less than 10 Business Days after the date on which such event is declared or announced by TMW (with simultaneous notice thereof to be given by TMW to MG).

3.8 Tender Offers, Etc. In the event that a tender offer, share exchange offer, issuer bid, take-over bid, merger, business combination or similar transaction with respect to TMW Common Stock (an "Offer") is proposed by TMW or is proposed to TMW or its shareholders and is recommended by the Board of Directors of TMW, or is otherwise effected or to be effected with the consent or approval of the Board of Directors of TMW, TMW shall, in good faith, take all such actions and do all such things as are necessary or desirable to enable and permit holders of Exchangeable Shares to participate in such Offer to the same extent and on an equivalent basis as the holders of shares of TMW Common Stock, without discrimination, including, without limiting the generality of the foregoing, TMW will use its good faith efforts expeditiously to (and shall, in the case of a transaction proposed by TMW or where TMW is a participant in the negotiation thereof) ensure that holders of Exchangeable Shares may participate in all such Offers without being required to retract Exchangeable Shares as against MG (or, if so required, to ensure that any such retraction shall

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be effective only upon, and shall be conditional upon, the closing of the Offer and only to the extent necessary to tender or deposit to the Offer).

3.9 Ownership of Outstanding Shares. Without the prior approval of MG and the prior approval of the holders of the Exchangeable Shares given in accordance with Section 11.1 of the Exchangeable Share Provisions, TMW covenants and agrees in favor of MG that, as long as any outstanding Exchangeable Shares are owned by any person or entity other than TMW or any of its Subsidiaries, TMW will be and remain the direct or indirect beneficial owner of all issued and outstanding MG Common Shares and of at least 50.1% of all other securities of MG carrying or entitled to voting rights in any circumstances generally for the election of directors, in each case other than the Exchangeable Shares.

3.10 TMW to Vote Exchangeable Shares Proportionately. TMW covenants and agrees that it will appoint and cause to be appointed proxy holders with respect to all Exchangeable Shares held by TMW and its Subsidiaries for the sole purpose

of attending each meeting of holders of Exchangeable Shares in order to be counted as part of the quorum for each such meeting. TMW further covenants and agrees that it will, and will cause its Subsidiaries to, exercise any voting rights which may be exercisable by holders of Exchangeable Shares from time to time pursuant to the Exchangeable Share Provisions or pursuant to the provisions of the Act with respect to any Exchangeable Shares held by it or by its Subsidiaries in respect of any matter considered at any meeting of holders of Exchangeable Shares in the same proportion as the Exchangeable Shares not held by TMW and its Subsidiaries are voted by the holders thereof; provided, however, that any such obligation of TMW and its Subsidiaries to vote Exchangeable Shares proportionately shall only apply to matters of MG with respect to which the Exchangeable Shares are entitled to vote.

3.11 Due Performance. On and after the Effective Date, TMW and Canco shall duly and timely perform all of their obligations provided for in the Share Restructuring Plan, including any obligations that may arise upon the exercise of TMW's or Canco's rights under the Exchangeable Share Provisions.

3.12 Automatic Redemption Date. Each of TMW, Canco and MG agrees that it will not take any action which would cause an Automatic Redemption Date to occur under clause (c) of the definition thereof under the Exchangeable Share Provisions.

ARTICLE IV.

GENERAL

4.1 Term. This agreement shall come into force and be effective as of the date hereof and shall terminate and be of no further force and effect at such time as no Exchangeable Shares (or securities or rights convertible into or exchangeable for or carrying rights to acquire Exchangeable Shares) are held by any party other than TMW and any of its Subsidiaries.

4.2 Changes in Capital of TMW and MG. Notwithstanding the provisions of section 4.4 hereof, at all times after the occurrence of any event effected pursuant to section 3.7 or 3.8 hereof,

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as a result of which either TMW Common Stock or the Exchangeable Shares or both are in any way changed, this agreement shall forthwith be amended and modified as necessary in order that it shall apply with full force and effect, mutatis mutandis, to all new securities into which TMW Common Stock or the Exchangeable Shares or both are so changed, and the parties hereto shall execute and deliver an agreement in writing giving effect to and evidencing such necessary amendments and modifications.

4.3 Severability. If any provision of this agreement is held to be invalid, illegal or unenforceable, the validity, legality or enforceability of the remainder of this agreement shall not in any way be affected or impaired thereby and this agreement shall be carried out as nearly as possible in accordance with its original terms and conditions.

4.4 Amendments, Modifications, Etc. This agreement may not be amended, modified or waived except by an agreement in writing executed by TMW, Canco and MG and approved by the holders of the Exchangeable Shares in accordance with Section 11.1 of the Exchangeable Share Provisions.

4.5 Ministerial Amendments. Notwithstanding the provisions of Section 4.4, TMW, Canco and MG may in writing, at any time and from time to time, without the approval of the holders of the Exchangeable Shares, amend or modify this agreement for the purposes of:

- (a) adding to the covenants of either or both parties for the protection of the holders of the Exchangeable Shares; provided, that the Board of Directors shall be of the opinion, after receipt of a written opinion of outside counsel, that such covenants are not prejudicial to the interests of the holders of the Exchangeable Shares; or
- (b) making such amendments or modifications not inconsistent with this agreement as may be necessary

or desirable with respect to matters or questions which, in the opinion of the board of directors of each of TMW, Canco and MG, it may be expedient to make, provided that each such board of directors shall be of the opinion, after receipt of a written opinion of outside counsel, that such amendments or modifications will not be prejudicial to the interests of the holders of the Exchangeable Shares; or

- (c) making such changes or corrections which, on receipt of a written opinion of outside counsel to TMW, Canco and MG, are required for the purpose of curing or correcting any ambiguity or defect or inconsistent provision or clerical omission or mistake or manifest error; provided that the boards of directors of each of TMW, Canco and MG shall be of the opinion, after receipt of a written opinion of outside counsel, that such changes or corrections will not be prejudicial to the interests of the holders of the Exchangeable Shares.

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The Corporation shall send a written notice to the holders of the Exchangeable Shares notifying them of any amendment made pursuant to clause (a), (b) or (c) of this Section 4.5 and a copy of any written opinion of counsel received in connection with any such amendment.

4.6 Meeting to Consider Amendments. MG, at the request of TMW or Canco, shall call a meeting or meetings of the holders of the Exchangeable Shares for the purpose of considering any proposed amendment or modification requiring approval of such shareholders. Any such meeting or meetings shall be called and held in accordance with the by-laws of MG, the Exchangeable Share Provisions and all applicable laws.

4.7 Amendments Only in Writing. No amendment to or modification or waiver of any of the provisions of this agreement otherwise permitted hereunder shall be effective unless made in writing and signed by both of the parties hereto.

4.8 Inurement; Third Party Beneficiaries. This agreement shall be binding upon and inure to the benefit of the parties hereto and the holders, from time to time, of Exchangeable Shares and each of their respective heirs, successors and assigns.

4.9 Notices to Parties. All notices and other communications between the parties shall be in writing and shall be deemed to have been given if delivered personally or by confirmed telecopy to the parties at the following addresses (or at such other address for either such party as shall be specified in like notice):

if to MG:

Moore's Retail Group Inc.
5800, Rue St. Denis, Suite 900
Montreal, Quebec H2S 3L5
Attn: Michel Zelnik
Facsimile: 514.274.4177

with a copy to:

Coudert Brothers
1114 Avenue of the Americas
New York, New York 10036
Attn: Thomas J. Drago
Facsimile: 212.626.4120

if to the Shareholders:

c/o Coudert Brothers
1114 Avenue of the Americas

New York, New York 10036
Attn: Thomas J. Drago
Facsimile 212.626.4120

-10-

if to TMW or Canco:

The Men's Wearhouse, Inc.
40650 Encyclopedia Circle
Fremont, California 94538
Attn: David Edwab
Facsimile: 713.657.0872

with a copy to:

Fulbright & Jaworski L.L.P.
1301 McKinney, Suite 5100
Houston, Texas, U.S.A. 77010-3095
Attn: Michael W. Conlon
Facsimile: 713.651.5246

and

Byers Casgrain
1 Place Ville-Marie, Suite 3900
Montreal, Quebec, Canada H3B 4M7
Attn: Allan A. Mass
Facsimile: 514.866.2241

Any notice or other communication given personally shall be deemed to have been given and received upon delivery thereof and if given by telecopy shall be deemed to have been given and received on the date of confirmed receipt thereof, unless such day is not a Business Day, in which case it shall be deemed to have been given and received upon the immediately following Business Day.

4.10 Counterparts. This agreement may be executed in counterparts, each of which shall be deemed an original, and all of which taken together shall constitute one and the same instrument.

4.11 Jurisdiction. This agreement shall be construed and enforced in accordance with the laws of the Province of Ontario.

4.12 Attornment. TMW and Canco agree that any action or proceeding arising out of or relating to this agreement may be instituted in the courts of Ontario, waive any objection which they may have now or hereafter to the venue of any such action or proceeding, irrevocably submits to the non-exclusive jurisdiction of such courts in any such action or proceeding, agrees to be bound by any judgment of such courts and not to seek, and hereby waives, any review of the merits of any such judgment by the courts of any other jurisdiction, and TMW hereby appoints Canco at its registered office in the Province of Ontario as TMW's attorney for service of process.

[SIGNATURES ON FOLLOWING PAGE]

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IN WITNESS WHEREOF, the parties have caused this Agreement to be duly executed as of the date first written above.

THE MEN'S WEARHOUSE, INC.

By: /s/ GARY CKODRE

Name: Gary Ckudre
Title: Vice President - Finance

GOLDEN MOORES COMPANY

By: /s/ GARY CKODRE

Name: Gary Ckudre
Title: Chief Accounting Officer

MOORES RETAIL GROUP INC.

By: /s/ MICHEL ZELNIK

Name: Michel Zelnik
Title: CEO

THE SHAREHOLDERS

MARPRO HOLDINGS, INC.

By: /s/ MARTIN PROSSERMAN

Name: Martin Prosserman
Title: President

MGB LIMITED PARTNERSHIP

By: /s/ MICHEL ZELNIK

Name: Michel Zelnik
Title: President

CAPITAL D'AMERIQUE CDPQ INC.

By: /s/ NORMAND PROVOST

Name: Normand Provost
Title: President

By: /s/ GINETTE DEPELTEAU

Name: Ginette Depelteau
Title: Corporate Secretary - Director

CERBERUS INTERNATIONAL, LTD.

By: Partridge Hill Overseas Management Ltd.
(Investment Manager)

By: /s/ STEPHEN FEINBERG

Name: Stephen A. Feinberg
Title: Manager

ULTRA CERBERUS FUND, LTD.

By: Partridge Hill Overseas Management Ltd.
(Investment Manager)

By: /s/ STEPHEN FEINBERG

Name: Stephen A. Feinberg
Title: Manager

STYX INTERNATIONAL LTD.

By: Partridge Hill Overseas Management Ltd.
(Investment Manager)

By: /s/ STEPHEN FEINBERG

Name: Stephen A. Feinberg
Title: Manager

THE LONG HORIZONS OVERSEAS FUND LTD.

By: Old Stand Management L.L.C.
(Investment Manager)

By: /s/ STEPHEN FEINBERG

Name: Stephen A. Feinberg
Title: Managing Member

THE LONG HORIZONS FUND, L.P.

By: Old Stand Associates L.L.C.

By: /s/ STEPHEN FEINBERG

Name: Stephen A. Feinberg
Title: Managing Member

STYX PARTNERS, L.P.

By: Styx Associates, L.L.C.

By: /s/ STEPHEN FEINBERG

Name: Stephen A. Feinberg
Title: Managing Member

VOTING TRUST AGREEMENT

THIS VOTING TRUST AGREEMENT (this "Agreement") is entered into as of February 10, 1999, by and between The Men's Wearhouse, Inc., a Texas corporation ("TMW"), Golden Moores Company, a Nova Scotia unlimited liability company and wholly owned subsidiary of TMW ("Canco"), Moores Retail Group Inc., a New Brunswick corporation ("MG"), and The Trust Company of Bank of Montreal, a Canadian trust company ("Trustee").

WHEREAS, pursuant to a Combination Agreement dated as of November 18, 1998, by and between TMW, Canco, MG and the Shareholders of MG signatory thereto (collectively, the "Shareholders") (such agreement as it may be amended or restated is hereinafter referred to as the "Combination Agreement") the parties agreed that on the Effective Date (as defined in the Combination Agreement), TMW and MG would execute and deliver a Voting Trust Agreement containing the terms and conditions set forth in Exhibit O to the Combination Agreement together with such other terms and conditions as may be agreed to by the parties to the Combination Agreement acting reasonably.

WHEREAS, pursuant to a share restructuring (the "Share Restructuring") effected by an Article of Amendment giving effect to the share restructuring plan (the "Share Restructuring Plan") filed pursuant to the Business Corporations Act (New Brunswick) (or any successor or other corporate statute by which MG may in the future be governed) (the "Act"), each issued and outstanding Common Share, Class B Share, Class C Share and Class D Share of MG (a "MG Common Share") and each option to purchase MG Shares was exchanged for issued and outstanding Exchangeable Shares of MG (the "Exchangeable Shares"), and thereafter, MG's sole issued and outstanding Preferred Share was exchanged by the holder thereof for one hundred issued and outstanding MG Common Shares.

WHEREAS, the above-mentioned Share Restructuring Plan sets forth the rights, privileges, restrictions and conditions attaching to the Exchangeable Shares (collectively, the "Exchangeable Share Provisions").

WHEREAS, TMW is to provide voting rights in TMW to each holder (other than TMW and its Subsidiaries) from time to time of Exchangeable Shares, such voting rights per Exchangeable Share to be equivalent to the voting rights per share of TMW Common Stock.

WHEREAS, the parties desire to make appropriate provision and to establish a procedure whereby voting rights in TMW shall be exercisable by holders (other than TMW and its Subsidiaries) from time to time of Exchangeable Shares by and through the Trustee, which will hold legal title to one share of TMW Series A Special Voting Preferred Stock (the "TMW Series A Special Voting Preferred Stock") to which voting rights attach for the benefit of such holders.

WHEREAS, these recitals and any statements of fact in this Agreement are made by TMW, Canco and MG and not by the Trustee.

NOW, THEREFORE, in consideration of the respective covenants and agreements provided in this Agreement and for other good and valuable consideration (the receipt and sufficiency of which are hereby acknowledged), the parties agree as follows:

ARTICLE I

DEFINITIONS AND INTERPRETATION

1.1 Definitions. In this Agreement, the following terms shall have the following meanings:

"AGGREGATE EQUIVALENT VOTE AMOUNT" means, with respect to any matter, proposition or question on which holders of TMW Common Stock are entitled to vote, consent or otherwise act, the product of (i) the number of Exchangeable Shares issued and outstanding and held by Holders multiplied by (ii) the number of votes to which a holder of one share of TMW Common Stock is entitled with

respect to such matter, proposition or question.

"AUTHORIZED PERSONS" has the meaning provided in Section 7.20 hereof.

"BOARD OF DIRECTORS" means the Board of Directors of MG.

"BUSINESS DAY" has the meaning provided in the Exchangeable Share Provisions;

"EQUIVALENT VOTE AMOUNT" means, with respect to any matter, proposition or question on which holders of TMW Common Stock are entitled to vote, consent or otherwise act, the number of votes to which a holder of one share of TMW Common Stock is entitled with respect to such matter, proposition or question.

"EXCHANGEABLE SHARE CONSIDERATION" has the meaning provided in the Exchangeable Share Provisions.

"EXCHANGEABLE SHARE PROVISIONS" has the meaning provided in the recitals hereto.

"EXCHANGEABLE SHARES" has the meaning provided in the recitals hereto.

"HOLDER VOTES" has the meaning provided in Section 4.2 hereof.

"HOLDERS" means the registered holders from time to time of Exchangeable Shares, other than TMW and its Subsidiaries.

"LIST" has the meaning provided in Section 4.6 hereof.

"MG COMMON SHARES" has the meaning provided in the recitals hereto.

"NOTICE EVENT" has the meaning provided in Section 7.17 hereof.

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"OFFICER'S CERTIFICATE" means, with respect to TMW, Canco or MG, as the case may be, a certificate signed by any one of the Chairman of the Board, the Vice-Chairman of the Board (if there be one), the President or any Vice-President of TMW, Canco or MG, as the case may be.

"PERSON" includes an individual, body corporate, partnership, limited liability partnership, company, limited liability company, unincorporated syndicate or organization, trust, trustee, executor, administrator and other legal representative.

"SHARE RESTRUCTURING" has the meaning provided in the recitals hereto.

"SHARE RESTRUCTURING PLAN" has the meaning provided in the recitals hereto.

"SUBSIDIARY" has the meaning provided in the Exchangeable Share Provisions.

"SUPPORT AGREEMENT" means that certain support agreement made as of even date hereof by and between TMW, Canco, MG and the Shareholders signatory thereto.

"TMW COMMON STOCK" has the meaning provided in the Exchangeable Share Provisions.

"TMW CONSENT" has the meaning provided in Section 4.2 hereof.

"TMW MEETING" has the meaning provided in Section 4.2 hereof.

"TMW SERIES A SPECIAL VOTING PREFERRED STOCK" has the meaning provided in the recitals hereto.

"TMW SUCCESSOR" has the meaning provided in subsection 11.1(a) hereof.

"TRUST" means the trust created by this Agreement.

"TRUST ESTATE" means the Voting Share, any other securities and any

money or other property which may be held by the Trustee from time to time pursuant to this Agreement.

"TRUSTEE" means The Trust Company of Bank of Montreal and, subject to the provisions of Article X hereof, includes any successor trustee or permitted assigns.

"VOTING RIGHTS" means the voting rights attached to the Voting Share.

"VOTING SHARE" means the one share of TMW Series A Special Voting Preferred Stock, U.S. \$0.01 par value, issued by TMW to and deposited with the Trustee, which entitles the holder of record to a number of votes at meetings of holders of TMW Common Stock equal to the Aggregate Equivalent Vote Amount.

1.2 Interpretation Not Affected by Headings, Etc. The division of this Agreement into articles, sections and paragraphs and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Agreement.

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1.3 Number, Gender, Etc. Words importing the singular number only shall include the plural and vice versa. Words importing the use of any gender shall include all genders.

1.4 Date for Any Action. If any date on which any action is required to be taken under this Agreement is not a Business Day, such action shall be required to be taken on the next succeeding Business Day.

ARTICLE II

PURPOSE OF AGREEMENT

The purpose of this Agreement is to create the Trust for the benefit of the Holders, as herein provided. The Trustee will hold the Voting Share in order to enable the Trustee to exercise the Voting Rights, as trustee for and on behalf of the Holders as provided in this Agreement.

ARTICLE III

VOTING SHARE

3.1 Issuance and Ownership of the Voting Share. TMW hereby issues to and deposits with the Trustee the Voting Share to be hereafter held of record by the Trustee as trustee for and on behalf of, and for the use and benefit of, the Holders and in accordance with the provisions of this Agreement. TMW hereby acknowledges receipt from the Trustee as trustee for and on behalf of the Holders of good and valuable consideration (and the adequacy thereof) for the issuance of the Voting Share by TMW to the Trustee. During the term of the Trust and subject to the terms and conditions of this Agreement, the Trustee shall possess and be vested with full legal ownership of the Voting Share and shall be entitled to exercise all of the rights and powers of an owner with respect to the Voting Share, provided that the Trustee shall:

- (a) hold the Voting Share and the legal title thereto as trustee solely for the use and benefit of the Holders in accordance with the provisions of this Agreement; and
- (b) except as specifically authorized by this Agreement, have no power or authority to sell, transfer, vote or otherwise deal in or with the Voting Share, and the Voting Share shall not be used or disposed of by the Trustee for any purpose other than the purposes for which this Trust is created pursuant to this Agreement.

3.2 Legended Share Certificates. MG will cause each certificate representing Exchangeable Shares to bear an appropriate legend notifying the Holders of their right to instruct the Trustee with respect to the exercise of the Holder Votes.

3.3 Safe Keeping of Certificate. The certificate representing the Voting Share shall at all times be held in safe keeping by the Trustee or its agent.

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ARTICLE IV

EXERCISE OF VOTING RIGHTS

4.1 Voting Rights. The Trustee, as the holder of record of the Voting Share, shall be entitled to all of the Voting Rights, including the right to consent to or to vote in person or by proxy the Voting Share, on any matter, question or proposition whatsoever that may properly come before the stockholders of TMW at a TMW Meeting or in connection with a TMW Consent (in each case, as hereinafter defined). The Voting Rights shall be and remain vested in and exercised by the Trustee. Subject to Section 7.15 hereof, the Trustee shall exercise the Voting Rights only on the basis of instructions received pursuant to this Article IV from Holders entitled to instruct the Trustee as to the voting thereof at the time at which a TMW Consent is sought or a TMW Meeting is held. To the extent that no instructions are received from a Holder with respect to the Holder Votes to which such Holder is entitled, the Trustee shall not exercise or permit the exercise of such Holder Votes.

4.2 Number of Votes. With respect to all meetings of stockholders of TMW at which holders of shares of TMW Common Stock are entitled to vote (a "TMW Meeting") and with respect to all written consents sought by TMW from its stockholders, including the holders of shares of TMW Common Stock (a "TMW Consent"), each Holder shall be entitled to instruct the Trustee to cast and exercise, in the manner instructed, a number of votes equal to the Equivalent Vote Amount for each Exchangeable Share owned of record by such Holder on the record date established by TMW or by applicable law for such TMW Meeting or TMW Consent, as the case may be (the "Holder Votes"), in respect of each matter, question or proposition to be voted on at such TMW Meeting or to be consented to in connection with such TMW Consent.

4.3 Mailings to Shareholders. With respect to each TMW Meeting and TMW Consent, the Trustee will mail or cause to be mailed (or otherwise communicate in the same manner as TMW utilizes in communications to holders of TMW Common Stock, subject to the Trustee's ability to provide such method of communication and upon being advised in writing of such method) to each of the Holders named in the List on the same day as the initial mailing or notice (or other communication) with respect thereto is given by TMW to its stockholders:

- (a) a copy of such notice, together with any proxy or information statement and related materials to be provided to stockholders of TMW;
- (b) a statement that such Holder is entitled to instruct the Trustee as to the exercise of the Holder Votes with respect to such TMW Meeting or TMW Consent, as the case may be, or, pursuant to Section 4.7 hereof, to attend such TMW Meeting and to exercise personally the Holder Votes thereat;
- (c) a statement as to the manner in which such instructions may be given to the Trustee, including an express indication that instructions may be given to the Trustee to give:

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- (i) a proxy to such Holder or his designee to exercise personally the Holder Votes; or
- (ii) a proxy to a designated agent or other representative of the management of TMW to exercise such Holder Votes;
- (d) a statement that if no such instructions are received from the Holder, the Holder Votes to which such

Holder is entitled will not be exercised;

- (e) a form of direction whereby the Holder may so direct and instruct the Trustee as contemplated herein; and
- (f) a statement of (i) the time and date by which such instructions must be received by the Trustee in order to be binding upon it, which in the case of a TMW Meeting shall not be earlier than the close of business on the second Business Day prior to such meeting, and (ii) the method for revoking or amending such instructions.

The materials referred to above are to be provided by TMW to the Trustee, but shall be subject to review and comment by the Trustee.

For the purpose of determining Holder Votes to which a Holder is entitled in respect of any such TMW Meeting or TMW Consent, the number of Exchangeable Shares owned of record by the Holder shall be determined at the close of business on the record date established by TMW or by applicable law for purposes of determining stockholders entitled to vote at such TMW Meeting or to give written consent in connection with such TMW Consent. TMW will notify the Trustee in writing of any decision of the board of directors of TMW with respect to the calling of any such TMW Meeting or the seeking of any such TMW Consent and shall provide all necessary information and materials to the Trustee in each case promptly and in any event in sufficient time to enable the Trustee to perform its obligations contemplated by this Section 4.3.

4.4 Copies of Stockholder Information. TMW will deliver to the Trustee copies of all proxy materials, (including notices of TMW Meetings, but excluding proxies to vote shares of TMW Common Stock), information statements, reports (including without limitation all interim and annual financial statements) and other written communications that are to be distributed from time to time to holders of TMW Common Stock in sufficient quantities and in sufficient time so as to enable the Trustee to send those materials to each Holder at the same time as such materials are first sent to holders of TMW Common Stock (but in any event, no later than one Business Day before the day on which materials are first sent to holders of TMW Common Stock). The Trustee will mail or otherwise send to each Holder, at the expense of TMW, copies of all such materials (and all materials specifically directed to the Holders or to the Trustee for the benefit of the Holders by TMW) received by the Trustee from TMW at the same time as such materials are first sent to holders of TMW Common Stock. The Trustee will make copies of all such materials available for inspection by any Holder at the Trustee's principal corporate trust office in the city of Toronto.

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4.5 Other Materials. Immediately after receipt by TMW or any stockholder of TMW of any material sent or given generally to the holders of TMW Common Stock by or on behalf of a third party, including without limitation dissident proxy and information circulars (and related information and material) and tender and exchange offer circulars (and related information and material), TMW shall use all reasonable commercial efforts to obtain and deliver to the Trustee copies thereof in sufficient quantities so as to enable the Trustee to forward such material (unless the same has been provided directly to Holders by such third party) to each Holder as soon as possible thereafter. As soon as practicable after receipt thereof, the Trustee will mail or otherwise send to each Holder, at the expense of TMW, copies of all such materials received by the Trustee from TMW. The Trustee will also make copies of all such materials available for inspection by any Holder at the Trustee's principal corporate trust office in the city of Toronto. It shall be a condition precedent to the Trustee's obligations under this Agreement including, in particular, under Sections 4.3, 4.4 and 4.9, that TMW or MG, as the case may be, prepare the applicable material, List and mailing labels and provide the Trustee with a sufficient quantity thereof in a timely fashion.

4.6 List of Persons Entitled to Vote. MG shall, (i) prior to each annual, general and special TMW Meeting or the seeking of any TMW Consent and (ii) forthwith upon each request made at any time by the Trustee in writing, prepare or cause to be prepared a list (a "List") of the names and addresses of the Holders arranged in alphabetical order and showing the number of Exchangeable Shares held of record by each such Holder, in each case at the

close of business on the date specified by the Trustee in such request or, in the case of a List prepared in connection with a TMW Meeting or a TMW Consent, at the close of business on the record date established by TMW or pursuant to applicable law for determining the holders of TMW Common Stock entitled to receive notice of and/or to vote at such TMW Meeting or to give consent in connection with such TMW Consent. Each such List shall be delivered to the Trustee promptly after receipt by MG of such request or the record date for such meeting or seeking of consent, as the case may be, and in any event within sufficient time as to enable the Trustee to perform its obligations under this Agreement. TMW agrees to give MG written notice (with a copy to the Trustee) of the calling of any TMW Meeting or the seeking of any TMW Consent, together with the record dates therefor, sufficiently prior to the date of the calling of such meeting or seeking of such consent so as to enable MG to perform its obligations under this Section 4.6.

4.7 Entitlement to Direct Votes. Any Holder named in a List prepared in connection with any TMW Meeting or any TMW Consent will be entitled (i) to instruct the Trustee in the manner described in Section 4.3 hereof with respect to the exercise of the Holder Votes to which such Holder is entitled or (ii) to attend such meeting and personally to exercise thereat (or to exercise with respect to any written consent), as the proxy of the Trustee, the Holder Votes to which such Holder is entitled; provided, that such Holder has obtained a valid proxy from the Trustee to vote the Holder Votes which the Holder desires to vote by proxy.

4.8 Voting by Trustee, and Attendance of Trustee Representative, at Meeting.

- (a) In connection with each TMW Meeting and TMW Consent, the Trustee shall exercise, either in person or by proxy, in accordance with the instructions received from a Holder pursuant to Section 4.3 hereof, the Holder Votes as to which such Holder is entitled to direct

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the vote (or any lesser number thereof as may be set forth in the instructions); provided, however, that such written instructions are received by the Trustee from the Holder prior to the time and date fixed by it for receipt of such instructions in the notice given by the Trustee to the Holder pursuant to Section 4.3 hereof.

- (b) The Trustee shall cause such representatives as are empowered by it to sign and deliver, on behalf of the Trustee, proxies for Voting Rights to attend each TMW Meeting. Upon submission by a Holder (or its designee) of identification satisfactory to the Trustee's representatives, and at the Holder's request, such representatives shall sign and deliver to such Holder (or its designee) a proxy to exercise personally the Holder Votes as to which such Holder is otherwise entitled hereunder to direct the vote, if such Holder either:
 - (i) has not previously given the Trustee instructions pursuant to Section 4.3 hereof in respect of such meeting, or
 - (ii) submits to the Trustee's representatives written revocation of any such previous instructions.

At such meeting, the Holder exercising such Holder Votes pursuant to a proxy provided in accordance with Section 4.8(b) shall have the same rights as the Trustee to speak at the meeting in respect of any matter, question or proposition, to vote by way of ballot at the meeting in respect of any matter, question or proposition and to vote at such meeting by way of a show of hands in respect of any matter, question or proposition.

4.9 Distribution of Written Materials. Any written materials to be distributed by the Trustee to the Holders pursuant to this Agreement shall be delivered or sent by mail (or otherwise communicated in the same manner as TMW utilizes in communications to holders of TMW Common Stock) to each Holder at its address as shown on the books of MG. MG shall provide or cause to be provided to the Trustee for this purpose, on a timely basis and without charge or other expense:

- (a) current lists of the Holders; and
- (b) mailing labels to enable the Trustee to carry out its duties under this Agreement.

The materials referred to above are to be provided by MG to the Trustee, but shall be subject to review and comment by the Trustee.

4.10 Termination of Voting Rights. Except as otherwise provided herein or in the Exchangeable Share Provisions, all of the rights of a Holder with respect to the Holder Votes exercisable in respect of the Exchangeable Shares held by such Holder, including the right to instruct the Trustee as to the voting of or to vote personally such Holder Votes, shall be deemed to be

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surrendered by the Holder to TMW, and such Holder Votes and the Voting Rights represented thereby shall cease immediately, upon the delivery by such Holder to TMW, Canco or MG of the certificates representing such Exchangeable Shares in connection with the exchange of Exchangeable Shares for shares of TMW Common Stock pursuant to the Share Restructuring Plan, the Exchangeable Share Provisions or the Support Agreement (unless in any case TMW, Canco or MG shall not have delivered the Exchangeable Share Consideration deliverable in exchange therefor to the Holders).

ARTICLE V

[INTENTIONALLY OMITTED]

ARTICLE VI

RESTRICTIONS ON ISSUANCE OF TMW SERIES A SPECIAL VOTING PREFERRED STOCK

During the term of this Agreement, TMW will not issue any shares of TMW Series A Special Voting Preferred Stock in addition to the Voting Share.

ARTICLE VII

CONCERNING THE TRUSTEE

7.1 Powers and Duties of the Trustee. The rights, powers and authorities of the Trustee under this Agreement, in its capacity as trustee of the Trust, shall include:

- (a) receipt and holding of the Voting Share from TMW as trustee for and on behalf of the Holders in accordance with the provisions of this Agreement;
- (b) granting proxies and distributing materials to Holders as provided in this Agreement;
- (c) voting the Holder Votes in accordance with the provisions of this Agreement;
- (d) holding title to the Trust Estate;
- (e) taking action at the direction of a Holder or Holders to enforce the obligations of TMW, Canco and MG under this Agreement; and

- (f) taking such other actions and doing such other things as are specifically provided in this Agreement.

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In the exercise of such rights, powers and authorities the Trustee shall have (and is granted) such incidental and additional rights, powers and authority not in conflict with any of the provisions of this Agreement as the Trustee, acting in good faith and in the reasonable exercise of its discretion, may deem necessary, appropriate or desirable to effect the purpose of the Trust. Any exercise of such discretionary rights, powers and authorities by the Trustee shall be final, conclusive and binding upon all persons. For greater certainty, the Trustee shall have only those duties as are set out specifically in this Agreement. In particular, the Trustee shall have no liability or responsibility arising under any agreement or instrument, including the Exchangeable Share Provisions or any other agreement or instrument referred to in this Agreement, to which the Trustee is not a party and shall not be bound by any notice of a claim or demand with respect thereto. The Trustee in exercising its rights, powers, duties and authorities hereunder shall act honestly and in good faith with a view to the best interests of the Holders and shall exercise the care, diligence and skill that a reasonably prudent trustee would exercise in comparable circumstances. The Trustee shall not be bound to give any notice or do or take any act, action or proceeding by virtue of the powers conferred on it hereby unless and until it shall be specifically required to do so under the terms hereof; nor shall the Trustee be required to take any notice of, or to do or to take any act, action or proceeding as a result of any default or breach of any provision hereunder, unless and until notified in writing of such default or breach, which notices shall distinctly specify the default or breach desired to be brought to the attention of the Trustee and in the absence of such notice the Trustee may for all purposes of this Agreement conclusively assume that no default or breach has been made in the observance or performance of any of the representations, warranties, covenants, agreements or conditions contained herein.

7.2 No Conflict of Interest. The Trustee represents to MG and TMW that at the date of execution and delivery of this Agreement there exists no material conflict of interest in the role of the Trustee as a fiduciary hereunder and the role of the Trustee in any other capacity. The Trustee shall, within 90 days after it becomes aware that such a material conflict of interest exists, either eliminate such material conflict of interest or resign in the manner and with the effect specified in Article X hereof. If, notwithstanding the foregoing provisions of this Section 7.2, the Trustee has such a material conflict of interest, the validity and enforceability of this Agreement shall not be affected in any manner whatsoever by reason only of the existence of such material conflict of interest. If the Trustee contravenes the foregoing provisions of this Section 7.2, any interested party may apply to the superior court of the province in which MG has its registered office for an order that the Trustee be replaced as trustee hereunder.

7.3 Dealings with Transfer Agents, Registrars, Etc. TMW, Canco and MG irrevocably authorize the Trustee, from time to time, to:

- (a) consult, communicate and otherwise deal with the respective registrars and transfer agents, and with any such subsequent registrar or transfer agent, of the Exchangeable Shares and TMW Common Stock; and
- (b) requisition, from time to time, from any such registrar or transfer agent any information readily available from the records maintained by it which the Trustee may reasonably require for the discharge of its duties and responsibilities under this Agreement.

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MG and TMW irrevocably authorize their respective registrars and transfer agents to comply with all such requests.

7.4 Books and Records. The Trustee shall keep available for inspection

by TMW and MG, at the Trustee's principal corporate trust office in Toronto, correct and complete books and records of account relating to the Trustee's actions under this Agreement, including without limitation all information relating to mailings and instructions to and from Holders and all transactions pursuant to the Voting Rights for the term of this Agreement. On or before March 31, 1999, and on or before March 31 in every year thereafter, so long as the Voting Share is on deposit with the Trustee, the Trustee shall transmit to TMW and MG a brief report, dated as of the preceding December 31, with respect to:

- (a) property and funds comprising the Trust Estate as of that date; and
- (b) all other actions taken by the Trustee in the performance of its duties under this Agreement which it had not previously reported.

7.5 [Intentionally Omitted].

7.6 Indemnification Prior to Certain Actions by Trustee. The Trustee shall exercise any or all of the rights, duties, powers or authorities vested in it by this Agreement at the request, order or direction of any Holder upon such Holder's furnishing to the Trustee reasonable funding, security and indemnity against the costs, expenses and liabilities which may be incurred by the Trustee therein or thereby; provided that no Holder shall be obligated to furnish to the Trustee any such funding, security or indemnity in connection with the exercise by the Trustee of any of its rights, duties, powers and authorities with respect to the Voting Share pursuant to Article IV hereof, subject to Section 7.15 hereof. None of the provisions contained in this Agreement shall require the Trustee to expend or risk its own funds or otherwise incur financial liability in the exercise of any of its rights, powers, duties or authorities unless funded, given funds, security and indemnified as aforesaid.

7.7 Actions by Holders. No Holder shall have the right to institute any action, suit or proceeding or to exercise any other remedy authorized by this Agreement for the purpose of enforcing any of its rights or for the execution of any trust or power hereunder unless the Holder has requested the Trustee to take or institute such action, suit or proceeding and furnished the Trustee with the funding, security and indemnity referred to in Section 7.6 hereof and the Trustee shall have failed to act within a reasonable time thereafter. In such case, but not otherwise, the Holder shall be entitled to take proceedings in any court of competent jurisdiction such as the Trustee might have taken; it being understood and intended that no one or more Holders shall have any right in any manner whatsoever to affect, disturb or prejudice the rights hereby created by any such action, or to enforce any right hereunder or under the Voting Rights except subject to the conditions and in the manner herein provided, and that all powers and trusts hereunder shall be exercised and all proceedings at law shall be instituted, had and maintained by the Trustee, except only as herein provided, and in any event for the equal benefit of all Holders.

7.8 Reliance upon Declarations. The Trustee shall not be considered to be in contravention of any of its rights, powers, duties and authorities hereunder if, when required, it acts

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and relies in good faith upon lists, mailing labels, notices, statutory declarations, certificates, opinions, reports or other papers or documents furnished pursuant to the provisions hereof or required by the Trustee to be furnished to it in the exercise of its rights, powers, duties and authorities hereunder, and such lists, mailing labels, notices, statutory declarations, certificates, opinions, reports or other papers or documents comply with the provisions of Section 7.9 hereof, if applicable, and with any other applicable provisions of this Agreement.

7.9 Evidence and Authority to Trustee. TMW, Canco and/or MG shall furnish to the Trustee evidence of compliance with the conditions provided for in this Agreement relating to any action or step required or permitted to be taken by TMW, Canco and/or MG or the Trustee under this Agreement or as a result of any obligation imposed under this Agreement, including, without limitation, in respect of the Voting Rights and the taking of any other action to be taken by the Trustee at the request of or on the application of TMW, Canco and/or MG

forthwith if and when:

- (a) such evidence is required by any other section of this Agreement to be furnished to the Trustee in accordance with the terms of this Section 7.9; or
- (b) the Trustee, in the exercise of its rights, powers, duties and authorities under this Agreement, gives TMW, Canco and/or MG written notice requiring it to furnish such evidence in relation to any particular action or obligation specified in such notice.

Such evidence shall consist of an Officer's Certificate of TMW, Canco and/or MG or a statutory declaration or a certificate made by persons entitled to sign an Officer's Certificate stating that any such condition has been complied with in accordance with the terms of this Agreement.

Whenever such evidence relates to a matter other than the Voting Rights and except as otherwise specifically provided herein, such evidence may consist of a report or opinion of any solicitor, auditor, accountant, appraiser, valuer, engineer or other expert or any other person whose qualifications give authority to a statement made by him, provided that if such report or opinion is furnished by a director, officer or employee of TMW, Canco and/or MG it shall be in the form of an Officer's Certificate or a statutory declaration.

Each statutory declaration, certificate, opinion or report furnished to the Trustee as evidence of compliance with a condition provided for in this Agreement shall include a statement by the person giving the evidence:

- (i) declaring that he has read and understands the provisions of this Agreement relating to the condition in question;
 - (ii) describing the nature and scope of the examination or investigation upon which he based the statutory declaration, certificate, statement or opinion; and
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- (iii) declaring that he has made such examination or investigation as he believes is necessary to enable him to make the statements or give the opinions contained or expressed therein.

7.10 Experts, Advisers and Agents. The Trustee may:

- (a) in relation to these presents act and rely on the opinion or advice of or information obtained from or prepared by any solicitor, auditor, accountant, appraiser, valuer, engineer or other expert, whether retained by the Trustee or by TMW, Canco and/or MG or otherwise, and may employ such assistants as may be necessary to the proper determination and discharge of its powers and duties and determination of its rights hereunder and may pay proper and reasonable compensation for all such legal and other advice or assistance as aforesaid; and
- (b) employ such agents and other assistants as it may reasonably require for the proper determination and discharge of its powers and duties hereunder, and may pay reasonable remuneration for all services performed for it (and shall be entitled to receive reasonable remuneration for all services performed by it) in the discharge of the trusts hereof and compensation for all disbursements, costs and expenses made or incurred by it in the determination and discharge of its duties hereunder and in the management of the Trust.

7.11 [Intentionally Omitted].

7.12 Trustee Not Required to Give Security. The Trustee shall not be required to give any bond or security in respect of the execution of the trusts, rights, duties, powers and authorities of this Agreement or otherwise in respect of the premises.

7.13 Trustee Not Bound to Act on Request. Except as in this Agreement otherwise specifically provided, the Trustee shall not be bound to act in accordance with any direction or request of TMW, Canco and/or MG or of the directors thereof until a duly authenticated copy of the instrument or resolution containing such direction or request shall have been delivered to the Trustee, and the Trustee shall be empowered to act and rely upon any such copy purporting to be authenticated and believed by the Trustee to be genuine.

7.14 Authority to Carry on Business. The Trustee represents to TMW, Canco and MG that at the date of execution and delivery by it of this Agreement it is authorized to carry on the business of a trust company in the Province of Ontario but if, notwithstanding the provisions of this Section 7.14, it ceases to be so authorized to carry on business, the validity and enforceability of this Agreement and the Voting Rights shall not be affected in any manner whatsoever by reason only of such event; provided, however, the Trustee shall, within 90 days after ceasing to be authorized to carry on the business of a trust company in the Province of Ontario, either become so authorized or resign in the manner and with the effect specified in Article X hereof.

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7.15 Conflicting Claims. If conflicting claims or demands are made or asserted with respect to any interest of any Holder in any Exchangeable Shares, including any disagreement between the heirs, representatives, successors or assigns succeeding to all or any part of the interest of any Holder in any Exchangeable Shares resulting in conflicting claims or demands being made in connection with such interest, then the Trustee shall be entitled, at its sole discretion, to refuse to recognize or to comply with any such claim or demand. In so refusing, the Trustee may elect not to exercise any Voting Rights subject to such conflicting claims or demands and, in so doing, the Trustee shall not be or become liable to any person on account of such election or its failure or refusal to comply with any such conflicting claims or demands. The Trustee shall be entitled to continue to refrain from acting and to refuse to act until:

- (a) the rights of all adverse claimants with respect to the Voting Rights subject to such conflicting claims or demands have been adjudicated by a final judgment of a court of competent jurisdiction; or
- (b) all differences with respect to the Voting Rights subject to such conflicting claims or demands have been conclusively settled by a valid written agreement binding on all such adverse claimants, and the Trustee shall have been furnished with an executed copy of such agreement.

If the Trustee elects to recognize any claim or comply with any demand made by any such adverse claimant, it may in its discretion require such claimant to furnish such surety bond or other security satisfactory to the Trustee as it shall deem appropriate fully to indemnify it as between all conflicting claims or demands.

7.16 Acceptance of Trust. The Trustee hereby accepts the Trust created and provided for by and in this Agreement and agrees to perform the same upon the terms and conditions herein set forth and to hold all rights, privileges and benefits conferred hereby and by law in trust for the various persons who shall from time to time be Holders, subject to all the terms and conditions herein set forth.

7.17 Notice to Trustee. The Trustee shall not be bound to give any notice or do or take any act, action or proceeding by virtue of the powers conferred on it hereby unless and until it shall have been required so to do under the terms of this Agreement; nor shall the Trustee be required to take notice of, be deemed to have actual or constructive notice or knowledge of any matter under this Agreement, or take any action in connection with any notice of any TMW Meeting or the seeking of any TMW Consent (each a "Notice Event"), unless and until notified in writing of such Notice Event in accordance with

section 14.3 hereof which notice shall distinctly specify the Notice Event desired to be brought to the attention of the Trustee and in the absence of any such notice the Trustee may for all purposes of this Agreement conclusively assume that no such Notice Event has occurred.

7.18 Merger or Consolidation of Trustee. Any corporation into or with which the Trustee may be merged or consolidated or amalgamated, or any corporation resulting therefrom to which the Trustee shall be a party, or any corporation succeeding to the trust business of the Trustee shall be the successor to the Trustee under this Agreement without any further act on its part or any of the

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parties hereto, provided that such corporation would be eligible for appointment as a successor trustee under the provisions of this Agreement.

7.19 No Personal Liability. In the exercise of the powers, authorities or discretion conferred upon the Trustee under this Agreement, the Trustee is and shall be conclusively deemed to be acting as trustee of the Trust and shall not be subject to any personal liability for any liabilities, obligations, claims, demands, judgments, costs or expenses against or with respect to the Trust.

7.20 Incumbency Certificate. Each of TMW, Canco and MG shall file with the Trustee a certificate of incumbency setting forth the names of the individuals authorized to give instructions, directions or other instruments to the Trustee ("Authorized Persons") together with specimen signatures of such persons, and the Trustee shall be entitled to rely on the latest certificate of incumbency filed with it unless it receives notice of a change in Authorized Persons with updated specimen signatures.

ARTICLE VIII

COMPENSATION

TMW, Canco and MG jointly and severally agree to pay to the Trustee reasonable compensation for all of the services rendered by it under this Agreement and will reimburse the Trustee for all reasonable expenses (including but not limited to taxes, compensation paid to experts, agents and advisors and travel expenses) and disbursements, including the cost and expense of any suit or litigation of any character and any proceedings before any governmental agency, reasonably incurred by the Trustee in connection with its rights and duties under this Agreement; provided that TMW, Canco and MG shall have no obligation to reimburse the Trustee for any expenses or disbursements paid, incurred or suffered by the Trustee in any suit or litigation in which the Trustee is determined to have acted in bad faith or with negligence or willful misconduct.

ARTICLE IX

INDEMNIFICATION AND LIMITATION OF LIABILITY

9.1 Indemnification of the Trustee. TMW, Canco and MG jointly and severally agree to indemnify and hold harmless the Trustee and each of its directors, officers, employees and agents appointed and acting in accordance with this Agreement (collectively, the "Indemnified Parties") against all claims, losses, damages, costs, penalties, fines and reasonable expenses (including reasonable expenses of the Trustee's legal counsel) which, without fraud, negligence, willful misconduct or bad faith on the part of such Indemnified Party, may be paid, incurred or suffered by the Indemnified Party by reason of or as a result of the Trustee's acceptance or administration of the Trust, its compliance with its duties set forth in this Agreement, or any written or oral instructions delivered to the Trustee by TMW, Canco or MG pursuant hereto. In no case shall TMW, Canco or MG be liable under this indemnity for any claim against any of the Indemnified Parties unless TMW, Canco and MG shall be notified by the Trustee of the written assertion of a claim or of any action commenced against the Indemnified Parties, promptly after any of the Indemnified Parties shall have received any such written assertion of a claim or shall have been served with a summons or other first

legal process giving information as to the nature and basis of the claim. Subject to (i) below, TMW, Canco and MG shall be entitled to participate at their own expense in the defense and, if TMW, Canco or MG so elect at any time after receipt of such notice, either of them may assume the defense of any suit brought to enforce any such claim. The Trustee shall have the right to employ separate counsel in any such suit and participate in the defense thereof, but the fees and expenses of such counsel shall be at the expense of the Trustee unless: (i) the employment of such counsel has been authorized by TMW, Canco or MG; or (ii) the named parties to any such suit include both the Trustee and TMW, Canco or MG and the Trustee shall have been advised by counsel acceptable to TMW, Canco or MG that there may be one or more legal defenses available to the Trustee that are different from or in addition to those available to TMW, Canco or MG and that an actual or potential conflict of interest exists (in which case TMW, Canco and MG shall not have the right to assume the defense of such suit on behalf of the Trustee, but shall be liable to pay the reasonable fees and expenses of counsel for the Trustee). This indemnity shall survive the termination of this Agreement or the resignation or replacement of the Trustee.

9.2 Limitation of Liability. The Trustee shall not be held liable for any loss which may occur by reason of depreciation of the value of any part of the Trust Estate or any loss incurred on any investment of funds pursuant to this Agreement, except to the extent that such loss is attributable to the fraud, negligence, willful misconduct or bad faith on the part of the Trustee.

ARTICLE X

CHANGE OF TRUSTEE

10.1 Resignation. The Trustee, or any trustee hereafter appointed, may at any time resign by giving written notice of such resignation to TMW, Canco and MG specifying the date on which it desires to resign, provided that such notice shall never be given less than 60 days before such desired resignation date unless TMW, Canco and MG otherwise agree and provided further that such resignation shall not take effect until the date of the appointment of a successor trustee and the acceptance of such appointment by the successor trustee. Upon receiving such notice of resignation, TMW, Canco and MG shall promptly appoint a successor trustee by written instrument in duplicate, one copy of which shall be delivered to the resigning trustee and one copy to the successor trustee. Failing acceptance by a successor trustee, a successor trustee may be appointed by an order of the superior court of the province in which MG has its registered office upon application of one or more of the parties hereto.

10.2 Removal. The Trustee, or any trustee hereafter appointed, may be removed with or without cause, at any time on 60 days' prior notice by written instrument executed by TMW, Canco and MG, in duplicate, one copy of which shall be delivered to the trustee so removed and one copy to the successor trustee, provided that, in connection with such removal, provision is made for a replacement trustee similar to that contemplated in Section 10.1.

10.3 Successor Trustee. Any successor trustee appointed as provided under this Agreement shall execute, acknowledge and deliver to TMW, Canco and MG and to its predecessor trustee an instrument accepting such appointment. Thereupon the resignation or removal of the predecessor trustee shall become effective and such successor trustee, without any further act, deed

or conveyance, shall become vested with all the rights, powers, duties and obligations of its predecessor under this Agreement, with like effect as if originally named as trustee in this Agreement. However, on the written request of TMW, Canco and MG or of the successor trustee, the trustee ceasing to act shall, upon payment of any amounts then due it pursuant to the provisions of this Agreement, execute and deliver an instrument transferring to such successor trustee all the rights and powers of the trustee so ceasing to act. Upon the request of any such successor trustee, TMW, Canco, MG and such predecessor trustee shall execute any and all instruments in writing for more fully and certainly vesting in and confirming to such successor trustee all such rights

and powers.

10.4 Notice of Successor Trustee. Upon acceptance of appointment by a successor trustee as provided herein, TMW, Canco and MG shall cause to be mailed notice of the succession of such trustee hereunder to each Holder specified in a List. If TMW, Canco or MG shall fail to cause such notice to be mailed within 10 days after acceptance of appointment by the successor trustee, the successor trustee shall cause such notice to be mailed at the expense of TMW, Canco and MG.

ARTICLE XI

TMW SUCCESSORS

11.1 Certain Requirements in Respect of Combination, Etc. TMW shall not enter into any transaction (whether by way of reconstruction, reorganization, consolidation, merger, transfer, sale, lease or otherwise) whereby all or substantially all of its undertaking, property and assets would become the property of any other Person or, in the case of a merger, of the continuing corporation resulting therefrom, but may do so if:

- (a) such other Person or continuing corporation (the "TMW Successor"), by operation of law, becomes, without more, bound by the terms and provisions of this Agreement or, if not so bound, executes, prior to or contemporaneously with the consummation of such transaction an agreement supplemental hereto and such other instruments (if any) as are satisfactory to the Trustee and in the opinion of legal counsel to the Trustee are necessary or advisable to evidence the assumption by the TMW Successor of liability for all moneys payable and property deliverable hereunder, the covenant of such TMW Successor to pay and deliver or cause to be delivered the same and its agreement to observe and perform all the covenants and obligations of TMW under this Agreement; and
- (b) such transaction shall, to the reasonable satisfaction of the Trustee and in the opinion of legal counsel to the Trustee, be upon such terms which substantially preserve and do not impair in any material respect any of the rights, duties, powers and authorities of the Trustee or of the Holders hereunder.

11.2 Vesting of Powers in Successor. Whenever the conditions of Section 11.1 hereof have been duly observed and performed, the Trustee, if required by Section 11.1 hereof, the TMW

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Successor and MG shall execute and deliver the supplemental agreement provided for in Article XII hereof, and thereupon the TMW Successor shall possess and from time to time may exercise each and every right and power of TMW under this Agreement in the name of TMW or otherwise and any act or proceeding by any provision of this Agreement required to be done or performed by the board of directors of TMW or any officers of TMW may be done and performed with like force and effect by the directors or officers of such TMW Successor.

11.3 Wholly owned Subsidiaries. Nothing herein shall be construed as preventing the amalgamation or merger of any wholly owned subsidiary of TMW with or into TMW.

ARTICLE XII

AMENDMENTS AND SUPPLEMENTAL AGREEMENTS

12.1 Amendments, Modifications, Etc. Subject to Section 12.4, this Agreement may not be amended, modified or waived except by an agreement in writing executed by TMW, Canco, MG and the Trustee and approved by the Holders in accordance with Section 11.1 of the Exchangeable Share Provisions. No

amendment to or modification or waiver of any of the provisions of this Agreement otherwise permitted hereunder shall be effective unless made in writing and signed by all of the parties hereto.

12.2 Ministerial Amendments. Notwithstanding the provisions of Section 12.1 hereof, the parties to this Agreement may in writing, at any time and from time to time, without the approval of the Holders, amend or modify this Agreement for the purposes of:

- (a) adding to the covenants of any or all of the parties hereto for the protection of the Holders hereunder; provided that the Board of Directors shall be of the opinion, after receipt of a written opinion of outside counsel, that such covenants are not prejudicial to the interests of the holders of the Exchangeable Shares; or
- (b) making such amendments or modifications not inconsistent with this Agreement as may be necessary or desirable with respect to matters or questions which, in the opinion of the board of directors of each of TMW, Canco and MG and in the opinion of the Trustee and its counsel, having in mind the best interests of the Holders as a whole, it may be expedient to make; provided that such boards of directors and the Trustee and its counsel shall be of the opinion, after receipt of a written opinion of outside counsel, that such amendments and modifications will not be prejudicial to the interests of the Holders as a whole; or
- (c) making such changes or corrections which, on the advice of counsel to TMW, Canco, MG and the Trustee, are required for the purpose of curing or correcting any ambiguity or defect or inconsistent provision or clerical omission or mistake or manifest error; provided

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that the Trustee and its counsel and the board of directors of each of TMW, Canco and MG shall be of the opinion, after receipt of a written opinion of outside counsel, that such changes or corrections will not be prejudicial to the interests of the Holders as a whole.

MG shall send a written notice to the Holders notifying them of any amendment made pursuant to this Section 12.2 and a copy of any written opinion of counsel received in connection with any such amendment.

12.3 Meeting to Consider Amendments. MG, at the request of TMW or Canco, shall call a meeting or meetings of the Holders for the purpose of considering any proposed amendment or modification requiring approval pursuant hereto. Any such meeting or meetings shall be called and held in accordance with the by-laws of MG, the Exchangeable Share Provisions and all applicable laws.

12.4 Changes in Capital of TMW and MG. At all times after the occurrence of any event effected pursuant to the Support Agreement, as a result of which either TMW Common Stock or the Exchangeable Shares or both are in any way changed, this Agreement shall forthwith be amended and modified as necessary in order that it shall apply with full force and effect, mutatis mutandis, to all new securities into which TMW Common Stock or the Exchangeable Shares or both are so changed, and the parties hereto shall execute and deliver a supplemental agreement giving effect to and evidencing such necessary amendments and modifications.

12.5 Execution of Supplemental Agreements. From time to time MG (when authorized by a resolution of its Board of Directors), TMW (when authorized by a resolution of its board of directors), Canco (when authorized by a resolution of its board of directors) and the Trustee may, subject to the provisions of these

presents, and they shall, when so directed by these presents, execute and deliver by their proper officers, agreements or other instruments supplemental hereto, which thereafter shall form part hereof, for any one or more of the following purposes:

- (a) evidencing the succession of any TMW Successors to TMW and the covenants of and obligations assumed by each such TMW Successor in accordance with the provisions of Article XI and the successor of any successor trustee in accordance with the provisions of Article X;
- (b) making any additions to, deletions from or alterations of the provisions of this Agreement or the Voting Rights which, in the opinion of the Board of Directors of each of TMW, Canco and MG and in the opinion of the Trustee and its counsel, after receipt of a written opinion of outside counsel, will not be prejudicial to the interests of the Holders as a whole or are in the written opinion of counsel to the Trustee necessary or advisable in order to incorporate, reflect or comply with any legislation the provisions of which apply to TMW, Canco, MG, the Trustee or this Agreement; and

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- (c) for any other purposes not inconsistent with the provisions of this Agreement, including without limitation to make or evidence any amendment or modification to this Agreement as contemplated hereby, provided that, in the opinion of the Board of Directors of each of TMW, Canco and MG and in the opinion of the Trustee and its counsel, after receipt of a written opinion of outside counsel, the rights of the Trustee and the Holders as a whole will not be prejudiced thereby.

ARTICLE XIII

TERMINATION

13.1 Term. The Trust created by this Agreement shall continue until the earliest to occur of the following events:

- (a) no outstanding Exchangeable Shares are held by a Holder;
- (b) each of TMW, Canco and MG elects in writing to terminate the Trust and such termination is approved by the Holders of the Exchangeable Shares in accordance with Section 11.1 of the Exchangeable Share Provisions and notice of such termination is provided to the Trustee; and
- (c) 21 years after the death of the last survivor of the descendants of His Majesty King George VI of the United Kingdom of Great Britain and Northern Ireland living on the date of the creation of the Trust.

13.2 Survival of Agreement. This Agreement shall survive any termination of the Trust and shall continue until there are no Exchangeable Shares outstanding held by a Holder; provided, however, that the provisions of Articles VIII and IX hereof shall survive any such termination of this Agreement.

ARTICLE XIV

GENERAL

14.1 Severability. If any provision of this Agreement is held to be

invalid, illegal or unenforceable, the validity, legality or enforceability of the remainder of this Agreement shall not in any way be affected or impaired thereby, and the Agreement shall be carried out as nearly as possible in accordance with its original terms and conditions.

14.2 Inurement; Third Party Beneficiaries. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and permitted assigns and to the benefit of the Holders. The parties hereto acknowledge and agree that the holders of the Exchangeable Shares are intended to be third party beneficiaries of this Agreement and shall be

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entitled to all rights and benefits provided hereunder which affect such holders and shall be entitled to enforce such rights and benefits as if they were a party hereto.

14.3 Notices to Parties. All notices and other communications between the parties hereunder shall be in writing and shall be deemed to have been given if delivered personally or by confirmed telecopy to the parties at the following addresses (or at such other address for such party as shall be specified in like notice):

if to MG:

Moore's Retail Group Inc.
5800, Rue St. Denis, Suite 900
Montreal, Quebec H2S 3L5
Attn: Michael Zelnik
Facsimile: 514.274.4177

with a copy to:

Coudert Brothers
1114 Avenue of the Americas
New York, New York 10036
Attn: Thomas J. Drago
Facsimile: 212.616.4120

if to TMW or Canco:

The Men's Wearhouse, Inc.
40650 Encyclopedia Circle
Fremont, California 94538
Attn: David Edwab
Facsimile: 713.657.0872

with a copy to:

Fulbright & Jaworski L.L.P.
1301 McKinney, Suite 5100
Houston, Texas, U.S.A. 77010-3095
Attn: Michael W. Conlon
Facsimile: 713.651.5246

and

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Byers Casgrain
1 Place Ville-Marie, Suite 3900
Montreal, Quebec, Canada H3B 4M7
Attn: Allan Mass
Facsimile: 514.866.2241

If to the Trustee:

The Trust Company of Bank of Montreal

Suite 5104, First Canadian Place
Toronto, Ontario M5X 1A1
Attn: Senior Trust Officer
Facsimile: 416.867.6264

Any notice or other communication given personally shall be deemed to have been given and received upon delivery thereof, and if given by telecopy shall be deemed to have been given and received on the date of receipt thereof unless such day is not a Business Day in which case it shall be deemed to have been given and received upon the immediately following Business Day.

14.4 Notice to Holders. Any and all notices to be given and any documents to be sent to any Holders may be given or sent to the address of such Holder shown on the register of Holders of Exchangeable Shares in any manner permitted by the Exchangeable Share Provisions and shall be deemed to be received (if given or sent in such manner) at the time specified in such Exchangeable Share Provisions, the provisions of which Exchangeable Share Provisions shall apply mutatis mutandis to notices or documents as aforesaid sent to such Holders.

14.5 Risk of Payments by Post. Whenever payments are to be made or documents are to be sent to any Holder by the Trustee, by MG or by TMW of Canco or by such Holder to the Trustee or to TMW, Canco or MG, the making of such payment or sending of such document sent through the post shall be at the risk of TMW, Canco or MG in the case of payments made or documents sent by the Trustee or TMW, Canco or MG, and the Holder, in the case of payments made or documents sent by the Holder.

14.6 Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which taken together shall constitute one and the same instrument.

14.7 Jurisdiction. This Agreement shall be construed and enforced in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein.

14.8 Attornment. TMW agrees that any action or proceeding arising out of or relating to this Agreement may be instituted in the courts of Ontario, waives any objection which it may have now or hereafter to the venue of any such action or proceeding, irrevocably submits to the jurisdiction of such courts in any such action or proceeding, agrees to be bound by any judgment of such courts and agrees not to seek, and hereby waives, any review of the merits of any such judgment by the

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courts of any other jurisdiction and TMW hereby appoints Canco at its registered office in the Province of Ontario as TMW's attorney for service of process.

[SIGNATURES ON FOLLOWING PAGE]

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IN WITNESS WHEREOF, the parties hereby have caused this Agreement to be duly executed as of the date first above written.

THE MEN'S WEARHOUSE, INC.

By: /s/ GARY CKODRE

Name: Gary Ckudre
Title: Vice President - Finance

GOLDEN MOORES COMPANY

By: /s/ GARY CKODRE

Name: Gary Ckudre
Title: Chief Accounting Officer

MOORES RETAIL GROUP INC.

By: /s/ MICHEL ZELNIK

Name: Michel Zelnik
Title: Chief Executive Officer

THE TRUST COMPANY OF BANK OF
MONTREAL

By: /s/ MARCIA REDWAY

Name: Marcia Redway
Title: Sr. Trust Officer

CONSENT OF INDEPENDENT AUDITORS

We consent to the use of our report dated March 20, 1998 (except note 15, which is as of November 18, 1998, and notes 6 and 8, which are as of December 30, 1998), with respect to the consolidated financial statements of Moores Retail Group Inc. included in this Form 8-K.

Montreal, Canada
February 25, 1999

/s/ ERNST & YOUNG LLP
Chartered Accountants

MEN'S WEARHOUSE COMPLETES ACQUISITION OF
MOORES RETAIL GROUP OF CANADA

FREMONT, Calif. -- (BUSINESS WIRE) -- Feb. 10, 1999 -- Men's Wearhouse, Inc. (NASDAQ National Market System Symbol: SUIT) today announced that it has completed the acquisition of Moores Retail Group of Canada.

This acquisition positions Men's Wearhouse as a leading retailer of men's tailored clothing in North America and gives the company 546 stores throughout the U.S. and Canada.

The acquisition includes Moores the Suit People, Inc., a chain of approximately 115 men's stores, and Golden Brand Clothing (Canada) Ltd., an integrated manufacturing facility capable of producing approximately 500,000 jackets and one million pair of pants annually. This acquisition is expected to add approximately \$125-130 million (U.S.) in sales to The Men's Wearhouse annualized revenues. The combined workforce will approximate 8,500 people, the consolidated store count will be 546 and consolidated sales are anticipated to approximate \$1 billion (U.S.) in fiscal 1999. The transaction, before transaction costs and other one-time costs, consists of long-term debt of \$85 million (Canadian) and the issuance of 2.5 million shares of Men's Wearhouse common stock. The transaction will be accounted for as a pooling of interest.

In a separate news release, the company said it had completed three financing transactions, including an extension of its existing \$125 million (U.S.) revolving credit facility. The other two transactions, designed to support the company's Canadian business operations, include \$75 million (Canadian) term loan and a \$30 million (Canadian) revolving credit facility.

David Edwab, president of Men's Wearhouse, commented, "We are excited about this opportunity and welcome the employees of Moores into the Men's Wearhouse family. Our cultures will complement each other and the management team is focused on a timely integration. We believe our ability to execute will provide us the opportunity to capitalize on our combined operating synergies. As a company, we will continue to focus on identifying strategies and opportunities that will maximize shareholder value. This is a very special time in our company's history as we enter the millennium."

Founded in 1961, Moores Retail Group operates an integrated manufacturing facility of men's jackets and pants and 115 retail stores in 10 Canadian provinces and in the states of Illinois and Ohio.

Founded in 1973, Men's Wearhouse is one of the largest specialty retailers of men's tailored clothing in North America. Prior to the transaction, the company was operating 431 stores in 40 states, including stores in its Value Priced Clothing division. The company reported sales of \$767.9 million in fiscal 1998.

For more information on Men's Wearhouse, contact the company on the World Wide Web at www.menswearhouse.com.

This press release contains forward looking information. The forward looking statements are made pursuant to the Safe Harbor provisions of the Private Securities Litigation Reform Act of 1995. These forward looking statements include the company's future growth strategy and may be significantly impacted by various factors, including unfavorable local, regional and national economic developments, severe weather conditions, aggressive advertising or marketing activities of competitors and other factors described herein and in the company's annual report on Form 10-K for the year ended Jan. 31, 1998 and Form 10-Q for the quarter ended Oct. 31, 1998.

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Contact:

The Men's Wearhouse
Neill Davis, 713/592-7200

MEN'S WEARHOUSE ANNOUNCES THREE FINANCING TRANSACTIONS

FREMONT, Calif. -- (BUSINESS WIRE) -- Feb. 10, 1999 -- Men's Wearhouse (Nasdaq NMS:SUIT - news) today announced the completion of three financing transactions.

These transactions closed in conjunction with the company completing its acquisition of Moores Retail Group of Canada. Moores operates Moores the Suit People, Inc., a chain of approximately 115 men's stores, and Golden Brand Clothing (Canada) Ltd., an integrated manufacturing facility.

The three financing transactions include an extension of the company's existing \$125 million (U.S.) revolving credit facility and two new financings to support the company's Canadian operations, including a new \$75 million (Canadian) term loan and a new \$30 million (Canadian) revolving credit facility.

The \$125 million (U.S.) facility, which was originally executed in June 1997, has been extended until February 2004. In addition, two new banks -- Chase Bank and First Union Bank -- have joined the original syndicate. This group included Bank of America (formerly NationsBank) serving as the agent, along with Wells Fargo Bank, Union Bank of California, Bank of Montreal and Bank of Boston.

The same syndicate executed the new \$75 million (Canadian) term loan, while the new \$30 million (Canadian) revolving credit facility has been executed with Bank of America and Bank of Montreal.

"This involvement by many of North America's leading financial institutions is a strong endorsement for both our current market position and ongoing growth strategy, such as the Moores acquisition", said David Edwab, president of Men's Wearhouse.

"These financings provide us the resources and flexibility to pursue strategies that will further enhance shareholder value", he continued.

Founded in 1973, Men's Wearhouse is one of North America's largest specialty retailers of men's tailored business attire. With the completion of the Moores transaction, the company operates 546 stores in the U.S. and Canada. The stores carry a full selection of designer, brand name and private label suits, sport coats, furnishings and accessories.

For more information on Men's Wearhouse, contact the company on the World Wide Web at www.menswearhouse.com.

This press release contains forward looking information. The forward looking statements are made pursuant to the Safe Harbor provisions of the Private Securities Litigation Reform Act of 1995. These forward looking statements include the company's future growth strategy and may be

significantly impacted by various factors, including unfavorable local, regional and national economic developments, severe weather conditions, aggressive advertising or marketing activities of competitors and other factors described herein and in the company's annual report on Form 10-K for the year ended Jan. 31, 1998 and Form 10-Q for the quarter ended Oct. 31, 1998.

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Contact:

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