



CANADIAN TIRE CORPORATION

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS

MAY 13, 2021

MANAGEMENT INFORMATION CIRCULAR

MESSAGE FROM THE CHAIRMAN OF THE BOARD



Dear Shareholders,

We have all been through a tumultuous year. It has been challenging for my colleagues on the Board, for our management and for all of you. It has been especially challenging for our CEO, Greg Hicks, who was confronted, a mere day after he was appointed CEO, with leading the Company in a world dominated by COVID-19 and the restrictions that followed in its wake. Greg understood how difficult the road ahead would be, but viewed the situation as providing opportunities as well as challenges. Our strong results in 2020 have shown how resilient Canadian Tire proved to be under his leadership, despite the unprecedented impacts on the Company's business.

Given the circumstances, your Board of Directors quickly stepped up and, in the first few months, held weekly calls with management to address the Company's response to the pandemic and to support management in its efforts to operate the business in unprecedented times. The Board also established an ad hoc subcommittee to serve as a resource to management on key strategic issues.

Throughout the year, the Board has continued to oversee the impacts of COVID-19 on the Company and management's responses thereto, with particular emphasis on its impacts on operations, customers, employees, financial performance, risk management and liquidity. At the same time, the Board worked with management on opportunities to grow the Company's business, especially in eCommerce where Canadian Tire experienced record growth. The Board spent much of its time on the strategic direction of the Tire both during and after the pandemic and overseeing the huge number of internal communications with our employees and external communications with our customers and shareholders.

With the support of the Board, our skilled management navigated through the pandemic effectively. The Company was able to move with agility and purpose, implementing swift operational changes as circumstances changed. Our goal was (and still is) to ensure that Canadian Tire remains strong and even more relevant to Canadians.

What we accomplished in 2020 could not have been done without hard work, and very long hours and days. On behalf of the Board, I say a BIG thank you to our management at every level for their energy, their stamina and their commitment to making the Tire resilient in the face of overwhelming adverse conditions. Their goal was to ensure that Canadian Tire continued to be there for Canadians.

Going forward, Canadian Tire is committed to transforming the Company to focus on being customer-centric and digitally savvy. We are committed to an omni-channel strategy which includes both bricks and mortar stores and online business. This has served us very well during COVID-19 and will serve us well in the months and years post the pandemic.

Based on my personal experience and the experience of many others, working from home is not sustainable. It is stressful, time-consuming and lacks the value of human interaction. Working virtually made our job so much harder.

In spite of the fact that working from home has not been optimal, our employees have been magnificent in ensuring that their work continued unabated. So many worked and are still working a seven-day week.

Our Associate Dealers worked tirelessly, often on short notice, to adapt to ever-changing circumstances in a superb effort to continue to serve their customers. I am very proud of their efforts.

Given the importance of ESG-related issues, we have decided to transform the Board's Brand and Community Committee into a Brand and Corporate Responsibility Committee. This Committee will be responsible for all matters that could impact our iconic brand. An important part of its duties will be ESG matters as we believe these are critical to the health of our brand.

I have long believed that business must be successful in order to provide the jobs, products and services that Canadians need. Therefore, business should be proactive in finding ways to encourage public policies that promote business profitability and growth.

The private sector—and Canadian Tire in particular—has an important role to play in working with the public sector to get Canada on the path to economic recovery. Indeed, only through a true partnership between the private sector and governments at all levels can we overcome the challenges posed by the pandemic.

Jim Goodfellow will not be standing for re-election to our Board in May. Jim has been one of our leading directors and he will be missed. He has had a long association with the Tire and my colleagues and I have always considered him a mentor and a friend. He has contributed much to our success and I am pleased that he has agreed to remain on the Board of Canadian Tire Bank.

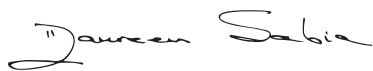
It is with deep regret that we must say farewell to Claude L'Heureux. His place on the Board will be taken by Sylvain Leroux, a fellow Associate Dealer, subject to shareholder approval. Claude has been the gold standard of Associate Dealers on the Board. His knowledge of the Company, his courage, his insights and his statesmanlike approach to issues made him a hugely valuable contributor to our discussions and decisions. We will miss his wise counsel and his friendship.

I am very pleased to welcome Steve Frazier to our Board of Directors, subject to shareholder approval. Mr. Frazier has recently retired from Amazon where for some 20 years he was a senior executive with both international and domestic responsibilities. He led the U.K., China and Brazil businesses, private brands, and Amazon's B2B marketplace in multiple global markets.

Finally, I want to thank you, our shareholders, for your continued support and trust.

The resilience shown by Canadian Tire during 2020 is yet another indication of the strength of our iconic Company, a company that refuses to accept anything less than the best it can be in the service of its customers in spite of very challenging circumstances. In a matter of weeks, we ramped up our eCommerce business to unprecedented levels—a billion dollars in 2020. Circumstances drove us to do in weeks what, in normal circumstances, we planned to do in three years. As our founder, A.J. Billes always counselled: strive always to make things better. That counsel has become our mantra.

I want to say once again what a privilege it is for me to work for Canadian Tire, a company that is endlessly fascinating, a company that has a tradition of going from success to success. It is a company that is, truly, part of the fabric of Canada. I know that an even more impressive future lies ahead.



Maureen Sabia

Chairman of the Board
Canadian Tire Corporation, Limited

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS

You are invited to the Annual Meeting of Shareholders of Canadian Tire Corporation, Limited



Date Thursday, May 13, 2021 at 10:00 a.m. (Eastern time)
Virtual Meeting Details
Online
<http://web.lumiagm.com/490989159>
Telephone
English: 1-855-353-9183 / Access code: 22163#
French: 1-855-355-9283 / Access code: 18923#

In this Notice, *we, us, our, CTC* and *the Company* refer to Canadian Tire Corporation, Limited and all entities controlled by it unless the context otherwise requires. *You* and *your* refer to CTC shareholders.

Business of the Meeting

We will address the following items at the Annual Meeting of Shareholders (*the Meeting*):

1. receiving CTC's Annual Consolidated Financial Statements for the financial year ended January 2, 2021, including the external auditor's report;
2. the election of directors, who will serve until the next Annual Meeting of Shareholders;
3. the appointment of the external auditor, who will serve until the next Annual Meeting of Shareholders, and authorizing the directors to set the external auditor's compensation; and
4. the transaction of such further and other business as may properly come before the Meeting or any adjournment thereof.

This notice is accompanied by a management information circular (*the Circular*). The nature of the business to be transacted at the Meeting is described in further detail in the Circular.

Virtual Meeting

This year, in light of ongoing public health concerns and restrictions with respect to COVID-19 and in order to protect the health and safety of our shareholders, employees and the broader community, the Company will be hosting a virtual Meeting. You will be able to access the Meeting online or by telephone. To vote at the Meeting, you will need to access the Meeting online.

Who Can Vote

You have the right to vote at our Meeting if you are a CTC shareholder as of the close of business on March 25, 2021. You have different voting rights depending on whether you own Common Shares or Class A Non-Voting Shares of the Company. As a CTC shareholder, it is important that you read the accompanying Circular carefully.

How to Vote

You can vote in advance of the Meeting by proxy or you can vote at the Meeting. You can also authorize another person (a *proxyholder*) to vote at the Meeting on your behalf.

The manner in which you can vote your CTC shares depends on whether: (i) your shares are held in your name (*Registered Shareholder*); or (ii) your shares are held in the name of an intermediary such as a bank, trust company, securities broker or other intermediary (*Beneficial Shareholder*).

Voting in Advance of the Meeting

Shareholders who do not plan to vote at the Meeting may vote in advance of the Meeting. If you are a Registered Shareholder, complete the enclosed proxy form and return it to the Company's transfer agent, Computershare Trust Company of Canada (*Computershare*). Proxy forms must be received prior to 5:00 p.m. (Eastern time) on Tuesday, May 11, 2021 (*the Proxy Deadline*). If you are a Beneficial Shareholder, complete the enclosed voting instruction form provided by your intermediary and return it in accordance with the instructions contained in the voting instruction form. Voting instruction forms generally should be submitted one day prior to the Proxy Deadline.

Voting at the Virtual Meeting

If you wish to vote at the Meeting, or appoint a proxyholder to vote on your behalf at the Meeting, please review carefully the instructions under the heading *Voting at the Virtual Meeting* beginning on page 7 of the Circular.

If you are a Registered Shareholder and wish to vote at the Meeting, you do not need to complete the enclosed proxy form. You may log into the Meeting online by entering the number from your proxy form as your control number and the password **ct2021** (case sensitive).

If you are a Beneficial Shareholder and wish to vote at the Meeting, or a Registered Shareholder or Beneficial Shareholder and wish to appoint a proxyholder to vote at the Meeting on your behalf, you will need to appoint yourself or someone else as proxyholder and submit your proxy form or voting instruction form, as applicable, and pre-register on the Computershare website. For Registered Shareholders, your proxy form must be completed and received by Computershare before the Proxy Deadline (5:00 p.m. (Eastern time) on Tuesday, May 11, 2021). For Beneficial Shareholders, your voting instruction form should generally be submitted no later than one day prior to the Proxy Deadline. Following completion of your proxy form or voting instruction form, visit Computershare's pre-registration website (<http://www.computershare.com/cantire>) and complete the form before the Proxy Deadline in order to access the Meeting online and vote. Following completion of these steps, you will receive a number from Computershare via email on or about the day prior to the Meeting. You or your proxyholder may then log into the Meeting online by entering the number provided by Computershare via email as your control number and the password **ct2021** (case sensitive).

Accessing the Virtual Meeting

Shareholders, proxyholders and guests may access the Meeting online or by telephone. To vote at the Meeting, you or your proxyholder will need to access the Meeting online. Shareholders and their proxyholders may submit questions online during the Meeting, or in advance of the Meeting via email to ctcagm@cantire.com. Further information and instructions are contained under the heading *Accessing the Virtual Meeting* beginning on page 8 of the Circular.

For further information and updates on the Meeting, please visit www.ctcagm.com.

Toronto, Ontario
March 18, 2021

By order of the Board of Directors,



Eleni Damianakis

Vice-President, Associate General Counsel and Corporate Secretary

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MANAGEMENT INFORMATION CIRCULAR

In this Management Information Circular (*the Circular*), *we, us, our, CTC and the Company* refer to Canadian Tire Corporation, Limited and all entities controlled by it, unless the context otherwise requires. *You and your* refer to CTC shareholders.

This Circular is provided in connection with our Annual Meeting of Shareholders to be held on May 13, 2021 (*the Meeting*). Your proxy is being solicited by the management of CTC for the items described in the Notice of Annual Meeting. We pay for all costs associated with soliciting your proxy. We usually make our request by mail, but we may also solicit your proxy by telephone or in person.

All information in this Circular is provided as of March 18, 2021 and all references to "\$" are to Canadian dollars, unless otherwise indicated.

BUSINESS OF THE MEETING

We will address the following items at the Meeting.

Receiving the Annual Consolidated Financial Statements

Our Annual Consolidated Financial Statements for the financial year ended January 2, 2021, including the external auditor's report, have been sent to shareholders who requested these materials. They are also available on the System for Electronic Document Analysis and Retrieval (*SEDAR*) at www.sedar.com and CTC's website at www.corp.canadiantire.ca.

Electing Directors

The Board of Directors (*the Board* or the *Board of Directors*) has determined that 16 directors will be elected at the Meeting, 13 of whom will be elected by the holders of Common Shares and three of whom will be elected by the holders of Class A Non-Voting Shares. See *About the Proposed Directors* beginning on page 11 for more information.

The Board recommends that you vote **FOR** the election of each of the following persons who have been proposed by the Board for election as directors:

Proposed Directors for Election

By holders of Common Shares		By holders of Class A Non-Voting Shares
Eric Anderson	John Furlong	Diana Chant
Martha Billes	Greg Hicks	Norman Jaskolka
Owen Billes	Sylvain Leroux	Cynthia Trudell
Patrick Connolly	Donald Murray	
David Court	J. Michael Owens	
Mark Derbyshire	Maureen Sabia	
Steve Frazier		

All of the proposed directors are current directors of CTC, except Steve Frazier and Sylvain Leroux who are new nominees proposed for election by the holders of Common Shares. James Goodfellow and Claude L'Heureux are not standing for re-election. All of the current directors were elected to the Board at our Annual Meeting of Shareholders held on May 7, 2020.

Appointing the External Auditor

If you are a holder of Common Shares, you can vote on the appointment of the external auditor and authorize the Board of Directors to set the external auditor's compensation.

The Board recommends that you vote **FOR** the reappointment of CTC's current external auditor, Deloitte LLP, Chartered Professional Accountants (*Deloitte*), as the external auditor, and authorize the Board to set its compensation.

Considering Other Business

We will consider any other business that may properly come before the Meeting. As of the date of this Circular, we are not aware of any amendment or variation to any of the items above or of any other business to be considered at the Meeting. If there are amendments or variations to any item of business or any new matters that are properly brought before the Meeting, you or your proxyholder can vote your shares on these items as you or your proxyholder see fit.



VOTING INFORMATION

Who Can Vote

The Company has two classes of shares. The items you can vote on depend on the class of shares you own. Each share you own as of the close of business on March 25, 2021 entitles you to one vote on the matters on which you are entitled to vote at the Meeting.

Common Shares

If you are a holder of Common Shares, you can vote on three items at the Meeting:

- the election of 13 of the 16 directors;
- the appointment of the external auditor and authorizing the directors to set the external auditor's compensation; and
- the transaction of such further and other business as may properly come before the Meeting or any adjournment thereof.

As at March 18, 2021, CTC had 3,423,366 Common Shares issued and outstanding. The directors and officers of the Company are not aware of any person or company that beneficially owns, or controls or directs, directly or indirectly, more than 10% of the total outstanding Common Shares, other than those listed below:

Name	Number of Common Shares Beneficially Owned, Controlled or Directed	Percentage of Outstanding Common Shares
Martha Billes ⁽¹⁾	1,400,767	40.9%
Owen Billes ⁽²⁾	700,383	20.5%
C.T.C. Dealer Holdings Limited	703,784	20.6%
CTC's Deferred Profit Sharing Plan (established on January 1, 1968) ⁽³⁾	419,280	12.2%

Notes

- (1) Tire 'N' Me Pty. Ltd. (*Tire 'N' Me*) owns 1,400,767 Common Shares. Martha Billes controls Tire 'N' Me and, with the exception of a small number of non-voting common shares of Tire 'N' Me owned by Owen Billes, is the beneficial owner of all of the issued shares of Tire 'N' Me. The Common Shares owned by Tire 'N' Me are included in the shareholdings of Martha Billes as shown in her director profile on page 12.
- (2) Albikin Management Inc. (*Albikin*) owns 700,383 Common Shares of CTC and 741,176 Class A Non-Voting Shares of CTC. Owen Billes is the beneficial owner of all of the common shares of Albikin. Martha Billes owns all of the other shares of, and controls, Albikin. The Corporation has been advised that Albikin, with the agreement of Martha Billes and Owen Billes, has granted to Owen Billes, effective as of March 12, 2021, a continuing proxy and irrevocable power of attorney to vote the Common Shares and Class A Non-Voting Shares of CTC owned by Albikin. The Common Shares and Class A Non-Voting Shares of CTC owned by Albikin are included in the shareholdings of Owen Billes as shown in his director profile on page 12.
- (3) Sun Life Assurance Company of Canada (*Sun Life*) is the beneficial owner of the 419,280 Common Shares held in relation to CTC's Deferred Profit Sharing Plan (*the DPSP*). Sun Life has issued a group annuity policy to Sun Life Financial Trust Inc., the trustee of the DPSP (*the Trustee*), which provides benefits to the Trustee and, indirectly, to the participants in the DPSP that are substantially the same as those to which they would have been entitled had the shares been held directly by the Trustee. For more information on the DPSP, see *Retirement and Savings Plans* beginning on page 59.



Class A Non-Voting Shares

If you are a holder of Class A Non-Voting Shares, you can vote on the election of three of the 16 directors at the Meeting.

Holders of Class A Non-Voting Shares are otherwise only entitled to vote on matters other than the election of three directors in the following circumstances:

- if applicable laws give them that right; or
- if an offer to purchase Common Shares is made to all or substantially all holders of Common Shares or is required by law or by the Toronto Stock Exchange (*the TSX*) to be made to all holders of Common Shares in Ontario, and a majority of the Common Shares issued and outstanding are tendered to and taken up by the party making the offer. In this case, unless the offer to purchase is for both classes of shares at the same price per share and on the same terms and conditions, the holders of Class A Non-Voting Shares will thereafter be entitled to one vote per share at all shareholder meetings and the Class A Non-Voting Shares shall be designated as “Class A Shares”.

The Common Shares and Class A Non-Voting Shares are each generally voted separately as a class. As a result, aggregating the voting rights attached to the Common Shares and Class A Non-Voting Shares is not relevant to any corporate action currently contemplated. If an occasion should arise in which the holders of the Common Shares and the holders of the Class A Non-Voting Shares are entitled to vote together (rather than as a separate class) then, based on the number of Common Shares and Class A Non-Voting Shares outstanding as at March 18, 2021, the Class A Non-Voting Shares would represent approximately 94.4% of the aggregate voting rights attached to the Common Shares and the Class A Non-Voting Shares. For a full statement of the conditions attached to the Common Shares and Class A Non-Voting Shares, including voting rights, reference should be made to CTC’s articles of amendment dated December 15, 1983, which are available on SEDAR at www.sedar.com.

As at March 18, 2021, CTC had 57,383,758 Class A Non-Voting Shares issued and outstanding. The directors and officers of the Company are not aware of any person or company that beneficially owns, or controls or directs, directly or indirectly, more than 10% of the outstanding Class A Non-Voting Shares.

Virtual Meeting

This year, in light of ongoing public health concerns and restrictions with respect to COVID-19 and in order to protect the health and safety of our shareholders, employees and the broader community, the Company will be hosting a virtual Meeting. You will be able to access the Meeting online or by telephone. To vote at the Meeting, you will need to access the Meeting online. See *Voting at the Virtual Meeting* beginning on page 7 and *Accessing the Virtual Meeting* beginning on page 8.

How to Vote

You can vote in advance of the Meeting by proxy or you can vote at the Meeting. You can also authorize another person (a *proxyholder*) to vote at the Meeting on your behalf.

The manner in which you can vote your CTC shares depends on whether: (i) your shares are held in your name (*Registered Shareholder*); or (ii) your shares are held in the name of an intermediary such as a bank, trust company, securities broker or other intermediary (*Beneficial Shareholder*).



	Registered Shareholders	Beneficial Shareholders
Delivery of Proxy Materials	We have sent you a proxy form with this Circular.	Your intermediary has sent you a voting instruction form with this Circular.
If you do not plan to attend the Meeting but wish to vote	<p>Complete the enclosed proxy form and return it to the Company's transfer agent, Computershare Trust Company of Canada (<i>Computershare</i>).</p> <p>You can also appoint a proxyholder to vote at the Meeting on your behalf. See <i>Voting at the Virtual Meeting</i> beginning on page 7.</p>	<p>Complete the enclosed voting instruction form and return it in accordance with the instructions contained in the voting instruction form.</p> <p>You can also appoint a proxyholder to vote at the Meeting on your behalf. See <i>Voting at the Virtual Meeting</i> beginning on page 7.</p>
To attend and vote at the Meeting	Unless you wish to appoint a proxyholder to vote at the Meeting on your behalf, you do not need to complete the proxy form. For further instructions, see <i>Voting at the Virtual Meeting</i> beginning on page 7.	You will need to complete the voting instruction form and appoint yourself as proxyholder. For further instructions, see <i>Voting at the Virtual Meeting</i> beginning on page 7.
Returning the proxy/voting instruction form	<p>Unless you wish to vote at the Meeting, return your completed proxy form to Computershare.</p> <p>Alternatively, Registered Shareholders, excluding corporations or other legal entities, may also vote online or by telephone by following the instructions shown on the proxy form.</p> <p>Computershare must receive your proxy form, including any amendments, no later than 5:00 p.m. (Eastern time) on Tuesday, May 11, 2021 (<i>the Proxy Deadline</i>), or if the Meeting is postponed or adjourned, no later than 48 hours (not including Saturdays, Sundays or statutory holidays in Ontario) before the postponed or adjourned meeting convenes.</p>	<p>Return your completed voting instruction form using one of the methods set out in the voting instruction form provided by your intermediary.</p> <p>Your intermediary must receive your voting instructions in sufficient time to act on them, generally no later than one day prior to the Proxy Deadline, or if the Meeting is postponed or adjourned, no later than 72 hours (not including Saturdays, Sundays or statutory holidays in Ontario) before the postponed or adjourned meeting convenes.</p>
Changing your vote and revoking your proxy	If you have returned your proxy form and change your mind about how you voted before the Meeting and you want to revoke your proxy, you will need to send amended instructions to Computershare by the Proxy Deadline, or you may vote at the Meeting or in any other manner permitted by law.	<p>If you have returned your voting instruction form and change your mind about how you voted before the Meeting, or you decide to vote at the Meeting, contact your intermediary to find out what to do.</p> <p>If your intermediary gives you the option of using the internet to provide your voting instructions, you can also change your instructions online, as long as your intermediary receives the new instructions in sufficient time to act on them before the Proxy Deadline. Contact your intermediary to confirm the deadline.</p>



Voting by Proxy

Signing the enclosed proxy form or voting instruction form gives authority to Maureen Sabia, Greg Hicks or Diana Chant (*the Company Proxyholders*), each of whom is a director of the Company, to vote your shares at the Meeting, unless you give such authority to someone else. **You may appoint someone other than the Company Proxyholders to vote your shares by writing the name of this person, who need not be a CTC shareholder, in the blank space provided on the proxy form or voting instruction form.** Please follow the instructions set out below under *Voting at the Virtual Meeting — Pre-Registration Process* beginning on page 8.

The persons named on your proxy form or voting instruction form must vote for or withhold from voting your shares in accordance with your directions, unless you let your proxyholder decide how to vote your shares. If you do not specify how you want your proxyholder to vote, proxies that grant the Company Proxyholders the authority to vote your shares will be voted in favour of the election of the proposed directors, the appointment of the external auditor and authorizing the directors to set the external auditor's compensation.

Amendments or Other Business

The persons named in the proxy form or voting instruction form will have discretionary authority with respect to amendments or variations to matters identified in the Notice of Annual Meeting and with respect to any new matters which may properly come before the Meeting.

As of the date of this Circular, management of CTC knows of no such amendment, variation or other matter expected to come before the Meeting. If any other matters properly come before the Meeting, the persons named in the proxy form or voting instruction form will vote on them in accordance with their best judgment.

Voting Shares Registered in the Name of a Corporation

For Registered Shareholders, to vote shares registered in the name of a corporation or other legal entity, an authorized officer or attorney of that corporation or legal entity must sign the enclosed proxy form. This person may have to provide proof that he or she is authorized to sign the proxy form on behalf of the corporation or other legal entity. The completed proxy form must be returned to CTC's transfer agent, Computershare, so that it arrives no later than the Proxy Deadline. For Registered Shareholders that are a corporation or other legal entity, their proxy form cannot be submitted by telephone or online.

For Beneficial Shareholders, to vote shares registered in the name of a corporation or other legal entity, insert the full legal name of the legal entity, the name and position of the person giving voting instructions on behalf of the legal entity and the address for service of the legal entity on the voting instruction form. The completed voting instruction form must be returned to your intermediary so that it arrives in sufficient time for the intermediary to act on your instructions, generally one business day before the Proxy Deadline.

Voting at the Virtual Meeting

If you wish to vote at the Meeting, or appoint a proxyholder to vote on your behalf at the Meeting, please review carefully these instructions.

If you are a Registered Shareholder and wish to vote at the Meeting, you do not need to complete the enclosed proxy form. You may join the Meeting online by entering the number from your proxy form as your control number and the password **ct2021** (case sensitive).

If you are a Beneficial Shareholder and wish to vote at the Meeting, or a Registered Shareholder or Beneficial Shareholder and wish to appoint a proxyholder to vote at the Meeting on your behalf, please follow the steps set out under the heading *Pre-Registration Process* below. Following completion of these steps, you will receive a number from Computershare via email approximately one day prior to the Meeting. You or your proxyholder may then log into the Meeting online by entering the number provided by Computershare via email as your control number and the password **ct2021** (case sensitive).

To access the Meeting online or via telephone, please follow the instructions under the heading *Accessing the Virtual Meeting* below, beginning on page 8.



Pre-Registration Process

Step 1: Submit your Proxy Form or Voting Instruction Form

If you are a Beneficial Shareholder and wish to vote at the Meeting, insert your name in the space provided on the voting instruction form and return the form in accordance with the instructions provided by your intermediary. You should not fill in your votes on the voting instruction form as your vote will be taken at the Meeting. If you fill in your votes when submitting your voting instruction form, you will be unable to change those votes at the Meeting.

If you are a Registered Shareholder or Beneficial Shareholder and wish to appoint a proxyholder to vote at the Meeting on your behalf, you will need to insert that person's name and submit the proxy form or voting instruction form, as applicable. If you want your proxyholder to choose how to vote on your behalf, you should not fill in your votes on your proxy form or voting instruction form otherwise your proxyholder will be unable to change those votes at the Meeting.

For Registered Shareholders, your proxy form must be completed and received by Computershare before the Proxy Deadline (5:00 p.m. (Eastern time) on Tuesday, May 11, 2021). For Beneficial Shareholders, your voting instruction form should be submitted generally no later than one day prior to the Proxy Deadline.

After completing the proxy form or voting instruction form, proceed immediately to step 2.

Step 2: Pre-register for the Meeting

Following completion of the proxy form or voting instruction form, visit Computershare's pre-registration website (<http://www.computershare.com/cantire>) and complete the form before the Proxy Deadline in order to access the Meeting online and vote.

Under *Appointer Information*, enter your name, email and account number. Your proxy form or voting instruction form will contain your account number. Under *Appointee Information*, enter your name and email unless you have appointed another a proxyholder to vote at the Meeting on your behalf, in which case enter that person's name and email.

Following completion of these steps, you will receive a number from Computershare via email on or about the day prior to the Meeting. Without this number, Beneficial Shareholders and proxyholders of Registered Shareholders and Beneficial Shareholders will not be able to vote and submit questions at the Meeting. This number is different from the number on your proxy form or voting instruction form.

You or your proxyholder may then log into the Meeting online by entering the number provided by Computershare via email as your control number and the password **ct2021** (case sensitive).

Accessing the Virtual Meeting

To access the Meeting online or by telephone, please review carefully the following instructions. For further information and updates on the Meeting, please visit www.ctcagm.com.

Online

Shareholders, proxyholders and guests may access the Meeting online by visiting the following link:
<http://web.lumiagm.com/490989159>

Should you wish to vote at the Meeting, please review carefully the instructions above under the heading *Voting at the Virtual Meeting*. As noted above, if you are a Beneficial Shareholder, or a Registered Shareholder or Beneficial Shareholder and wish to appoint a proxyholder to vote at the Meeting on your behalf, you will need to complete the pre-registration process described above prior to the Proxy Deadline to vote at the Meeting. Registered Shareholders not appointing a proxyholder may vote at the Meeting without completing the pre-registration process.

If you would like to access the Meeting without voting or submitting questions, you may do so by visiting the link and clicking the "Guest" button. To vote and submit questions at the Meeting, visit the link, click the "Control #" button and enter your control number and the password **ct2021** (case sensitive).

- For Registered Shareholders, enter the number contained in the proxy form as your control number.
- For Beneficial Shareholders and proxyholders, provided you have completed the pre-registration process described above before the Proxy Deadline, enter the number you received from Computershare via email as your control number. If you have not completed the pre-registration process before the Proxy Deadline, you may still join the Meeting online as a guest but will not be able to vote or submit questions.



Please join the Meeting at least 15 minutes before the Meeting starts. Allow ample time to log in and complete the related procedures. To access the Meeting online, you will require an internet connected device such as a laptop, computer, tablet or mobile phone. The Meeting will be supported across browsers and devices that are running the most updated version of the applicable software plugins.

Telephone

You may also listen to the Meeting by dialing 1-855-353-9183 (English) with the access code 22163#, or 1-855-355-9283 (French) with the access code 18923#. Please note that you or your proxyholder will not be able to vote or submit questions at the Meeting by telephone. Shareholders and proxyholders may submit questions in advance of the Meeting via email to ctcagm@cantire.com.

Submitting Questions

Shareholders and their proxyholders may submit questions online during the Meeting, or in advance of the Meeting via email to ctcagm@cantire.com. To submit a question at the Meeting, enter your question in the text box provided under the “Ask a Question” prompt on the lower left-hand side of your screen and then click “Submit”.

Questions that do not relate to the formal business of the Meeting will be addressed after the formal business has been conducted. Shareholders or proxyholders wishing to submit a question are asked to limit themselves to one question and to refrain from asking questions of a personal nature. Questions or comments which have already been answered or that are redundant will not be answered. If you are submitting a question at the Meeting, to ensure your question is received in time, please submit your question as early as possible during the Meeting, and prior to the commencement of the question period. When submitting a question, identify whether it relates to a motion being considered as part of the formal business of the Meeting or whether it is general in nature. Questions directly related to a particular motion will be addressed once that motion has been introduced and general questions will be addressed after the formal business has been completed. Questions of the same topic will be grouped together. It is possible that time constraints will render us unable to respond to all questions during the Meeting. If this is the case, we will endeavor to respond to your question following the Meeting.

Difficulties Accessing the Meeting

If you are unable to log into the Meeting online, please note the instructions above, particularly with respect to the pre-registration process. If you are required to complete the pre-registration process but fail to do so before the Proxy Deadline, you may still join the Meeting online as a guest or listen via telephone.

If you have issues logging into the Meeting online, please click the “Support” button on the Meeting website.

If you wish to participate and vote and the Meeting online, you will need to ensure that you remain connected to the internet at all times in order to vote when balloting commences. You will need to ensure internet connectivity for the duration of the Meeting as there may be insufficient time to resolve any issues before ballot voting is completed.

If there is a technical issue during the Meeting, a recess may be declared, during which time CTC will actively work with its technicians to resolve the issue in a timely manner. In such an event, it is expected that CTC will advise of the length of time of the recess and request that shareholders and proxyholders remain connected to Meeting during the recess. If the issue is unable to be resolved in a timely manner, it is expected that the Meeting will be adjourned to another day.

Solicitation of Proxies and Delivery of Materials

Your proxy is being solicited by the management of CTC and the associated costs are being borne by CTC.

The solicitation is being made primarily by mail but may also be made by telephone. In the case of Beneficial Shareholders, proxy-related materials will be sent by CTC to the intermediaries of Beneficial Shareholders and not directly to Beneficial Shareholders. CTC intends to pay for intermediaries to deliver proxy-related materials and voting instruction forms to any objecting Beneficial Shareholders.



Transfer Agent

CTC's transfer agent, Computershare, counts and tabulates the votes. For general shareholder enquiries, you can contact the transfer agent through the following methods:

Contact Details	
By Mail:	Computershare Trust Company of Canada 100 University Avenue 8th Floor, North Tower Toronto, Ontario M5J 2Y1 Canada
By Telephone:	Within Canada and the United States at 1-800-564-6253, and from all other countries at 514-982-7555
By Fax:	Within Canada and the United States at 1-866-249-7775, and from all other countries at 416-263-9524
By E-mail:	Computershare can be reached at service@computershare.com

ABOUT THE PROPOSED DIRECTORS

Composition of the Board

16 directors are being proposed for election to our Board.

The articles of the Company require that CTC must have between nine and 21 directors on the Board of Directors. The Board determines the number of directors to be elected at any shareholder meeting. The articles of the Company also state that:

- holders of Class A Non-Voting Shares are entitled to elect three directors. This number increases to four directors if the Board has 18 or more directors; and
- holders of Common Shares are entitled to elect all other directors.

Nominated directors who are elected by the holders of Class A Non-Voting Shares cannot be current or former officers or employees of CTC. Each director holds office until the next Annual Meeting of Shareholders.

Pursuant to a shareholders' agreement between Martha Billes (together with corporations and trusts with which she is associated) and C.T.C. Dealer Holdings Limited dated October 30, 1989, as amended (*the Shareholders' Agreement*), of the 13 directors to be elected by the holders of Common Shares at the Meeting, the Billes family has proposed nine nominees, C.T.C. Dealer Holdings Limited has proposed three nominees and both have agreed to nominate the President and Chief Executive Officer (*the President and CEO*).

We do not expect that any of the proposed nominees will be unable to serve as a director. If, however, CTC becomes aware before the Meeting that a proposed nominee is unable to serve as a director, the Company Proxyholders will vote to elect a substitute nominee at their discretion.

Director Nominees

The director profiles that follow provide a summary of each nominee's background and experience as well as their ownership of Common Shares, Class A Non-Voting Shares and deferred share units (*DSUs*) acquired under the Company's Deferred Share Unit Plan for Directors (*the DSU Plan for Directors*) and, in the case of Mr. Hicks, under the Company's Deferred Share Unit Plan for Executives, as applicable. The aggregate market value of all Common Shares, Class A Non-Voting Shares and DSUs held by each proposed director nominee is set out in the tables below. The profiles also provide each proposed nominee's membership on other public boards during the last five years, voting results from the 2020 Annual Meeting of Shareholders and information concerning each director's achievement of, or progress towards the achievement of, the Company's share ownership guidelines for directors (*the Director Share Ownership Guidelines*) or executives, as applicable. Except where noted, share information is provided as at the Company's fiscal year end.

ERIC ANDERSON

Common Shareholder Nominee | Independent



**Chicago, Illinois,
U.S.A.**

Director since:
2016

**2020 Voting
Results:**
99.98% in favour

Dr. Anderson is the Polk Brothers Chair in Retailing and Director of the Kellogg-McCormick MBAi Program. He also serves as the Managing Director of Leadership Analytics Advisors, LLC and as an advisor of Lift Lab. Dr. Anderson's research interests include innovation, pricing strategy, new products, retailing and channel management. His recent research has been conducted with various companies around the world and has influenced both management practice and academic theory. His articles have appeared in scholarly journals such as the Journal of Marketing Research, Marketing Science, Management Science, Journal of Economic Theory, and Quarterly Journal of Economics. He has also published in the Harvard Business Review and Sloan Management Review. Dr. Anderson holds a Ph.D. in Management Science from the MIT Sloan School of Management. Prior to joining the Kellogg School of Management at Northwestern University, Dr. Anderson was Assistant Professor of Marketing at the University of Chicago Booth School of Business and the W.E. Simon Graduate School of Business at the University of Rochester.

Public Board Memberships During Last Five Years:

Canadian Tire Corporation, Limited

(2016 – Present)

Securities Beneficially Owned, Controlled or Directed (as at January 2, 2021)⁽¹⁾

COMMON SHARES	CLASS A NON-VOTING SHARES	DEFERRED SHARE UNITS ⁽²⁾	TOTAL SECURITIES	MARKET VALUE OF SECURITIES ⁽³⁾	SHARE OWNERSHIP GUIDELINES ⁽⁴⁾
–	–	4,417	4,417	\$739,174	Met



MARTHA BILLES**Common Shareholder Nominee | Independent**

**Calgary, Alberta,
Canada**

Director since:
1980

**2020 Voting
Results:**
99.91% in favour

Ms. Billes is President and a director of Tire 'N' Me Pty. Ltd., an investment holding company. She is the daughter of the Company's co-founder, A.J. Billes, and, together with her son, Owen Billes, beneficially owns and controls a majority of the Common Shares of CTC. Ms. Billes is the founder and Chairman Emeritus of Canadian Tire Jumpstart Charities. She is also a director and officer of Albikin Management Inc., an investment holding company. Ms. Billes has served on various boards, including the boards of Canadian Tire Bank, the Sunnybrook Medical Centre Foundation, the Calgary Women's Emergency Shelter – Endowment Fund Trust and the Toronto organizing committee for the 2015 Pan American and Parapan American Games. She is the former Chancellor of the University of Guelph. Ms. Billes is an Officer of the Order of Canada, Honorary Consul Emeritus for the Republic of Chile, Southern Alberta Region and holds an honorary Doctor of Laws from the University of Guelph and an honorary Doctor of Commerce from Ryerson University.

Public Board Memberships During Last Five Years:

Canadian Tire Corporation, Limited (1980 – Present)

Securities Beneficially Owned, Controlled or Directed (as at January 2, 2021)⁽¹⁾

COMMON SHARES	CLASS A NON-VOTING SHARES	DEFERRED SHARE UNITS ⁽²⁾	TOTAL SECURITIES	MARKET VALUE OF SECURITIES ⁽³⁾	SHARE OWNERSHIP GUIDELINES ⁽⁴⁾
1,400,767	5,706	–	1,406,473	See Note 5	Met

OWEN BILLES**Common Shareholder Nominee | Not Independent (Canadian Tire Dealer)**

**St. Catharines,
Ontario,
Canada**

Director since:
2004

**2020 Voting
Results:**
99.97% in favour

Mr. Billes is President of Sandy McTyre Retail Ltd., which operates a Canadian Tire store in Welland, Ontario. He is the son of Martha Billes and grandson of the Company's co-founder, A.J. Billes. He is also a director of Canadian Tire Jumpstart Charities and President of Albikin Management Inc., an investment holding company. Mr. Billes joined the Company in 1992 as Changeover Consultant, Dealer Changeover and subsequently worked in various divisions, including the Operations Planning Centre, Dealer Operations, Logistics, Automotive Marketing, New Business Development and Petroleum. He also worked in Customer Service Strategic Development at the Company's Financial Services division. Mr. Billes is the past Chairman of Canadian Tire Jumpstart Charities and has served on the boards of Canadian Tire Bank and Niagara College.

Public Board Memberships During Last Five Years:

Canadian Tire Corporation, Limited (2004 – Present)

Securities Beneficially Owned, Controlled or Directed (as at January 2, 2021)⁽¹⁾

COMMON SHARES	CLASS A NON-VOTING SHARES	DEFERRED SHARE UNITS ⁽²⁾	TOTAL SECURITIES	MARKET VALUE OF SECURITIES ⁽³⁾	SHARE OWNERSHIP GUIDELINES ⁽⁴⁾
700,383	754,765	–	1,455,148	See Note 5	Met



DIANA CHANT**Class A Non-Voting Shareholder Nominee | Independent**

**Toronto, Ontario,
Canada**

Director since:
2015

**2020 Voting
Results:**
96.60% in favour

Ms. Chant is a Corporate Director and Fellow of the Chartered Professional Accountants of Ontario. She serves on the boards of Industrial and Commercial Bank of China (Canada) and The Roy Thomson Hall and Massey Hall Foundation. She is also a member of the investment committee which oversees the investments of the PwC Income Security Program. Ms. Chant is a former partner of Pricewaterhouse Coopers LLP (*PwC*) where she was responsible for leading and growing PwC's financial services industry practice and was a member of the Canadian firm's management team. Ms. Chant has served on the PwC Canada Partnership Board and on the boards of the National Ballet of Canada, National Ballet Foundation and Empire Club of Canada. She was also a Governor of The Corporation of Massey Hall and Roy Thomson Hall and Chair of its audit and finance committee.

Public Board Memberships During Last Five Years:

Canadian Tire Corporation, Limited (2015 – Present)

Securities Beneficially Owned, Controlled or Directed (as at January 2, 2021)⁽¹⁾

COMMON SHARES	CLASS A NON-VOTING SHARES	DEFERRED SHARE UNITS ⁽²⁾	TOTAL SECURITIES	MARKET VALUE OF SECURITIES ⁽³⁾	SHARE OWNERSHIP GUIDELINES ⁽⁴⁾
–	2,220	1,634	3,854	\$644,985	Met

PATRICK CONNOLLY**Common Shareholder Nominee | Independent**

**Menlo Park,
California,
U.S.A.**

Director since:
2016

**2020 Voting
Results:**
99.97% in favour

Mr. Connolly is a Corporate Director and the Co-Founder and Managing Partner of SleepScore Ventures, LLC. He serves on the board of SleepScore Labs as well as on the advisory boards of KEEN Footwear and Lift Lab. He also serves as strategic advisor to Story3 Capital and is a frequent speaker on eCommerce and multichannel retailing. Mr. Connolly is a seasoned retail executive, having spent 37 years at Williams-Sonoma in various direct marketing and eCommerce positions, including as Executive Vice President, Chief Strategy and Business Development Officer and as Chief Marketing Officer. He has served on the boards of Williams-Sonoma, CafePress Inc. and the Direct Marketing Association as well as the management board of the Stanford Graduate School of Business.

Public Board Memberships During Last Five Years:

Canadian Tire Corporation, Limited (2016 – Present)
CafePress Inc. (2007 – 2018)
Williams-Sonoma, Inc. (1983 – 2016)

Securities Beneficially Owned, Controlled or Directed (as at January 2, 2021)⁽¹⁾

COMMON SHARES	CLASS A NON-VOTING SHARES	DEFERRED SHARE UNITS ⁽²⁾	TOTAL SECURITIES	MARKET VALUE OF SECURITIES ⁽³⁾	SHARE OWNERSHIP GUIDELINES ⁽⁴⁾
–	4,000	3,387	7,387	\$1,236,202	Met



DAVID COURT**Common Shareholder Nominee | Independent**

**Toronto, Ontario,
Canada**

Director since:
2015

**2020 Voting
Results:**
99.98% in favour

Mr. Court is a Corporate Director and Director Emeritus of McKinsey & Company (*McKinsey*). He serves on the boards of Brookfield Business Partners LP, National Geographic Ventures, the Public Sector Pension Investment Board and Queen's University and is Chair of the advisory board for Georgian Partners. He also serves on the advisory council for National Geographic and the advisory board for Queen's School of Business. Mr. Court is a former senior partner of the Dallas office of McKinsey where he served as Global Director of Technology, Digitization and Communications. He also led McKinsey's global practice in harnessing digital data and advanced analytics and was a member of the firm's board of directors and its global operating committee. Prior to his role at McKinsey, Mr. Court worked in brand management at Procter & Gamble in Toronto.

Public Board Memberships During Last Five Years:

Brookfield Business Partners LP (2018 – Present)
Canadian Tire Corporation, Limited (2015 – Present)

Securities Beneficially Owned, Controlled or Directed (as at January 2, 2021)⁽¹⁾

COMMON SHARES	CLASS A NON-VOTING SHARES	DEFERRED SHARE UNITS ⁽²⁾	TOTAL SECURITIES	MARKET VALUE OF SECURITIES ⁽³⁾	SHARE OWNERSHIP GUIDELINES ⁽⁴⁾
–	2,165	3,868	6,033	\$1,009,660	Met

MARK DERBYSHIRE**Common Shareholder Nominee | Independent**

**Kingston, Ontario,
Canada**

Director since:
2016

**2020 Voting
Results:**
99.98% in favour

Dr. Derbyshire is a Corporate Director and a Brand & Talent Consultant. He previously served as President & CEO of Holt Renfrew & Co., Limited. Under his leadership, Holt Renfrew was consistently recognized as one of Canada's 50 Best Managed Companies. Dr. Derbyshire has spent the last two decades in the retail industry in a number of other senior positions, including Chief Talent Officer & Executive Vice President of Selfridges Group Limited, Senior Vice-President, Human Resources of Holt Renfrew & Co., Limited, Executive Director, Head of Retail Practice, Canada at Russell Reynolds Associates, and Vice President & Managing Director, Store Transformation & Operations at the Canadian Tire Dealers' Association. His business education includes an MBA in Marketing & Brand Strategy and a Ph.D. in Organizational Behaviour. He was recognized as one of Canada's Top 40 Under 40 for his outstanding contributions in the private, public and not-for-profit sectors and as one of the Top 500 Global Influencers by the Business of Fashion.

Public Board Memberships During Last Five Years:

Canadian Tire Corporation, Limited (2016 – Present)

Securities Beneficially Owned, Controlled or Directed (as at January 2, 2021)⁽¹⁾

COMMON SHARES	CLASS A NON-VOTING SHARES	DEFERRED SHARE UNITS ⁽²⁾	TOTAL SECURITIES	MARKET VALUE OF SECURITIES ⁽³⁾	SHARE OWNERSHIP GUIDELINES ⁽⁴⁾
25	–	5,403	5,428	\$909,407	Met



STEVE FRAZIER**Common Shareholder Nominee | Independent**

**Mercer Island,
Washington,
U.S.A.**

**2020 Voting
Results:**

N/A

Mr. Frazier is a Corporate Director and Senior Consultant. He is a seasoned retail and e-commerce executive with global experience launching, expanding, and managing new businesses. Mr. Frazier spent more than 20 years at Amazon.com where he built and managed new categories and international businesses and helped the company grow outside of the United States. He served in various senior positions at Amazon, including most recently as Vice President, International Consumer Programs, where he was responsible for three high-growth businesses outside the U.S., and as Vice President, China Country Manager, Vice President, U.S. Retail Hardlines, and Vice-President United Kingdom Country Manager. Since 2020, Mr. Frazier has been serving as a Senior Advisor for McKinsey, as well as advising several start-ups and not-for-profit clients. Prior to joining Amazon, Mr. Frazier served as Senior Vice-President, Corporate Development of Payless ShoeSource and worked as a consultant for McKinsey, where he specialized in retail and channel management. Mr. Frazier serves on the board of the William Allen White Foundation and the advisory boards of the College of Liberal Arts and Sciences at the University of Kansas.

Public Board Memberships During Last Five Years:

N/A

Securities Beneficially Owned, Controlled or Directed (as at January 2, 2021)⁽¹⁾

COMMON SHARES	CLASS A NON-VOTING SHARES	DEFERRED SHARE UNITS ⁽²⁾	TOTAL SECURITIES	MARKET VALUE OF SECURITIES ⁽³⁾	SHARE OWNERSHIP GUIDELINES ⁽⁴⁾
–	–	–	–	–	N/A ⁽⁶⁾

JOHN FURLONG**Common Shareholder Nominee | Independent**

**Vancouver, British
Columbia,
Canada**

Director since:
2011

**2020 Voting
Results:**

99.97% in favour

Mr. Furlong is a Corporate Director, senior sports executive and professional speaker. He is also Chairman of Canadian Tire Jumpstart Charities, Executive Chair of the Vancouver Whitecaps FC and Chairman of Rocky Mountaineer. Mr. Furlong served as the President and Chief Executive Officer of the Vancouver Organizing Committee for the 2010 Winter Olympic and Paralympic Games (VANOC) and as President and Chief Operating Officer of the Vancouver 2010 Bid Corporation. He has also served on the board of Whistler Blackcomb Holdings Inc. and is a former member of the Canadian Olympic Committee. Mr. Furlong is an Officer of the Order of Canada and a Member of the Order of British Columbia. His service to sport and Canada has resulted in numerous additional forms of recognition, including Canadian of the Year, Canada's Sports Executive of Year and Marketer of the Year.

Public Board Memberships During Last Five Years:

Canadian Tire Corporation, Limited	(2011 – Present)
Whistler Blackcomb Holdings Inc.	(2010 – 2016)

Securities Beneficially Owned, Controlled or Directed (as at January 2, 2021)⁽¹⁾

COMMON SHARES	CLASS A NON-VOTING SHARES	DEFERRED SHARE UNITS ⁽²⁾	TOTAL SECURITIES	MARKET VALUE OF SECURITIES ⁽³⁾	SHARE OWNERSHIP GUIDELINES ⁽⁴⁾
–	–	8,508	8,508	\$1,423,755	Met



GREG HICKS**Common Shareholder Nominee | Not Independent (President and CEO)**

**Markham, Ontario,
Canada**

Director since:
2020

**2020 Voting
Results:**
99.98% in favour

Mr. Hicks is the Company's President and CEO. He has more than 20 years of retail experience in senior leadership positions, including eight years at CTC. Prior to his appointment as President and CEO in March 2020, Mr. Hicks served as President of Canadian Tire Retail (CTR), where he oversaw all aspects of the business, including building a multi-billion-dollar owned brands portfolio. Prior to that role, he served as Group Senior Vice-President, Consumer Products & Retail Experience, where he led the General Merchandise and Automotive businesses, and was also responsible for managing store experience, store operations, product sourcing and quality, including the management of the Company's Pacific Rim offices in Asia. He has also served as Senior Vice-President, Merchandising and Senior Vice-President, Automotive, CTR. In addition, he has held roles with private equity in small to mid-size Canadian retail businesses. Mr. Hicks also serves as Chair of the Retail Council of Canada and as a trustee of CT Real Estate Investment Trust, a publicly-traded trust that is controlled by CTC.

Public Board Memberships During Last Five Years:

Canadian Tire Corporation, Limited (2020 – Present)
CT Real Estate Investment Trust (2018 – Present)

Securities Beneficially Owned, Controlled or Directed (as at January 2, 2021)⁽¹⁾

COMMON SHARES	CLASS A NON-VOTING SHARES	DEFERRED SHARE UNITS ⁽²⁾	TOTAL SECURITIES	MARKET VALUE OF SECURITIES ⁽³⁾	SHARE OWNERSHIP GUIDELINES
–	5,404	1,189	6,593	\$1,103,259 ⁽⁷⁾	In progress ⁽⁸⁾

NORMAN JASKOLKA**Class A Non-Voting Shareholder Nominee | Independent**

**Montreal, Quebec,
Canada**

Director since:
2018

**2020 Voting
Results:**
97.30% in favour

Mr. Jaskolka is CEO of Sweet Park Capital, which manages the investments of the Bensadoun family. He previously served as Chairman of The Aldo Group, President of Aldo Group International, and Vice-President, Corporate Development and Vice-President, Information Technology of The Aldo Group. Mr. Jaskolka is Co-Chairman of the advisory board of the Bensadoun School of Retail Management at McGill University and is a frequent lecturer and speaker on global retail strategies, having presented at the World Retail Congress and the National Retail Federation. Prior to joining The Aldo Group, Mr. Jaskolka was a partner at Ernst & Young where his practice focused on audit, taxation, business valuations and corporate finance. Mr. Jaskolka is a Fellow of the Order of Chartered Accountants of Quebec and a past recipient of the Management Achievement Award from the McGill University Desautels Faculty of Management.

Public Board Memberships During Last Five Years:

Canadian Tire Corporation, Limited (2018 – Present)

Securities Beneficially Owned, Controlled or Directed (as at January 2, 2021)⁽¹⁾

COMMON SHARES	CLASS A NON-VOTING SHARES	DEFERRED SHARE UNITS ⁽²⁾	TOTAL SECURITIES	MARKET VALUE OF SECURITIES ⁽³⁾	SHARE OWNERSHIP GUIDELINES ⁽⁴⁾
–	–	3,937	3,937	\$658,841	Met



SYLVAIN LEROUX**Common Shareholder Nominee | Not Independent (Canadian Tire Dealer)**

Mr. Leroux is the President of Sylvain M Leroux Enterprises Ltd., which operates a Canadian Tire store in Montreal, Quebec. He has been a Canadian Tire Dealer since 1995 and has operated Canadian Tire stores in Saskatchewan and Quebec. Mr. Leroux has served on the boards of the Canadian Tire Dealers' Association, C.T.C. Dealer Holdings Ltd., Le Conseil québécois du commerce de détail, and on several Canadian Tire Dealers' Association committees. He is also a past recipient of a Canadian Tire Award of Excellence.

**Montreal, Quebec,
Canada**

Public Board Memberships During Last Five Years:
N/A

**2020 Voting
Results:**
N/A

Securities Beneficially Owned, Controlled or Directed (as at January 2, 2021)⁽¹⁾

COMMON SHARES	CLASS A NON-VOTING SHARES	DEFERRED SHARE UNITS ⁽²⁾	TOTAL SECURITIES	MARKET VALUE OF SECURITIES ⁽³⁾	SHARE OWNERSHIP GUIDELINES ⁽⁴⁾
–	3,506	–	3,506	\$586,659	N/A ⁽⁶⁾

DONALD MURRAY**Common Shareholder Nominee | Not Independent (Canadian Tire Dealer)**

Mr. Murray is President of Donald A. Murray Holdings Ltd., which operates a Canadian Tire store in Red Deer, Alberta. He has been a Canadian Tire Dealer since 1991 and has operated a number of Canadian Tire stores in Alberta and Saskatchewan. He has served as President of the Canadian Tire Dealers' Association and on several Canadian Tire Dealers' Association committees. Mr. Murray is a past recipient of a Canadian Tire Award of Excellence. He has served on the boards of the Camrose Rotary Club, the Camrose Golf Club and the Fort McMurray Rotary Club.

**Red Deer County,
Alberta
Canada**

Public Board Memberships During Last Five Years:
Canadian Tire Corporation, Limited (2017 – Present)

Director since:
2017

**2020 Voting
Results:**
99.98% in favour

Securities Beneficially Owned, Controlled or Directed (as at January 2, 2021)⁽¹⁾

COMMON SHARES	CLASS A NON-VOTING SHARES	DEFERRED SHARE UNITS ⁽²⁾	TOTAL SECURITIES	MARKET VALUE OF SECURITIES ⁽³⁾	SHARE OWNERSHIP GUIDELINES ⁽⁴⁾
–	1,212	5,550	6,762	\$1,131,519	Met



J. MICHAEL OWENS**Common Shareholder Nominee | Not Independent**

**Toronto, Ontario,
Canada**

Director since:
2020

**2020 Voting
Results:**
99.97% in favour

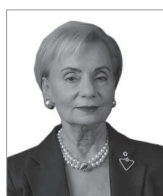
Mr. Owens is a Corporate Director and Fellow of the Chartered Professional Accountants of Ontario. He serves on the advisory board of a private technology consulting company and is a board member at the Wallace McCain Institute for Entrepreneurship. Mr. Owens also maintains an active executive coaching practice supporting high performing and high potential leaders. He is a former partner at Deloitte where he held senior leadership positions at Deloitte Canada and at Deloitte's global network, Deloitte Touche Tohmatsu, including Senior Partner, Clients & Markets, Global Leader, Mid-Market, Managing Partner, Canadian Marketplace and Managing Partner, Atlantic Canada. Mr. Owens led strategy for high growth private companies in 150 countries and had management responsibility for 50 Canadian Deloitte offices. He has previously served on the Deloitte Canada board of directors as well as on the board of governors of St. Augustine's Seminary in Toronto.

Public Board Memberships During Last Five Years:

Canadian Tire Corporation, Limited (2020 – Present)

Securities Beneficially Owned, Controlled or Directed (as at January 2, 2021)⁽¹⁾

COMMON SHARES	CLASS A NON-VOTING SHARES	DEFERRED SHARE UNITS ⁽²⁾	TOTAL SECURITIES	MARKET VALUE OF SECURITIES ⁽³⁾	SHARE OWNERSHIP GUIDELINES ⁽⁴⁾
–	650	287	937	\$156,795	In progress ⁽⁶⁾

MAUREEN SABIA**Common Shareholder Nominee | Independent**

**Toronto, Ontario,
Canada**

Director since:
1985

**Non-Executive
Chairman of the
Board since:**
March 8, 2007

**2020 Voting
Results:**
99.97% in favour

Maureen Sabia is Non-Executive Chairman of the Board of the Company, a director of Canadian Tire Bank and President of Maureen Sabia International, a consulting firm. She is a member of the Leadership Council of the Perimeter Institute and serves on the board of governors of the Montreal Economic Institute. Maureen Sabia, a lawyer, has had careers in the public and private sectors, having served as Chairman of the Export Development Corporation, a director of Hydro One Inc., Vice-Chairman of the Public Accountants Council for the Province of Ontario and Chairman of the Foreign Affairs and International Trade Canada audit committee. She has served as Chairman of CTC's Audit Committee and is a former director of Gulf Canada Resources Limited, Hollinger Inc., Laurentian General Insurance Company Inc., O&Y FPT Inc., O&Y Properties Corporation and Skyjack Inc. She has served on the board of governors of the University of Guelph, the board of trustees of Brock University, where she was also Chairman of its audit committee, as Chairman of the Sunnybrook Medical Centre Foundation and on the board of trustees for Sunnybrook Medical Centre. She co-authored "Integrity in the Spotlight – Opportunities for Audit Committees" and "Integrity in the Spotlight – Audit Committees in a High Risk World". Maureen Sabia is an Officer of the Order of Canada, holds an honorary LL.D from each of Dalhousie University, Wilfrid Laurier University and Brock University, and is a past recipient of the Queen's Diamond Jubilee Medal.

Public Board Memberships During Last Five Years:

Canadian Tire Corporation, Limited (1985 – Present)

Securities Beneficially Owned, Controlled or Directed (as at January 2, 2021)⁽¹⁾

COMMON SHARES	CLASS A NON-VOTING SHARES	DEFERRED SHARE UNITS ⁽²⁾	TOTAL SECURITIES	MARKET VALUE OF SECURITIES ⁽³⁾	SHARE OWNERSHIP GUIDELINES ⁽⁴⁾
–	5,082	2,544	7,626	\$1,276,205	Met





**Bonita Springs,
Florida,
U.S.A.**

Director since:
2019

**2020 Voting
Results:**
97.65% in favour

Ms. Trudell is a Corporate Director. She serves on the boards of ISS A/S (International Service System), a global facility service provider, and RenaissanceRe, a global reinsurance provider. Ms. Trudell served as Executive Vice President and Chief Human Resources Officer of PepsiCo, Inc. from 2007 until her retirement in 2017. Prior to joining PepsiCo, she served as President of Sea Ray Group, a wholly owned subsidiary of Brunswick Corporation with accountability for the Sea Ray, Boston Whaler and Baja powerboat brands. She began her career with the Ford Motor Company as a chemical process engineer and then joined General Motors (GM), where she served in a number of progressively senior positions, including as President of IBC Vehicles, Vice President of GM and Chairman and President of Saturn Corporation. Ms. Trudell has served on the boards of PepsiCo, the Canadian Imperial Bank of Commerce, the Pepsi-Cola Bottling Group and the United States Defense Business Board. She holds an honorary Doctor of Laws from the University of Windsor and honorary Doctor of Science degrees from Acadia University, Ryerson University and the University of New Brunswick.

Public Board Memberships During Last Five Years:

Canadian Tire Corporation, Limited	(2019 – Present)
ISS A/S (International Service System)	(2015 – Present)
Renaissance Re	(2019 – Present)

Securities Beneficially Owned, Controlled or Directed (as at January 2, 2021)⁽¹⁾

COMMON SHARES	CLASS A NON-VOTING SHARES	DEFERRED SHARE UNITS ⁽²⁾	TOTAL SECURITIES	MARKET VALUE OF SECURITIES ⁽³⁾	SHARE OWNERSHIP GUIDELINES ⁽⁴⁾
–	–	4,562	4,562	\$763,425	Met

Notes

- (1) As at the date of this Circular, all of the director nominees hold the Common Shares and Class A Non-Voting Shares noted in the tables above, with the exception of Greg Hicks who holds 5,686 Class A Non-Voting Shares.
- (2) The number of DSUs that each director holds, which includes DSU dividend equivalents, has been rounded down to the nearest whole number. Unless stated otherwise, DSUs and DSU dividend equivalents are considered vested at the time of issuance but are settled in cash after the director completes their service with the Company based on fair market value of the DSUs on the settlement date.
- (3) The market value of the Common Shares and Class A Non-Voting Shares and, accordingly, the value of DSUs, was calculated using their respective closing prices on the TSX on the last business day of the Company's fiscal year end (Common Shares (\$208.00) and Class A Non-Voting Shares (\$167.33)).
- (4) The value of Common Shares, Class A Non-Voting Shares and/or DSUs required to meet the Director Share Ownership Guidelines is calculated as the greater of: (i) the acquisition cost of the Common Shares, Class A Non-Voting Shares and DSUs; and (ii) the market value of such shares and DSUs. The Director Share Ownership Guideline amount is \$510,000 which equates to three times the Company's annual director retainer. For more information see *Director Share Ownership Guidelines* beginning on page 40.
- (5) The value of the Common Shares and Class A Non-Voting Shares held by Ms. Billes and Mr. Billes, based on the closing share prices for Common Shares and Class A Non-Voting Shares on the TSX on the last business day of the Company's fiscal year end, exceeds the value required by the Director Share Ownership Guidelines.
- (6) Mr. Owens' guideline achievement date is May 7, 2025. Messrs. Frazier and Leroux are new director nominees and therefore are not yet subject to the Director Share Ownership Guidelines.
- (7) Mr. Hicks also owns units in the CTC Share Fund of CTC's Deferred Profit Sharing Plan, which consists of Common Shares and Class A Non-Voting Shares. As at January 2, 2021, the market value of such units was \$93,416. For a description of CTC's Deferred Profit Sharing Plan, see *CT Profit Sharing* on page 60.
- (8) Mr. Hicks is subject to the share ownership guidelines applicable to executives of CTC. Prior to his appointment as President and CEO, Mr. Hicks' share ownership guideline was two times his annual salary, to be achieved by September 8, 2021. As President and CEO, his share ownership guideline is three times his annual salary, to be achieved by March 12, 2025. For more information on CTC's share ownership guidelines applicable to executives, see *Executive Share Ownership Guidelines* beginning on page 46.



Additional Information

Cease Trade Orders and Bankruptcies

Except as described below, no proposed director nominee:

- is, or within the last 10 years has served as, a director or executive officer of any company that, during such service or within a year after the end of such service, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets;
- is, or within the last 10 years has served as, a director, chief executive officer or chief financial officer of any company that, during such service or as a result of an event that occurred during such service, was subject to an order (including a cease trade order or similar order or an order that denied access to any exemption under securities legislation) for a period of more than 30 consecutive days; or
- within the last 10 years has become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the director.

Until March 2020, Mr. Jaskolka served on the board of directors of The Aldo Group Inc., which, together with certain subsidiaries, applied for and obtained an order under the *Companies' Creditor Arrangement Act* effective May 7, 2020, providing certain relief measures while they carry out a restructuring process. Similar relief has been provided in the United States.

Indebtedness

As at January 2, 2021, other than "routine indebtedness" as defined under Canadian securities laws, no current or former directors, officers, or employees of CTC, or any of its subsidiaries, had any outstanding indebtedness to CTC or any of its subsidiaries or had any indebtedness that was the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by CTC or any of its subsidiaries. Messrs. Billes, Leroux, L'Heureux and Murray are Canadian Tire Dealers and as such, may from time to time, participate in a Company supported program that provides financing to Canadian Tire Dealers for their purchases of inventory and fixed assets. The terms and conditions of the financing support provided by CTC under this program are the same for all participating Canadian Tire Dealers. See Note 9 of the Company's Annual Consolidated Financial Statements for the financial year ended January 2, 2021 for further information.

Additional Interests in the Company and Company Subsidiaries

C.T.C. Dealer Holdings Limited owns 703,784 Common Shares of CTC, representing approximately 20.6% of the currently outstanding Common Shares. Messrs. Leroux and Murray, Canadian Tire Dealers and proposed directors, each beneficially own less than 0.5% of the outstanding voting common shares of C.T.C. Dealer Holdings Limited and do not exercise any control or direction over the Common Shares of CTC held by C.T.C. Dealer Holdings Limited.

As at March 18, 2021, each of the following proposed directors beneficially owns, or controls or directs, Units of CT Real Estate Investment Trust (*CT REIT*), a publicly traded entity in which the Company owns a majority interest: Martha Billes (10,000 Units), Owen Billes (15,000 Units), David Court (7,200 Units), Sylvain Leroux (8,800 Units) and Maureen Sabia (9,000 Units).

Meeting Attendance

The table below lists the attendance of the directors at Board meetings, as well as meetings of the Board's standing committees (*the Committees*) of which they are members, held during 2020.

- Except for the Governance Committee of which she is Chairman, the Chairman of the Board attends all other Committee meetings by standing invitation.
- Martha Billes and Owen Billes are permanent invited guests at all meetings of the Committees of which they are not members.
- The President and CEO is invited to, and attends, Committee meetings, as required. From time to time, directors are invited to attend meetings of Committees of which they are not members. Attendance in these cases is not reflected in the table below.

In 2020, a number of additional Board and Management Resources and Compensation Committee meetings were held to address the Company's previously announced CEO transition and COVID-19 related matters.

Directors	Board	Audit Committee	Management Resources and Compensation Committee	Governance Committee	Brand and Community Committee	Total
Eric Anderson	14 of 14		10 of 10			24 of 24
Martha Billes	14 of 14	5 of 5 (permanent invitee)	10 of 10 (permanent invitee)	4 of 4	1 of 1	34 of 34
Owen Billes	14 of 14	3 of 5 (permanent invitee)	6 of 10 (permanent invitee)	2 of 4 (permanent invitee)	1 of 1	26 of 34
Pierre Boivin ⁽¹⁾	8 of 8	2 of 3	4 of 6			14 of 17
Diana Chant	14 of 14	5 of 5		4 of 4		23 of 23
Patrick Connolly	14 of 14			4 of 4	1 of 1	19 of 19
David Court	14 of 14	5 of 5	10 of 10			29 of 29
Mark Derbyshire	14 of 14		10 of 10		1 of 1	25 of 25
John Furlong	14 of 14				1 of 1	15 of 15
James Goodfellow ⁽²⁾	14 of 14	5 of 5	10 of 10	2 of 2		31 of 31
Norman Jaskolka ⁽³⁾	14 of 14	5 of 5		1 of 1	1 of 1	21 of 21
Greg Hicks ⁽⁴⁾	11 of 11					11 of 11
Claude L'Heureux	14 of 14				1 of 1	15 of 15
Donald Murray	11 of 11				1 of 1	12 of 12
J. Michael Owens ⁽⁵⁾	6 of 6					6 of 6
Maureen Sabia <i>Chairman of the Board</i>	14 of 14	5 of 5 (permanent invitee)	10 of 10 (permanent invitee)	4 of 4	1 of 1 (permanent invitee)	34 of 34
Cynthia Trudell ⁽⁶⁾	13 of 14	1 of 2	10 of 10	4 of 4		28 of 30
Stephen Wetmore ⁽⁷⁾	4 of 4					4 of 4

Notes

- (1) Mr. Boivin served as a director of CTC until May 7, 2020. The attendance record reflects Mr. Boivin's attendance at meetings of the Board, Audit Committee and Management Resources and Compensation Committee prior to this date.
- (2) Mr. Goodfellow ceased to be a member of the Governance Committee on May 7, 2020. The attendance record reflects Mr. Goodfellow's attendance at meetings of the Governance Committee prior to this date.
- (3) Mr. Jaskolka was appointed a member of the Governance Committee on September 14, 2020. The attendance record reflects Mr. Jaskolka's attendance at meetings of the Governance Committee since his appointment.
- (4) Mr. Hicks was appointed President and CEO and a director effective March 12, 2020. Following his appointment, Mr. Hicks attended one Audit Committee meeting, four Management Resources and Compensation Committee meetings and two Governance Committee meetings.
- (5) Mr. Owens was elected to the Board on May 7, 2020. The attendance record reflects Mr. Owens' attendance at meetings of the Board since his election.
- (6) Ms. Trudell was appointed a member of the Audit Committee on May 7, 2020. The attendance record reflects Ms. Trudell's attendance at meetings of the Audit Committee since her appointment.
- (7) Mr. Wetmore retired from the Board on March 11, 2020. The attendance record reflects Mr. Wetmore's attendance prior to his retirement. Mr. Wetmore attended one Audit Committee meeting and three Management Resources and Compensation Committee meetings.



OUR APPROACH TO CORPORATE GOVERNANCE

CTC is committed to strong corporate governance standards, as reflected in its policies and practices. Management and the Board of Directors regularly review the Company's corporate governance policies and practices against the Company's strategic direction, regulatory requirements and the external governance environment and revise them as necessary or appropriate, to ensure they continue to be comprehensive, relevant, effective and transparent.

Governance Snapshot

- | | |
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| <ul style="list-style-type: none">• A majority of the nominated directors are independent• We have an independent Chairman of the Board• We have separated the office of the Chairman of the Board and President and CEO of the Company• The Governance Committee, Management Resources and Compensation Committee and Audit Committee are 100% independent• Our President and CEO does not sit on any of the Committees• We have individual (not slate) voting for directors• We do not have a staggered board; all of our directors are elected annually• We have a majority voting policy for directors who are elected by holders of Class A Non-Voting Shares• We have no public company interlocking directorships | <ul style="list-style-type: none">• We have director and executive share ownership guidelines and monitor and disclose progress towards the achievement of such guidelines• Our directors are not overboarded; we limit the number of other public company boards on which our directors can serve• Independent Directors meet <i>in camera</i> during every regularly scheduled Board and Committee meeting• We have formal Board, Committee and director assessment procedures• The Board and the Committees have full authority to retain independent external advisors• We have a director orientation program and provide ongoing education opportunities for directors• We have a Code of Conduct that applies to all directors, officers and employees and a Code of Business Conduct for Suppliers |
|--|--|

The Role of the Board

The Board of Directors is responsible for the stewardship of the Company. That role consists of the duty to manage, or supervise the management of, the business and affairs of the Company. The Board believes in taking a long-term view and it is committed to working with management to achieve long-term, sustainable growth for the Company.

At CTC we believe that the traditional mantra that boards of directors do not manage, they just oversee, needs to be changed. Of course, boards do not manage the day-to-day affairs of a corporation, but mere oversight is not enough. What is required of a board is an active partnership with management, combined with a healthy and appropriate skepticism of management. We believe in active and engaged directors. An active and engaged board is knowledgeable, thinks independently, is courageous and is interested enough to partner with management in designing the company's future which management can then execute. Of course, inherent in this, is the responsibility of a board to be very focused on the skill set and experience of management to ensure that the company has the talent it needs to fulfill its goals and objectives.

Within that context, our Board oversees significant corporate actions and makes decisions relating to, among other things, strategic planning, financial objectives, capital allocation, Dealer matters, succession planning, talent management and development, growth opportunities, financial reporting and disclosure, fundamental policies and systems, the control environment, the management of enterprise risk, and the safeguarding and enhancement of our brand.

The Board fulfills its duties directly and through the Committees. It delegates its duty to manage the business and affairs of the Company to management, which the Board oversees and holds accountable.

Our Board constructively challenges management with a view to achieving the best possible decision-making, and uses reasonable efforts to ensure that all major issues affecting the Company are given appropriate consideration. It is informed of the Company's operations on an ongoing basis through Board and Committee meetings, reports from and discussions with management, and information sessions convened to further the education of directors on specific topics. Moreover, in years not affected by COVID-19, the Board holds working dinners before Board meetings at which candid discussions with management take place with a view to engaging the Board informally on the issues of most concern to both the Board and management. The working dinners have the added advantage of



enhancing management's knowledge of the Board's perspectives, contributing to a constructive dynamic between the Board and management and making the next day's Board meeting more effective.

The Company's strategy is a significant focus of the Board. The Board is responsible for approving the Company's long-term strategic plan, which is developed by management in collaboration with the Board. The Board holds an annual strategic planning session with executives at which there is in-depth discussion and analysis of management's strategic plans and priorities, the key issues facing the Company and its businesses, the economic environment, competitive conditions and business opportunities and risks. Throughout the year, the Board is actively involved in further enhancing the Company's strategic plan and monitoring management's implementation of its strategic initiatives. Moreover, the Board discusses the Company's strategy at every regularly scheduled Board meeting. The Board is also responsible for supervising the development of, and approving, the Company's business plan, which includes the Company's financial and operating plans.

The Board believes in developing and adhering to strong corporate governance practices and is committed to enhancing those practices over time. In doing so, our directors are mindful that a "one size fits all" approach to corporate governance is often inappropriate for the unique circumstances of individual corporations. In addition, the Board is of the view that good governance alone is not sufficient to enhance our Company's performance. Rather, the collective actions of capable and dedicated directors, together with talented management, are the drivers of performance.

The full text of the Board of Directors' Mandate is attached as Appendix A.

The Board in 2020

2020 began with an important change in the Company's leadership. As previously announced, the Board appointed Greg Hicks as President and CEO on March 12, 2020, succeeding Stephen Wetmore. The Board's rigorous succession planning process to identify the Company's next CEO, which had begun in 2019, is described in further detail in the previous year's Management Information Circular dated March 12, 2020 under the *Letter from the Chairman of the Board* and the heading *CEO Succession* beginning on page 21.

Following Mr. Hicks' appointment, the Board's attention swiftly turned to the COVID-19 pandemic and its unprecedented impacts to the Company's business. The Board quickly mobilized and began holding weekly calls with management to address the Company's response to the pandemic. The Board also established an ad-hoc subcommittee to serve as a resource to management on key strategic issues related to COVID-19, as well as help channel the directors' communications with management and make the Board's update calls with management more efficient. The Board has continued to oversee the impacts of COVID-19 on the Company, and management's response thereto, with particular focus on the impacts to operations, customers, employees, financial performance, risk management and liquidity. During the pandemic, the Board has also overseen opportunities for growing the Company's business, particularly in the area of eCommerce, where CTC experienced record growth in 2020.

Balancing the Company's COVID-19 response efforts and other short-term priorities with its long-term goals, the Board, in collaboration with Mr. Hicks and his new executive leadership team, devoted significant time in 2020 to the Company's new strategic plan and framework, aligning on the key strategic elements that will enable the Company to compete more effectively and drive its long-term growth. The Board also continued to oversee the performance of the Company's business units, the execution of major strategic initiatives, including the Company's Operational Efficiency program, and key talent matters, including succession planning for senior executives and the development and recruitment of senior executives in roles that are critical to the Company's business priorities.

With its ongoing focus on Board renewal, the Board welcomed J. Michael Owens as its newest director in 2020. Mr. Owens is a Fellow of the Chartered Professional Accountants of Ontario and a former senior Partner at Deloitte, with significant experience in strategic leadership, development and succession, having advised senior executives and boards across a variety of industries.

Chairman of the Board

The primary focus of the non-executive Chairman, who is independent, is building the Board into an effective, high performing team capable of fulfilling the broad range of its responsibilities including oversight of the business, strategic planning and succession planning. Her goal is to create and maintain an effective Board culture and a productive boardroom dynamic at all times and in all situations. The Chairman is also heavily involved with governance matters and maintaining ethical standards.



The Chairman is required to devote considerable time to developing and maintaining, in some detail, knowledge of the business and an understanding of the issues and challenges, both internal and external, confronting both the Board and management. She spends time getting to know and understand the perspectives of management.

The Chairman is responsible for forging a strong relationship with the President and CEO, so that they develop a shared context, agree on fundamental values and ethical standards, and understand the accountabilities and boundaries of their respective roles. The Chairman is also responsible for strengthening and managing relationships among the Board members, management and the Billes family, with the expectation that strong relationships, coupled with knowledge of the issues, can lead to better decision-making. She aspires to facilitate a relationship between the Board and management that is constructive and collaborative, while at the same time maintaining a healthy tension between the two and, on the part of the Board, an attitude of healthy skepticism.

The Chairman of the Board works closely with the Governance Committee on Board renewal and takes an active role in determining the skill sets that are required on the Board at any given time, having regard for the Company's strategies, risks, current and anticipated priorities and succession planning for key Board positions.

The Chairman's specific duties include setting the agenda for Board meetings in consultation with Committee Chairmen, the President and CEO and other members of management, as appropriate, and reviewing briefing materials in advance of their distribution to the Board and the Committees. She keeps under continual consideration the flow of information to the Board, with a view to constant improvement. In addition to serving as the Chairman of the Governance Committee, she attends all other Committee meetings by standing invitation and consults regularly with the Committee Chairmen and with members of the Board, keeping them apprised of, and seeking their advice on, issues and new developments as they arise between Board meetings.

Expectations of Directors

While the Company expects that directors understand and comply with their legal obligations and the Company's Code of Conduct, directors are expected to have a thorough understanding of the business, demonstrate their commitment to the long-term strategic and operational objectives of the Company and appreciate the financial, competitive, risk, human resource and brand implications of the Company's strategies, tactics and transactions. In addition, directors are expected to attend and be prepared for all Board and Committee meetings and devote appropriate time and attention to the affairs of the Company.

Board Committees

At the end of the fiscal year, the Board had four standing Committees:

- Audit Committee;
- Management Resources and Compensation Committee (*the MRC Committee*);
- Governance Committee; and
- Brand and Community Committee.

In March 2021, the Board approved changes to the Brand and Community Committee Mandate, which included renaming the Committee the Brand and Corporate Responsibility Committee. This change reflects the Committee's oversight of the Company's impact on the environment and society. See the *Brand and Community Committee Report* beginning on page 38 for further details on the Brand and Corporate Responsibility Committee.

The Board has delegated a number of its responsibilities to the Committees, as permitted by law, in order to enable the Board to operate more efficiently, spend more time on strategic issues and be of more value to management. All matters approved by the Committees are reported to the Board and it is always within the prerogative of the Board to approve, veto, amend or change any approval made by the Committees.

Each Committee has provided a report summarizing its duties under its Mandate and setting out highlights from its activities during 2020. See pages 35 to 38.

Mandates and Position Descriptions

The Board has approved the Mandates of the Board and the Committees. The Board and the Committees review their Mandates and work plans on a regular basis to ensure that they are fulfilling their respective responsibilities. The Mandates are also kept under constant review to ensure they remain current and appropriate, taking into consideration changes in the Company's business as well as applicable regulatory requirements and best practices. Any changes proposed to the Mandates are recommended to the Board for approval. In addition to their Mandate

responsibilities, the Chairmen of the Committees are tasked with developing annual strategic priorities relating to those matters that merit greater focus by their Committees.

The Board has also approved written position descriptions for the Chairman of the Board, the Chairmen of the Committees and the President and CEO. The Board has also codified its Expectations of Directors.

The Mandates and position descriptions of the Chairman of the Board and Chairmen of the Committees are available on the Company's website at corp.canadiantire.ca. Click on *Corporate Governance* under the *Investors* tab.

Independence of the Board

The Board of Directors is comprised of a majority of directors who are independent (11 of 16, or 68.8%) within the meaning of applicable Canadian securities laws. The Board is led by an independent, non-executive Chairman. Having an independent board is one of the ways we ensure that the Board is able to operate independently of management and make decisions in the best interests of the Company.

Criteria for Assessing Independence

The assessment of whether a director is independent begins with the identification of any relationships that could, in the view of the Board, reasonably be expected to interfere with the exercise of the director's independent judgment. That analysis is augmented, where required, to ensure compliance with certain presumptive standards under applicable Canadian securities laws, including eligibility for service on the Audit Committee under National Instrument 52-110—*Audit Committees (NI 52-110)*.

The assessment of director independence has been delegated by the Board to the Governance Committee. Information concerning personal and business relationships between each director and CTC is collected through a comprehensive annual questionnaire, which is then used by the Governance Committee in its assessment and determination of director independence.

Any direct or indirect relationships between a director and CTC are tested against materiality thresholds established by the Governance Committee. The Governance Committee considers all relevant facts and circumstances in determining whether such relationships with CTC could reasonably be expected to interfere with the exercise of the director's independent judgment. The Governance Committee considers the nature and extent of these relationships and their importance not only to the director and to CTC, but also to the entities with which the director is affiliated.

Determinations of Independence

When assessed against the above criteria, the Governance Committee has determined that all of the current directors are independent within the meaning of applicable Canadian securities laws, except for Greg Hicks, Owen Billes, Claude L'Heureux, Donald Murray and J. Michael Owens:

- Mr. Hicks is the President and CEO of the Company;
- Messrs. Billes, L'Heureux and Murray are Canadian Tire Dealers (pursuant to contracts with the Company in the same form as other Canadian Tire Dealers' contracts). In the view of the Board, although Canadian Tire Dealers are not independent directors, the knowledge, experience and perspective they bring to the Board as Canadian Tire Dealers contribute significantly to the effective governance of the Company; and
- Mr. Owens is a former partner of the Company's external auditor, Deloitte. Prior to his retirement in May 2019, Mr. Owens served as the Advisory Partner at Deloitte with respect to services provided by Deloitte to the Company.

James Goodfellow and Claude L'Heureux are not standing for re-election. Steve Frazier and Sylvain Leroux are new director nominees for election at the Meeting. The Governance Committee has determined that Mr. Frazier is independent and that Mr. Leroux, a Canadian Tire Dealer, is not independent.

In determining that Ms. Billes is independent within the meaning of applicable Canadian securities laws, the Governance Committee has taken into account a number of factors, including that:

- Ms. Billes is not a member of management and receives no compensation from the Company other than fees in relation to her services as a director;
- other than her familial relationship with Mr. Billes, who is the beneficial owner of a significant portion of the Common Shares and a Canadian Tire Dealer, there are no familial or commercial relationships between Ms. Billes and any other director nominee or any executive of the Company;



- the contractual arrangements between the Company and individual Canadian Tire Dealers, including the arrangements with Mr. Billes, are in a standard form across the Dealer network and, while the Dealer relationship as a whole is monitored by the Board, individual Dealer relationships are not the subject of review by the Board or the Committees; and
- Ms. Billes' investment in the Company is a fundamental portion of her equity holdings and she has demonstrated, since acquiring control of the Company in 1997, that she has a long-term interest in the viability, growth and prosperity of the Company that her family founded and is committed to corporate governance practices that include the engagement and oversight of effective management, as well as the election of independent directors.

In the view of the Governance Committee, Ms. Billes is able to and does represent the interests of shareholders as she fulfills her duties on the Board, the Governance Committee and the Brand and Community Committee.

Independence of Committees

All Committees, except the Brand and Community Committee, are comprised of independent directors within the meaning of applicable Canadian securities laws. Each Committee is chaired by an independent Chairman.

The Brand and Community Committee is comprised of a majority of independent directors. Three of its members are not independent because they are Canadian Tire Dealers. The Canadian Tire Dealers operate stores under the Canadian Tire brand and contribute their perspectives to the Committee's oversight of the management and mitigation of risks to, and enhancement of, brand value.

Applicable Canadian securities law requires the Board to have an Audit Committee comprised of directors, each of whom must be independent (as determined under NI 52-110) and financially literate. The Board has determined that each member of the Audit Committee is independent and financially literate within the meaning of NI 52-110.

Additional Independence Mechanisms

The Board enhances its independence by conducting *in camera* sessions without management present. These sessions take place at each regularly scheduled Board and Committee meeting and are conducted by the Chairman of the Board and the Committee Chairmen. On occasion, special purpose Board and Committee meetings are convened, at which sessions without management are held, as appropriate.

The independent directors are also afforded the opportunity to meet without the non-independent directors who are Canadian Tire Dealers at each regularly scheduled Board meeting. The Chairman of the Board exercises judgment (depending on the circumstances) as to whether Mr. Billes is present at *in camera* meetings that do not include Canadian Tire Dealers. In 2020, the Board held nine regularly scheduled meetings and *in camera* sessions were held at these meetings by the independent directors.

In addition, to ensure access to independent advice, each Committee may, at the expense of CTC, engage external advisors having particular expertise for the purposes of fulfilling its Mandate.

Board Renewal

The Governance Committee is the Company's nominating committee which is tasked with recommending director nominees to the Board, including the directors proposed by the Billes family and C.T.C. Dealer Holdings Limited pursuant to the Shareholders' Agreement.

In guiding the Board's renewal process, the Governance Committee is engaged in an ongoing evaluation of the changing skills and experience required by the Company. It considers changes to the Company's strategies and risks, current and anticipated priorities, and succession planning for key Board positions, as well as the competencies, experience and skills that it considers to be necessary for the Board, as a whole, to possess. It also considers the appropriate composition and size of the Board, the competencies and skills of each director, whether each director can devote sufficient time and attention to his or her duties as a Board member and the results of director assessments.

In identifying prospective candidates for the Board, the Chairman of the Board and the Governance Committee consult with their fellow Board members (who also consult with their collective networks) and search firms, where appropriate. The Governance Committee also maintains a list of qualified candidates for Board membership.



The Governance Committee reviews the qualifications of prospective director nominees under applicable laws and regulations. Nominees are selected on a merit basis and recommended to the Board after consideration by the Governance Committee of their personal qualities, such as integrity and ethics, business judgment, independence, business or professional expertise, knowledge and appreciation of public company issues, board experience, and specific skills, expertise or experience that would complement those already represented on the Board. As part of this process, the Governance Committee reviews each candidate's biographical information and relevant prior achievements, assesses each candidate's suitability, and considers the results of due diligence reviews, both internal and external. As part of the selection process, the President and CEO is kept informed about potential candidates and, as appropriate, arrangements are made to have potential Board candidates meet with the President and CEO, the Billes family, members of the Governance Committee and other members of the Board.

Board Diversity

The Company strives to maintain a Board comprised of talented and dedicated directors who possess the skills, expertise and experience required at any given time. The Board is committed to a talent-based system for Board composition which also values diverse perspectives, ideas and experiences. As such, when assessing Board composition and identifying suitable director candidates, the Board considers candidates based on the foregoing criteria having regard for the needs of the Board.

The Board has not adopted a written policy relating to the identification and nomination of female directors or a target regarding the representation of women on its Board because it believes that a less formulaic approach to board composition, together with a rigorous search for qualified candidates, best serves the Company. Although the Board is conscious of its diversity, including gender diversity, this factor alone is not determinative in the Board's director selection process. There are currently four women on the Board, or 25% of the 16 directors on the Board, comprising the Chairman of the Board, Maureen Sabia, the Chairman of the Audit Committee, Diana Chant, the Chairman of the MRC Committee, Cynthia Trudell, and Martha Billes.

Term Limits

The Company does not have a mandatory age for retirement of directors or a policy that would require a director to retire after a fixed period of tenure. In the Board's view, term limits restrict experienced and valuable Board members from service through an arbitrary means.

The experience of long-serving directors can be valuable to shareholders as directors navigate complex and critical issues when serving on the Board. The combination of longer serving directors who have an extensive history and understanding of the Company's business and newer directors allows the Board to have the benefit of experience while also being exposed to fresh perspectives and ideas. CTC believes that the continual evaluation of the changing skills and experience that are required on the Board, together with the Board's rigorous performance assessment process, facilitate appropriate Board renewal. The tenure of the current directors who are standing for re-election is as follows: eight directors have served for five years or less, three directors have served for six to ten years and three directors have served for greater than ten years. Over the last three years, three new directors have been elected or appointed to our Board (one in each year) and two new directors are being proposed for election at this Meeting. In our view, a more fluid, needs-focused and less formulaic approach to Board renewal is far more effective than the application of rigid and prescriptive rules relating to term limits.

Majority Voting

The Company's majority voting policy provides that any nominee who receives a greater number of votes "withheld" than votes "for" his or her election by the holders of Class A Non-Voting Shares in an uncontested election of directors will tender his or her resignation to the Board promptly following the annual meeting of shareholders. A resignation pursuant to the majority voting policy is to be considered by the Governance Committee which, if it determines appropriate, will recommend that the Board accept the resignation. Under the policy, the Board is to make its decision (taking into consideration the recommendation of the Governance Committee and whether there exist exceptional circumstances that warrant not accepting the resignation) within 90 days following the annual meeting of shareholders. The Board will announce its acceptance of the resignation, or its reasons for rejecting it, in a news release promptly following its decision. The Company will provide a copy of such news release in the manner required by applicable laws as soon as practicable thereafter to the TSX. A director who tenders his or her resignation pursuant to the policy will not attend the portion of any meeting of the Board or the Governance Committee at which the resignation is considered. Subject to the requirements of the *Business Corporations Act*



(Ontario), the Board may leave any resulting vacancy unfilled until the next annual meeting of shareholders, fill the vacancy through the appointment of a new director or call a special meeting of holders of Class A Non-Voting Shares to elect a new director to fill the vacant position. If the vacancy is filled at a meeting of shareholders, holders of Class A Non-Voting Shares will have the ability to vote in favour of or withhold from voting for, the new director proposed for election.

The Company has not adopted a majority voting policy with respect to the election of directors by the holders of Common Shares. The Company relies on an exemption from the TSX's majority voting requirements available to listed issuers that are controlled by a security holder that beneficially owns, or controls or directs, directly or indirectly, voting securities carrying 50% or more of the voting rights for the election of directors as of the applicable record date. The Billes family beneficially owns, controls and directs the votes attached to more than 60% of the Company's outstanding Common Shares and, as such, a majority voting policy would not have any effect on the election of directors by the holders of Common Shares as the Billes family can effect the election of such directors with their votes alone. Furthermore, C.T.C. Dealer Holdings Limited, which beneficially owns more than 20% of the outstanding Common Shares, has agreed to vote for the election of the directors proposed by the Billes family and C.T.C. Dealer Holdings Limited pursuant to the Shareholders' Agreement, as more particularly described above under *Composition of the Board* on page 11. As such, since more than 80% of the votes associated with the Common Shares are required to be cast for directors nominated pursuant to the Shareholders' Agreement, a majority voting policy would have no meaningful effect on the election of directors by the holders of Common Shares. The full text of the Company's majority voting policy is available at the Company's website at www.corp.canadiantire.ca. Click on *Corporate Governance* under the *Investors* tab.

Interlocking Directorships

There are no public company interlocking directorships among the proposed directors. An interlocking directorship exists when two or more directors of the Board serve on the board of directors of the same publicly traded company.

Service on Other Public Company Boards

The Board has adopted a policy regarding service by its directors on other public company boards, which provides as follows: (a) each director who is a professional corporate director is expected to serve on no more than four public company boards (including the Board); (b) each director who is a full-time employee or partner, or holds a similar full-time position, may serve only on the Board and not hold any other public company directorship (outside of any directorship that such director holds with his or her company or firm); and (c) each director who is a part-time employee or partner, or holds a similar part-time position, may serve on no more than two public company boards, including the Board (outside any directorship that such director holds with his or her company or firm). The Board recognizes that there may be circumstances in which it is appropriate to make an exception to the policy. Any such exception requires the approval of the Governance Committee.

Director Orientation and Continuing Education

Director Orientation

The Chairman of the Board works with each new director to develop an individualized orientation program that is designed to enhance the director's understanding of the Company and its business. The Chairman of the Board meets with each proposed new director and explains the culture of the Board as well as the Board's expectations of its directors. Arrangements are made for new directors to meet with the President and CEO and other executives. In years not affected by COVID-19, new directors are also provided with the opportunity to visit the Company's principal operating locations, including stores, distribution centres and call centres. Detailed information concerning the Company, the Board and the Committees is also provided to new directors.

Continuing Education

The Chairman of the Board initiates educational opportunities and responds to requests for director education from the Board members on an ongoing basis to ensure that directors are continually made aware of the issues facing the Company. She arranges for the provision of educational presentations and materials by management and external parties, as well as, in years not affected by COVID-19, visits to stores and the Company's facilities. Directors receive a substantial amount of background information in the context of Board and Committee meetings that not only assists them in discussing the issues to be addressed and the decisions to be made at such meetings, but also educates them on matters relevant to the Company and its business. In addition, the Board receives periodic



updates as to significant economic and capital market developments. The Board maintains a library on its director portal comprised of articles and publications on a broad range of topics, including governance, risk management, strategy development, talent management and development as well as general industry trends. Directors may also attend conferences, seminars and courses to expand their knowledge and skills.

During 2020, directors received educational and informational briefings on COVID-19 related impacts and various operational, financial and strategic topics including portfolio strategy, capital allocation, banking and customer loyalty. The Board also received two presentations on public market perspectives of the Company's business and performance from the Company's external advisors.

Performance Assessments

Assessment of the Board, Committees and Directors

The Governance Committee has a formal process for assessing the effectiveness and contribution of the Board, the Committees and individual directors. Assessments are conducted every two years, either concurrently or in alternating years.

In order to enable and encourage assessments that provide more candid and constructive feedback, the performance of the Board, the Committees and individual directors is evaluated through personal interviews. Interviews are led by the Chairman of the Board (who also serves as Chairman of the Governance Committee) and a designated member of the Board. The interview process allows for critical issues to be explored and addressed, including concerns raised with respect to individual director performance. While the interviews are structured around questions that are circulated in advance to the directors, they also allow significant latitude to accommodate open-ended, in the moment conversation. The interviews enable directors to be much more forthcoming and candid than would be possible on paper. The richness and candour of the feedback validate the time and effort of those involved.

Following completion of the interviews, the Chairman of the Board reports to the Governance Committee and the Board on the assessment results of the Board and the Committees, as well as the overall results of the director peer reviews. The Chairman of the Board provides each director with feedback on their individual performance based on input received pursuant to the director peer reviews. The Chairman of the Board reports to each Committee on the results of their Committee assessments.

The results of the Board and Committee assessments are used to identify areas for improvement of Board and Committee performance. The results of the individual director performance appraisals are one of the factors taken into account by the Governance Committee and the Board when considering the nomination of incumbent directors for re-election to the Board, as well as determining Committee memberships.

Assessment of the Chairman of the Board

The performance of the Chairman of the Board is assessed annually. Directors are asked to provide a written narrative assessment of the Chairman of the Board's performance over the prior year, taking into account how well the Chairman led the Board. Directors are also asked to consider the Chairman's duties as set out in her position description. A designated member of the Board reviews the results of the evaluation with the Chairman of the Board and provides a report to both the Governance Committee and the Board.

The Governance Committee keeps the processes for evaluating the Board, the Committees, individual directors and the Chairman of the Board under review to ensure their continued effectiveness.

Our Approach to Shareholder Engagement

Statement of Principles

The Board has developed a policy setting out the principles that guide the Company in responding to inquiries and proposals with respect to shareholder involvement in decision-making, in a manner that is both responsive to shareholder concerns and appropriate for the Company having regard to its circumstances (*Statement of Principles*). The Board has also established procedures to facilitate Board involvement in circumstances where a shareholder inquiry is related to a matter which the Board may be better suited to address.



Our Board has determined that it will respond to the concerns of its shareholders in a manner that is consistent with the following Statement of Principles:

- We believe in developing and adhering to strong corporate governance practices and are committed to continually enhancing those practices. We are mindful, however, that a “one size fits all” approach to corporate governance is often inappropriate for the unique circumstances of individual corporations. In addition, we are of the view that good governance alone is not sufficient to enhance our Company’s performance. Rather, capable and dedicated directors, together with talented management, are the drivers of performance.
- The governance of a large public corporation is a complicated task, requiring a grasp of complex information about the corporation and its businesses. We believe that this task is best understood and managed by our Board, the members of which have been given the legal responsibility for stewardship of the Company and acting in its best interests. We are committed to maintaining rigorous selection and assessment criteria that require directors to be knowledgeable about our businesses and to employ a disciplined approach to compensation, succession, risk management and the many other factors that affect long-term performance.
- We also believe that maintaining open lines of communication with our shareholders on key matters is of critical importance. Our Board and management are always interested in the views of shareholders and we have worked to develop a trusted relationship with the investment community. We are committed to comprehensive and transparent reporting on matters of importance to our shareholders.
- We believe that it is difficult for shareholders and other external constituents to be effectively involved in the day-to-day structural and governance decisions affecting the Company. In order to perform this decision-making function properly, one needs to be continually involved with the Company, its inner workings, its personnel and its corporate strategy – all matters which fall to the directors and management. Our directors and management are committed to employing their time, energy, experience and expertise to understanding shareholder views in the context of the complexities of the Company and to protecting and advancing in good faith the best interests of the Company.

Shareholder Engagement Process

We believe that a transparent process for considering shareholder inquiries and proposals should foster a trusted relationship with the investment community. Accordingly, we have instituted the following procedures which will ensure that management and the Board consider and respond to all shareholder concerns in a disciplined manner that is consistent with the Company’s governance and share ownership structure as well as our Statement of Principles:

- Shareholders are requested to direct their inquiries and proposals to the Senior Vice-President, Investor Relations.
- In the ordinary course, shareholder inquiries and proposals are addressed by management in accordance with the Company’s disclosure policy and, to the extent applicable, the Company’s process for addressing special situations, including shareholder proposals.
- In the event a shareholder requests to speak to an independent director, and provided that the subject of the request relates to certain matters listed below, the Chairman of the Board may be asked to represent the Company in responding to the inquiry in accordance with the Company’s procedures. No other directors are to engage directly with shareholders unless they are specifically asked to do so by the President and CEO or the Chairman of the Board.
- Those matters that may be directed to the Chairman of the Board for response include Board governance practices, executive performance, executive compensation, director evaluations and Board and Committee composition and qualifications as well as any other matter that the President and CEO and the Chairman of the Board believe may be perceived as more credibly answered by the Board than by management.

In addition to the foregoing process, the Board relies on the Company’s investor relations function to bring to the Board’s attention any issues or concerns which may arise during the Company’s ongoing shareholder outreach initiatives to which the Board should respond. The Senior Vice-President, Investor Relations keeps the Chairman of the Board apprised of any such issues or concerns and together they determine the appropriate course of action to be taken by the Board, which may include direct shareholder engagement with one or more Board members.

To assist the Board in identifying those circumstances in which it would be appropriate for the Board to proactively engage with shareholders, the Senior Vice-President, Investor Relations is invited to provide an update on management’s shareholder engagement activities, as well as the state of the Company’s investor relations, at regular meetings of the Governance Committee.

2020 Shareholder Initiatives

In 2020, our shareholder outreach initiatives included in-person meetings between the President and CEO and significant institutional investors to address priority topics. The Chairman of the Board also met with a significant shareholder to address the Company's response to COVID-19 and governance matters. In addition, the Company engaged in other year-round investor and shareholder engagements, including two virtual industry conferences and over 185 institutional investor meetings held with management and the Senior Vice-President, Investor Relations.

Subsidiary Boards

Except as set out below, all boards of the significant subsidiaries that the Company controls are wholly comprised of members of CTC's management team.

The board of trustees of CT REIT, a publicly traded entity in which the Company owns a majority interest, is currently comprised of eight trustees. Serving on the board are Ken Silver, the Chief Executive Officer of CT REIT, Greg Hicks, the President and Chief Executive Officer of CTC, Dean McCann, the former Executive Vice-President and Chief Financial Officer of CTC and five independent trustees who collectively have significant management expertise in the real estate and retail industries as well as financial and governance expertise.

CTC has an indirect, 80% interest in CTFS Holdings Limited (*CTFS Holdings*). The remaining 20% is held by Scotiabank. Canadian Tire Bank (*CTB*) is a wholly owned subsidiary of CTFS Holdings. The board of directors of CTFS Holdings and CTB are identical, with ten directors serving on each board. Serving on the CTFS Holdings and CTB boards are Mahes Wickramasinghe, the President and Chief Executive Officer of CTB and CTFS Holdings, James Christie, Executive Vice-President, CTC, Strategic Advisor and General Counsel, who also serves as Chairman of the Board of each of CTB and CTFS Holdings, Maureen Sabia, the Chairman of the Board of CTC, Dean McCann, the former Executive Vice-President and Chief Financial Officer of CTC, James Goodfellow, a director of CTC, and five independent directors with significant management expertise in banking, two of whom are nominees of Scotiabank.

The Board receives quarterly updates on matters affecting CT REIT, CTB and CTFS Holdings.

Enterprise Risk Management

The Board and the Committees have accountability to ensure the development and implementation of a comprehensive Enterprise Risk Management Policy and Framework for identifying, assessing, monitoring, mitigating and reporting on the Company's key and emerging risks. Management regularly monitors the business to identify and assess key risks that, alone or in combination with other interrelated risks, could have a significant adverse impact on the Company's brand, financial position, and/or ability to achieve its strategic objectives. The mitigation and management of risk is approached holistically with a view to ensuring that all risk exposures are considered.

While the Board is ultimately responsible for the oversight of risk, the Audit Committee oversees the Company's enterprise risk management processes and reports to the Board on management's assessment of key and emerging risks, including mitigation plans and risk ratings, and recommends any changes to the Enterprise Risk Management Policy and Framework to the Board. The Board, assisted by the review of the Audit Committee, approves the Company's risk disclosures. The Board also approves policies that govern the risks of the Company and oversees management's implementation of systems and controls to manage these risks and any deficiencies in the operation of these systems and controls.

Additional information on the Company's Enterprise Risk Management Framework and key risks is included in the Company's Management's Discussion and Analysis for the year ended January 2, 2021 (*2020 MD&A*) and the Annual Information Form for the year ended January 2, 2021 (*2020 AIF*), which are available on the Company's website at www.corp.canadiantire.ca and on SEDAR at www.sedar.com.

The risks associated with CTB are incorporated into the risk reporting provided to the Company's Audit Committee. CTB is a Schedule I chartered bank that is regulated by the Office of the Superintendent of Financial Institutions (*OSFI*) and, as such, is subject to all of the risk management reporting and other related requirements of OSFI. The CTB Board and its committees meet quarterly or more frequently as circumstances warrant. The CTB Board approves policies that govern the principal risks of CTB and the Audit and Risk Management Committee of CTB oversees the enterprise risk management program of CTB. The Chairman of the CTB Board reports to the Company's Board on a quarterly basis on the CTB Board's oversight of CTB. CTB's compliance with its risk management policies is also reported to the Company's Audit Committee.



The risks associated with CT REIT are considered in the reports provided to the Company's Audit Committee by CT REIT. CT REIT's Board of Trustees (together with the Audit Committee) oversees the enterprise risk management program of CT REIT. Further information on CT REIT's enterprise risk management program and the risks associated with CT REIT are included in CT REIT's Management's Discussion and Analysis and Annual Information Form for the year ended December 31, 2020, which are available on CT REIT's website at www.ctreit.com and on SEDAR at www.sedar.com, which are not incorporated herein by reference.

Corporate Responsibility

CTC prides itself on being a trusted Canadian brand and an integral part of Canadian communities, with a strong commitment to improving environmental and social outcomes for Canadians, communities and the planet. The Company's core purpose is being there for life in Canada by providing the products, services and support customers need, while seeking to create value for shareholders, providing employment for tens of thousands of people, and making a broader contribution to the Canadian economy and to Canadian communities.

CTC identifies, measures and reports on many of the benefits that result from its environmental and social initiatives, which are described in the Company's Environmental Sustainability Report and discussed below. The Company's environmental and social strategy is aligned with and contributes to the United Nations Sustainable Development Goals. CTC is recognized for the effectiveness of its efforts, which is reflected in its inclusion in various sustainable indices and its receipt of sustainability awards. The Company continues to participate in or be rated by CDP, the Dow Jones Sustainability Index, MSCI, FTSE4Good, Sustainalytics and Corporate Knights. Earlier this year, CTC was named one of the world's 100 most sustainable corporations by Corporate Knights, recognized as one of only two companies in the grocery and diversified stores category and the only North American retailer.

Further information on CTC's approach to corporate responsibility and related initiatives are included in the 2020 AIF under the heading *Corporate Responsibility* beginning on page 19.

Board Oversight

The CTC Board of Directors oversees management's approach to environmental, social and governance matters, including through its delegation of oversight of Board governance to its Governance Committee and human capital management and diversity and inclusion to its MRC Committee. In addition, the Brand and Corporate Responsibility Committee (formerly, the Brand and Community Committee) is responsible for overseeing the impact of the Company's management of environmental, social and ethical matters on the Company's brand and reputation and approving the Company's environmental, social and governance (ESG) reporting. See the *Brand and Community Committee Report* beginning on page 38 for further details on the Brand and Corporate Responsibility Committee.

The Company's commitment to remain a trusted corporate citizen is supported by its comprehensive policy framework. The Company has in place policies and operating directives to address issues of importance to its stakeholders, including with respect to ethical conduct, health and safety, product safety, privacy, cybersecurity and other matters. Each such policy sets out accountabilities for managing compliance as well as escalation and other procedures.

Environmental

CTC is committed to environmental sustainability. The Company's Environmental Sustainability Report highlights progress towards its emissions reduction targets and efforts to maintain momentum in the development and execution of sustainability initiatives. This report and further information on the Company's sustainability practices are available on the Company's website at corp.canadiantire.ca/sustainability and are not incorporated herein by reference.

CTC has been working to understand and mitigate the effects of climate change on its operations for almost a decade. The Company has conducted a formal climate risk and opportunity assessment, including scenario analysis, that identified and quantified the risks of transition (such as increased government regulation in the form of carbon pricing) and physical risks (such as fires and flooding) as well as an opportunity relating to electric vehicle adoption. CTC's comprehensive crisis management and business continuity programs consider the effects of climate change and other risks, threats and hazards that could affect CTC's operations and the communities in which it operates.

Diversity and Inclusion

CTC is committed to creating an equitable and inclusive culture that represents our people, customers and communities across the country. The Company has formed a Diversity, Inclusion & Belonging (*DIB*) Committee led by senior leaders and a dedicated Vice-President, DIB, to oversee the strategic and day-to-day operational leadership for all DIB policies, practices and programs. This focus enables CTC to dedicate the resources needed to transform organizational culture and drive meaningful impacts in communities.

CTC's senior leadership team is comprised of individuals at the level of Senior Vice-President and above and CTC employs five women in these positions. With respect to "executive officers" (as defined under securities laws, which include the Company's "major subsidiaries"), there are five female "executive officers", representing approximately 31% of the "executive officers".

The Company has not adopted a written policy with specific targets regarding the representation of women in "executive officer" positions. The Company believes that diversity, including gender diversity, is an important consideration in determining the makeup of its executive team; however, it is only one of a number of merit-based factors (which include talent, experience, expertise, leadership capabilities, innovative thinking and strategic agility) that are considered in selecting the best candidates for executive positions within the organization.

Community

CTC supports a variety of social causes, but the largest single beneficiary is Canadian Tire Jumpstart Charities (*Jumpstart*), an independent organization. Since 2005, Jumpstart has been assisting Canadian families overcome the financial barriers to accessing sport and play for their kids. Jumpstart has also expanded its mandate to help remove barriers for kids with disabilities. CTC stores invest heavily in local programs that help Canadian communities thrive, and are dedicated to initiatives that promote healthy, active living, including encouraging participation in physical activity, sports, and outdoor living. As a company with strong roots in communities across Canada, CTC is committed to helping get necessary products to locations impacted by emergencies. By working closely with the Canadian Tire Dealers, the Red Cross, local officials and emergency task forces, CTC supports response and relief activities.

Ethical Conduct

To encourage and promote a culture of ethical business conduct, the Board has approved an Ethical Business Conduct Policy pursuant to which the Company has established its Code of Conduct and its Supplier Code of Business Conduct (*the Codes*).

The Company's Code of Conduct formally addresses the ethical business standards and expectations of its directors, officers and all employees in relation to compliance with laws and commitment to integrity, honesty and respect when dealing with each other, business partners and communities. The Board periodically reviews the Company's Code of Conduct to ensure that it continues to reflect the tone of the Company's corporate culture and evolving standards and practices. The Company's Code of Conduct was last updated and published in June 2020.

Copies of the Codes are available on the Company's website at www.corp.canadiantire.ca and on SEDAR at www.sedar.com. Copies are also available upon request, without charge, by contacting the Corporate Secretary of the Company, as set out on page 70. Each Code contains an explanation of how the Company monitors compliance with such Code.

Directors and employees must acknowledge that they have read, understood and will commit to abide by, the standards and expectations set out in the Company's Code of Conduct.

Individuals at the level of Associate Vice-President and above are accountable for supporting and endorsing compliance with the Codes, promoting an environment of open communication about employee ethical conduct obligations and ensuring that violations are reported in a manner consistent with the requirements of the Codes. The Board has established a business conduct compliance program, which provides a compliance mechanism for the Codes, including:

- the confidential receipt, retention and treatment of complaints and concerns received by the Company regarding accounting, internal accounting controls or auditing matters; and
- the confidential anonymous submission, retention and treatment of concerns by employees regarding questionable accounting or auditing matters.



With the approval of the Board, management has established the Triangle Ethics Office, which is responsible for managing the business conduct compliance program, including:

- overseeing the receipt, retention, investigation and resolution of complaints and concerns relating to breaches of the Codes;
- managing a business conduct hotline and web reporting service that is operated by a third-party service provider; and
- reporting to the Audit Committee on all reported violations of the Company's Code of Conduct and their disposition, on a quarterly basis.

Conflicts of Interest and Related Party Transactions

If a director or an officer is a party to a material transaction or agreement or a proposed material transaction or agreement with the Company, or, if the director or officer is a director or an officer of, or has a material interest in, any person who is a party to a material transaction or agreement or a proposed material transaction or agreement with the Company, he or she is required to comply with the conflict of interest provisions of the *Business Corporations Act* (Ontario), which require written disclosure to the Company by the director or officer, or a request by the director or officer to have entered in the minutes of meetings of directors the nature and extent of his or her interest. In addition, the Board is given an opportunity to discuss such agreements or transactions in the absence of the interested director. A director who has declared a conflict of interest cannot vote on the matter in which he or she has an interest.

In accordance with its Mandate, the Audit Committee reviews all proposed related party transactions that are not in the ordinary course and are not dealt with by a special committee of independent Directors pursuant to securities law rules and, if appropriate, recommends those transactions to the Board for approval.



COMMITTEE REPORTS

Each of the Committees has prepared a report that includes an overview of key responsibilities and provides highlights of its activities in 2020.

Audit Committee Report

The following report has been approved by the members of the Audit Committee: Diana Chant (*Chairman*), David Court, James Goodfellow, Norman Jaskolka and Cynthia Trudell.

Responsibilities

The following is a summary of the key responsibilities of the Audit Committee. For a full description of the Committee's responsibilities, see the Audit Committee Mandate which is available on the Company's website at www.corp.canadiantire.ca.

The Audit Committee assists the Board with its oversight responsibilities concerning the integrity of the Company's financial statements and related disclosures, as well as compliance with associated legal and regulatory requirements. Subject to its review and discussions with management and the external auditor, the Committee recommends the Company's financial statements, Management's Discussion and Analysis, Annual Information Form and earnings press releases to the Board for approval. The Committee also reviews material financial information contained in prospectuses or other offering or publicly filed disclosure documents.

In addition, the Committee assists the Board with its oversight responsibilities concerning internal control over financial reporting and disclosure controls and procedures. It receives regular reports from management, internal audit and the external auditor on these matters and reviews and discusses the associated certifications with the Company's certifying officers.

With respect to auditor oversight, the Audit Committee recommends the external auditor's nomination and remuneration to the Board, conducts annual performance assessments, monitors the auditor's independence and relationship with management and approves the audit plan and all other services provided by the external auditor. The Audit Committee reviews internal audit's mandate, annual plan and resources and receives regular reports from internal audit concerning controls that mitigate strategic, financial and operational risks.

While the Board is ultimately accountable for risk management, the Audit Committee assists the Board with its oversight responsibilities regarding the Company's enterprise risk management processes. The Committee reviews and recommends to the Board the Company's Enterprise Risk Management Policy, including the Enterprise Risk Management Framework and Risk Appetite Statement. Quarterly enterprise risk management reports inform the Committee of the steps management has taken to monitor, control and mitigate key enterprise risk exposures. The Committee reports to the Board on management's assessment of key and emerging risks, including mitigation plans and risk ratings, and reviews the Company's risk disclosures. It also receives reporting on financial, credit risk, cyber, information security, data protection and legal risk exposures.

The Committee's other responsibilities include receiving reports from the Audit Committees of CT REIT, CTB, and CTFS Holdings, reviewing certain related party transactions, reviewing the discretionary expenses of the Chairman of the Board and the President and CEO, discussing the quality and sufficiency of accounting and finance personnel and resources with the Chief Financial Officer, reviewing the appointments of the Chief Financial Officer and the Treasurer and scheduling education topics at Committee meetings.

2020 Highlights

Highlights of the work which the Audit Committee performed during 2020, as part of or in addition to its responsibilities under its Mandate, include:

- considering COVID-19 implications to the Company's financial position and performance and recommending the Company's financial statements and related disclosures to the Board for approval;
- monitoring COVID-19 related risks and the Company's crisis management actions and risk mitigation strategies;
- overseeing continued improvements to the Company's cyber risk management processes in accordance with the National Institute of Standards and Technology's Cybersecurity Framework and related reporting to the Committee; and
- recommending to the Board updates to the Company's Enterprise Risk Management Policy and Risk Appetite Statement and approving the adoption of an External Auditor Independence Policy.



Auditor's Fees

The following table sets forth the aggregate fees billed for professional services rendered by Deloitte to the Company and its subsidiaries for the fiscal years ended January 2, 2021 and December 28, 2019, respectively:

Auditor's Fees	2020 (ended January 2, 2021)	2019 (ended December 28, 2019)
Audit Fees ⁽¹⁾	\$4,859,000	\$4,967,000
Audit-Related Fees ⁽²⁾	\$250,000	\$735,000
Tax Fees ⁽³⁾	\$117,000	\$80,000
All Other Fees ⁽⁴⁾	\$0	\$125,000
Total	\$5,226,000	\$5,907,000

Notes

- (1) "Audit Fees" are the aggregate fees billed by CTC's external auditor for audit services, including translation fees.
- (2) "Audit-Related Fees" are the aggregate fees billed by CTC's external auditor for assurance and related services that were reasonably related to the performance of the audit or review of CTC's financial statements and were not reported under "Audit Fees" in the table above. These services are related to accounting advisory and due diligence on various projects.
- (3) "Tax Fees" include the aggregate fees billed by CTC's external auditor for professional services related to tax compliance, tax advice and tax planning. These services related primarily to tax advice in connection with foreign operations and the Canadian tax implications thereof, transfer pricing, tax compliance, and tax planning.
- (4) "All Other Fees" are aggregate fees billed by CTC's external auditor for services, other than the services reported under "Audit Fees", "Audit-Related Fees" and "Tax Fees" in the table above. In the 2019 fiscal year, these services were related to various consulting projects.

Additional Information

Additional information about our Audit Committee as required by NI 52-110 is contained in Section 8 of the 2020 AIF, which is available on the Company's website at www.corp.canadiantire.ca and on SEDAR at www.sedar.com. A copy of the Audit Committee Mandate is also included in the 2020 AIF.

Management Resources and Compensation Committee Report

The following report has been approved by the members of the MRC Committee: Cynthia Trudell (*Chairman*), Eric Anderson, David Court, Mark Derbyshire and James Goodfellow.

Responsibilities

The following is a summary of the key responsibilities of the MRC Committee. For a full description of the Committee's responsibilities, see the MRC Committee Mandate which is available on the Company's website at www.corp.canadiantire.ca.

The MRC Committee assists the Board in its oversight role with respect to the Company's human resources strategy, plans and programs, including in the areas of talent management, succession planning and compensation for senior management and executives.

The MRC Committee annually reviews and reports to the Board on management's plans and processes relating to the development, assessment and advancement of executives whose roles are critical to the execution of the Company's strategy (*Top Roles*), as well as succession planning (both planned and emergency) for those executives in Top Roles.

The MRC Committee reviews and approves the principal employment terms of executives in Top Roles (except the President and CEO whose employment terms are approved by the Board), and reports to the Board on the compensation arrangements of the Company's Named Executive Officers (*NEOs*). The MRC Committee recommends the President and CEO's annual performance objectives to the Board and, in consultation with the Chairman of the Board and other Board members, conducts an annual assessment of the President and CEO's performance in accordance with the evaluation process approved by the Board. The MRC Committee also reviews the annual performance objectives of executives in Top Roles and receives a report from the President and CEO on his assessment of how such executives are performing against their objectives.

Regarding executive compensation generally, the MRC Committee annually reviews and recommends to the Board the design and make-up of the Company's compensation plans and programs for senior management and executives, including with respect to base salary, variable compensation, benefits, perquisites, and share ownership guidelines. As part of this review, it assesses the linkage of CTC's executive compensation philosophy and incentive plans to CTC's performance and business strategy. The MRC Committee also reviews and approves grants and payouts under the Company's incentive plans and the adjudication of matters impacting the payouts under those plans. In conducting its work, the MRC Committee consults with its compensation advisors, as appropriate.

The MRC Committee is also responsible for overseeing the Company's workforce diversity and inclusion initiatives. It recommends to the Board significant changes to employee benefit, retirement and savings programs, approves awards under the CT Profit Sharing program, and reviews any proposed major organizational design changes of the Company or its subsidiaries. The MRC Committee reviews the share ownership of executives relative to their share ownership guidelines. It also monitors employee culture, experience and engagement across the Company through management reports and the results of employee opinion surveys.

2020 Highlights

Highlights of the work which the MRC Committee performed during 2020, as part of or in addition to its responsibilities under its Mandate, include:

- in connection with the appointment of Mr. Hicks as President and CEO on March 12, 2020, reviewing and recommending to the Board his proposed employment and compensation terms;
- discussing with management proposed organizational changes in furtherance of the Company's business strategy and objectives and approving the appointment and compensation terms of executives in Top Roles in connection with such changes;
- overseeing the development and implementation of management's talent strategy, framework and tactical plans to support the achievement of the Company's strategic priorities, as well as management's approach to diversity and inclusion within its talent strategy;
- monitoring and assessing the potential impact of COVID-19 on the Company's workforce, as well as the Company's 2020 incentive plans and the design of its 2021 compensation plans and programs;
- continuing to oversee management's comprehensive review of the Company's Total Rewards programs, including the Company's executive compensation plans and programs, and considering options for changes to such programs to align and reinforce the Company's philosophy, guiding principles and business strategy, taking into account the impact of COVID-19; and
- recommending to the Board the harmonization of, and changes to, the Company's health plans across its business units.

For additional information regarding the role of the MRC Committee in executive compensation, see *Role of the MRC Committee in Executive Compensation* on page 44.

Governance Committee Report

The following report has been approved by the members of the Governance Committee: Maureen Sabia (*Chairman*), Martha Billes, Diana Chant, Patrick Connolly, Norman Jaskolka and Cynthia Trudell.

Responsibilities

The following is a summary of the key responsibilities of the Governance Committee. For a full description of the Governance Committee's responsibilities, see the Governance Mandate which is available on the Company's website at www.corp.canadiantire.ca.

Pursuant to its Mandate, the Governance Committee focuses on the Company's approach to corporate governance through its monitoring of regulatory developments and best practices with a view to continually improving the Company's corporate governance standards.

The Governance Committee recommends to the Board the director nominees for election at the Company's annual meeting of shareholders or for appointment to fill vacancies on the Board between shareholder meetings, having regard for the Company's strategies, risks, current and anticipated priorities and succession planning for key Board positions. The Governance Committee maintains a list of qualified candidates for Board membership, recommends to the Board the appointment of the Chairman of the Board and appoints the Chairmen and members of the Committees. In the case of its Chairman and members, the Governance Committee recommends their appointment



to the Board for approval. The Committee also reviews the individuals proposed by the Company for appointment to the board of trustees of CT REIT and the boards of directors of CTB and CTFS Holdings and reviews the Company's proposed candidate for appointment as Chairman of the Board of CTB.

The Governance Committee assesses the independence of directors under applicable securities laws and such other criteria determined by the Governance Committee, establishes the processes for assessing the performance of the Board, the Committees, individual directors and the Chairman of the Board, and reviews and recommends changes to the form and amount of Board remuneration for approval by the Board. The Governance Committee keeps its Mandate and the position descriptions of the Chairman of the Board, Committee Chairmen and directors under continual review, assesses the Board's processes for director orientation and education activities, and reviews the health of the relationship between the Board and management. The Governance Committee also recommends to the Board the governance portions of the Circular.

2020 Highlights

Highlights of the work which the Governance Committee performed during 2020, as part of or in addition to its responsibilities under its Mandate, include:

- identifying and interviewing potential director candidates based on the Governance Committee's evaluation of the changing skills and experience required on the Board, having regard for the Company's strategic agenda and both current and anticipated priorities;
- as part of the Board's continuous renewal process, recommending to the Board the nomination of J. Michael Owens for election at the Company's 2020 Annual Meeting of Shareholders;
- conducting interviews of prospective director candidates to join the Board in 2021, resulting in Steve Frazier and Sylvain Leroux being proposed for election as directors at the Meeting; and
- recommending revisions to the Board of Directors' Mandate for approval.

Brand and Community Committee Report

The following report has been approved by the members of the Brand and Community Committee: Patrick Connolly (*Chairman*), Martha Billes, Owen Billes, Mark Derbyshire, John Furlong, Norman Jaskolka, Claude L'Heureux and Donald Murray.

Responsibilities

The Committee was established by the Board in recognition of the importance of the Company's brand, including the Company's banner brands, owned brands, Canadian Tire Jumpstart Charities (Jumpstart) and customer loyalty program (Triangle Rewards). The purpose of the Committee is to assist the Board in its oversight of the material risks to the Company's brand, which encompasses social and environmental risks.

2020 Highlights

In March 2020, the Committee reviewed the Company's crisis management protocol, including in relation to potential cyber events and COVID-19 scenarios. As the implications of the pandemic unfolded, the full Board and the Audit Committee received frequent crisis management reports during the balance of 2020.

2021 Update

In March 2021, the Board approved changes to the Brand and Community Committee Mandate, which included renaming the Committee the Brand and Corporate Responsibility Committee. This change reflects the Committee's oversight of the Company's impact on the environment and society. The Committee's Mandate remains anchored in oversight of the Company's brand and material risks to the brand. The Committee is also focused on corporate responsibility, including environmental, social and ethical topics, a key collection of matters that significantly impact CTC's brand and reputation. The Mandate specifies that the Committee will assist the Board in ensuring that the Company's brand remains trusted and relevant to Canadians, monitor the development and fulfilment of the Company's brand purpose, oversee the impact of the Company's management of environmental, social and ethical matters on the Company's brand and reputation, approve the Company's ESG reporting, and approve management's approach to the management of risks that could have a significant adverse impact on the Company's brand and reputation.

For a full description of the Brand and Corporate Responsibility Committee's responsibilities, see the Brand and Corporate Responsibility Committee Mandate which is available on the Company's website at www.corp.canadiantire.ca.



DIRECTOR COMPENSATION

CTC's director compensation program is designed to attract and retain qualified and committed directors, appropriately reward them for their time and contributions and align their interests with the objectives of CTC and its shareholders.

The Governance Committee is responsible for reviewing and recommending to the Board for approval the form and amount of directors' remuneration to ensure that it is commensurate with the responsibilities and risks assumed by directors, reflects the time commitment required to serve on the Board, and is competitive with other companies which are comparable in terms of size and complexity to CTC's business.

Director Fees

Directors, other than the President and CEO, are compensated for their services through a combination of retainers and meeting and travel fees. The Chairman of the Board receives an all-inclusive retainer and does not receive any additional retainers or fees for serving as a director or Chairman of the Governance Committee. Compensation for Mr. Hicks, the President and CEO, and Mr. Wetmore, the former President and CEO, for the year ended January 2, 2021 is disclosed in the summary compensation table for the Company's NEOs beginning on page 62.

All director compensation is earned and paid in Canadian dollars, with the exception of U.S. directors. Directors may elect to receive their compensation in cash or DSUs. Directors are also reimbursed for travel and other expenses they incur when attending Board, Committee and shareholder meetings.

The table below lists the fees our directors were entitled to receive for 2020 service.

Retainers and Fees ⁽¹⁾	Amount
Annual Retainers	
Chairman of the Board	\$500,000
Directors	\$170,000
Audit Committee Chairman	\$30,000
MRC Committee Chairman	\$20,000
Governance Committee Chairman ⁽²⁾	\$17,500
Brand and Community Committee Chairman	\$13,500
Committee Member (<i>All Committees</i>)	\$5,000
Meeting Fees⁽³⁾	
Board Meeting	\$2,000
Audit Committee Meeting	\$2,750
MRC Committee, Governance Committee and Brand and Community Committee Meeting	\$2,000
Meetings of less than 60 minutes:	
• Board Meeting	\$1,000
• Audit Committee Meeting	\$1,375
• MRC Committee, Governance Committee and Brand and Community Committee Meeting	\$1,000
Travel Fee⁽⁴⁾	
Annual fee payable to directors whose principal residence is two or more time zones away from Toronto or outside Canada	\$10,000

Notes

- (1) With the exception of U.S. directors, fees are earned and paid in Canadian dollars. U.S. directors are paid in U.S. dollars on the basis of a one-for-one exchange rate of Canadian dollars to U.S. dollars.
- (2) The Chairman of the Board also serves as Chairman of the Governance Committee and does not receive a retainer or meeting fees for serving in this capacity.
- (3) Directors who attend meetings of Committees of which they are not members may also be eligible to receive meeting fees.
- (4) As a result of travel restrictions due to COVID-19, meetings were attended virtually in the second, third and fourth quarters. Accordingly, the travel fee was pro-rated.



In 2019, the Board established an ad-hoc Search Committee to assist the Board in identifying the Company's next President and CEO. The Committee members were Pierre Boivin (*Chairman*), Eric Anderson, Martha Billes, David Court, Mark Derbyshire and Cynthia Trudell. The Search Committee's mandate was completed in 2020 with the appointment of Greg Hicks as President and CEO on March 12, 2020. Members of the Committee were paid a flat-fee retainer of \$12,500 in 2020 for their services.

Deferred Share Unit Plan for Directors

Each director who is not an employee or officer of CTC or any of its subsidiaries is eligible to participate in the DSU Plan for Directors, pursuant to which a director may elect to receive all or part of his or her annual retainers, meeting fees and travel fees (if applicable), which are paid quarterly, in DSUs, based on the ten-day volume weighted average price of the Class A Non-Voting Shares on the TSX prior to and including the last business day before the applicable date of issuance.

Under the DSU Plan for Directors, additional DSUs are credited to a director with respect to his or her DSUs when the Company pays a dividend or other cash distribution on its Class A Non-Voting Shares.

All DSUs and DSU dividend equivalents are considered vested at the time of issuance but are settled in cash after the director completes their service with the Company based on the ten-day volume weighted average price of the Class A Non-Voting Shares on the TSX prior to and including the last business day before the settlement date.

Director Share Ownership Guidelines

To ensure that directors' interests are aligned with those of CTC's shareholders, demonstrate that they are financially committed to CTC through personal share ownership and promote CTC's long-standing commitment to sound corporate governance, CTC has adopted the Director Share Ownership Guidelines. Every director, other than the President and CEO, is required to accumulate at least three times the value of the annual director retainer (\$510,000) in Common Shares, Class A Non-Voting Shares and/or DSUs, by their fifth anniversary. The value required to meet the Director Share Ownership Guidelines is calculated as the greater of: (i) the acquisition cost of the Common Shares, Class A Non-Voting Shares and DSUs; and (ii) the market value of such shares and DSUs.

A director who does not meet the required investment under the Director Share Ownership Guidelines upon joining the Board is required to receive at least 50% of the annual director retainer in DSUs or, at the option of the director, the entire annual director retainer in cash to acquire Common Shares and/or Class A Non-Voting Shares in the open market. The number of shares to be purchased and the timing of such purchases are at the director's discretion, provided the director demonstrates a commitment to accumulate shares by their fifth anniversary.

If the annual director retainer is increased, directors who have already met the guideline on their guideline achievement date but would not meet the guideline on the effective date of the increase in the retainer are required to satisfy the new guideline amount within two years following the increase in the retainer.

While the Board values the Director Share Ownership Guidelines and appreciates that they are an important element of director compensation practices, the Governance Committee regularly assesses the appropriateness of the level of share ownership required and balances the need for directors to manage the diversification in their personal investment portfolios.

Directors' Hedging Policy

Under the Director Share Ownership Guidelines, directors are prohibited from purchasing financial instruments, including prepaid variable forward contracts, equity swaps, collars, or units of exchange funds that are designed to hedge or offset a decrease in the market value of equity securities granted as compensation or held, directly or indirectly, by directors.

Compensation of Directors on Subsidiary Boards

During 2020, Maureen Sabia and James Goodfellow also served as directors of CTB. Directors of CTB are entitled to an annual retainer and meeting fees. CTB directors are also reimbursed for travel and other expenses incurred to attend Board and Committee meetings. Retainer and meeting fees earned by CTB's directors cannot be received in DSUs.

2020 Director Compensation Table

The following table sets out the compensation that was paid to non-employee directors for the year ended January 2, 2021 and the allocation of fees between cash and DSUs.

Director Name	Fees Earned ⁽¹⁾ (\$)	All Other Compensation Earned ⁽¹⁾ (\$)	Total (\$)	Allocation of Fees Earned	
				Cash (%)	DSUs (%)
Eric Anderson ⁽³⁾	\$232,000	–	\$232,000	85%	15%
Martha Billes	\$259,750	\$35,560	\$295,310	100%	0%
Owen Billes	\$201,000	\$26,074	\$227,074	100%	0%
Pierre Boivin ⁽⁴⁾	\$97,297	–	\$97,297	25%	75%
Diana Chant	\$253,750	–	\$253,750	100%	0%
Patrick Connolly ⁽³⁾	\$226,000	–	\$226,000	50%	50%
David Court	\$248,250	–	\$248,250	0%	100%
Mark Derbyshire	\$239,000	–	\$239,000	100%	0%
John Furlong	\$203,500	–	\$203,500	54%	46%
James Goodfellow	\$240,508	\$71,600	\$312,108	100%	0%
Norman Jaskolka	\$223,231	–	\$223,231	0%	100%
Claude L'Heureux	\$201,000	–	\$201,000	100%	0%
Donald Murray	\$203,500	–	\$203,500	0%	100%
J. Michael Owens ⁽⁵⁾	\$132,687	–	\$132,687	70%	30%
Maureen Sabia <i>Chairman of the Board</i>	\$500,000	\$77,215	\$577,215	100%	0%
Cynthia Trudell ⁽³⁾	\$263,005	–	\$263,005	0%	100%
Total			\$3,934,927		

Notes

- (1) Fees Earned include the aggregate annual retainers, meeting fees and travel fees which directors elected to receive in cash and/or DSUs. All director compensation is earned and paid in Canadian dollars, with the exception of U.S. directors.
- (2) All Other Compensation Earned includes: (i) annual retainer and meeting fees paid to Miss Sabia (\$71,600) and Mr. Goodfellow (\$71,600) for serving as directors of CTB; and (ii) perquisites for Ms. Billes in respect of head office parking (\$1,398), personal security (\$32,342) and executive medical services (\$1,820), Mr. Billes in respect of head office parking (\$1,317) and personal security (\$24,757), and Miss Sabia in respect of head office parking (\$1,264) and executive medical services (\$4,351). All directors were also eligible to participate in CTC's roadside assistance program, which program carries a notional value of approximately \$67.
- (3) Ms. Trudell and Messrs. Anderson and Connolly are paid their director fees in U.S. dollars, on the basis of a one-for-one exchange rate of Canadian dollars to U.S. dollars. On December 31, 2020, the daily exchange rate posted by the Bank of Canada for conversion of Canadian dollars to U.S. dollars was \$1.00 equals US\$0.7854.
- (4) Mr. Boivin retired from the Board on May 7, 2020 and his annual director and Committee retainers were pro-rated accordingly.
- (5) Mr. Owens was elected a director of CTC on May 7, 2020 and his annual director and Committee retainers were pro-rated accordingly.



Director Share-Based Awards

The following table provides information regarding the DSUs held by the Company's non-employee directors as at January 2, 2021.

Director Name	Total number of DSUs (as at January 2, 2021) (#) ⁽¹⁾	Market or payout value of share-based awards (DSUs) not paid out or distributed (\$) ⁽²⁾	DSUs granted during the fiscal year (December 29, 2019 to January 2, 2021) (#) ⁽¹⁾	Share-based awards (DSUs) – Value vested during the year (\$) ⁽³⁾
Eric Anderson	4,417	739,174	529	64,542
Martha Billes	–	–	–	–
Owen Billes	–	–	–	–
Pierre Boivin ⁽⁴⁾	–	–	1,039	94,378
Diana Chant	1,634	273,513	53	7,289
Patrick Connolly	3,387	566,882	1,402	164,301
David Court	3,868	647,391	2,269	260,427
Mark Derbyshire	5,403	904,207	177	24,096
John Furlong	8,508	1,423,755	1,071	130,576
James Goodfellow	–	–	–	–
Norman Jaskolka	3,937	658,841	1,996	236,093
Claude L'Heureux	13,746	2,300,167	452	61,297
Donald Murray	5,550	928,715	1,893	223,989
J. Michael Owens	287	48,030	287	40,109
Maureen Sabia	2,544	425,834	83	11,348
Cynthia Trudell	4,562	763,425	3,242	368,970

Notes

- (1) Under the DSU Plan for Directors, DSUs received in lieu of cash fees and accrued DSU dividend equivalents are considered vested at the time of issuance but are settled in cash after the director completes their service with the Company. The number of DSUs that each director holds, which includes DSU dividend equivalents, has been rounded down to the nearest whole number.
- (2) The value of the total number of DSUs held by each director as at the Company's fiscal year end is calculated by reference to the closing price of the Class A Non-Voting Shares on the TSX on the last business day prior to such date (\$167.33).
- (3) The value of DSUs that vested in 2020 was determined by multiplying the number of DSUs issued to each director in the year by the ten-day volume weighted average price of the Class A Non-Voting Shares on the TSX prior to and including the last business day before the applicable date of issuance.
- (4) Mr. Boivin retired from the Board on May 7, 2020. He settled his DSU account following his retirement and, as such, held no DSUs at the end of the fiscal year.

EXECUTIVE COMPENSATION

Compensation Discussion and Analysis

Introduction

The Board of Directors and the MRC Committee are committed to ensuring that CTC's compensation philosophy, plans and programs are aligned with its business needs, long-term strategies and values, as well as its desire to attract and retain highly skilled talent across the organization. We are committed to explaining our compensation approach fully and clearly. The Compensation Discussion and Analysis (CD&A) section that follows provides a description of our compensation programs and the governance processes we follow.

Throughout 2020, the MRC Committee worked closely with management on the CEO transition and the development, assessment and advancement of executives, whose roles are critical to the execution of the Company's strategy. The MRC Committee also worked closely with management to monitor and assess the impact of COVID-19 on the Company's workforce, its 2020 incentive plans and the design of its 2021 compensation plans and programs. The MRC Committee continues to be focused on ensuring our executive compensation programs take a long-term view of CTC's business needs and reward management on its achievement of the Company's long-term strategic objectives. The MRC Committee is satisfied that CTC's executive compensation policies and practices used in 2020 support CTC's strategy and that these policies and practices continue to be effective in attracting, retaining, and motivating a skilled team of executives.

Named Executive Officers

The following CD&A is intended to provide CTC's shareholders with a description of the processes and decisions involved in the design, oversight and payout of its compensation programs for the Named Executive Officers (NEOs) for the 2020 financial year. For the purposes of this CD&A, we discuss the compensation programs applicable to CTC executives at the level of Senior Vice-President and above (*Executives or Senior Executives*), which includes the NEOs.

The NEOs during fiscal 2020 were as follows:

Current NEOs

- Greg Hicks, President and CEO
- Gregory Craig, Executive Vice-President and Chief Financial Officer (CFO)
- James Christie, Executive Vice-President, CTC, Strategic Advisor and General Counsel
- Mahes Wickramasinghe, Executive Vice-President, CTC, President, Canadian Tire Financial Services (CTFS), and President and Chief Executive Officer, Canadian Tire Bank (CTB)
- John Pershing, Executive Vice-President and Chief Human Resources Officer (CHRO)

Former CEO and CFO

- Stephen Wetmore, Former President and CEO
- Dean McCann, Former Executive Vice-President and CFO

Stephen Wetmore retired as President and CEO, effective March 12, 2020, and was succeeded by Greg Hicks. Additionally, Dean McCann retired as Executive Vice-President and CFO, effective March 2, 2020, and was succeeded by Gregory Craig. As part of the CEO and CFO transitions, Messrs. Wetmore and McCann remained with the organization as Honourary Director and Strategic Advisor, respectively, and continued to receive their compensation and benefits until the end of 2020.

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Compensation Governance

Role of the MRC Committee in Executive Compensation

At CTC, the MRC Committee's approach to compensation is a rigorous one and is based on our Board's desire to build and retain a skilled leadership team that acts in the best interests of the Company and its shareholders. To that end, we are just as focused on attracting and retaining highly skilled management at every level, identifying high performers and developing top talent, as we are in designing a compensation structure that rewards employees for their contributions to the success of the Company. The MRC Committee carefully considers qualitative as well as quantitative measures in the compensation decisions it makes. We pay significant attention to structuring, refining and evaluating compensation practices that attract, develop and retain outstanding talent in a manner that, while not exposing CTC to undue risk, motivate our management to create long-term sustainable value. The MRC Committee is forward looking and has high expectations of management, and it continually assesses performance against these expectations. We are confident that our management resources and compensation strategies have productively contributed to our success in 2020.

For further information about the MRC Committee's responsibilities and activities in 2020 see *Management Resources and Compensation Committee Report* on page 36 of this Circular.

Composition of the MRC Committee

The current members of the MRC Committee, each of whom is independent, are set out below together with a description of their skills and experience that are relevant to the performance of their responsibilities. The Board of Directors believes that the MRC Committee collectively has the knowledge, experience and background required to fulfill its Mandate.

Cynthia Trudell

Ms. Trudell's experience that is relevant to her responsibilities in compensation matters includes her former role as Executive Vice-President and Chief Human Resources Officer of PepsiCo, Inc., where she was responsible for PepsiCo's global Human Resources function and human capital management strategy, as well as her current roles on the remuneration committee of the board of directors of ISS A/S (International Service System) and the compensation and corporate governance committee of the board of directors of RenaissanceRe. In addition, in her prior roles as the President of the Sea Ray Group, President of IBC Vehicles, Vice-President of GM, Chairman and President of Saturn Corporation and as a director of PepsiCo, the Canadian Imperial Bank of Commerce and the Pepsi-Cola Bottling Group, Ms. Trudell had the opportunity to oversee the development and application of compensation plans to executives and other employees.

Eric Anderson

Dr. Anderson's experience that is relevant to his responsibilities in compensation matters includes his roles as a professor at the University of Chicago Booth School of Business, the W.E. Simon Graduate School of Business at the University of Rochester and the Kellogg School of Management at Northwestern University. In these roles, Dr. Anderson has interacted with companies and scholars to understand best practices in executive compensation.

David Court

Mr. Court's experience that is relevant to his responsibilities in compensation matters includes his role on the board of directors of Brookfield Business Partners LP, National Geographic Ventures, the Public Sector Pension Investment Board and Queen's University, as well as his former roles as a senior partner of the Dallas office of McKinsey and member of McKinsey's global operating committee. While at McKinsey, Mr. Court also led McKinsey's functional practices on a global basis where he gained significant experience addressing compensation and employment matters.

Mark Derbyshire

Dr. Derbyshire's experience that is relevant to his responsibilities in compensation matters includes his former roles as President & CEO of Holt, Renfrew & Co., Limited, Chief Talent Officer & Executive Vice-President of Selfridges Group Limited, Senior Vice-President, Human Resources of Holt, Renfrew & Co., Limited, and Executive Director and Head of Retail & Consumer Practice, Canada of Russell Reynolds Associates. In these roles, Dr. Derbyshire had the opportunity to oversee the development and application of compensation plans to executives and other employees.

James Goodfellow

Mr. Goodfellow's experience that is relevant to his responsibilities in compensation matters includes his former roles at Deloitte as senior partner, member of the firm's board of directors and Vice-Chairman. In these positions, Mr. Goodfellow was involved in the setting of pay-for-performance policies and the governance of profit distributions for Deloitte's Chief Executive Officer, the senior management team and approximately 500 partners. Mr. Goodfellow was also chair of the Deloitte board committee for the selection of the Chairman of the Board. Mr. Goodfellow has written and delivered presentations on compensation-related risks, risk governance and financial reporting matters.



All members of the MRC Committee receive advice from the Board's independent compensation consultant during MRC Committee meetings and review that advice before proceeding with compensation decisions.

Role of Management in Compensation Decisions

The President and CEO, in collaboration with the Executive Vice-President and CHRO, develop management's recommendations pertaining to the compensation of other Executives that are presented to the MRC Committee. In addition, the Executive Vice-President and CHRO works with the Chairman of the MRC Committee to plan the MRC Committee meeting agendas and review presentations for each meeting of the MRC Committee. From time to time, management retains external consultants to provide advice on executive compensation. The President and CEO is invited to, and attends, all regular meetings of the MRC Committee. The MRC Committee holds *in camera* sessions without management during each regular MRC Committee meeting.

Role of Independent Advisor in Compensation Decisions

In conducting its work, the MRC Committee may consult with external advisors, as appropriate. Since 2006, the MRC Committee has retained Hugessen Consulting Inc. (*Hugessen*) to provide independent advice, compensation analysis and other information to support the MRC Committee in evaluating compensation recommendations and making decisions pertaining to executive compensation. Hugessen attends and contributes to MRC Committee meetings and reports directly to the MRC Committee. All work performed by Hugessen is at the direction of, and must be pre-approved by, the MRC Committee, including occasional work performed on behalf of the MRC Committee in conjunction with management. Services provided by Hugessen in 2020 included their review and input on various compensation matters, including the CEO transition, the potential impact of COVID-19 on compensation programs, the annual review of Executive salaries and incentive grants and payouts, and a review and commentary related to CTC's 2020 proxy disclosure. Hugessen has no other mandates with CTC.

Hugessen, based on its experience and expertise, has confirmed to the MRC Committee that, to the best of its knowledge, the MRC Committee has undertaken appropriate analysis to properly inform itself of relevant information to assist in its decisions. The decisions taken by the MRC Committee remain its responsibility and may reflect factors and considerations in addition to the information and recommendations provided by Hugessen. Fees paid to Hugessen in 2019 and 2020 are provided in the table below. Additional fees were incurred in 2020 in connection with the CEO transition and to address the potential impact of COVID-19 on the Company's compensation programs, as described above.

MRC Committee Advisor	Year	Executive Compensation Related Fees	All Other Fees
Hugessen Consulting Inc.	2020	\$248,141	n/a
	2019	\$122,439	n/a

Relationship of Executive Compensation to Risk

As part of the MRC Committee's oversight of the design and administration of CTC's executive compensation programs, the MRC Committee reviews and reports to the Board on design features and policies that may potentially induce inappropriate or excessive risk-taking by Executives and other members of senior management, or permit inappropriate rewards. In order to mitigate excessive risk-taking, CTC's executive compensation program has the following features:

MRC Committee Review

The MRC Committee's review includes an evaluation of the amount of total incentives relative to base salaries, the mix of short and long-term incentives, performance metrics and whether the goals are realistic or encourage excessive risk taking, and the use of other policies designed to mitigate risk such as vesting requirements, deferral periods and share ownership guidelines. Recognizing that many compensation matters are directly tied to the financial results of the Company, the MRC Committee interacts with the Audit Committee in relation to risks associated with the accuracy and quality of financial data.

Internal Audit Review

Periodically, CTC's Internal Audit Services (*IAS*) conducts a formal review of CTC's executive compensation practices and programs to assess the nature and extent of the risks associated with those programs. Based on its last review, IAS has concluded that: (1) the extent and nature of the Board and the MRC Committee's role in the risk oversight of the Company's compensation policies and practices is satisfactory, indicating a positive outcome; (2) the methods used to identify and mitigate compensation policies and practices that could potentially encourage Executives to take excessive risks are satisfactory; and (3) there were no risks identified in the Company's compensation policies and practices that would be reasonably likely to have a material adverse effect on the Company.



Incentive Clawback Provision

CTC has implemented a clawback provision applicable to all Executives, which provides that in the event of a restatement of the Company's financial statements for any reason, the Board may in its discretion adjust or require repayment under the Short-term Incentive Plan (*STIP*) and Performance Share Unit (*PSU*) plan using the restated financial statements. This policy would apply to any STIP awards or PSU payments impacted by the restatement in circumstances where the payment has not yet been made or where the restatement occurred within three years of the payment.

Executive Share Ownership Guidelines

CTC has established share ownership guidelines (*SOGs*) that set out minimum levels of share ownership for its Executives. The SOGs are designed to align the interests of Executives with the interests of shareholders, demonstrate that Executives are financially committed to CTC through personal share ownership and promote the Company's long-standing commitment to sound corporate governance. Executives are required to meet the ownership guidelines within five years of their appointment.

Executives' Hedging Policy

Under the SOGs, Executives are prohibited from purchasing financial instruments, including prepaid variable forward contracts, equity swaps, collars, or units of exchange funds that are designed to hedge or offset a decrease in market value of equity securities granted as compensation or held, directly or indirectly, by Executives.

Executive Share Ownership Guidelines

Pursuant to CTC's SOGs, Executives are expected to accumulate equity in CTC equal to a multiple of their annual salary within five years of appointment. The Company periodically assesses the appropriateness of the level of share ownership required and balances the need for Executives to manage the diversification in their personal investment portfolios. The required multiple for each current NEO as at the end of the 2020 fiscal year is shown in the table below:

Current NEO	Multiple of Annual Salary
Greg Hicks	3X
Gregory Craig	2X
James Christie	2X
Mahes Wickramasinghe	2X
John Pershing	2X

Achievement of the SOGs is calculated as the greater of the acquisition cost and the market value of Common Shares, Class A Non-Voting Shares, units in the CTC Share Fund under the DPSP (see *CT Profit Sharing* on page 60) and Deferred Share Units (*DSUs*).

If an Executive is promoted to an executive level with a higher SOG multiple, the Executive will be required to meet the new SOG requirement within five years from the effective date of the promotion. Notwithstanding the Executive's promotion, the Executive will be required to meet his or her SOG requirement that was in effect immediately prior to the effective date of the promotion by his or her original SOG achievement date.

Each year, management reviews and reports on each Executive's level of share ownership to the Executive and the MRC Committee. All of the Company's NEOs have either met their SOG requirement or have time remaining to do so. If an Executive has not met the SOG target by the relevant date, the MRC Committee may recommend remedial action for such Executive's non-compliance until the Executive has achieved his or her SOG target.

Philosophy and Competitive Benchmarking

Executive Compensation Philosophy

CTC's executive compensation practices are designed to attract, motivate and retain an outstanding leadership team as well as to align rewards with business results and individual performance that are in the best interests of the Company. CTC's approach is to design its compensation programs with the objective of encouraging management to make decisions and take action that will create long-term sustainable growth and result in long-term shareholder value.

CTC's executive compensation philosophy is rooted in three overarching principles as outlined below:

- compensation programs are designed to reward strategic and operating performance, and must be aligned with enterprise strategy, including the maximization of enterprise value;
- compensation programs are designed to assist in attracting and retaining the leadership required to drive exceptional performance; and
- compensation programs are designed to foster a culture of innovation and adherence to CTC's Statement of Values.

Competitive Benchmarking

In order to attract and retain the leadership talent required to achieve its goals, CTC needs to ensure that its executive compensation programs are market competitive. Market practices, in addition to other factors such as business strategy, inform the MRC Committee's determination of the total pay mix, incentive design and the range of pay opportunities for our Executives. In order to assess the market competitiveness of its compensation programs, the MRC Committee uses peer groups that include the companies with which CTC competes for talent and business.

CTC's comparator groups consist of:

- a primary benchmarking group of Canadian companies in the retail and consumer staples/discretionary sectors and other broader industries (*the Canadian Benchmarking Group*); and
- a supplemental benchmarking group of U.S. retailers with which CTC may compete for talent and business (*the U.S. Benchmarking Group*). Where relevant, this group is used to supplement benchmarking information for Executives and to review incentive plan design market practices.

CTC's comparator groups include the companies listed in the table below:

	Canadian Benchmarking Group ⁽¹⁾ (Primary)	U.S. Benchmarking Group ⁽²⁾ (Supplemental)
Selection Criteria	<ul style="list-style-type: none"> • publicly traded corporations that the Company competes with for talent; • retail, consumer facing and diversified/multi-divisional companies in the consumer discretionary and staples sectors; and • companies with revenue and market capitalization generally between one third and three times the size of CTC, positioning CTC close to the median in the group of companies in relation to these two metrics. 	
Peer Companies	Air Canada Alimentation Couche-Tard Inc. BCE Inc. Bombardier Inc. Canadian National Railway Company Cenovus Energy Inc. Cineplex Inc. Dollarama Inc. Empire Company Limited Finning International Inc. Loblaw Companies Limited Lululemon Athletica Inc. Metro Inc. Rogers Communications Inc. TELUS Corporation Thomson Reuters Corporation	Advance Auto Parts Inc. Autozone Inc. Dick's Sporting Goods Inc. Dollar General Corp. Kohl's Corp Murphy USA Inc. O'Reilly Automotive Inc. The Gap Inc. Williams-Sonoma Inc.

Notes

(1) Hudson's Bay Company has been removed from the Canadian Benchmarking Group as it is no longer publicly listed.

(2) JC Penney Co. Inc. has been removed from the U.S. Benchmarking Group as it is no longer publicly listed.

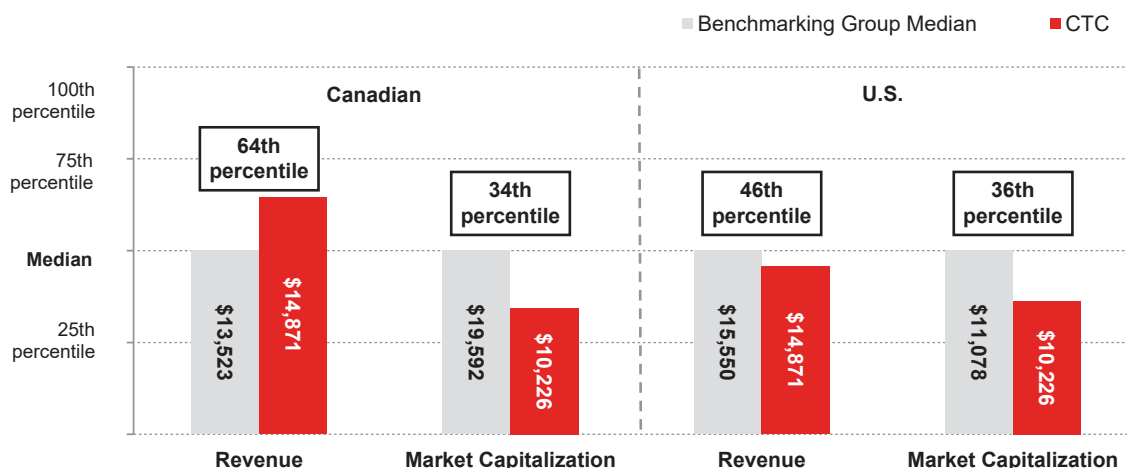


CTC does not target a specific percentile of its peer groups in setting its compensation. Market data and median position relative to our peer group are used as reference points only and are not determinative. Decisions on an Executive's compensation are also made with reference to the factors listed below:

- the overall strategic and operational importance of the role;
- the Executive's experience, knowledge, performance and potential;
- total compensation for each Executive; and
- the positioning of the Executive's salary within the salary range.

By reviewing the comparable executive compensation programs and compensation levels at these companies, CTC is well positioned to make informed decisions about compensation practices and levels for its Executives, and to attract and retain the leadership talent required to achieve its goals.

The following table summarizes the positioning of CTC's revenue and market capitalization against the Canadian Benchmarking Group and the U.S. Benchmarking Group:



Notes

- (1) Amounts are denoted in millions. Data sourced from Standard & Poor's Capital IQ using their standard reporting methodologies. Revenue pertains to the most recently reported fiscal year and market capitalization is as of December 31, 2020.
- (2) U.S. Benchmarking Group revenue and market capitalization converted from USD to CAD based on an exchange rate of 1.34.

CTC's positioning relative to our peer groups varies annually based on the timing financial results are released and compiled and may not be reflective of our positioning at the time the group of companies was selected and approved.

2020 Executive Compensation Program and Decisions

Components of CTC's 2020 Executive Compensation Program

The components of CTC's executive compensation program are described in the table below.

	Compensation Component	Objectives	Form
FIXED	Base Salary (See page 51 for details)	<ul style="list-style-type: none"> Provide fixed compensation that reflects the strategic importance of the role and the Executive's experience and performance contributions. 	Cash
	Short-term Incentive Plan (See page 51 for details)	<ul style="list-style-type: none"> Reward Executives for their contribution to the achievement of annual operating and financial performance aligned with CTC's strategy. CTC maintains a Deferred Share Unit Plan for its Executives (<i>the Executives' DSU Plan</i>) pursuant to which Executives may elect to receive all or part of their STIP awards in DSUs. 	Cash DSUs
VARIABLE	Long-term Incentive Plan⁽¹⁾ (<i>LTIP</i>) (See page 56 for details)	<ul style="list-style-type: none"> Align the interests of Executives with the achievement of CTC's strategy and long-term business objectives and the interests of shareholders. 	PSUs and Stock Options with a Tandem Share Appreciation Rights (<i>TSAR</i>) feature
	Retirement & Savings Plans (See page 59 for details)	<ul style="list-style-type: none"> Assist Executives and other employees in achieving long-term retirement savings in the absence of a pension plan. 	CT Profit Sharing and CT Savings Plan
OTHER PROGRAMS	Benefits (See page 60 for details)	<ul style="list-style-type: none"> Provide support for coverage of health and dental expenses and other ancillary benefits to support employees and their families. 	Health and dental coverage; group life and accidental death and dismemberment insurance; short-term disability coverage; and employee-paid long-term disability insurance
	Perquisites⁽²⁾ (See page 60 for details)	<ul style="list-style-type: none"> Provide market competitive perquisites to Executives. Reinforce Company affiliation. Reinforce individual accountability for personal financial planning as CTC does not offer a pension plan. 	Car allowance; membership in roadside assistance program; Company-paid parking; annual medical services; employee store discount; and annual financial planning allowance

Notes

- (1) The Company's LTIP is comprised of PSUs and stock options which are granted annually to all Executives. Mr. Wetmore received 50% of his 2020 LTIP grant in DSUs in lieu of stock options and 50% in PSUs.
- (2) In lieu of the annual car allowance, Mr. Hicks receives a car service paid for by the Company to be used for business-related purposes. Mr. Wetmore was also provided a car service and was also entitled to the use of a charter plane service for personal use. This was a taxable benefit that the Company did not gross up or provide reimbursement for the income tax incurred by Mr. Wetmore.



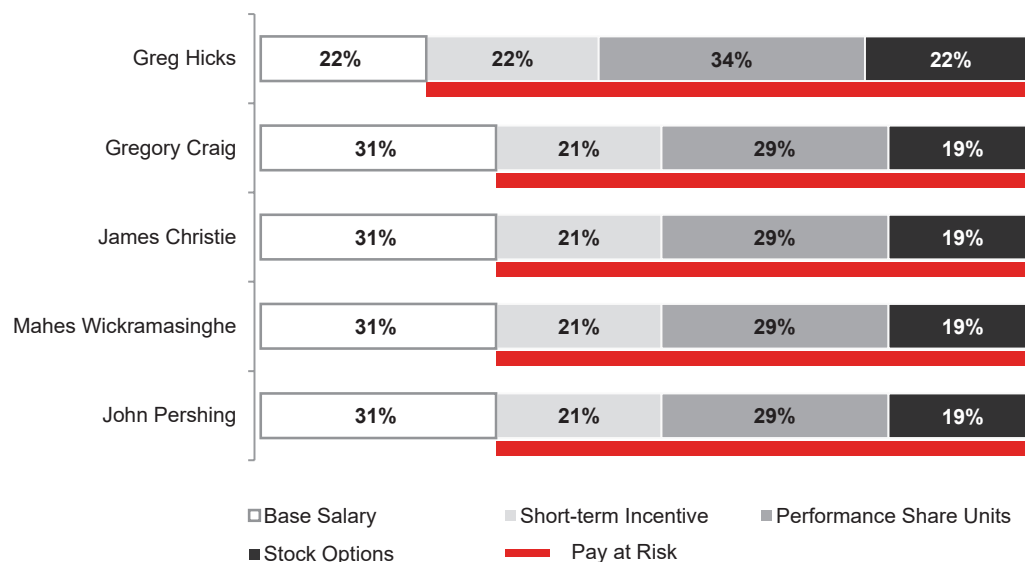
Fixed versus Variable Compensation

Total compensation is comprised of both fixed and variable elements as well as other programs. The fixed component consists of base salary, while the variable elements of total compensation consist of STIP and LTIP (which is comprised of PSUs and stock options). Other programs include a profit sharing program (*CT Profit Sharing*), a savings plan (*CT Savings Plan*), benefits and perquisites. CTC does not have a pension plan for its employees, including the NEOs.

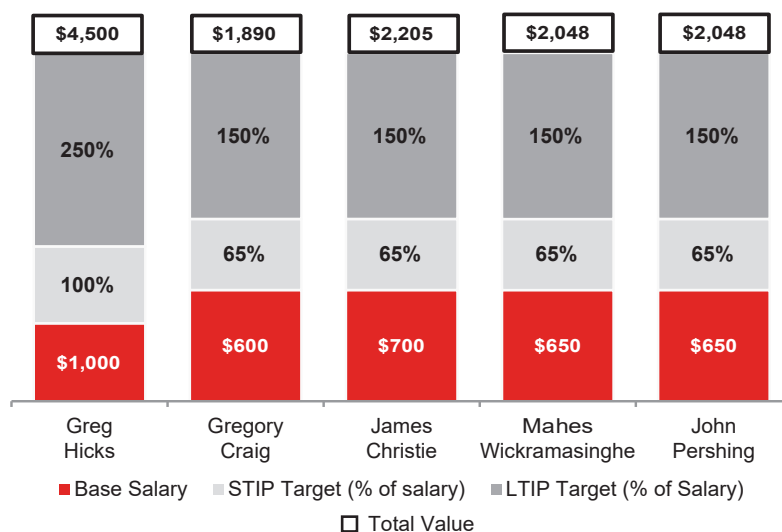
A significant portion (i.e., between 69% and 78%) of the total compensation paid to the current NEOs at target is tied to STIP and LTIP and, accordingly, is contingent upon financial performance and, in the case of LTIP, share price appreciation. This percentage of performance-contingent compensation is generally consistent with that used by CTC's Canadian Benchmarking Group (which is described starting on page 47).

Pay mix varies by level and in general, the more senior the position the Executive holds, the greater the portion of compensation is long-term and at risk. This reflects both market practice and the impact of more senior roles on overall Company performance.

The target pay mix of the primary compensation components of each current NEO's total direct compensation based on their position held in the 2020 fiscal year is shown below:



The overall design framework of CTC's total direct compensation program and value is summarized below, based on each current NEO's position held during the 2020 fiscal year.



Base Salary

The base salary paid to CTC's Executives provides fixed compensation which takes into consideration the market value of the role. CTC does not make annual adjustments to Executive base salaries to reflect merit or inflation. Executive base salaries are reviewed annually and adjustments may be made based on the Executive's skills and experience, the strategic value of the role and other relevant factors.

Where salary adjustments are proposed, the MRC Committee reviews and approves such adjustments for NEOs and recommends adjustments to the salary of the President and CEO to the Board for its approval. The MRC Committee reports to the Board on all salary adjustments for the other NEOs.

In connection with the Executive annual base salary review process in early 2020, Mr. Christie received a base salary increase from \$650,000 to \$700,000. As a result of his appointment to President and CEO, Mr. Hicks' base salary increased from \$575,000 to \$1,000,000. In addition, Mr. Craig's base salary increased from \$450,000 to \$600,000 as a result of his appointment to Executive Vice-President and CFO. There were no other base salary increases for NEOs during 2020.

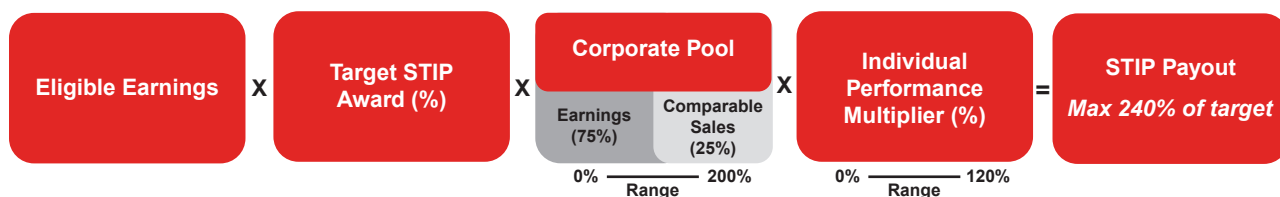
Short-term Incentive Plan

The STIP is designed to motivate and reward Executives and other members of senior management for the achievement of annual operating and financial performance aligned with CTC's strategy. Each year, the MRC Committee recommends the STIP design, including any related performance measures and targets to the Board for approval. The MRC Committee's review of the STIP design includes a thorough assessment of the appropriateness, relevance and competitiveness of the plan, as well as the ability for the recommended plan design to drive the right behaviours and deliver the objectives of the program. Where design changes are considered, they are stress-tested under different performance scenarios to ensure the appropriateness of potential payouts.

While CTC considers the short-term incentive plan designs of its comparator companies in the design of its STIP, the establishment of the corporate and financial metrics within the plan are based primarily on the unique business model under which the Company operates as the financial and operational metrics commonly used by other companies may not be appropriate for CTC's incentive plans given the diverse nature of the businesses across the CTC enterprise.



2020 STIP Design



2020 STIP Awards

The table below provides details on the calculation of each current NEO's actual 2020 STIP award, as outlined above, as a percentage of salary and as a percentage of target.

2020 STIP Award Paid in 2021						
Current NEO	Components of STIP			2020 STIP Award		
	Target Award as a % of Salary	Corporate Pool Funding	Individual Performance Multiplier	Amount ⁽¹⁾ (\$)	As a % of Salary	As a % of Target
Greg Hicks ⁽²⁾	94%	107.9%	100%	\$949,224	101.5%	107.9%
Gregory Craig ⁽³⁾	64%		100%	\$409,636	69.3%	107.9%
James Christie	65%		100%	\$508,209	70.1%	107.9%
Mahes Wickramasinghe	65%		100%	\$473,411	70.1%	107.9%
John Pershing	65%		100%	\$473,411	70.1%	107.9%

Notes

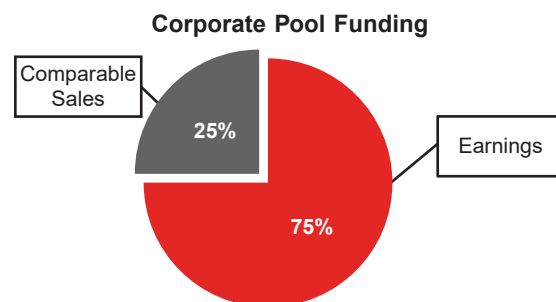
- (1) The 2020 STIP award amount was calculated based on eligible earnings from salary paid during the fiscal year.
- (2) Upon his appointment to President and CEO, Mr. Hicks' STIP target was increased from 60% to 100% and, as a result, the target for his 2020 STIP award was prorated based on the time he spent in each of his roles in 2020.
- (3) Upon his appointment to Executive Vice-President and CFO, Mr. Craig's STIP target was increased from 60% to 65% and, as a result, the target for his 2020 STIP award was prorated based on the time he spent in each of his roles in 2020.

Target STIP Awards

STIP targets, expressed as a percentage of base salary, are determined for each Executive based on competitive market practice and the strategic importance of the Executive's role. The STIP target is the award that is earned for achieving target levels of performance. The maximum award that can be received is 240% of the STIP target which can only be achieved if corporate performance and individual performance are at maximum levels.

Corporate Pool Funding

CTC's total STIP pool is based on the Company's earnings (weighted 75% of the overall pool) and comparable sales (weighted 25% of the overall pool). CTC's target STIP earnings (*Target STIP Earnings*) and target STIP comparable sales (*Target STIP Comparable Sales*) are established based on the Company's annual business plan, which is approved by the Board. In addition, in accordance with the underlying principles of the STIP program, Target STIP Earnings is adjusted for items such as gains/losses on the disposition of property and equipment and for unplanned strategic initiatives such as acquisitions.





After the fiscal year is completed, management reviews the Company's financial results and, where appropriate, presents to the MRC Committee matters affecting earnings and comparable sales that were not part of the business plan and that may require adjustment. Subject to any adjustments approved by the MRC Committee, actual earnings (*Actual STIP Earnings*) and actual comparable sales results (*Actual STIP Comparable Sales*) are compared to the Target STIP Earnings and Target STIP Comparable Sales, respectively, and the Corporate Pool Funding (defined below) is calculated as set out below. No payout will occur if Actual STIP Earnings is below threshold performance.

At the end of the year, the pool available for the allocation of individual STIP awards (*STIP Pool*) is determined by multiplying the sum of the target STIP awards for all eligible Executives by a percentage (*Corporate Pool Funding*). This funding percentage is based on the degree of achievement of Target STIP Earnings and Target STIP Comparable Sales.

Throughout 2020, monitoring the potential business impact of COVID-19 was a top priority. In spite of COVID-19 impacts to the business, CTC achieved outstanding operational and financial results in 2020 and the 2020 STIP was scored against the Target STIP Earnings and the Target STIP Comparable Sales established at the beginning of 2020, prior to the onset of COVID-19. The 2020 STIP exceeded the threshold level of performance for earnings and achieved the maximum level of performance for comparable sales and, accordingly, no discretion was applied in determining the Corporate Pool Funding Percentage. Actual STIP Comparable Sales were calculated for purposes of the 2020 STIP design in accordance with the Company's standard methodology, on a 52 week basis and inclusive of stores that were temporarily closed during the year due to COVID-19 related government guidelines and restrictions. The Company delivered Actual STIP Earnings of \$790.3 million, representing 97.2% of Target STIP Earnings, and Actual STIP Comparable Sales of 9.5%, representing 287.3% of Target STIP Comparable Sales. For further information regarding the Company's 2020 performance refer to the 2020 MD&A.

The following table summarizes the calculation of the Corporate Pool Funding for 2020:

Payout	Threshold (35%)	Target (100%)	Maximum (200%)	Payout % ⁽³⁾	Weight	2020 Corporate Pool Funding ⁽⁴⁾
Performance ⁽²⁾						
STIP Earnings ⁽¹⁾ (as % of target)	\$748.0 (92%)	\$813.1 (100%)  \$790.3	\$878.1 (108%)	77.2%	75%	107.9%
STIP Comparable Sales ⁽¹⁾ (as % of target)	2.31% (70%)	3.30% (100%)	4.29% (130%)  9.5%	200.0%	25%	

Notes

- (1) Target STIP Earnings and Actual STIP Earnings are net earnings after income taxes as calculated for STIP purposes. Target STIP Comparable Sales and Actual STIP Comparable Sales were calculated for purposes of the 2020 STIP design in accordance with the Company's standard methodology, on a 52 week basis and inclusive of stores that were temporarily closed during the year due to COVID-19 related guidelines and restrictions. For further disclosure concerning how we calculate Comparable Sales please refer to the 2020 MD&A. Amounts are denoted in millions.
- (2) ▲ reflects actual results.
- (3) The payout percentage for STIP Earnings was calculated using a linear algebraic formula based on Actual STIP Earnings as a percentage of Target STIP Earnings (97.2%) relative to threshold payout of 35% and target payout of 100%. The payout percentage for STIP Comparable Sales was the maximum payout of 200% as Actual STIP Comparable Sales as a percentage of Target STIP Comparable Sales (287.3%) was above maximum performance.
- (4) The Corporate Pool Funding of 107.9% was established based on the weighting and payout percentage of each measure.



Individual Performance Multiplier

The evaluation of individual performance is based on the achievement of established individual objectives that are aligned to key areas of strategic focus and are critical to the achievement of CTC's business strategy. Actual performance is assessed based on the achievement of these objectives and, based on these assessments, each Executive is assigned an individual performance multiplier of between 0% and 120%.

While certain measures within individual objectives are quantifiable and a range of outcomes are considered at the beginning of the year, the MRC Committee and the President and CEO do not use a formulaic approach to evaluate individual objectives and performance measures. The MRC Committee and the President and CEO apply their informed judgment as to the relative importance of these objectives and measures for the NEOs at their year-end evaluation in order to complete each individual's assessment. Where qualitative measures are used, specific performance expectations are set out to allow for a rigorous assessment.

In addition, the MRC Committee and the President and CEO place significant emphasis on the results of the Company as a whole. As a result, each Executive's contribution to enterprise success will also be a factor in that Executive's final STIP award. The sum of individual awards cannot exceed the STIP Pool. However, as part of the STIP design, the Board has also approved the funding of an additional discretionary pool for the President and CEO to use at his discretion to differentiate Executives' STIP awards during the STIP process, equal to 6% of the sum of the Executives' target STIP awards.

The table below provides details on each current NEO's 2020 individual objectives and individual performance multiplier assigned in respect of the achievement of such objectives.

Current NEO	Individual Performance Objectives	Individual Performance Multiplier
Greg Hicks President and CEO	<ul style="list-style-type: none"> • Guide the execution of the 2020 business plan to achieve financial results and strategic initiatives • Continue to develop CTC's marketplace as Canada's retail destination • Leadership of Customer Experience and Owned Brands strategy • Lead the Operational Efficiency program • Lead and enable execution of strategic plans to expand international business capabilities and to create platforms for future growth • Lead response to COVID-19 to ensure business continuity and the health & safety of customers and employees • Lead talent and culture strategy across all levels of the organization 	100%
Gregory Craig Executive Vice-President and CFO	<ul style="list-style-type: none"> • Drive CTC's financial performance and support the achievement of the Company's strategic goals and objectives • Continue to identify and deliver initiatives that increase CTC's financial flexibility and grow shareholder value • Continue to control capital allocation to improve return on invested capital and balance sheet metrics • Leadership and oversight of Finance operational efficiency implementation and improvement of business intelligence support • Support acquisition and new business analysis • Lead finance talent initiatives 	100%
James Christie Executive Vice-President, CTC, Strategic Advisor and General Counsel	<ul style="list-style-type: none"> • Drive CTC's financial performance and support the achievement of the Company's strategic goals and objectives • Provide strong corporate support to Dealers and stores to enhance overall network performance • Provide oversight and leadership to the CTC Legal team as General Counsel • Serve as advisor to CTC's executive team in advancing strategic initiatives • Oversee governance and strategic direction of CTB as Chairman of its board of directors • Lead Dealer Relations and Legal talent initiatives 	100%
Mahes Wickramasinghe Executive Vice-President, CTC, President, CTFS, and President and Chief Executive Officer, CTB	<ul style="list-style-type: none"> • Drive CTC's financial performance and support the achievement of the Company's strategic goals and objectives • Lead strategic initiatives and deliver on the business plan for CTFS • Deliver on business plan objectives for Helly Hansen and CTC's international business • Lead talent initiatives for CTFS, Helly Hansen and CTC's international business 	100%
John Pershing Executive Vice-President and CHRO	<ul style="list-style-type: none"> • Drive CTC's financial performance and support the achievement of the Company's strategic goals and objectives • Lead the development and execution of talent and culture strategy across all levels of the organization • Oversee COVID-19 employee health and safety strategies and initiatives for all employee segments • Lead Diversity, Inclusion and Belonging vision, strategy and execution • Oversee transformation and talent initiatives in human capital across the organization 	100%



In determining the individual multiplier for each NEO, the MRC Committee considered:

- each NEO's contribution to the Company's 2020 results in light of the impacts of COVID-19;
- the individual performance of each NEO against their annual business and strategic objectives; and
- how each NEO fostered collaboration among business units and contributed to the overall success of CTC.

The MRC Committee was pleased with each NEO's performance in 2020 but determined it was appropriate to limit individual performance multipliers to 100% for the year, given the broader market impacts related to COVID-19.

On an annual basis, CTC will continue to adhere to an extensive and rigorous process to assess the performance of all Executives, including the NEOs.

Long-term Incentive Plan

The primary objective of CTC's LTIP is to align the interests of Executives and other members of senior management with the achievement of CTC's long-term business objectives and the interests of shareholders.

Management makes a recommendation annually to the MRC Committee on the LTIP design. This recommendation includes the target LTIP award for each Executive level (expressed as a percentage of salary), the award composition (for example, stock options and/or PSUs, and the proportion of each), and any associated performance conditions (for example, performance levels that must be achieved in order for the LTIP award to result in a payment). The LTIP design proposal is considered by the MRC Committee. The MRC Committee then determines the proposal to be made to the Board and recommends that proposal to the Board for its approval.

Management and the MRC Committee consider many factors when developing the annual LTIP design, including:

- current compensation trends;
- current and new LTIP vehicles and designs;
- aspects of the plan design or features that could incent or mitigate risk;
- tax and accounting requirements;
- program costs at payout;
- expected value to be delivered to participants;
- shareholder dilution; and
- participant views and contractual commitments.

Similar to STIP, CTC's process for determining the performance metrics within the LTIP design, specifically within the PSU plan, considers the appropriateness and relevance of the metrics, so that ultimately the recommended plan design will drive the right behaviours and deliver on the objectives of the program, aligned with CTC's long-term strategy.

In establishing and evaluating the recommended metrics for the annual PSU plan design, and with the intent of aligning the LTIP design with the results of the Company, CTC considers the alignment of the metrics with CTC's strategy and long-term shareholder value creation, good compensation governance practices, risk mitigation and prevalent market practices.

The 2020 LTIP design for Executives was comprised of 60% PSUs and 40% stock options. In accordance with his employment agreement, Mr. Wetmore's 2020 LTIP grant was comprised of 50% PSUs and 50% Discretionary DSUs (described in more detail on page 59).

2020 LTIP Grants

Management recommends the annual Executive LTIP grants to the MRC Committee for approval. Previous Executive LTIP grants are not taken into consideration in determining current year grants. The 2020 LTIP grants were approved by the MRC Committee on March 11, 2020, and in light of the Company's pending announcement of the appointment of Mr. Hicks as President and CEO the next day, were set with an effective date of March 24, 2020 to satisfy legal requirements.



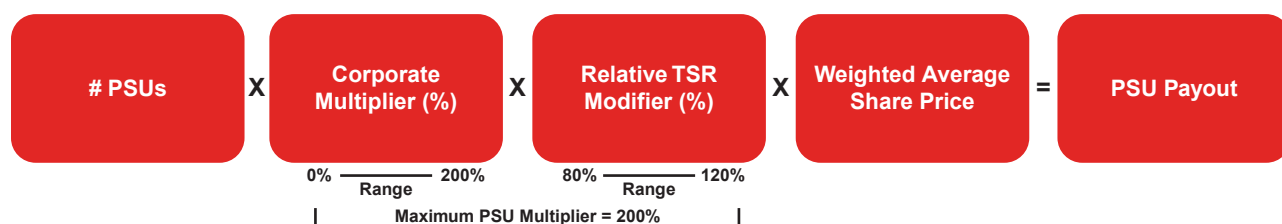
The annual 2020 LTIP grants awarded to the current NEOs are shown in the table below.

2020 LTIP Grants							
Current NEO	Salary ⁽¹⁾	Target Award as a % of Salary	2020 Long-term Incentive Award	Form of Award Allocation			
				PSUs		Stock Options	
				\$	Units ⁽²⁾	\$	Units ⁽³⁾
Greg Hicks	\$1,000,000	250%	\$2,500,000	\$1,499,956	18,636	\$999,999	101,839
Gregory Craig	\$600,000	150%	\$900,000	\$539,987	6,709	\$359,999	36,662
James Christie	\$700,000	150%	\$1,050,000	\$629,972	7,827	\$419,996	42,772
Mahes Wickramasinghe	\$650,000	150%	\$975,000	\$584,980	7,268	\$389,998	39,717
John Pershing	\$650,000	150%	\$975,000	\$584,980	7,268	\$389,998	39,717

Notes

- (1) LTIP grants were calculated using the base salary at time of allocation.
- (2) The number of PSUs were determined based on the weighted average share price of a Class A Non-Voting Share for the ten-calendar days ending on the business day immediately preceding the date on which the grants were made of \$80.487.
- (3) The number of stock options were determined based on the weighted average share price of a Class A Non-Voting Share for the ten-calendar days ending on the business day immediately preceding the date on which the grants were made of \$80.487 and a Black-Scholes factor of 12.2%.

2020 Performance Share Units



The 2020 PSUs are intended to reward Executives for achieving consolidated earnings, comparable sales and relative total shareholder return (*TSR*) results over a three-year performance period. They vest following the end of the performance period. Each PSU entitles the participant to receive a cash payment equal to the weighted average share price of the Class A Non-Voting Shares during the ten-calendar day period following the release of the Company's annual financial statements with respect to the fiscal year in which the performance period ends, multiplied by the PSU multiplier (*PSU Multiplier*), which comprises the Corporate Multiplier and Relative TSR Modifier, each as defined below.

Corporate Multiplier

The 2020 PSUs are subject to a corporate multiplier (*Corporate Multiplier*) which is determined at the end of the three-year performance period based on the three-year average of the Corporate Pool Funding (described on page 52) and calculated on a linear basis by reference to the following table:

	Below Threshold	Threshold	Target	Maximum
Three-year average Corporate Pool Funding (2020-2022)	<50%	50%	100%	>=175%
Corporate Multiplier	0.0	0.35	1.0	2.0



Relative TSR Modifier

The PSU payout can be adjusted by up to 20% based on CTC's TSR relative to a select retail peer group over the three-year performance period (*Relative TSR Modifier*) and is calculated on a linear basis by reference to the following table. The combined maximum of the Corporate Multiplier and the Relative TSR Modifier is 200%.

	Threshold	Target	Maximum
Relative TSR Positioning	<=25th Percentile	50th Percentile	>=75th Percentile
Relative TSR Modifier	80%	100%	120%

The relative TSR peer group consists of six Canadian retail companies with operations primarily based in Canada as listed below.

Relative TSR Peer Group ⁽¹⁾	
Dollarama Inc.	Leon's Furniture Limited
Empire Company Limited	Loblaw Companies Limited
Indigo Books & Music Inc.	Metro Inc.

Note

⁽¹⁾ At the beginning of 2020 the peer group also included Hudson's Bay Company and Reitmans (Canada) Limited, which were subsequently removed as they were delisted from the Toronto Stock Exchange.

Stock Options

Stock options are awarded to increase the alignment between compensation of Executives and other senior management and the long-term performance of CTC's shares.

Each option grant provides the optionee with the right to subscribe for one Class A Non-Voting Share at the weighted average price at which Class A Non-Voting Shares trade on the TSX during the ten-calendar day period ending on the date immediately preceding the date that the option was granted (*the strike price*). All of the Company's currently outstanding stock options, including the 2020 options, incorporate a TSAR feature whereby an optionee can elect to surrender his or her options, instead of exercising them, in exchange for a cash payment equal to the difference between the market price on the date of surrender and the strike price. For more information on the Company's Stock Option Plan, see Appendix B on page B1.

2017 PSU Payout (vested in 2020)

The PSU awards that were granted to NEOs in 2017 vested and were paid out in 2020 at 113% of the grant date value due to the difference in the Company's share price between 2017 and 2020 and the overall PSU Multiplier of 1.18 that was applied to these awards. The PSU Multiplier was based on the Corporate Multiplier and Relative TSR Modifier for performance from 2017 to 2019. As a result of the Company's performance during this time, the three-year average Corporate STIP payout percentage was 116.5%, which resulted in a Corporate Multiplier of 1.22, and the Relative TSR Modifier was 0.97. For more information regarding the 2017 PSU Plan design, see page 58 of the Company's Management Information Circular dated March 8, 2018 which is available on SEDAR at www.sedar.com.

The 2017 PSU payouts, including as a percentage of their grant value, are shown in the table below.

Current NEO	2017 PSU Payout					
	Number of PSUs Granted in 2017	PSU Multiplier	Weighted Average Share Price (\$) ⁽¹⁾	2017 Payout (\$) ⁽²⁾	2017 Grant Value (\$) ⁽³⁾	2017 Payout as Percentage of Grant Value (%)
Greg Hicks	1,943	1.18	\$149.720	\$343,269	\$303,677	113%
Gregory Craig	1,727	1.18	\$149.720	\$305,108	\$269,918	113%
James Christie	2,814	1.18	\$149.720	\$497,148	\$439,809	113%
Mahes Wickramasinghe	2,447	1.18	\$149.720	\$432,311	\$382,449	113%
John Pershing ⁽⁴⁾	—	—	—	—	—	—

Notes

- (1) This column reflects the weighted average share price of a Class A Non-Voting Share during the ten-calendar day period commencing on the first trading day following the release of the 2020 financial results.
- (2) This column reflects the value of the 2017 PSUs at the time of payout in 2020, based on the number of PSUs granted, multiplied by (a) the weighted average share price of \$149.72 and (b) the PSU Multiplier of 1.18.
- (3) This column reflects the value of the PSUs on the grant date, based on the number of PSUs granted, multiplied by the weighted average share price of a Class A Non-Voting Share during the ten-calendar day period ending on the day immediately preceding the grant date.
- (4) Mr. Pershing did not hold 2017 PSUs at time of payout.

2020 Retention Bonus

In 2020, in connection with assuming the role of President, CTFS, and President and CEO, CTB, Mr. Wickramasinghe was granted a cash retention bonus of \$1,300,000, payable in 2021. The MRC Committee also approved a cash retention bonus of \$500,000 for Mr. Christie, payable in two equal instalments in 2021 and 2022.

Deferred Share Units

CTC maintains the Executive's DSU Plan pursuant to which Executives, including the President and CEO, may elect to receive all or part of their STIP awards in DSUs. Additional DSUs are credited to an Executive with respect to his or her STIP DSUs when the Company pays a dividend or other cash distribution on its Class A Non-Voting Shares. All STIP DSUs and DSU dividend equivalents are vested at the time of grant.

The Executive's DSU Plan also authorizes the MRC Committee or the Board to make a discretionary grant of DSUs to any Executive separate from, and in addition to, any DSUs credited with respect to STIP awards (*Discretionary DSUs*). The terms and conditions governing a grant of Discretionary DSUs, including with respect to vesting, are set out in an award notice. Unless otherwise determined by the MRC Committee or the Board, an Executive is entitled to receive DSU dividend equivalents on his or her Discretionary DSUs, which are also subject to the same vesting schedule as the Discretionary DSUs.

STIP DSUs and Discretionary DSUs are settled in cash following the Executive's termination of service with the Company based on the fair market value of DSUs on the settlement date.

Restricted Share Units

CTC may award Restricted Share Units (*RSUs*) to attract and retain Executives. The recipient is entitled to a payment equal to the number of RSUs awarded multiplied by the fair market value of Class A Non-Voting Shares, as set out in the applicable RSU agreement. Unless otherwise specified in the award agreement, RSUs generally vest on the third anniversary of their grant.

Retirement and Savings Plans

The majority of Executives participate in the CT Profit Sharing program and the CT Savings Plan, which are available to eligible full-time employees. The CT Savings Plan and the CT Profit Sharing program serve to assist employees in achieving long-term retirement savings in the absence of a pension plan.



CT Profit Sharing

Under the CT Profit Sharing program, the Company makes an annual payment of at least one percent of its previous year's net profits after income tax and designates the award to be allocated to each employee participating in the program. A portion of the award (*Base Award*) must be contributed by participants into the Company's Deferred Profit Sharing Plan (*the DPSP*), subject to limits under the *Income Tax Act* (Canada). Each participating employee is required to invest and maintain 10% of the Base Award in a Company share fund under the DPSP (*the CTC Share Fund*), which includes Common Shares and Class A Non-Voting Shares.

The DPSP was established under a trust deed dated January 1, 1968, as amended from time to time thereafter. Sun Life Financial Trust Inc. (*Sun Life Financial*) is the trustee of the DPSP but is subject to the direction of the DPSP Capital Accumulation Plan Committee (*the DPSP CAP Committee*) in relation to the manner in which the DPSP is administered. This direction includes a right of the DPSP CAP Committee to direct the trustee as to the manner in which the Common Shares and Class A Non-Voting Shares comprising the CTC Share Fund are voted at any meeting of the shareholders of the Company. Sun Life is the beneficial owner of, and the DPSP CAP Committee has control and direction over, 419,280 Common Shares, representing approximately 12.2% of the issued and outstanding Common Shares, and 542,166 Class A Non-Voting Shares, representing approximately 1% of the issued and outstanding Class A Non-Voting Shares, which form part of the CTC Share Fund.

For more information regarding the CT Profit Sharing program and the DPSP, see "Required SEDAR Disclosure by CTC's DPSP CAP Committee Members in relation to Exemptive Relief from the Insider Reporting Obligations" (*the Prescribed DPSP Disclosure*) filed by the Company under its profile on SEDAR at www.sedar.com. The Prescribed DPSP Disclosure, which was initially filed on SEDAR on May 6, 2014 and last updated on March 18, 2021, is incorporated by reference in this Circular. A copy of the Prescribed DPSP Disclosure is also available upon request, without charge, by contacting the Corporate Secretary of the Company as set out on page 70.

CT Savings Plan

The CT Savings Plan provides for voluntary savings by CTC employees and those of participating subsidiaries of CTC. In most cases, contributions made to the plan by participating employees are matched by equal Company payments, to a maximum of 5% of the eligible earnings of each participating employee. Employee contributions and Company match payments are invested in one or more investment alternatives selected by employees. These include a number of equity, bond and money market funds and guaranteed investment certificates. Employees can also invest their contributions in Class A Non-Voting Shares to allow them to participate in the future growth, development and success of CTC's enterprises.

Benefits

Executives are also entitled to receive health benefits available to other employees, generally on the same basis, which are designed to promote general wellness and preventative care. These benefits include health and dental coverage, group life and accidental death and dismemberment insurance, short-term disability coverage and employee-paid long-term disability insurance.

Perquisites

CTC takes a conservative approach to perquisites and determines such programs by reviewing competitive market practices. Executives are provided with perquisites including, but not limited to, an annual car allowance and membership in the Canadian Tire Roadside Assistance program, Company-paid parking, annual medical services, employee store discount program, as well as an annual financial planning allowance that is intended to reinforce individual accountability for personal financial planning as CTC does not offer a pension plan.

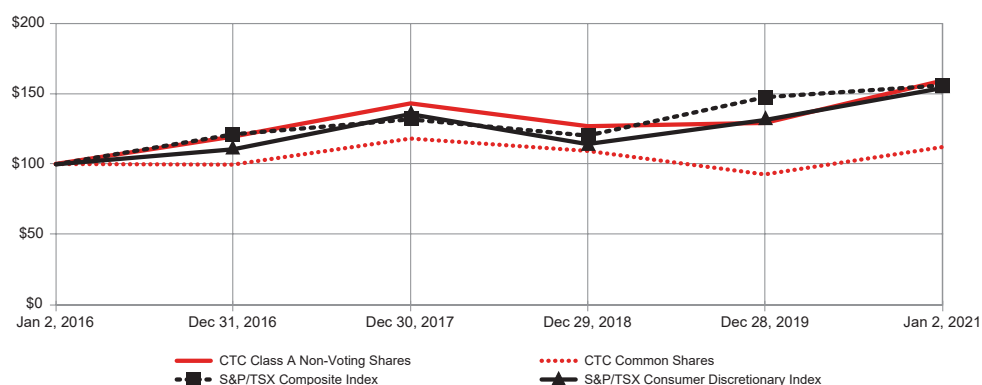
How Our Shares Have Performed and Relationship with Executive Compensation

The following chart compares the cumulative TSR on CTC's Class A Non-Voting Shares and Common Shares to the S&P TSX Composite Index and the S&P TSX Consumer Discretionary Index assuming \$100 was invested on January 2, 2016 and dividends were reinvested.

For the purpose of this section, "NEO Compensation" is defined as aggregate annual compensation (i.e., the sum of base salary, annual incentive payouts and grant date fair value of share-based and option-based awards, but excluding "All other compensation" as set out in the *Summary Compensation Table* on page 62). The executive compensation values have been calculated for the NEOs based on the same methodology as disclosed in the *Summary Compensation Table*. In years where the Company has disclosed more than five NEOs, the CEO and CFO serving at the end of the fiscal year and the three other highest paid NEOs for the fiscal year have been included in this calculation. This is a methodology adopted by CTC solely for the purposes of this comparison. It is not a recognized or prescribed methodology for this purpose and may not be comparable to any other methodologies used by other issuers for this purpose.

Over this five-year fiscal period, CTC's NEO Compensation has generally reflected the trend in cumulative TSR of the Company's Class A Non-Voting Shares. All securities based compensation is tied to the value of the Class A Non-Voting Shares. The cumulative TSR of CTC's Common Shares is included for information purposes to comply with the disclosure requirements under applicable securities laws. In 2016, the Company's cumulative TSR was 20%, while NEO Compensation increased by 46% (the increase in NEO compensation in 2016 was as a result of the CEO transition and individual bonus awards being greater due to exceptional business results which merited higher STIP awards). In 2017, the Company's cumulative TSR was 20%, while NEO Compensation increased by 5%. In 2018, the Company's cumulative TSR was -11%, while NEO Compensation increased by 33%. In 2019, the Company's cumulative TSR was 2%, while NEO Compensation increased by 3%. In 2020, the Company's cumulative TSR was 23%, while NEO Compensation for the current NEOs decreased by 36% (the decrease in NEO compensation is a result of the CEO transition).

**Cumulative Total Shareholder Return
January 2, 2016 through January 2, 2021**



Five-year Total Shareholder Return on \$100 investment:

Fiscal Year	Fiscal Year End Date ⁽¹⁾	Canadian Tire Corporation, Limited		S&P/TSX Composite Index	S&P/TSX Consumer Discretionary Index
		Class A Non-Voting Shares	Common Shares		
2015	January 2, 2016	\$100.00	\$100.00	\$100.00	\$100.00
2016	December 31, 2016	\$119.86	\$99.58	\$121.08	\$110.69
2017	December 30, 2017	\$143.45	\$118.22	\$132.09	\$135.89
2018	December 29, 2018	\$127.13	\$109.57	\$120.36	\$114.13
2019	December 28, 2019	\$129.56	\$92.73	\$147.89	\$131.59
2020	January 2, 2021	\$159.38	\$112.48	\$156.17	\$154.03

Note

(1) CTC's fiscal year-end is the Saturday closest to December 31 in any given year.



2020 Compensation

Summary Compensation Table

The table below shows the compensation paid to the NEOs with respect to CTC's most recently completed financial year, which ended on January 2, 2021, as well as financial years 2018 and 2019.

Name and Principal Position (a)	Year (b)	Salary ⁽¹⁾ (\$) (c)	Share based awards (\$) ⁽²⁾ (d)	Option based awards (\$) ⁽³⁾ (e)	Non-equity annual incentive plans (\$) ⁽⁴⁾ (f)	All other compensation (\$) ⁽⁵⁾ (g)	Total compensation (\$) (h)
Greg Hicks President and CEO	2020	\$932,596	\$1,499,956	\$999,999	\$949,224	\$105,172	\$4,486,947
	2019	\$574,904	\$776,159	\$517,479	\$618,205	\$83,821	\$2,570,568
	2018	\$537,596	\$356,136	\$237,475	\$183,192	\$78,111	\$1,392,510
Gregory Craig Executive Vice-President and CFO	2020	\$585,577	\$539,987	\$359,999	\$409,636	\$170,577	\$2,065,776
	2019	\$465,192	\$337,486	\$224,982	\$442,223	\$114,211	\$1,584,094
	2018	\$400,000	\$299,997	\$199,985	\$150,744	\$64,187	\$1,114,913
James Christie Executive Vice-President, CTC, Strategic Advisor and General Counsel	2020	\$713,077	\$629,972	\$419,996	\$508,209	\$101,673	\$2,372,927
	2019	\$649,750	\$884,853	\$589,963	\$755,263	\$92,743	\$2,972,572
	2018	\$585,000	\$526,323	\$350,997	\$217,123	\$93,587	\$1,773,030
Mahes Wickramasinghe Executive Vice-President, CTC, President, CTFS, and President and Chief Executive Officer, CTB	2020	\$662,500	\$584,980	\$389,998	\$473,411	\$99,145	\$2,210,034
	2019	\$649,750	\$884,853	\$589,963	\$629,386	\$92,743	\$2,846,695
	2018	\$585,000	\$526,323	\$350,997	\$217,123	\$89,105	\$1,768,548
John Pershing⁽⁶⁾ Executive Vice-President and CHRO	2020	\$662,500	\$584,980	\$389,998	\$473,411	\$47,220	\$2,158,109
	2019	\$322,500	\$584,920	\$389,991	\$318,218	\$535,968	\$2,151,597
	2018	—	—	—	—	—	—
Stephen Wetmore⁽⁷⁾ Former President and CEO	2020	\$1,523,077	\$4,499,867	—	\$2,100,938	\$279,010	\$8,402,892
	2019	\$1,500,000	\$4,499,905	—	\$3,366,000	\$322,123	\$9,688,028
	2018	\$1,500,000	\$8,999,545	—	\$1,063,762	\$361,181	\$11,924,488
Dean McCann⁽⁸⁾ Former Executive Vice-President and CFO	2020	\$609,231	\$539,987	\$359,999	\$436,995	\$193,879	\$2,140,091
	2019	\$599,942	\$539,862	\$359,989	\$582,823	\$180,584	\$2,263,200
	2018	\$585,000	\$526,323	\$350,997	\$217,123	\$184,656	\$1,864,099

Notes

- (1) Salary is reflective of all salary earned during the 2020 financial year which consisted of 53 weeks.
- (2) The value in column (d) includes PSUs for all NEOs and Discretionary DSUs granted to Mr. Wetmore. The grant date fair value of PSUs and Discretionary DSUs is based on the number of units granted, multiplied by the weighted average share price of a Class A Non-Voting Share for the ten-calendar days ending on the business day immediately preceding the date on which the grants were made.
- (3) The value in column (e) is based on the weighted average share price of a Class A Non-Voting Share for the ten-calendar days ending on the business day immediately preceding the date on which the grants were made, multiplied by a Black-Scholes factor of 12.2%, which is then multiplied by the number of options granted. The Black-Scholes value ratio was determined using the following assumptions: estimated volatility of 18.7% (based on the daily historical share price for the three-year period ending on December 31, 2019); estimated dividend yield of 2.9%; interest rate of 1.68%; and an expected life of five years of the seven-year option term. For accounting purposes, the fair value of option-based awards at the time of grant is not calculated due to the TSAR feature. CTC has chosen to use Black-Scholes as the methodology for determining the number of options granted as it is an appropriate and commonly used methodology to value stock options.
- (4) The value in column (f) discloses the amount earned under the STIP in respect of the 2020 financial year.
- (5) The value in column (g) includes: (i) awards under the CT Profit Sharing program and Company match payments under the CT Savings Plan for all NEOs, except Mr. Wetmore who did not participate in the program; (ii) for Mr. Craig, perquisites in the

amount of \$100,373 in 2020, inclusive of home security in the amount of \$75,447, and \$49,752 in 2019, inclusive of home security in the amount of \$27,931 and car allowance in the amount of \$17,640; (iii) for Mr. Pershing, perquisites in the amount of \$35,968 in 2019, inclusive of relocation assistance in the amount of \$20,170 and car allowance in the amount of \$10,717, and a signing bonus of \$500,000 paid in 2019; (iv) for Mr. Wetmore, perquisites in the amounts of \$279,010 in 2020, \$322,123 in 2019 and \$361,181 in 2018, inclusive of a charter plane service for personal use in the amount of \$257,771 for 2020, \$259,580 for 2019 and \$286,911 for 2018, which represent the direct cost to the Company for chartering the plane; and (v) for Mr. McCann, perquisites in the amounts of \$98,108 in 2020, \$90,332 in 2019, and \$91,068 in 2018, inclusive of a transitional housing benefit in the amount of \$65,839 in 2020 and \$54,000 in each of 2019 and 2018. The value of perquisites for the other NEOs did not exceed \$50,000 in aggregate, or 10% or more of the NEO's annual salary, and is therefore not included in this column.

- (6) Mr. Pershing joined the Company on July 2, 2019 and, therefore, only two years of compensation have been disclosed.
- (7) Mr. Wetmore retired as President and CEO, effective March 12, 2020. Following Mr. Wetmore's retirement, he served as Honourary Director and continued to receive his compensation and other entitlements until December 31, 2020.
- (8) Mr. McCann retired as Executive Vice-President and CFO, effective March 2, 2020. Following his retirement, Mr. McCann served as Strategic Advisor to CTC and continued to receive his compensation and other entitlements until December 31, 2020.

CTC does not have any long-term non-equity incentive plans or a pension plan.



Outstanding Share-Based Awards and Option-Based Awards

The table below shows the total vested and unvested outstanding long-term incentive awards for each NEO as at January 2, 2021.

Name (a)	Option-based Awards				Share-based Awards		
	Number of securities underlying unexercised options (#) (b)	Option exercise price (\$) ⁽¹⁾ (c)	Option expiration date ⁽²⁾ (d)	Value of unexercised in-the-money options (\$) ⁽³⁾ (e)	Number of shares or units of shares that have not vested (#) ⁽⁴⁾ (f)	Market or payout value of share-based awards that have not vested (\$) ⁽⁵⁾ (g)	Market or payout value of vested share-based awards not paid out or distributed (\$) ⁽⁶⁾ (h)
Greg Hicks	8,813	\$156.293	February 27, 2024	\$9,479,765	26,024	\$4,354,596	\$198,987
	8,127	\$177.094	February 26, 2025				
	23,431	\$144.348	February 25, 2026				
	101,839	\$80.487	March 23, 2027				
Gregory Craig	6,253	\$129.924	February 28, 2023	\$3,738,319	10,741	\$1,797,292	–
	7,834	\$156.293	February 27, 2024				
	6,844	\$177.094	February 26, 2025				
	10,187	\$144.348	February 25, 2026				
	36,662	\$80.487	March 23, 2027				
James Christie	15,153	\$129.924	February 28, 2023	\$5,036,045	16,929	\$2,832,730	–
	12,763	\$156.293	February 27, 2024				
	12,012	\$177.094	February 26, 2025				
	26,713	\$144.348	February 25, 2026				
	42,772	\$80.487	March 23, 2027				
Mahes Wickramasinghe	2,640	\$129.135	March 10, 2022	\$4,478,315	16,370	\$2,739,192	\$754,168
	5,131	\$129.924	February 28, 2023				
	11,098	\$156.293	February 27, 2024				
	12,012	\$177.094	February 26, 2025				
	26,713	\$144.348	February 25, 2026				
	39,717	\$80.487	March 23, 2027				
John Pershing	19,000	\$134.156	August 19, 2026	\$4,079,449	11,628	\$1,945,713	–
	39,717	\$80.487	March 23, 2027				
Stephen Wetmore	–	–	–	–	56,408	\$9,438,751	\$21,952,170
Dean McCann	15,434	\$99.717	March 11, 2021	\$5,905,084	13,421	\$2,245,736	\$382,514
	15,589	\$129.135	March 10, 2022				
	15,153	\$129.924	February 28, 2023				
	12,763	\$156.293	December 31, 2023				
	12,012	\$177.094	December 31, 2023				
	16,300	\$144.348	December 31, 2023				
	36,662	\$80.487	December 31, 2023				

Notes

(1) CTC's current policy for determining the exercise price for options with a TSAR feature is the ten-calendar day weighted average share price ending on the business day immediately preceding the date on which option grants are made.



- (2) All outstanding options have a seven-year term.
- (3) This column contains the aggregate dollar value of in-the-money vested and unvested unexercised options for all NEOs, excluding Mr. Wetmore, as at January 2, 2021 using the December 31, 2020 closing share price of the Class A Non-Voting Shares on the TSX of \$167.33. In lieu of options, Mr. Wetmore was granted DSUs. See Note 6 for further details.
- (4) This column contains the number of unvested PSUs held by all NEOs on January 2, 2021.
- (5) This column contains the value of unvested PSUs as at January 2, 2021 using the December 31, 2020 closing share price of the Class A Non-Voting Shares on the TSX of \$167.33 and assuming a performance multiplier of 1.0. The actual multiplier for PSUs is determined upon vesting and may range from 0 to 2.0.
- (6) This column contains the value of vested DSUs held by NEOs, as applicable. In the case of Mr. Wetmore, this column also includes Discretionary DSUs, including DSU dividend equivalents, and RSUs, all of which vested on December 31, 2020 and were paid out subsequent to the fiscal year end. A significant portion of the payout value for Mr. Wetmore relates to the accumulation of DSUs in connection with his annual LTIP awards over his tenure as CEO. The value of the awards in this column are as at January 2, 2021 using the December 31, 2020 closing share price of the Class A Non-Voting Shares on the TSX of \$167.33.

Incentive Plan Awards

The table below shows the incentive awards that vested or were earned by each NEO during the financial year ended January 2, 2021.

Name (a)	Option-based awards – Value vested during the year (\$)⁽¹⁾ (b)	Share-based awards – Value vested during the year (\$)⁽²⁾ (c)	Non-equity incentive plan compensation – Value earned during the year (\$)⁽³⁾ (d)
Greg Hicks	–	\$409,905	\$949,224
Gregory Craig	–	\$305,108	\$409,636
James Christie	–	\$497,148	\$508,209
Mahes Wickramasinghe	–	\$452,411	\$473,411
John Pershing	–	–	\$473,411
Stephen Wetmore	–	\$15,989,828	\$2,100,938
Dean McCann	–	\$507,343	\$436,995

Notes

- (1) This column includes the aggregate dollar value that would have been realized if stock options that vested in 2020 were exercised on the vesting date.
- (2) This column includes the value of: (i) PSUs granted in 2017 that were paid in 2020, excluding Mr. Pershing who joined the Company in 2019 (see *2017 PSU Payout (vested in 2020)* on page 58); (ii) DSUs credited to Mr. Hicks related to his 2019 STIP award; (iii) DSU dividend equivalents credited in respect of STIP related DSUs held by NEOs, as applicable, throughout the year; (iv) a portion of the Discretionary DSUs granted to Mr. Wetmore in 2017, 2018 and 2019 and related Discretionary DSU dividend equivalents which vested throughout the year as well as all unvested Discretionary DSUs which vested on December 31, 2020 in connection with Mr. Wetmore's retirement; and (v) RSUs granted to Mr. Wetmore in 2018 that vested in two equal tranches over the course of the 2020 fiscal year on December 31, 2019 and December 31, 2020, respectively. All DSUs received in lieu of a STIP award payment and Discretionary DSUs are settled in cash following the Executive's termination of service with the Company.
- (3) This column includes the amount of the 2020 STIP payout, which is also included in the *Summary Compensation Table* on page 62.



Post-Employment Benefits and Change of Control Provisions

Each NEO is a party to an employment agreement with the Company which provides for certain entitlements under various post-employment scenarios. None of the NEOs' employment agreements provide for change of control benefits; however, the Company's plans have termination and change of control provisions. The following summarizes the termination benefits as they relate to the specific arrangements under each NEO's employment agreement and the Company's plans.

Post-Employment Benefits

Current NEOs

Messrs. Hicks, Christie, Craig, Pershing and Wickramasinghe are entitled to the following payments and benefits, in addition to their respective salaries, awards and benefits due and owing to the end of their employment.

Termination Without Cause

In the event of termination without cause, conditional in each case upon delivery of a full and final release and indemnity, Messrs. Hicks, Christie, Craig, Pershing and Wickramasinghe are entitled to:

- payment of their base salaries for the following periods, as stipulated in their respective employment agreements: (i) 24 months in the case of Messrs. Hicks and Christie; and (ii) a minimum of 12 months to a maximum of 24 months based on years of service in the case of Messrs. Craig, Pershing and Wickramasinghe (in each case, *the Notice Period*), payable as salary continuance and subject to certain mitigation provisions in the event alternative employment is secured (*the Mitigation Provisions*);
- during the Notice Period, payment in lieu of awards under CTC's STIP then in existence, calculated based on each NEO's STIP target percentage and base salary earnings during the Notice Period, subject to the Mitigation Provisions;
- in the case of Mr. Hicks, continued vesting and payment of his outstanding PSU awards during the Notice Period and the right to exercise his outstanding stock options until the earlier of the end of the Notice Period and the expiry of the options, with any unvested options continuing to vest during such period, subject to the Mitigation Provisions;
- in the case of Mr. Christie (i) continued vesting and payment of his outstanding PSU awards as if he had continued to be employed by CTC during the entire performance period, (ii) the right to exercise his outstanding stock options until the earlier of the third anniversary of his termination date and the expiry of the options, with any unvested options continuing to vest during such period, and (iii) payment of the remainder of his retention award otherwise vesting in March 2022;
- in the case of Messrs. Craig, Pershing and Wickramasinghe, a pro-rated payment of their outstanding PSU awards, based on the period of active employment with the Company during the applicable performance period, subject to a multiplier (which cannot exceed 1.0), and the right to exercise any vested options until the earlier of the expiry of the options and 30 days following their termination date;
- during the Notice Period, payment in lieu of CT Profit Sharing awards, calculated based on the average actual payout rate for CT Profit Sharing awards during the three fiscal years immediately prior to the end of active employment and base salary earnings during the Notice Period, subject to the Mitigation Provisions;
- payment in lieu of the Company match contributions under the CT Savings Plan during the applicable Notice Period, calculated based on the average annual percentage of the actual corporate match of the NEO's CT Savings Plan contributions during the three fiscal years immediately prior to the end of active employment and base salary earnings during the Notice Period, subject to the Mitigation Provisions;
- continued participation in CTC's employee health and other group insurance plans (subject to certain exceptions), the CTC store discount and roadside assistance programs and continued entitlement to executive medical services and financial planning benefits, until the end of the applicable Notice Period or until alternative employment is secured, whichever occurs first; and
- payment of the CTC automobile allowance during the applicable Notice Period, subject to the Mitigation Provisions.

Resignation

In the event Messrs. Hicks, Craig, Pershing and Wickramasinghe resign and, at the time of resignation, are at least 60 years of age and have at least 10 years of service with the Company, in accordance with the Stock Option Plan and PSU plan, they would be entitled to continued vesting and payment of their outstanding PSU awards as if they had continued to be employed by CTC during the entire performance period, and the right to exercise their outstanding stock options until the earlier of the third anniversary of their resignation date and the expiry of the options, with any unvested options continuing to vest during such period.



In the event of his resignation at any time, conditional upon the provision of two weeks' written notice to the Company, Mr. Christie is entitled to continued vesting and payment of his outstanding PSU awards as if he had been employed by CTC during the entire performance period provided for under the applicable PSU plans, and the right to exercise his outstanding stock options until the earlier of the third anniversary of his termination date and the expiry of the options, with any unvested options continuing to vest during such period in accordance with the applicable option agreements.

Former CEO and CFO

Mr. Wetmore retired as President and CEO, effective March 12, 2020. He served as an advisor to the Company as Honourary Director until December 31, 2020 with no changes to his compensation and benefits. Following that date, he received, and/or is entitled to, the following payments and benefits:

- payment of an award under CTC's STIP then in existence for the full year ending December 31, 2020;
- payment of the remaining vested portion of the Retention Award;
- continued vesting and payment of his outstanding PSU awards as if he had continued to be employed by CTC during the entire performance period;
- immediate vesting of all unvested Discretionary DSUs; and
- Company-paid personal benefits coverage, including executive medical services, for the first 10 years after retirement and continued participation in the CTC store discount program.

Mr. McCann retired as Executive Vice-President and Chief Financial Officer, effective March 2, 2020. He served as Strategic Advisor to CTC until December 31, 2020 with no changes to his compensation and benefits. Following that date, he received, and/or is entitled to, the following payments and benefits:

- Company-paid personal benefits coverage for five years and continued participation in the CTC store discount program;
- payment of the balance of his living allowance for the period January 1, 2021 to March 16, 2021;
- continued vesting and payment of his outstanding PSU awards as if he had continued to be employed by CTC during the entire performance period, and the right to exercise his outstanding stock options until the earlier of three years and the expiry of the options, with any unvested options continuing to vest during such period; and
- participation in the Company's benefits plan for retirees.

Non-Compete and Non-Solicit Obligations

The foregoing entitlements are conferred on each of the NEOs in part on the condition of each NEO continuing to fulfil certain covenants in their respective employment agreement regarding non-competition (12 months), non-solicitation (12 months) and their agreement not to be employed or otherwise associated with the Canadian Tire Dealers' Association for 10 years following termination of his employment.

Change of Control Provisions

The terms of the Company's Stock Option Plan, PSU plan and RSU plan stipulate that certain awards may be accelerated in the event of a "Change of Control", which is defined in each plan, but generally means a disposition of shares of the Company or any other transaction or occurrence where another person (together with such person's affiliates and associates) becomes the holder of more than 50% of the voting shares of the Company (*Change of Control*). The Company's Stock Option, PSU plan and RSU plan are subject to a "double trigger" which means that outstanding equity incentive awards are accelerated only on termination without cause within 24 months of the Change of Control. In such circumstances, unless otherwise indicated in an NEO's employment agreement, awards are accelerated as follows:

Compensation Element	Effect of Change of Control followed by Termination Without Cause
Stock Options	All outstanding options vest immediately prior to the date of termination.
PSUs	PSUs are paid out on a pro rata basis, based on the period of active employment with the Company during the applicable performance period, subject to a multiplier, as set out in the PSU plan or the NEO's award notice.
RSUs	RSUs are paid out on a pro rata basis, based on the period of active employment with the Company, as set out in the RSU plan or the NEO's award notice.



Estimated Incremental Payments

The following table presents the potential incremental payments to each of Messrs. Hicks, Christie, Craig, Pershing and Wickramasinghe as if their employment had been terminated without cause, including in the event of a Change of Control, on December 31, 2020, the last business day prior to the 2020 fiscal year end.

There are many factors that affect the nature and amount of any benefits provided and, as a result, actual amounts may be higher or lower than what is reported below. Factors that may affect the reported amounts include the timing of termination of employment during the year of departure, the share price of the Class A Non-Voting Shares at the time of departure, and the NEO's age and years of service with the Company.

NEO	Compensation Component	Estimated Incremental Payments as at December 31, 2020	
		Without a Change of Control	With a Change in Control ⁽¹⁾
Greg Hicks President and CEO	Base Salary	\$2,000,000	\$2,000,000
	Payment in lieu of STIP ⁽²⁾	\$2,000,000	\$2,000,000
	LTIP ⁽³⁾	—	\$9,203,006
	Payment in lieu of CT Profit Sharing Award ⁽⁴⁾	\$200,000	\$200,000
	Payment in lieu of CT Savings Plan entitlement ⁽⁵⁾	\$100,000	\$100,000
	Perquisites ⁽⁶⁾	—	—
Total		\$4,300,000	\$13,503,006
Gregory Craig Executive Vice-President and CFO	Base Salary	\$1,200,000	\$1,200,000
	Payment in lieu of STIP ⁽²⁾	\$780,000	\$780,000
	LTIP ⁽³⁾	—	\$3,339,932
	Payment in lieu of CT Profit Sharing Award ⁽⁴⁾	\$120,000	\$120,000
	Payment in lieu of CT Savings Plan entitlement ⁽⁵⁾	\$60,000	\$60,000
	Perquisites	\$56,840	\$56,840
Total		\$2,216,840	\$5,556,772
James R. Christie Executive Vice-President, CTC, Strategic Advisor and General Counsel	Base Salary	\$1,400,000	\$1,400,000
	Payment in lieu of STIP ⁽²⁾	\$910,000	\$910,000
	LTIP ⁽³⁾	—	\$4,123,735
	Retention Award ⁽⁷⁾	\$500,000	\$500,000
	Payment in lieu of CT Profit Sharing Award ⁽⁴⁾	\$140,000	\$140,000
	Payment in lieu of CT Savings Plan entitlement ⁽⁵⁾	\$70,000	\$70,000
	Perquisites	\$56,840	\$56,840
Total		\$3,076,840	\$7,200,575
Mahes Wickramasinghe Executive Vice-President, CTC, President, CTFS, and President and Chief Executive Officer, CTB	Base Salary	\$650,000	\$650,000
	Payment in lieu of STIP ⁽²⁾	\$422,500	\$422,500
	LTIP ⁽³⁾	—	\$3,858,430
	Retention Award ⁽⁷⁾	\$1,300,000	\$1,300,000
	Payment in lieu of CT Profit Sharing Award ⁽⁴⁾	\$65,000	\$65,000
	Payment in lieu of CT Savings Plan entitlement ⁽⁵⁾	\$32,500	\$32,500
	Perquisites ⁽⁶⁾	—	—
Total		\$2,470,000	\$6,328,430
John Pershing Executive Vice-President and CHRO	Base Salary	\$650,000	\$650,000
	Payment in lieu of STIP ⁽²⁾	\$422,500	\$422,500
	LTIP ⁽³⁾	—	\$3,869,358
	Payment in lieu of CT Profit Sharing Award ⁽⁴⁾	\$65,000	\$65,000
	Payment in lieu of CT Savings Plan entitlement ⁽⁵⁾	\$32,500	\$32,500
	Perquisites ⁽⁶⁾	—	—
Total		\$1,170,000	\$5,039,358

Notes

- (1) For Change of Control provisions applicable to the NEOs, see *Change of Control Provisions* on page 67.
- (2) Assumes payout at target.
- (3) The LTIP payment shown is comprised of stock options and PSUs, as applicable. The stock option portion of the LTIP payment reflects the in-the-money value of any stock options that would vest as a result of termination and is based on the closing share price of the Class A Non-Voting Shares on the TSX on December 31, 2020 (\$167.33). The PSU portion of the LTIP payment reflects the incremental value of PSUs, if any, prorated and payable to the date of termination less the value of any forfeited PSUs. PSUs have been valued assuming a performance multiplier of 1.0 and using the closing share price of the Class A Non-Voting Shares on the TSX on December 31, 2020 (\$167.33). In circumstances where PSUs continue to vest following a termination, no incremental payment or benefit is realized.
- (4) Assumes that CT Profit Sharing awards are 10% of salary during the applicable Notice Periods.
- (5) Assumes that CT Savings Plan awards are 5% of salary during the applicable Notice Periods.
- (6) Messrs. Hicks, Wickramasinghe and Pershing are entitled to the continuation of perquisites and other benefits during their Notice Periods; however, as the value of such perquisites and other benefits would not exceed \$50,000 in aggregate during their Notice Periods, they are not included in this table.
- (7) Reflects the full value of the retention award payable upon termination.



ADDITIONAL INFORMATION

Securities Authorized for Issuance under Equity Compensation Plan

The table below sets out information regarding the Class A Non-Voting Shares authorized for issuance under CTC's Stock Option Plan as at January 2, 2021. Other than the Stock Option Plan, CTC does not have any compensation plans under which securities of CTC are authorized for issuance.

Plan Category	Number of Securities to be Issued Upon Exercise of Outstanding Options	Weighted-average Exercise Price of Outstanding Options	Number of Securities Remaining Available for Future Issuance under Equity Compensation Plans
Equity Compensation Plans Approved by Securityholders			
• Stock Option Plan	1,945,328	\$115.67	1,446,055

The aggregate maximum number of Class A Non-Voting Shares that were authorized for issuance under the Stock Option Plan on May 13, 2010 by the Company's shareholders was 3,400,000, representing approximately 5.9% of the Class A Non-Voting Shares issued and outstanding as at January 2, 2021. As at January 2, 2021, the number of outstanding and unexercised options to purchase Class A Non-Voting Shares was 1,945,328, representing approximately 3.4% of the issued and outstanding Class A Non-Voting Shares. Also, as at January 2, 2021, an aggregate of 1,446,055 Class A Non-Voting Shares, representing approximately 2.5% of the issued and outstanding Class A Non-Voting Shares, were available for issuance under the Stock Option Plan.

The annual burn rate under the Stock Option Plan for each of the three most recently completed fiscal years is set out below. The annual burn rate represents the number of options granted during the fiscal year divided by the weighted average number of Class A Non-Voting Shares outstanding for the applicable year.

Completed Fiscal Year	Annual Burn Rate
2018	0.47%
2019	0.72%
2020	1.68%

A description of the material features of the Stock Option Plan is attached as Appendix B.

Liability Insurance for Directors and Officers

During the fiscal year ended January 2, 2021, CTC purchased directors' and officers' liability insurance coverage in the amount of \$125 million. This insurance is designed to protect against liabilities the directors and officers of the Company and its subsidiaries may face in such capacities.

No deductible is applied to any loss for which a director or officer is not indemnified by the Company. Any loss for which the Company grants indemnification to a director or officer is subject to a deductible of \$500,000. Loss resulting from a securities claim, brought by or on behalf of a shareholder of the Company, is subject to a deductible of \$750,000. The directors' and officers' liability insurance does not cover losses arising from deliberate illegal conduct, fraud or bad faith.

We paid \$529,010 in policy premiums for the period April 4, 2020 to April 4, 2021, none of which were paid by individual directors and officers. The insurance policy does not differentiate between coverage for directors and coverage for officers, and we cannot estimate the amount of the premium that relates to the group of directors or the group of officers.



Other Information

Additional information relating to the Company is available on SEDAR at www.sedar.com and on our website at www.corp.canadiantire.ca. You can request copies of the following documents at no charge:

- Management's Discussion and Analysis and Annual Consolidated Financial Statements for the financial year ended January 2, 2021. These documents contain CTC's financial information.
- Annual Information Form for the year ended January 2, 2021.
- Prescribed DPSP Disclosure, as referred to under *CT Profit Sharing* beginning on page 60.
- Code of Conduct and Supplier Code of Business Conduct, as referred to under *Ethical Conduct* beginning on page 33.

To request any of these documents, please write to Eleni Damianakis, Vice-President, Associate General Counsel and Corporate Secretary, at Canadian Tire Corporation, Limited, 2180 Yonge Street, P.O. Box 770, Station K, Toronto, Ontario M4P 2V8.

The Management's Discussion and Analysis, Annual Consolidated Financial Statements, Annual Information Form, Prescribed DPSP Disclosure and other information about CTC are also available on SEDAR at www.sedar.com and on our website at www.corp.canadiantire.ca. Information contained in or otherwise accessible through the websites referenced in this Circular does not form part of this Circular and is not incorporated by reference into this Circular. All references to such websites are inactive textual references and are for information only.

Board Approval

The Board of Directors has approved the contents and the sending of this Circular.

Toronto, Ontario
March 18, 2021

By order of the Board of Directors,



Eleni Damianakis

Vice-President, Associate General Counsel and Corporate Secretary



APPENDIX A

BOARD OF DIRECTORS' MANDATE CANADIAN TIRE CORPORATION, LIMITED

1. Role of the Board

The Board of Directors (the "Board") of Canadian Tire Corporation, Limited (the "Company") is responsible for the stewardship of the Company. This stewardship role consists primarily of the duty to manage or supervise the management of the business and affairs of the Company, and includes two key functions: decision making and oversight. The decision making function involves the formulation, in conjunction with management, of fundamental policies and strategic goals and the approval of certain significant actions. The oversight function concerns the duty to supervise management's decisions and to ensure the adequacy of systems and controls and the implementation of appropriate policies.

2. Responsibilities of the Board

The Board's fiduciary duty is to the Company. The Board is also responsible for taking a long-term view and ensuring that management is doing so. In making its decisions, the Board should consider the financial, risk, competitive, human resource and brand implications of strategies, tactics and transactions proposed by management.

The Board's duties include:

(a) Strategic Planning

- (i) Providing oversight and guidance on the strategic issues facing the Company.
- (ii) Requiring the CEO, in collaboration with the Board, to develop and present to the Board for approval the Company's long-term strategic plan.
- (iii) Supervising the development of, and approving, the Company's annual business plan, which shall include the Company's financial and operating plans.
- (iv) Monitoring the implementation and effectiveness of the Company's strategic plan and annual business plan.
- (v) Approving transactions, expenditures, commitments and other business decisions not specifically delegated to management.

(b) Financial Information and Internal Controls

- (i) Overseeing the financial reporting and disclosure obligations imposed on the Board, the Company and senior management by laws, regulations, rules, policies and other applicable requirements.
- (ii) Overseeing the integrity of the Company's management information systems and the effectiveness of the Company's internal controls.
- (iii) Overseeing the preparation of and processes relating to management's reports and attestations with respect to the Company's internal control over financial reporting and disclosure controls and procedures.
- (iv) Obtaining reasonable assurance that due diligence processes and controls in connection with certification of the Company's annual and interim filings are in place, monitoring their continued effectiveness, and obtaining confirmation that such filings are in a form that permits their certification.
- (v) Approving the Company's financial statements, management's discussion and analysis, annual information form and news releases containing material information.
- (vi) Overseeing the Company's compliance with applicable audit, accounting and reporting requirements.

(c) Company's Relationship with Dealers

- (i) Overseeing the state of the Company's relationship with its Dealers through consideration of qualitative and quantitative measures in place from time to time, to ensure that the relationship is operating in support of the long-term strategy of the Company, and that its contribution to the success of the Canadian Tire enterprise is being maximized.

(d) Identification and Management of Risks

- (i) Overseeing the development and implementation by management of a comprehensive enterprise risk management policy and framework.

- (ii) Considering and assessing the Company's key and emerging risk exposures and approving the Company's risk appetite statement.
- (iii) Monitoring the Company's processes for identifying, assessing, mitigating and reporting on the Company's key and emerging risks and management's reports relating to the operation and effectiveness of these processes.

(e) Human Resource Management and Executive Compensation

- (i) Obtaining reasonable assurance that there are policies and practices in place to enable the Company to attract, develop and retain the human resources required by the Company to meet its business objectives.
- (ii) Overseeing the Company's executive compensation plans and programs and overall compensation philosophy for all other employees.
- (iii) Monitoring the Company's approach to human resource management.
- (iv) Supervising the succession planning processes of the Company and approving the selection, appointment, development, evaluation and compensation of the Chairman of the Board, the CEO and other senior executives.

(f) Integrity, Ethics and Social Responsibility

- (i) Obtaining reasonable assurance as to the integrity of the CEO and other senior management and that the CEO and other senior management strive to create a culture of integrity throughout the Company.
- (ii) Approving the Company's Code of Conduct for Employees and Directors and Code of Business Conduct for Suppliers (the "Codes"), monitoring compliance with the Codes and receiving reports on adherence to the Codes.
- (iii) Approving other policies and practices for dealing with matters related to integrity, ethics and social responsibility.

(g) Corporate Communications and Public Disclosure

- (i) Monitoring compliance with the Company's policies and processes for accurate, timely and appropriate public disclosure.
- (ii) Maintaining a shareholder engagement process to facilitate responses by the Board to shareholder inquiries.

(h) Governance

- (i) Developing, revising and monitoring the Company's approach to corporate governance.
- (ii) Evaluating the structures and procedures established by the Board which allow the Board to function independently of management.
- (iii) Establishing Board committees and defining their mandates to assist the Board in carrying out its roles and responsibilities.
- (iv) Setting expectations and responsibilities of directors, including attendance at, preparation for, and participation in Board and committee meetings.
- (v) Regularly assessing the effectiveness of the Board, the Chairman of the Board, the committees, each committee chairman and individual directors.
- (vi) Monitoring the composition of the Board with a view to the effectiveness and independence of the Board and its members.
- (vii) Identifying competencies and skills necessary for the Board as a whole and each individual director.
- (viii) Identifying individuals qualified to become new directors.
- (ix) Obtaining reasonable assurance that each new director engages in a comprehensive orientation process and that all directors are provided with continuing education opportunities.
- (x) Reviewing the Board's mandate at least once every three years to ensure it appropriately reflects the Board's stewardship responsibilities.
- (xi) Approving the form and amount of director remuneration for Board and committee service.

3. Delegation of Authority

(a) Delegation to Management

The Board is responsible for establishing formal delegations of authority, which define the limits of management's power and authority, and delegating to management certain powers to manage the business of the Company. The Board has delegated to the CEO certain powers and authorities to manage the business and affairs of the Company, subject to the limitations under the Company's governing legislation. Any power or authority not so delegated remains with the Board of Directors.

(b) Delegation to Committees

The Board has delegated certain matters for which the Board is responsible to its committees for review or approval, as appropriate and to the extent permitted under the Company's governing legislation. The Board reserves the right to exercise any powers or authorities delegated to a committee. The Board also has the right to revoke any of its powers or authorities delegated to a committee, as well as to revoke or vary any decision of a committee (to the extent that such decision has not been acted upon). Any committee decision shall be reported to the Board at its next regularly scheduled meeting.



APPENDIX B

DESCRIPTION OF CTC'S STOCK OPTION PLAN

Our Stock Option Plan was established for the purpose of rewarding eligible officers and employees of CTC and for the purpose of encouraging such officers and employees to participate in the future growth, development and success of CTC's enterprises through ownership of shares of CTC. Directors of CTC are not eligible to receive options under the Stock Option Plan (other than the President and CEO in his capacity as an officer of CTC).

The grant of each option provides an optionee with the right to subscribe for one Class A Non-Voting Share at the weighted average price at which the Class A Non-Voting Shares trade on the TSX during the 10 calendar day period ending on the business day immediately preceding the date the option is granted.

The Stock Option Plan states that no option shall extend for a period of more than 10 years from the date of grant except in circumstances in which the exercise period may be extended in the event of a black out period.

Options vest at the rate of one-third per year during the three years following the date of grant. Options have been granted under agreements which specify that they can be exercised for a period of up to seven years and outline the circumstances in which option rights will be terminated earlier. Exceptions to the general vesting and expiration terms are included in the Stock Option Plan or option agreements in relation to circumstances involving incapacity, death, resignation, becoming a Canadian Tire Dealer or upon the cessation of employment for any other reason. Options expire immediately on the termination of the employment of an optionee for cause.

In addition to the basic vesting provisions referred to above, the stock option agreements contain an early vesting "double trigger" provision, which provides that if: (a) a qualified offer has been completed for all or substantially all of the shares of CTC which includes an offer for the Class A Non-Voting Shares and a change of control has occurred; and (b) within two years of the change of control the employment of the optionee has been terminated without cause, then all of the options held by the optionee shall be deemed to have vested immediately prior to the date of termination.

All outstanding option agreements provide that, at the election of the optionee, options can be exercised through payment of the option price or surrendered in exchange for a cash payment equal to the excess of the fair market value of the Class A Non-Voting Shares over the exercise price stipulated in the applicable stock option agreement, multiplied by the number of Class A Non-Voting Shares surrendered. The fair market value is the weighted average price at which the Class A Non-Voting Shares trade on the TSX on the trading day on which the surrender is made.

Any Class A Non-Voting Shares not taken up and paid for under any option agreement prior to the expiry or earlier termination thereof (including by virtue of the option expiring or being surrendered for cash or cancelled) may again be optioned by CTC pursuant to the Stock Option Plan and will not reduce the aggregate maximum number of Class A Non-Voting Shares that may be reserved for issuance under the Stock Option Plan.

If an employee becomes incapacitated, dies, resigns, has his or her employment terminated with or without cause or ceases to be employed by CTC for any other reason, the employee's options may only be exercised by the employee, or his or her personal representative as the case may be, or may be prohibited from being exercised, as follows:

- *in the event of incapacity or death* – All options may be exercised until the earlier of the expiration of the options and three years following the date of incapacity or death, or such longer period as is determined by the Board of Directors;
- *in the event of resignation after age 60* – Options may be exercised until the earlier of the expiration of the option and the date three years following the date of resignation if the optionee has at least 10 years of continuous service with CTC, with options vesting during such three-year period;
- *in the event of resignation to become a Canadian Tire Dealer* – All options vested on the date of resignation may be exercised until the earlier of the expiration of the option and the date that is one year following the date of resignation or such longer period as is determined by the Board of Directors;
- *in the event of termination without cause after age 60 with 10 years continuous service* – Options may be exercised until the earlier of the expiration of the option and the date that is three years following the termination of employment, with options vesting during such three-year period;
- *in the event of termination for cause* – Unexercised options are prohibited from being exercised from and after the date of termination of employment; and



- *in the event of cessation of employment for any other reason* – All options vested on the date of cessation of employment may be exercised until the earlier of the expiration of the options and the date 30 days following the date on which the optionee ceases to be employed or such longer period as is determined by the Board of Directors.

The Stock Option Plan allows the expiry date of options granted thereunder to be extended to the tenth business day following the end of a black out period imposed by CTC during which trading in securities of CTC is not permitted (*the Black Out Expiration Term*) if such options would otherwise expire during or immediately after such black out period. In the event the times during which options may be exercised by optionees expire immediately after the expiration of a black out period, the Black Out Expiration Term will be reduced by the number of days between the expiration of the exercise time or times and the end of the black out period.

The Stock Option Plan (or an option agreement or entitlement subject to the Stock Option Plan) can be amended by the Board of Directors as recommended by the MRC Committee upon receipt of the requisite approval of the TSX and without the approval of shareholders for a number of enumerated purposes. However, the Board of Directors may not without the approval of shareholders: (a) increase the maximum aggregate number of Class A Non-Voting Shares that may be optioned and issued under the Stock Option Plan; (b) reduce the exercise price for options held by optionees; (c) extend the term of options held by optionees; (d) remove or exceed the Insider Participation Limit (outlined below); (e) amend the amending provisions under the Stock Option Plan; (f) change the definition of “employee” under the Stock Option Plan to include non-employee directors or permit non-employee directors to be granted options under the Stock Option Plan; or (g) change the assignment and transfer restrictions under the Stock Option Plan. Additionally, the Stock Option Plan states that the Board of Directors may not make any amendments which prejudice the rights of optionees under existing option agreements without first obtaining the approval of the optionees who are parties to such option agreements.

The Stock Option Plan states that no one person can receive options to buy more than 5% of the total number of issued and outstanding Class A Non-Voting Shares, which as at January 2, 2021 is equal to 2,869,188 Class A Non-Voting Shares. The “*Insider Participation Limit*” generally limits the maximum number of Class A Non-Voting Shares: (a) issued to insiders of CTC, within any one-year period; and (b) issuable to insiders of CTC at any time pursuant to the Stock Option Plan, in each case when combined with all other security based compensation arrangements of CTC, to 10% of the number of issued and outstanding Class A Non-Voting Shares. Each option is non-assignable and non-transferable other than for estate settlement purposes, including by will or the laws governing the devolution of property in the event of death of the optionee.

Stock option agreements entered into by CTC with senior executives generally reflect the same terms as are set out in the standard agreements described above. However, agreements with certain NEOs and other executive officers have been modified from the standard agreements, in certain cases in a substantive manner, to reflect the terms of their respective employment agreements with CTC. With respect to the NEOs, see *Post-Employment Benefits and Change of Control Provisions* beginning on page 66.



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To change your address, eliminate multiple mailings, transfer shares of the Company, inquire about our Dividend Reinvestment Program or for other shareholder account inquiries, please contact the principal offices of Computershare Trust Company of Canada in Halifax, Montreal, Toronto, Calgary or Vancouver.

