



# CANADIAN TIRE CORPORATION

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS AND  
MANAGEMENT INFORMATION CIRCULAR

**ANNUAL MEETING**  
**MAY 11, 2023**



## LETTER TO OUR SHAREHOLDERS



**J. MICHAEL  
OWENS**

*Chairman of the Board*



**GREG HICKS**

*President and Chief  
Executive Officer*

Dear Shareholders,

On behalf of the board of directors and management of Canadian Tire Corporation, Limited (CTC), we are pleased to invite you to attend CTC's Annual Meeting of Shareholders, which will be held in-person on Thursday, May 11, 2023 at 10:00 a.m. (Eastern time) at the Four Seasons Hotel Toronto. You can also watch a live webcast of the meeting or listen to the meeting via teleconference. See [www.ctcagm.com](http://www.ctcagm.com) for further details.

This Management Information Circular provides important information about the meeting and the business to be conducted, instructions on how to vote your shares, the director nominees, the proposed auditors, our approach to corporate governance, including with respect to environmental, social and governance (ESG) matters, reports from the standing committees of the Board, and director and executive compensation. Since our last AGM, we appointed Christine Rupp to our Board, and are pleased to be proposing two new nominees, Cathryn Cranston and Lyne Castonguay, for election at this meeting, which will further enhance the skills, experience and diversity of our Board.

We encourage you to read this Circular in combination with our 2022 Report to Shareholders, which provides detailed information regarding our performance in 2022, and our inaugural ESG Report, which addresses the ESG topics most relevant to our company and its stakeholders. Copies of the 2022 Report to Shareholders and our ESG Report are available at [www.corp.canadiantire.ca](http://www.corp.canadiantire.ca).

2022 was a milestone year as Canadian Tire celebrated its 100<sup>th</sup> anniversary. At the meeting, you will hear about our significant achievements at CTC and the journey we are on to building a better future in support of our Brand Purpose of making life in Canada better. The meeting is also an opportunity to hear from our shareholders. We hope you will join us.

If you are unable to attend, we encourage you to vote in advance of the meeting using the proxy or voting instruction form provided to you. Your vote is important.

Thank you for your continued trust and support.

**J. Michael Owens**  
Chairman of the Board

**Greg Hicks**  
President and Chief Executive Officer



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### BOARD OF DIRECTORS' MANDATE A-1

### DESCRIPTION OF CTC'S STOCK OPTION PLAN B-1

#### About this Document

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. All information is provided as of March 16, 2023 and all references to "\$" are to Canadian dollars, unless otherwise indicated.



# NOTICE OF ANNUAL MEETING OF SHAREHOLDERS

You are invited to the Annual Meeting of Shareholders (the *Meeting*) of Canadian Tire Corporation, Limited (CTC). Please refer to the accompanying Management Information Circular for further information on the Meeting and the matters discussed below.



## Date and Location

Thursday, May 11, 2023 at 10:00 a.m. (Eastern time)

Four Seasons Hotel Toronto  
Aria Room, 3<sup>rd</sup> Floor  
60 Yorkville Avenue  
Toronto, Ontario

Shareholders and guests will also be able to watch a live webcast of the Meeting or listen to the Meeting via teleconference.

See [www.ctcagm.com](http://www.ctcagm.com) for further details.



## 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 23, 2023. You have different voting rights depending on whether you own Common Shares or Class A Non-Voting Shares of CTC.

See *Who Can Vote* on page 3 of the Circular.



## How to Vote

You can vote in advance of the Meeting by proxy, or you can vote at the Meeting in person. You can also authorize another person to vote at the Meeting on your behalf.

The manner in which you can vote your CTC shares depends on whether your shares are held in your name or through an intermediary such as a bank, trust company or securities broker.

See *How to Vote* on page 4 of the Circular.



## Questions

Shareholders wishing to submit questions in connection with the Meeting may do so in advance of the Meeting, by emailing [ctcagm@cantire.com](mailto:ctcagm@cantire.com), or during the Meeting in person or via the live webcast.



## Business of the Meeting

We will address the following items at the Meeting:

- 1 Receiving CTC's Annual Consolidated Financial Statements for the financial year ended December 31, 2022, including the external auditor's report;
- 2 The election of directors;
- 3 The appointment of the external auditor, and authorizing the Board to set the external auditor's compensation; and
- 4 The transaction of such other business as may properly come before the Meeting or any adjournment thereof.

See *Business of the Meeting* on page 1 of the Circular for further details.

The Board recommends that you vote **FOR** the election of each of the proposed directors and **FOR** the re-appointment of the external auditor.

Please visit [www.ctcagm.com](http://www.ctcagm.com) for further information and updates on the Meeting.

By order of the Board of Directors,

**Eleni Damianakis**

Vice-President, Associate General Counsel and  
Corporate Secretary

Dated at Toronto, Ontario  
March 16, 2023



## BUSINESS OF THE MEETING

We will address the following items at the Meeting:

### Receiving the Financial Statements

Our Annual Consolidated Financial Statements for the financial year ended December 31, 2022, including the external auditor's report (the *2022 Financial Statements*), and accompanying Management's Discussion and Analysis for the fourth quarter and full year ended December 31, 2022 (the *2022 MD&A*) have been sent to shareholders who requested these materials. Reference in this Circular is also made to the Company's Annual Information Form for the fiscal year ended December 31, 2022 (the *2022 AIF*). These documents are available on the System for Electronic Document Analysis and Retrieval (*SEDAR*) at [www.sedar.com](http://www.sedar.com) and CTC's website at [www.corp.canadiantire.ca](http://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. The elected directors will serve until the next Annual Meeting of Shareholders or until their earlier resignation or retirement. The following 16 individuals have been proposed by the Board as nominees for election at the Meeting (*director nominees*). For more information, see *About the Director Nominees* on page 7.

Director Nominees for Election By Holders of Common Shares			Director Nominees for Election By Holders of Class A Non-Voting Shares
Eric Anderson	Cathryn Cranston	Donald Murray	Norman Jaskolka
Martha Billes	Steve Frazier	J. Michael Owens	Nadir Patel
Owen Billes	Greg Hicks	Christine Rupp	Cynthia Trudell
Lyne Castonguay	Sylvain Leroux	Sowmyanarayan Sampath	
David Court			

All of the director nominees are current directors of CTC and were elected to the Board at our Annual Meeting of Shareholders held on May 12, 2022, except Christine Rupp, who was appointed to the Board effective November 1, 2022 to fill the vacancy resulting from the resignation of Diana Chant, and Lyne Castonguay and Cathryn Cranston, who are new director nominees proposed for election by the holders of Common Shares at the Meeting. R. Jamie Anderson and Mark Derbyshire are not standing for re-election.



The Board recommends that you vote **FOR** the election of the director nominees.

We do not expect that any of the director nominees will be unable to serve as a director. If, however, CTC becomes aware before the Meeting that a director nominee is unable to serve, then J. Michael Owens, Greg Hicks or Cynthia Trudell (the *Company Proxyholders*) will vote to elect a substitute nominee at their discretion.



## Appointing the External Auditor

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

The Board, on the recommendation of the Audit Committee, proposes that Deloitte LLP be reappointed as the Company's external auditor until the next Annual Meeting of Shareholders and that the Board be authorized to set the external auditor's compensation. The Audit Committee annually reviews and evaluates the qualifications, independence and performance of the external auditor.



The Board recommends that you vote **FOR** the reappointment of CTC's current external auditor, Deloitte LLP, and authorizing the Board to set the external auditor's compensation.

The following table sets forth the aggregate fees billed for professional services rendered by Deloitte LLP to the Company and its subsidiaries for the fiscal years ended December 31, 2022 and January 1, 2022:

Auditor's Fees <sup>(1)</sup>	Fiscal Years Ended	
	December 31, 2022 (\$)	January 1, 2022 (\$)
Audit Fees <sup>(2)</sup>	5,305,000	4,688,000
Audit-Related Fees <sup>(3)</sup>	954,000	65,000
Tax Fees <sup>(4)</sup>	40,000	65,000
All Other Fees <sup>(5)</sup>	531,000	624,000
<b>Total</b>	<b>6,830,000</b>	<b>5,442,000</b>

### Notes

- (1) Fees reported in each fiscal year represent fees billed or accrued for services provided during the applicable fiscal year.
- (2) "Audit Fees" are the aggregate fees for audit services, including translation fees.
- (3) "Audit-Related Fees" are the aggregate fees 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. The balance of fees is related to accounting advisory and due diligence on various projects. In the 2022 fiscal year, such services also included statutory audits of components not being relied on for the consolidated audit in the amount of \$531,000.
- (4) "Tax Fees" include the aggregate fees 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.
- (5) "All Other Fees" are aggregate fees for services, other than the services reported under "Audit Fees", "Audit-Related Fees" and "Tax Fees" in the table above. These services related to various consulting projects.

## 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 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 23, 2023 entitles you to one vote on the matters on which you are entitled to vote at the Meeting.

The articles of the Company require that the Board be comprised of between nine and 21 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.

The Board 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.

### COMMON SHARES

If you are a holder of Common Shares, you can vote on the following 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 the date of the Circular, 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 <sup>(1)</sup>	1,400,767	40.9%
Owen Billes <sup>(2)</sup>	700,383	20.5%
C.T.C. Dealer Holdings Limited <sup>(3)</sup>	703,784	20.6%
CTC's Deferred Profit Sharing Plan <sup>(4)</sup>	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 8.
- (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. 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 9.
- (3) C.T.C. Dealer Holdings Limited also owns 212,900 Class A Non-Voting Shares of CTC.
- (4) Sun Life Assurance Company of Canada (*Sun Life*) is the beneficial owner of the 419,280 Common Shares of CTC and 406,551 Class A Non-Voting Shares of CTC 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 *CT Profit Sharing* on page 64.

## 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 the date of the Circular, the Class A Non-Voting Shares would represent approximately 94.0% 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 with respect to 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](http://www.sedar.com).

As at the date of the Circular, CTC had 53,501,997 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.

## How to Vote

**You can vote in advance of the Meeting by proxy by appointing the Company Proxyholders, or you can vote at the Meeting in person. You can also appoint 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:

- your shares are held in your name (*Registered Shareholder*); or
- your shares are held in the name of an intermediary such as a bank, trust company or securities broker (*Beneficial Shareholder*).

Please read the following instructions carefully. Shareholders and proxyholders should, upon arrival at the Meeting, present themselves to a representative of CTC’s transfer agent, Computershare Trust Company of Canada (*Computershare*).

	Registered Shareholders	Beneficial Shareholders
<b>Delivery of proxy materials</b>	We have sent you a proxy form with this Circular.	Your intermediary has sent you a voting instruction form with this Circular.
<b>Attending and voting at the Meeting</b>	<p>You may attend and vote at the Meeting without taking any further steps. You do not need to complete the enclosed proxy form.</p> <p>If your shares are registered in the name of a corporation or other legal entity, you should appoint yourself as proxyholder to attend and vote at the Meeting. See also <i>Voting shares registered in the name of a corporation</i>.</p>	You will need to complete the voting instruction form and appoint yourself as proxyholder. You should not fill in your votes on the voting instruction form as you will be unable to change those votes at the Meeting. See <i>Appointing your own proxyholder</i> .



	Registered Shareholders	Beneficial Shareholders
<b>Voting by proxy</b>	You may vote by proxy by appointing the Company Proxyholders, or appointing your own proxyholder, to vote on your behalf at the Meeting. Complete the enclosed proxy form or voting instruction form and return it in accordance with the instructions contained in the form. You may also vote online or by telephone by following the instructions set out in the form.	
<b>Appointing the Company Proxyholders</b>	Signing the enclosed proxy form or voting instruction form gives authority to 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.	
<b>Appointing your own proxyholder</b>	<b>You may appoint someone other than the Company Proxyholders to attend and vote your shares at the Meeting by writing the name of this person, who need not be a CTC shareholder, in the blank space provided on the proxy form.</b>	<b>You may appoint someone other than the Company Proxyholders, including yourself, to attend and vote your shares at the Meeting by writing the name of this person, who need not be a CTC shareholder, in the blank space provided on the voting instruction form.</b>
<b>Voting shares registered in the name of a corporation</b>	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.	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.
<b>How your proxyholder will vote</b>	The persons named on your proxy form or voting instruction form, including the Company Proxyholders, 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 each of the director nominees named in this Circular and the reappointment of the external auditor.	
<b>Returning your proxy/voting instruction form</b>	<p>Unless you wish to vote at the Meeting, return your completed proxy form to Computershare. You may also vote online or by telephone by following the instructions set out in your 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 9, 2023 (the <i>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 to your intermediary. You may also vote online or by telephone by following the instructions set out in your voting instruction form.</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>
<b>Changing your vote and revoking your proxy</b>	If you have voted and change your mind about your vote before the Meeting and you wish to revoke your proxy, you will need to send amended instructions to Computershare by the Proxy Deadline, via mail, online or by telephone, as applicable, 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>
<b>Late proxies and waiver or extension of Proxy Deadline</b>	Late proxies may be accepted or rejected by the Chair of the Meeting at his discretion and the Chair of the Meeting is under no obligation to accept or reject any particular late proxy. The Chair of the Meeting may waive or extend the Proxy Deadline without notice.	

## 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 of Shareholders and 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 (including in the event the Meeting is reconvened if it is adjourned), the persons named in the proxy form or voting instruction form will vote on them in accordance with their best judgment, in each instance, to the full extent permitted by law, whether or not the amendment, variation or other matter that comes before the Meeting is routine or contested.

## 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 by a CTC director, officer or employee, or Kingsdale Advisors (*Kingsdale*), our proxy solicitation agent. We have retained Kingsdale at a cost of \$60,000 for proxy solicitation services and will reimburse them for any related expenses.

CTC may utilize the Broadridge QuickVote™ service by having Kingsdale contact Beneficial Shareholders to assist them with voting their shares directly over the 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.





## Shareholder Contacts

### PROXY SOLICITATION AGENT

For questions about voting, completing the proxy form or voting instruction form, or about the Meeting in general, please contact Kingsdale, our proxy solicitation agent, at 1-800-294-7358 (toll-free in North America) or 416-867-2272 (collect calls accepted) outside of North America or by email at [contactus@kingsdaleadvisors.com](mailto:contactus@kingsdaleadvisors.com).

### 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:

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



## ABOUT THE DIRECTOR NOMINEES

### DIRECTOR NOMINEE PROFILES

The profiles that follow provide a summary of each director nominee's background and experience, top skills and other relevant information. In the case of the nominees who are current directors, the profiles also include their election results from last year's Annual Meeting of Shareholders as well as their attendance at meetings of the Board and its Audit Committee, Management Resources and Compensation Committee (the *MRC Committee*), Governance Committee and Brand and Corporate Responsibility Committee (the *BCR Committee*) (each a *Committee* and collectively, the *Committees*) held during 2022, as applicable.

### SECURITIES HELD

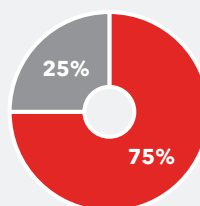
Each director nominee's ownership of CTC securities is provided as at December 31, 2022, the Company's fiscal year end, and includes Common Shares and Class A Non-Voting Shares that each director nominee beneficially owns, controls, or directs, and deferred share units (*DSUs*) acquired under the Company's Deferred Share Unit Plan for Directors (*DSU Plan for Directors*), as applicable. The market value of the director nominees' securities is calculated as at December 30, 2022, the last business day before the Company's fiscal year end, based on the closing price of the Common Shares (\$249.99) and Class A Non-Voting Shares (\$141.50) on the Toronto Stock Exchange (*TSX*) on that date. The market value of DSUs is based on the foregoing closing price of the Class A Non-Voting Shares. Except where noted, the holdings disclosed in the profiles also reflect the director nominees' voting securities held as at the date of this Circular.

Information is also provided on each director nominee's CTC securities as a percentage of the Company's share ownership guidelines for directors (the *Director SOGs*). Under the *Director SOGs*, directors are required to accumulate three times the Company's annual director retainer, in Common Shares, Class A Non-Voting Shares and/or DSUs by their fifth anniversary on the Board, calculated as the greater of the acquisition cost or market value of such securities. All of the director nominees have either met the *Director SOG* amount (\$510,000 in 2022) or have time remaining to do so. Subsequent to the Company's fiscal year end, the Board approved changes to its director compensation program, including the annual director retainer, resulting in an increase in the *Director SOGs*. For more information, see *Director Share Ownership Guidelines* on page 44 and *2023 Director Compensation Changes* on page 44.

#### Director Snapshot

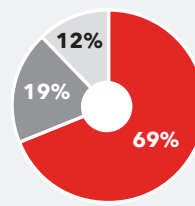
Below is a snapshot of the independence, diversity, tenure, age and geographic mix of the 16 director nominees:

##### Independence



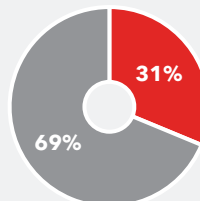
■ Independent  
■ Non-Independent

##### Tenure



■ ≤ 5 years  
■ 6 - 10 years  
■ > 10 years

##### Gender Diversity



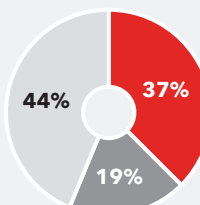
■ Women  
■ Men

##### Racial Diversity



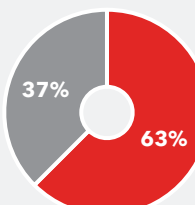
■ Visible Minorities

##### Age



■ ≤ 55  
■ 56-65  
■ > 65

##### Geographic Mix



■ Canada  
■ United States



**ERIC ANDERSON**

Chicago, Illinois, U.S.A.

- Common Share Nominee
- Independent
- Director since: 2016
- 2022 Voting Results: 99.96% in favour



Dr. Anderson is the Polk Bros. Chair in Retailing, Professor of Marketing and former Chair of the Marketing Department at Northwestern University, Kellogg School of Management, and Director of the Kellogg-McCormick MBA Program. He also serves as the Managing Director of Leadership Analytics Advisors, LLC and is an advisor of Lift Lab. Dr. Anderson's research interests include analytics, retailing, pricing strategy, innovation, new products, and channel management. His recent research has been conducted with various companies around the world and has influenced both management practice and academic theory. Dr. Anderson's 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 articles 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 and previously held appointments at the University of Chicago Booth School of Business and the W.E. Simon Graduate School of Business at the University of Rochester.

**MARTHA BILLES**

Calgary, Alberta, Canada

- Common Share Nominee
- Independent
- Director since: 1980
- 2022 Voting Results: 99.83% in favour



Ms. Billes is the 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 also the founder and Chairman Emeritus of Canadian Tire Jumpstart Charities and a director and officer of Albik Management Inc., an investment holding company. She has served on numerous public, private and not-for-profit boards, including Canadian Tire Bank, Sunnybrook Medical Centre Foundation, Calgary Women's Emergency Shelter Endowment Fund Trust, and the Toronto organizing committee for the 2015 Pan American and Parapan American Games. Ms. Billes is the former Chancellor of the University of Guelph and 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. Ms. Billes is an Officer of the Order of Canada, appointed for her achievements in business and for her philanthropy, most notably through the creation of Canadian Tire Jumpstart Charities.

**Top Skills**

Retail Industry | Digital | Marketing / Brand Management | Transformational Change

**2022 Board/Committee Meeting Attendance**

Board of Directors	11 of 11
MRC Committee	6 of 6

**Public Board Memberships During Last Five Years**

Canadian Tire Corporation, Limited	2016-Present
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**Securities Held  
(December 31, 2022)**

Common Shares	–
Class A Non-Voting Shares	–
Deferred Share Units	5,221
<b>Total Securities</b>	<b>5,221</b>

**Share Ownership Guidelines  
(December 31, 2022)**

Market Value of Securities	\$738,856
Percent of Ownership Requirement	145%

**Top Skills**

Retail Industry | Franchise Management | ESG | Other Board Experience

**2022 Board/Committee Meeting Attendance**

Board of Directors	11 of 11
Audit Committee (invitee)	5 of 5
MRC Committee (invitee)	6 of 6
Governance Committee	6 of 6
BCR Committee (invitee)	4 of 4

**Public Board Memberships During Last Five Years**

Canadian Tire Corporation, Limited	1980-Present
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**Securities Held  
(December 31, 2022)**

Common Shares	1,400,767
Class A Non-Voting Shares	5,706
Deferred Share Units	–
<b>Total Securities</b>	<b>1,406,473</b>

**Share Ownership Guidelines  
(December 31, 2022)**

The value of the Common Shares and Class A Non-Voting Shares held by Ms. Billes exceeds the value required by the Director SOGs.

**OWEN BILLES**

St. Catharines, Ontario, Canada

- **Common Share Nominee**
- **Not Independent** (Canadian Tire Dealer)
- **Director since:** 2004
- **2022 Voting Results:** 99.95% in favour



Mr. Billes is the President of Sandy McTyre Retail Ltd., which operates a Canadian Tire store in Welland, Ontario, and has been a Canadian Tire Dealer since 2008. He is the son of Martha Billes and grandson of the Company's co-founder, A.J. Billes. Mr. Billes is also the President of Albikin Management Inc., an investment holding company. He joined the Company in 1992 as Changeover Consultant, Dealer Changeover, and subsequently worked in various other divisions of the Company, including the Operations Planning Centre, Dealer Operations, Logistics, Automotive Marketing, New Business Development and Petroleum. Mr. Billes also worked in Customer Service Strategic Development at the Company's Financial Services division. He is a director and past Chairman of Canadian Tire Jumpstart Charities and has served on the boards of Canadian Tire Bank and Niagara College.

**Top Skills**

Retail Industry | Franchise Management | ESG

**2022 Board/Committee Meeting Attendance**

Board of Directors	11 of 11
Audit Committee (invitee)	5 of 5
MRC Committee (invitee)	6 of 6
Governance Committee (invitee)	6 of 6
BCR Committee	4 of 4

**Public Board Memberships During Last Five Years**

Canadian Tire Corporation, Limited	2004-Present
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**Securities Held  
(December 31, 2022)**

Common Shares	700,383
Class A Non-Voting Shares	754,765
Deferred Share Units	–
<b>Total Securities</b>	<b>1,455,148</b>

**Share Ownership Guidelines  
(December 31, 2022)**

The value of the Common Shares and Class A Non-Voting Shares held by Mr. Billes exceeds the value required by the Director SOGs.

**LYNE CASTONGUAY**

Fort Lauderdale, Florida, U.S.A.

- **Common Share Nominee**
- **Independent**
- **Director since:** N/A
- **2022 Voting Results:** N/A



Ms. Castonguay is a global growth and transformation leader with experience in retail, digital, and manufacturing across North America, Europe and Asia. Most recently, she served as President and Chief Operating Officer of Saputo Inc.'s U.S. division, where she was responsible for developing, implementing, and achieving the strategic and annual operating plans of the largest division in the company. Prior to joining Saputo, Ms. Castonguay held various senior leadership roles at Empire Company Limited (Sobeys), including Executive Vice-President, Stores, and Executive Vice-President, Merchandising, Category Management, & Marketing. She also held various senior leadership roles at The Home Depot, including Senior Vice-President & Business Unit Leader, Home Services. Ms. Castonguay is the Founder and CEO of Victrice, an investment, advisory, and consulting firm, and Co-Founder of Beacon Sports, a developmental sports company. She is currently serving on the board of Cozey and has served on the boards of Heyday Technologies Inc., GS1 Canada, the Retail Council of Canada, and The Home Depot Foundation. She is a recipient of the 2018 Star Women Award in Canada.

**Top Skills**

Retail Industry | Digital | Marketing / Brand Management | Transformational Change | Executive Leadership/Strategy

**2022 Board/Committee Meeting Attendance**

New Director Nominee	N/A
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**Public Board Memberships During Last Five Years**

N/A

**Securities Held  
(December 31, 2022)**

Common Shares	–
Class A Non-Voting Shares	–
Deferred Share Units	–
<b>Total Securities</b>	<b>–</b>

**Share Ownership Guidelines  
(December 31, 2022)**

Market Value of Securities	–
Percent of Ownership Requirement	N/A <sup>(1)</sup>



**DAVID COURT**

Toronto, Ontario, Canada

- Common Share Nominee
- Independent
- Director since: 2015
- 2022 Voting Results: 99.96% in favour



Mr. Court is a Corporate Director and Director Emeritus of McKinsey & Company. He 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, he worked in brand management at Procter & Gamble in Toronto. Mr. Court serves on numerous public, private and not-for-profit boards, including serving as Chair of the advisory board for Georgian Partners, and on the boards of Home Capital Group Inc., Brookfield Business Corporation, Public Sector Pension Investment, Plan Canada International, Women's College Hospital, Queen's University and National Geographic Ventures. Mr. Court previously served on the board of directors of Brookfield Business Partners LP. He holds an MBA from Harvard Business School where he was a Baker Scholar.

**Top Skills**

Retail Industry | Global Operations | Transformational Change | Executive Leadership / Strategy | Other Board Experience

**2022 Board/Committee Meeting Attendance**

Board of Directors	11 of 11
Audit Committee	5 of 5
MRC Committee	3 of 3
BCR Committee	3 of 3

**Public Board Memberships During Last Five Years**

Canadian Tire Corporation, Limited	2015-Present
Brookfield Business Corporation	2022-Present
Brookfield Business Partners LP	2018-2022
Home Capital Group Inc.	2022-Present

**Securities Held  
(December 31, 2022)**

Common Shares	–
Class A Non-Voting Shares	2,165
Deferred Share Units	5,370
<b>Total Securities</b>	<b>7,535</b>

**Share Ownership Guidelines  
(December 31, 2022)**

Market Value of Securities	\$1,066,290
Percent of Ownership Requirement	209%

**CATHRYN CRANSTON**

Toronto, Ontario, Canada

- Common Share Nominee
- Independent
- Director since: N/A
- 2022 Voting Results: N/A



Ms. Cranston is a Corporate Director. A former senior executive in the financial services sector, Ms. Cranston spent most of her career at BMO Financial Group prior to her retirement in 2018. She most recently served as Treasurer of BMO Financial Group, with prior executive roles as Head of Investor Relations, CFO of BMO's Wealth Management business, VP of Integrated Risk Management, as well as senior roles in capital markets and corporate banking. Ms. Cranston serves on numerous public, private and not-for-profit boards, including Toromont Industries Ltd., Ontario Teachers' Pension Plan and Royal St. George's College. Ms. Cranston is also a member of the Advisory Panel on Resolution for the Canada Deposit Insurance Corporation. She holds an MBA from the University of Manitoba and holds the Institute of Corporate Directors designation (ICD.D).

**Top Skills**

Finance and Accounting | Enterprise Risk Management | Human Capital Management | Executive Leadership / Strategy | Other Board Experience

**2022 Board/Committee Meeting Attendance**

New Director Nominee	N/A
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**Public Board Memberships During Last Five Years**

Toromont Industries Ltd.	2013-Present
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**Securities Held  
(December 31, 2022)**

Common Shares	–
Class A Non-Voting Shares <sup>(2)</sup>	–
Deferred Share Units	–
<b>Total Securities</b>	<b>–</b>

**Share Ownership Guidelines  
(December 31, 2022)**

Market Value of Securities	–
Percent of Ownership Requirement	N/A <sup>(1)</sup>



**STEVE FRAZIER**

Mercer Island, Washington, U.S.A.

- Common Share Nominee
- Independent
- Director since: 2021
- 2022 Voting Results: 99.96% in favour



Mr. Frazier is a Corporate Director and Senior Consultant. He is also Chair of the Company's BCR Committee. Mr. Frazier currently serves as a Senior Advisor to McKinsey & Company and advises several start-ups and not-for-profit organizations. A seasoned retail and e-commerce executive, he spent more than 20 years at Amazon.com, Inc. prior to his retirement in 2020, where he built and managed new categories and international businesses. Mr. Frazier served in various senior positions at Amazon, including as Vice President, International Consumer Programs, where he was responsible for several 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. Prior to joining Amazon, he served as Senior Vice-President, Corporate Development of Payless ShoeSource and as a consultant for McKinsey & Company, where he specialized in retail and channel management. Mr. Frazier serves on several private and not-for-profit boards, including the boards of Pacifiko.com, the William Allen White Foundation and the College of Liberal Arts and Sciences at the University of Kansas. Mr. Frazier holds a Master of Management in Finance and Marketing from Northwestern University.

**GREG HICKS**

Markham, Ontario, Canada

- Common Share Nominee
- Not Independent (President and CEO)
- Director since: 2020
- 2022 Voting Results: 99.96% in favour



Mr. Hicks is the Company's President and Chief Executive Officer (CEO). Prior to his appointment as President and CEO in March 2020, Mr. Hicks was President, Canadian Tire Retail (CTR), CTC's largest division, with more than 500 Canadian Tire stores across Canada. In addition to overseeing all aspects of CTR's business, he was accountable for its global operations, eCommerce initiatives and its valued relationship with Canadian Tire Dealers. Previously, Mr. Hicks served as Group Senior Vice-President, Consumer Products & Retail Experience, CTR, where he oversaw 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 also served as Senior Vice-President, Merchandising and Senior Vice-President, Automotive, CTR. Before joining CTC, he was the Chief Operating Officer at TSC Stores where he supervised all of TSC's business operations. With more than 20 years of retail experience in senior leadership positions, Mr. Hicks has also advised and worked with large multi-national retailers on the development of Canadian strategies. He served as past Chair and is a former director of the Retail Council of Canada and a former trustee of CT Real Estate Investment Trust, a publicly traded trust that is controlled by CTC. Mr. Hicks is a past recipient of Canada's Top 40 Under 40 award.

**Top Skills**

Mergers and Acquisitions | Retail Industry | Digital | Global Operations | ESG

**2022 Board/Committee Meeting Attendance**

Board of Directors	11 of 11
Audit Committee	3 of 3
MRC Committee	3 of 3
BRC Committee (Chair)	4 of 4

**Public Board Memberships During Last Five Years**

Canadian Tire Corporation, Limited	2021-Present
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**Securities Held  
(December 31, 2022)**

Common Shares	–
Class A Non-Voting Shares <sup>(2)</sup>	3,100
Deferred Share Units	–
<b>Total Securities</b>	<b>3,100</b>

**Share Ownership Guidelines  
(December 31, 2022)**

Market Value of Securities	\$438,650
Percent of Ownership Requirement	86% <sup>(1)</sup>

**Top Skills**

Merger and Acquisitions | Retail Industry | Franchise Management | Marketing / Brand Management | Executive Leadership / Strategy

**2022 Board/Committee Meeting Attendance**

Board of Directors	11 of 11
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**Public Board Memberships During Last Five Years**

Canadian Tire Corporation, Limited	2020-Present
CT Real Estate Investment Trust	2018-2021

**Securities Held  
(December 31, 2022)**

Common Shares	–
Class A Non-Voting Shares <sup>(2)</sup>	8,491
Deferred Share Units	6,295
CTC Share Fund Units <sup>(3)</sup>	1,101
<b>Total Securities</b>	<b>15,887</b>

**Share Ownership Guidelines  
(December 31, 2022)**

For information on Mr. Hicks' share ownership guidelines, see *Executive Share Ownership Guidelines* on page 51.

**NORMAN JASKOLKA**

Montreal, Quebec, Canada

- **Class A Non-Voting Share Nominee**
- **Independent**
- **Director since:** 2018
- **2022 Voting Results:** 50.39% in favour



Mr. Jaskolka is CEO of Sweet Park Capital, the company that manages the investments of the Bensadoun family, including The Aldo Group, a Canadian global retailer of shoes and accessories. He is also Chair of the Company's Governance Committee. Mr. Jaskolka serves as Chairman of The Aldo Group, and previously served as President of Aldo Group International, and Vice-President, Corporate Development and Vice-President, Information Technology of The Aldo Group. Prior to joining The Aldo Group, he was a partner at Ernst & Young where his practice focused on audit, taxation, business valuations and corporate finance. He is also 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. Mr. Jaskolka is a Fellow of the Order of Chartered Professional Accountants of Quebec. He is a past recipient of the Management Achievement Award from the McGill University Desautels Faculty of Management.

**SYLVAIN LEROUX**

Montreal, Quebec, Canada

- **Common Share Nominee**
- **Not Independent** (Canadian Tire Dealer)
- **Director since:** 2021
- **2022 Voting Results:** 99.96% in favour



Mr. Leroux is 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 Limited, Le Conseil Québécois du Commerce de Détail, and on several Canadian Tire Dealers' Association committees. He is a past recipient of a Canadian Tire Award of Excellence. Mr. Leroux holds the Chartered Director (C.Dir) designation from the DeGroote School of Business at McMaster University.

**Top Skills**

Finance and Accounting | Retail Industry | Franchise Management | Global Operations | Executive Leadership / Strategy

**2022 Board/Committee Meeting Attendance**

Board of Directors	11 of 11
Audit Committee	5 of 5
Governance Committee (Chair)	6 of 6

**Public Board Memberships During Last Five Years**

Canadian Tire Corporation, Limited	2018-Present
------------------------------------	--------------

**Securities Held  
(December 31, 2022)**

Common Shares	–
Class A Non-Voting Shares	–
Deferred Share Units	6,997
<b>Total Securities</b>	<b>6,997</b>

**Share Ownership Guidelines  
(December 31, 2022)**

Market Value of Securities	\$990,185
Percent of Ownership Requirement	194%

**Top Skills**

Retail Industry | Franchise Management

**2022 Board/Committee Meeting Attendance**

Board of Directors	11 of 11
BCR Committee	4 of 4

**Public Board Memberships During Last Five Years**

Canadian Tire Corporation, Limited	2021-Present
------------------------------------	--------------

**Securities Held  
(December 31, 2022)**

Common Shares	–
Class A Non-Voting Shares	3,506
Deferred Share Units	1,719
<b>Total Securities</b>	<b>5,225</b>

**Share Ownership Guidelines  
(December 31, 2022)**

Market Value of Securities	\$739,366
Percent of Ownership Requirement	145%



**DONALD MURRAY**

Red Deer, Alberta, Canada

- **Common Share Nominee**
- **Not Independent** (Former Canadian Tire Dealer)
- **Director since:** 2017
- **2022 Voting Results:** 99.96% in favour



Mr. Murray is a Corporate Director and a former Canadian Tire Dealer. For over 30 years, he operated a number of Canadian Tire stores in Alberta and Saskatchewan, most recently in Red Deer, Alberta. He also served as President of the Canadian Tire Dealers' Association and on several Canadian Tire Dealers' Association committees. Mr. Murray has served on the boards of the Camrose Rotary Club, the Camrose Golf Club, and the Fort McMurray Rotary Club. He is a past recipient of a Canadian Tire Award of Excellence.

**J. MICHAEL OWENS**

Toronto, Ontario, Canada

- **Common Share Nominee**
- **Independent**
- **Director since:** 2020
- **2022 Voting Results:** 99.96% in favour



Mr. Owens is Chairman of the Board of CTC. He also serves on the boards of Canadian Tire Bank and CTFS Holdings Limited. A Fellow of the Chartered Professional Accountants of Ontario, Mr. Owens has over 30 years of experience in the accounting profession. Prior to his retirement as a partner with Deloitte Canada, he held senior leadership positions at Deloitte Canada and Deloitte Touche Tohmatsu, Deloitte's global network, including as Senior Partner, Clients & Markets, Global Leader, Mid-Market, Managing Partner, Canadian Marketplace, and Managing Partner, Atlantic Canada. Mr. Owens led Deloitte's strategy for serving high growth private companies in 150 countries and had management responsibility for the firm's 50 Canadian offices. He previously served on the advisory board of a private technology consulting company and as special advisor to the Vector Institute, an artificial intelligence thought leader based in Toronto. Mr. Owens previously served on the board of the Wallace McCain Institute for Business Leadership, including as chair of its nominating committee, as well as on the board of governors of St. Augustine's Seminary in Toronto.

**Top Skills**

Retail Industry | Franchise Management

**2022 Board/Committee Meeting Attendance**

Board of Directors	11 of 11
BCR Committee	4 of 4

**Public Board Memberships During Last Five Years**

Canadian Tire Corporation, Limited	2017-Present
------------------------------------	--------------

**Securities Held  
(December 31, 2022)**

Common Shares	–
Class A Non-Voting Shares	1,212
Deferred Share Units	8,357
<b>Total Securities</b>	<b>9,569</b>

**Share Ownership Guidelines  
(December 31, 2022)**

Market Value of Securities	\$1,354,017
Percent of Ownership Requirement	265%

**Top Skills**

Finance and Accounting | Enterprise Risk Management | Human Capital Management | Global Operations | Executive Leadership / Strategy

**2022 Board/Committee Meeting Attendance**

Board of Directors (Chairman)	10 of 11
Audit Committee (invitee)	5 of 5
MRC Committee (invitee)	6 of 6
Governance Committee	4 of 4
BCR Committee (invitee)	4 of 4

**Public Board Memberships During Last Five Years**

Canadian Tire Corporation, Limited	2020-Present
------------------------------------	--------------

**Securities Held  
(December 31, 2022)**

Common Shares	–
Class A Non-Voting Shares	4,000
Deferred Share Units	1,928
<b>Total Securities</b>	<b>5,928</b>

**Share Ownership Guidelines  
(December 31, 2022)**

Market Value of Securities	\$838,876
Percent of Ownership Requirement	164%

**NADIR PATEL**

Ottawa, Ontario, Canada

- **Class A Non-Voting Share Nominee**
- **Independent**
- **Director since:** 2021
- **2022 Voting Results:** 99.42% in favour



Mr. Patel is a Management Consultant and Corporate Director. He is also Chair of the Company's Audit Committee and Chairman of Canadian Tire Jumpstart Charities. Mr. Patel serves as Managing Director of Fairfax Consulting Services, Senior Strategic Advisor to Norton Rose Fulbright Canada LLP and Strategic Advisor to the President of Huron University College. Prior to his current roles, Mr. Patel held several senior government positions over a distinguished career in Canada's public service. Most recently, he served as Canada's High Commissioner for the Republic of India, with concurrent accreditation as Canada's Ambassador to Nepal and Ambassador to the Kingdom of Bhutan until 2021. He also previously served as Assistant Deputy Minister and Chief Financial Officer for Canada's Department of Foreign Affairs, Trade and Development and as Canada's Consul General in Shanghai. Mr. Patel brings a wealth of experience in strategic planning, finance, human resources, risk management, information technology, procurement, and international relations, and has served on the boards of several crown corporations and not-for-profit organizations. Mr. Patel holds a joint MBA from New York University's Stern School of Business, London School of Economics and Political Science, and HEC (Paris) School of Management.

**CHRISTINE RUPP**

New Albany, Ohio, U.S.A.

- **Common Share Nominee**
- **Independent**
- **Director since:** 2022
- **2022 Voting Results:** N/A



Ms. Rupp is the Chief Customer Officer of Victoria's Secret & Co., where she is responsible for customer experiences and the company's stores and digital organization. Prior to joining Victoria's Secret in 2022, Ms. Rupp was the Chief Customer Officer of Albertsons Companies, Inc., an American grocery company, where she was responsible for eCommerce, marketing and data and analytics. She has also served in a variety of global leadership roles, including at Amazon, Microsoft, and Sears. Ms. Rupp has led various functions, including business strategy, profitable growth planning, marketing/social media strategy, business transformation, P&L management, software design and implementation and data science. Her accomplishments include launching the first Prime Day for Amazon, growing the Fulfillment by Amazon business, and delivering industry leading market-share expansion at Albertsons. Ms. Rupp has an MBA in Finance from Roosevelt University. She is a past recipient of various awards and recognition, including Top Women in Grocery, Mass Marketers Association's Top Women, and Retailer of the Year Rising Star.

**Top Skills**

Finance and Accounting | Enterprise Risk Management | Human Capital Management | Global Operations | Executive Leadership / Strategy

**2022 Board/Committee Meeting Attendance**

Board of Directors	11 of 11
Audit Committee (Chair)	5 of 5
MRC Committee	3 of 3
Governance Committee	4 of 4

**Public Board Memberships During Last Five Years**

Canadian Tire Corporation, Limited	2020-Present
Cellular Biomedicine Group	2014-2019

**Securities Held  
(December 31, 2022)**

Common Shares	–
Class A Non-Voting Shares	–
Deferred Share Units	936
<b>Total Securities</b>	<b>936</b>

**Share Ownership Guidelines  
(December 31, 2022)**

Market Value of Securities	\$132,450
Percent of Ownership Requirement	26% <sup>(1)</sup>

**Top Skills**

Retail Industry | Digital, Marketing / Brand Management | Global Operations | Transformational Change

**2022 Board/Committee Meeting Attendance**

Board of Directors	2 of 2
MRC Committee	1 of 1

**Public Board Memberships During Last Five Years**

Canadian Tire Corporation, Limited	2022-Present
------------------------------------	--------------

**Securities Held  
(December 31, 2022)**

Common Shares	–
Class A Non-Voting Shares	–
Deferred Share Units	174
<b>Total Securities</b>	<b>174</b>

**Share Ownership Guidelines  
(December 31, 2022)**

Market Value of Securities	\$24,734
Percent of Ownership Requirement	5% <sup>(1)</sup>

**SOWMYANARAYAN SAMPATH**

Short Hills, New Jersey, U.S.A.

- **Common Share Nominee**
- **Independent**
- **Director since:** 2022
- **2022 Voting Results:** 99.95% in favour



Mr. Sampath is Executive Vice-President and CEO for Verizon Consumer Group. He is a globally recognized leader in the telecom industry with experience spanning consumer, enterprise, security and critical infrastructure. Mr. Sampath has served in various other senior positions, including, most recently, as CEO of Verizon Business, as well as President of Global Enterprise and Chief Product Officer. Prior to joining Verizon, he spent almost a decade at the Boston Consulting Group, where he was a Partner and Global Sector Leader for the Telecom practice area focused on driving large scale, enterprise-wide transformations. Mr. Sampath serves as a member of the Fast Company Impact Council and board of trustees for the Paley Media Center in New York. He is a Chartered Accountant and holds an MBA from Boston University.

**CYNTHIA TRUDELL**

Bonita Springs, Florida, U.S.A.

- **Class A Non-Voting Share Nominee**
- **Independent**
- **Director since:** 2019
- **2022 Voting Results:** 92.82% in favour



Ms. Trudell is a Corporate Director. She is also Chair of the Company's MRC Committee. A seasoned executive with global experience, Ms. Trudell served as Executive Vice President and Chief Human Resources Officer of PepsiCo, Inc., prior to her retirement in 2017. She also held a number of executive operating and general management positions with General Motors Corporation and Brunswick Corporation and their divisions, including as President of IBC Vehicles, Chair and President of Saturn Corporation and President of Sea Ray Group. Ms. Trudell also serves on the boards of ISS A/S (International Service System), a global facility service provider, and RenaissanceRe, a global reinsurance provider. She previously served on numerous public and private boards, including Canadian Imperial Bank of Commerce, PepsiCo, and Pepsi Bottling Group. Ms. Trudell holds a Ph.D. in Physical Chemistry from the University of Windsor, as well as 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.

**Top Skills**

Enterprise Risk Management | Digital | Global Operations | Transformational Change | Executive Leadership / Strategy

**2022 Board/Committee Meeting Attendance**

Board of Directors	6 of 7
Audit Committee	2 of 2

**Public Board Memberships During Last Five Years**

Canadian Tire Corporation, Limited	2022-Present
------------------------------------	--------------

**Securities Held  
(December 31, 2022)**

Common Shares	–
Class A Non-Voting Shares	–
Deferred Share Units	1,228
<b>Total Securities</b>	<b>1,228</b>

**Share Ownership Guidelines  
(December 31, 2022)**

Market Value of Securities	\$173,865
Percent of Ownership Requirement	34% <sup>(1)</sup>

**Top Skills**

Retail Industry | Human Capital Management | Global Operations | Executive Leadership / Strategy | Other Board Experience

**2022 Board/Committee Meeting Attendance**

Board of Directors	10 of 11
MRC Committee (Chair)	6 of 6
Governance Committee	6 of 6

**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 Held  
(December 31, 2022)**

Common Shares	–
Class A Non-Voting Shares	–
Deferred Share Units	8,691
<b>Total Securities</b>	<b>8,691</b>

**Share Ownership Guidelines  
(December 31, 2022)**

Market Value of Securities	\$1,229,852
Percent of Ownership Requirement	241%

**Notes**

- (1) The following directors have time remaining to satisfy the Director SOGs: Mr. Patel (October 1, 2026), Ms. Rupp (November 1, 2027) and Mr. Sampath (May 12, 2027). Mr. Frazier has met the Director SOGs based on the acquisition cost of his Class A Non-Voting Shares. As new director nominees, Mses. Castonguay and Cranston will have until May 11, 2028, to satisfy the Director SOGs.
- (2) The following director nominees acquired Class A Non-Voting Shares following the Company's fiscal year end: Ms. Cranston acquired 575 Class A Non-Voting Shares, Mr. Frazier acquired an additional 700 Class A Non-Voting Shares (3,800 total) and Mr. Hicks acquired an additional 357 Class A Non-Voting Shares (8,848 total).
- (3) Mr. Hicks also owns units in the CTC Share Fund of the DPSP, which consists of Common Shares and Class A Non-Voting Shares. For a description of the DPSP, see *CT Profit Sharing* on page 64.

**ADDITIONAL INFORMATION**

As at the date of the Circular, the following directors beneficially own, or control or direct Units of CT Real Estate Investment Trust, a publicly traded entity in which the Company owns a majority interest: Ms. Billes (10,000 Units), Mr. Billes (15,000 Units), and Mr. Leroux (8,800 Units).

C.T.C. Dealer Holdings Limited owns 703,784 Common Shares and 212,900 of the Class A Non-Voting Shares of CTC, representing approximately 20.6% of the currently outstanding Common Shares and less than 0.5% of the currently outstanding Class A Non-Voting Shares. Mr. Leroux, a Canadian Tire Dealer, and Mr. Murray, a former Canadian Tire Dealer, each beneficially owns less than 0.5% of the outstanding voting common shares of C.T.C. Dealer Holdings Limited and does not exercise any control or direction over the Common Shares or Class A Non-Voting Shares of CTC held by C.T.C. Dealer Holdings Limited.

Mr. Jaskolka served on the board of directors of The Aldo Group Inc. until March 2020. The Aldo Group Inc., together with certain of its subsidiaries, obtained an order under the *Companies' Creditor Arrangement Act*, effective May 2020. In July 2022, the company successfully completed its restructuring process and satisfied the court-approved plan. Similar relief was provided in other jurisdictions. Mr. Jaskolka rejoined the board of directors of The Aldo Group Inc. on January 12, 2023.



# OUR APPROACH TO CORPORATE GOVERNANCE

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## Overview

We believe in strong corporate governance standards, as reflected in our policies and practices, and strive to ensure that they are comprehensive, relevant, effective, and transparent, having regard for the Company's Brand Purpose and Core Values, regulatory requirements, and best practices. The Company's ability to be successful, achieve sustainable growth, remain resilient and competitive in the face of ongoing changes and challenges, and serve our shareholders, customers, employees, Canadian Tire Dealers, partners and communities is directly connected to the strength of our corporate governance.

Good governance is the foundation of living up to our Brand Purpose and it begins with, and is led by the Board, which is responsible for the stewardship of the Company. The Board acts in the best interests of the Company and its shareholders and is committed to working with management to achieve long-term, sustainable growth for the Company. This approach is guided by the vision of CTC's founders, A.J. and J.W. Billes, whose legacy is carried on today by their successors. Martha Billes and Owen Billes (the *Billes family*), are committed to strong corporate governance, and operate through the Company's Board, which is majority independent and led by an independent Chairman.

The Board's actions are guided by CTC's Core Values, and the Board has developed operating principles that support these values and facilitate an aligned culture throughout the organization.

### Brand Purpose

Our Brand Purpose, ***We Are Here to Make Life in Canada Better***, guides all decisions the Company makes, including with respect to its approach to corporate governance.

### Core Values

Our Core Values help to guide our actions in pursuit of our Brand Purpose:

- We are innovators and entrepreneurs at our core
- Outcomes drive us
- Inclusion is a must
- We're stronger together
- We take personal responsibility

Set out below are highlights of the Board's corporate governance practices:

Corporate Governance Highlights	
✓ 12 of the 16 (75%) directors are independent	✓ We have a Board diversity policy and have adopted a 30% gender diversity target
✓ The offices of the Chairman of the Board and the President and CEO are separated	✓ We have a Board skills matrix that identifies the highest priority skills for the Board to support Board renewal efforts
✓ The Chairman of the Board is independent	✓ We have director and executive share ownership guidelines and monitor and disclose progress towards the achievement of those guidelines
✓ The Governance Committee, MRC Committee and Audit Committee are all fully independent	✓ The Board and its Committees have full authority to retain independent external advisors
✓ The President and CEO does not serve on Committees	✓ We have a director orientation program and provide ongoing education opportunities to our directors
✓ We have individual (not slate) voting for directors	✓ We have formal Board, Committee, Chairman of the Board and director assessment procedures
✓ We do not have a staggered board; all of our directors are elected annually	✓ We have a Code of Conduct and a Supplier Code of Business Conduct
✓ We have a majority voting policy for directors elected by the holders of Class A Non-Voting Shares	✓ We have published an ESG Report that describes how we approach our priority ESG topics
✓ We have no public company interlocking directorships	
✓ Our directors are not overboarded and we limit the number of other public company boards on which our directors can serve	

## About the Board

In accordance with its mandate, the Board is responsible for the stewardship of the Company and overseeing the management of the business and affairs of the Company. The Board provides direction and brings its broad skills and experience to the issues, risks and opportunities facing the Company with a view to achieving the best possible decision-making.

Within that context, the Board oversees and makes decisions with respect to the Company's strategy, financial objectives, capital allocation, relationship with Canadian Tire Dealers, executive compensation, talent development and succession planning, growth opportunities, financial reporting and disclosure, fundamental policies and systems, the control environment, enterprise risk management, the safeguarding and enhancement of the Company's brand, and environmental, social and governance (ESG) matters. In carrying out its duties, the Board considers the financial, risk, competitive, human resource and brand implications of strategies, tactics and transactions proposed by management. The Board fulfills its duties directly and through its Committees. For the full text of the *Board of Directors' Mandate*, see page A-1.

The Board strives to be a high-performing and engaged board that adds value to management through collaborative governance, fostering an effective working relationship with management and a shared culture and values. The Board continually seeks to develop or enhance ways of working more effectively to address its many responsibilities. Meeting agendas are structured to focus on strategy, risk, and priority operating matters. The delegation of certain of the Board's duties to its Committees enables the Board to focus on key matters while ensuring that other important Board topics are being appropriately addressed by its Committees. From time to time, the Board also establishes ad hoc committees to provide support on key projects or initiatives.

The Board's role with respect to strategy and operational performance, risk oversight, and succession planning is described below, together with an overview of the roles of the Chairman of the Board and the Board's Committees.



## STRATEGY AND OPERATIONAL PERFORMANCE

The Board provides direction to management on the strategic issues facing the Company and is responsible for approving the Company's strategic plans. The Company's *Better Connected* strategy, announced at Investor Day in March 2022, aims to modernize the customer experience, better connect customers across all banners, and increase engagement with the Company's Triangle brand across a range of products and services. This strategy was developed by management in partnership with the Board, through a collaborative and iterative process.

The Board holds an annual strategic planning session with executives at which there is in-depth discussion and analysis of management's strategic plans, priorities and initiatives, the most significant issues facing the Company and its businesses, the economic environment, competitive conditions, and business opportunities and risks. The Board is also responsible for overseeing the development of, and approving, the Company's annual business plan, which includes the Company's financial and operating plans.

Throughout the year, the Board is actively involved in monitoring management's implementation of the strategy and progress with respect to the Company's strategic initiatives, addressing developments as they arise. Discussion of various aspects of the Company's strategy and top strategic risks form part of the agenda for every regularly scheduled Board meeting.

The Board also actively monitors financial and operational performance against the Company's annual business plan through regular reporting from management. A performance dashboard is presented to the Board quarterly, which tracks key metrics, including with respect to strategic progress and financial and operational performance. The performance of CT Real Estate Investment Trust (*CT REIT*), CTFS Holdings Limited (*CTFS Holdings*) and Canadian Tire Bank (*CTB*), which are significant subsidiaries of the Company and reportable segments in the Company's financial disclosures, are monitored through quarterly reports to the Board.

## RISK OVERSIGHT

The effective management of risk is a key priority for the Board. The Board oversees the alignment between operational performance and risk-taking to balance short-term and long-term priorities. Balanced risk-taking and effective risk management create valuable business returns and shareholder value, as well as market opportunities and competitive advantages, all of which support profitable growth.

The Board and the Audit Committee have joint accountability to ensure that management develops and implements a comprehensive Enterprise Risk Management (*ERM*) Policy and Framework, Risk Appetite Statement, and other policies designed for identifying, assessing, monitoring, mitigating and reporting on the Company's key and emerging strategic, operational and financial risks. The Company has also established an Enterprise Risk Committee, an executive management committee that meets at least quarterly and provides direct oversight of all key and emerging risks faced by CTC.

Through its delegated authority, the Audit Committee reports to the Board on management's assessment of key and emerging risks, including mitigation plans and risk ratings. It also recommends to the Board changes to the ERM Policy and Framework, Risk Appetite Statement, and other policies governing significant risks, such as cyber security and financial risk, which the Audit Committee oversees on behalf of the Board. The Board conducts an annual review of the Company's ERM processes and, assisted by the review of the Audit Committee, approves the Company's risk disclosures. The Board has also delegated oversight over certain key risks to its other standing Committees, with the MRC Committee overseeing talent risk, and the BCR Committee overseeing brand risk related to ESG topics.

Effective monitoring of the strategy requires the Board to monitor risks to, or of, the strategy. As such, in addition to the Audit Committee's role in overseeing the Company's ERM processes, and Committee oversight

### **ERM Framework**

Further information on the Company's ERM Policy and Framework is included in Section 2.6 of the 2022 AIF.

### **Key Risks**

Detailed information on the Company's key risks is included in Section 11.0 of the 2022 MD&A and all subsections thereunder.

of certain allocated risks, the Board directly oversees top strategic risks. These risks are addressed through reporting from the Committees, management and the Board's external advisors on a regular cadence, and discussions on one or more top strategic risks are held at regularly scheduled Board meetings in order to monitor their status and the Company's ongoing response.

### Cyber Security Risk

Accountability for the Company's cyber security program, operations, and governance is held by our Chief Information Security Officer who reports to and is supported by our Chief Information & Technology Officer and our Enterprise Risk Committee. The Board and the Audit Committee collectively oversee the Company's cyber security risk management. Quarterly reporting is provided to the Audit Committee demonstrating the performance and effectiveness of cyber security capabilities and controls, and progress on enhancements to the cyber security program. During 2022, the Board participated in a cyber security education session hosted by its external advisors and met with management to discuss strategy and priorities for addressing cyber security risk.

To help mitigate cyber security risk, the Company has established a set of policies and standards that specifically govern its cyber security practices, which are based on the National Institute of Standards and Technology Cyber Security Framework, regulatory requirements, and other industry-standard control frameworks. The Company's cyber security program is also subject to internal, external, and regulatory audits to validate control design adequacy and operating effectiveness.

## SUCCESSION PLANNING

Cultivating a strong pipeline of diverse talent to support timely execution for planned and emergency succession of the President and CEO and other key senior executive positions is critical for the Company's long-term growth and success. It is also a significant priority of the Board and is accomplished through the deployment of a comprehensive and rigorous succession planning framework and associated oversight and execution processes.

The succession planning framework includes planning processes for anticipated and future transitions within the Company as well as emergency and unplanned transitions. It is designed to encompass CEO succession planning as well as succession planning for other senior executives in roles that are critical to the execution of the Company's strategy (*Top Roles*).

Pertinent to the CEO succession planning process, the MRC Committee undertakes an annual rigorous review that considers the continued appropriateness of the future CEO profile, as well as current potential succession candidates and their development pathways. Important within this review, is the identification of other near- and longer-term executives that should be included within the CEO succession pipeline and programmed for development. Of priority in the review of the CEO succession pipeline is an in-depth review of the full bandwidth of diversity ranging from gender, race and ethnicity, experiences, leadership style and capabilities to ensure that the pipeline will support current and future adaptability of the Company's growth and business strategies. The emergency succession plan and protocols are also discussed to ensure they remain contemporary and robust. The output of this review, which includes the identification of current and future succession candidates, is shared with the full Board.

With respect to *Top Roles*, the MRC Committee oversees a rigorous talent review and succession planning process which is designed to ensure that leadership talent is ready and in the right positions to achieve current and future business priorities. This process involves consideration of the talent, skills and capabilities required to drive organizational long-term success. The Company's diversity strategy is designed to increase representation throughout the organization as well as develop the next generation of the Company's leaders. See *Diversity, Inclusion and Belonging* on page 33. For each *Top Role*, potential successors are identified, and development strategies are implemented to ensure that CTC has a robust talent pipeline that is prepared to move into key leadership roles when required. Sourcing of external talent may also be undertaken to address gaps in succession. The MRC Committee annually reviews and provides comprehensive reporting to the Board on the succession plans for these roles, including emergency successor candidates for those roles where replacements are critical to the Company's operations, and monitors how these successor candidates are being supported to develop their readiness.



## CHAIRMAN OF THE BOARD

J. Michael Owens was appointed Chairman of the Board (the *Chairman*) effective May 12, 2022. He has served on the Board since 2020 and is an independent, non-executive director.

The primary focus of the Chairman is on governance, maintaining ethical standards, and building the Board into an effective, high performing team capable of fulfilling the broad range of its responsibilities. The Chairman strives to create and maintain an effective Board culture that aligns with the Company's Core Values, and a productive boardroom dynamic. The Chairman is responsible for forging a strong relationship with the President and CEO, with an understanding of the accountabilities and boundaries of their respective roles, while maintaining a healthy tension and open lines of communication. The Chairman is also responsible for strengthening and managing the relationships among directors, between management and the Board, and with the Billes family. He takes an active role in Board renewal, working closely with the Governance Committee to ensure that the Board is well-positioned to fulfill its responsibilities.

In addition to serving as a member of the Governance Committee, the Chairman attends all other Committee meetings by standing invitation for consistency and continuity. Mr. Owens consults regularly with the Committee Chairs 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. To enable effective oversight, the Chairman devotes considerable time developing knowledge of the business and an understanding of the issues and challenges confronting the Board and management.

## BOARD COMMITTEES

The Board has delegated a number of its responsibilities to its four standing Committees, as permitted by law, in order to enable the Board to operate more efficiently and spend more time on priority matters while empowering its Committees to focus on key areas of accountability. The approach to Committee delegation complements and enhances the work of the Board. Each Committee has a written mandate which sets out its purpose and responsibilities. Key areas of responsibility for each Committee are highlighted below:

<b>Audit Committee</b>	<b>MRC Committee</b>	<b>Governance Committee</b>	<b>BCR Committee</b>
<ul style="list-style-type: none"> <li>• Financial statements and related disclosures</li> <li>• Internal control over financial reporting and disclosure controls and procedures</li> <li>• Enterprise risk management</li> <li>• Internal and external auditor oversight</li> </ul>	<ul style="list-style-type: none"> <li>• Human resources strategies, plans, policies, and procedures</li> <li>• Executive compensation</li> <li>• Talent development and succession planning</li> <li>• Workforce diversity, inclusion and belonging, and employee engagement</li> </ul>	<ul style="list-style-type: none"> <li>• Corporate governance policies and practices</li> <li>• Board renewal and Committee composition</li> <li>• Board performance assessments</li> <li>• Director education and orientation</li> <li>• Director compensation</li> </ul>	<ul style="list-style-type: none"> <li>• Brand Purpose and brand trust</li> <li>• ESG topics, strategy development, and reporting</li> <li>• Risks related to ESG topics impacting brand and reputation</li> </ul>

The Committees regularly review their Mandates and work plans to ensure that they are fulfilling their respective responsibilities and priorities. The Mandates are also regularly reviewed 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.

Committee Chairs, all of whom are independent directors, are appointed by the Governance Committee or, in the case of the Governance Committee Chair, the Board. Position Descriptions for each of the Committee Chairs have been developed, setting out specific duties of the Committee Chairs including, among other things, establishing the agenda for each Committee meeting, reviewing and providing input and direction on

Committee materials in advance of their distribution to Committee members, setting the work plans of the Committees for the ensuing year, including areas of focus, and acting as the Committee's spokesperson.

Each Committee has provided a report summarizing its purpose and responsibilities under its Mandate and an update on its activities during 2022. See pages 36 to 42.

### **Mandates and Positions Descriptions**

Mandates for the Board and its Committees have been developed as well as Position Descriptions for the Chairman of the Board, the Committee Chairs and the President and CEO. The Board has also codified its *Expectations of Directors*, described on page 27. The Mandates, Position Descriptions of the Chairman of the Board and the Committee Chairs, and the Expectations of Directors are available on the Company's website at [www.corp.canadiantire.ca](http://www.corp.canadiantire.ca). Click on Corporate Governance under the Investors tab.

## **Board Renewal**

The Board's wide-ranging responsibilities, including with respect to strategy and operational performance, risk oversight, and succession planning, are inherently complex, requiring talented and dedicated individuals with a diverse mix of experience, skills, backgrounds, and other personal characteristics, to effectively govern the Company. The Board dedicates significant time and effort towards renewal to ensure the Board is well-balanced and well-positioned to fulfill its responsibilities. Prioritizing Board renewal ensures that the Board grows and evolves alongside the Company's needs.

The director selection process is led by the Governance Committee, as the Board's nominating committee, which evaluates the current composition of the Board in light of any changes to the Company's strategies and risks, current and anticipated Company priorities, and plans for succession.

### **BOARD COMPOSITION**

At the Meeting, 16 directors are proposed for election to the Board. The holders of Common Shares will elect 13 directors and the holders of Class A Non-Voting Shares will elect three directors. The Chairs of the Audit Committee, MRC Committee and Governance Committee have been put forward as the director nominees for election by the holders of Class A Non-Voting Shares, providing those shareholders with a strong voice in the Company's governance.

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 (*Dealer Holdings*) dated October 30, 1989, as amended, of the 13 directors to be elected by the holders of Common Shares at the Meeting, the Billes family has proposed nine nominees, Dealer Holdings has proposed three nominees, and both parties have proposed the President and CEO as a nominee. The parties have also agreed to vote for the election of the 13 proposed nominees.

### **DIRECTOR SELECTION PROCESS**

Director recruitment activities for the nominees proposed by the Billes family and the nominees to be recommended to the holders of Class A Non-Voting Shares are overseen by the Governance Committee, with input from the Billes family in the case of its proposed nominees. The process begins with consideration of the skills matrix, to ensure that the highest priority skills are included on the Board, as well as the Board's diversity policy, to ensure that a diverse mix of experience, skills, backgrounds and other personal characteristics are represented on the Board. Potential candidates are identified through a variety of means, including professional search firms and the networks of individual Board members, and presented to the Governance Committee for its consideration. The Governance Committee's evergreen list of potential director candidates is also consulted.

The three director nominees proposed by Dealer Holdings include current or former Canadian Tire Dealers as well as independent directors. The Chairman of the Board and the Chair of the Governance Committee are

provided with the opportunity to meet with the director nominees proposed by Dealer Holdings and assess their experience and potential contributions to the Board before they are formally put forward to the Governance Committee.

Throughout this process, the Board is kept informed about potential candidates and, as appropriate, arrangements are made for prospective candidates to meet with other Board members, including the President and CEO. For all nominees, the Governance Committee, which is comprised of independent directors, makes the recommendation to the Board on each director's nomination for election or appointment, after having considered the skills matrix, the Board diversity policy, the results of director performance assessments, director tenure, succession planning, independence considerations and other legal requirements, the overboarding policy, interlocking directorships, as well as the results of due diligence reviews.

## SKILLS MATRIX

In 2022, the Governance Committee developed a skills matrix as part of its ongoing efforts with respect to Board renewal. While each director brings a wide range of valuable skills to the Board, the skills matrix aids the Governance Committee in ensuring that the highest priority skills for effectively overseeing the management of the Company are represented on the Board, taking into consideration the Company's position as a leading Canadian retailer with diverse operations, as well as the strategic needs of the Company's business. Given their unique role with the Company, the Board also benefits from the contributions and perspectives that the Billes family and the Canadian Tire Dealer directors bring to the Board's deliberations, complementing the skillset of the entire Board. The Governance Committee annually reviews the skills included in the skills matrix and refines them, as necessary, to ensure they remain the highest priority skills for the Board. Set out below is the Board's skills matrix that sets out the top skills for which each director nominee has identified significant experience or expertise.

SKILLS	E. Anderson	M. Billes	O. Billes	L. Castonguay	D. Court	C. Cranston	S. Frazier	G. Hicks	N. Jaskolka	S. Leroux	D. Murray	M. Owens	N. Patel	C. Rupp	S. Sampath	C. Trudell
Finance and Accounting						✓			✓			✓	✓			
Mergers and Acquisitions							✓	✓								
Enterprise Risk Management						✓						✓	✓		✓	
Retail Industry	✓	✓	✓	✓	✓		✓	✓	✓	✓	✓			✓		✓
Franchise Management		✓	✓					✓	✓	✓	✓					
Human Capital Management						✓						✓	✓			✓
Digital	✓			✓			✓							✓	✓	
Marketing / Brand Management	✓			✓				✓						✓		
Global Operations					✓		✓		✓			✓	✓	✓	✓	✓
Transformational Change	✓			✓	✓									✓	✓	
Executive Leadership / Strategy				✓	✓	✓		✓	✓			✓	✓		✓	✓
Environmental, Social and Governance		✓	✓				✓									
Other Board Experience		✓			✓	✓										✓

## BOARD DIVERSITY

Guided by our Core Value that inclusion is a must, the Company is committed to maintaining a Board comprised of talented and dedicated directors with a diverse mix of experience, skills and personal characteristics, collectively reflecting the strategic needs of the business and the nature of the environment in which the Company operates. The Board takes a broad view of diversity and defines diversity to include geography, age, gender, ethnicity, race, sexual orientation, disability and other personal characteristics, in addition to business skills and experience. The Board values the benefits that the diversity of its members can bring to the Company. Diversity promotes the inclusion of different perspectives and ideas, mitigates against group think, and improves oversight, decision-making and governance. A diverse Board reflects the diverse customers and communities which the Company serves and supports, and also demonstrates the Company's commitment to diversity at all levels within the Company. In recent years, Board renewal has reflected the Board's commitment to diversity. Of the last seven new directors nominated since 2021, three are women and two are members of visible minorities.

In the second half of 2022, the Board adopted a written diversity policy codifying its commitment to diversity. As reflected in the policy, when assessing its composition or identifying suitable candidates for appointment or election, the Board considers candidates using objective criteria having due regard to the benefits of diversity and the needs of the Board. The Board also considers the level of representation of women on the Board in identifying and nominating director candidates for election or appointment. In adopting the policy, the Board set a target that it be comprised of at least 30% women by the 2023 Annual Meeting of Shareholders and thereafter, recognizing that board composition may fluctuate from time to time during periods of transition. The policy also outlines practices to support the Board's approach to diversity, including directing search firms to specifically identify diverse candidates and requiring the evergreen list of potential director candidates maintained by the Governance Committee to include diverse candidates. The Governance Committee, as the Board's nominating committee, is responsible for reviewing the policy annually to assess its effectiveness and the Board's progress in achieving its targets.

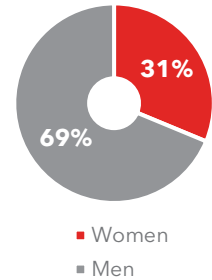
As of the date of this Circular, women represent three (19%) of the 16 directors. Subject to the election of the director nominees at the Meeting, the number of women represented on the Board will increase to five (31%) of the 16 directors, resulting in the achievement of the Board's 30% gender diversity target. In addition, based on their self-identification, two (13%) of the director nominees are members of visible minorities. Accordingly, seven of the 16 director nominees (44%) are diverse.

The Governance Committee will continue to monitor the level of diversity on the Board and consider the need for additional targets in the future for recommendation to the Board.

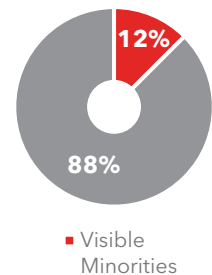
## TENURE AND TERM LIMITS

While board renewal is an effective means of bringing additional knowledge and skills to the Board, it must also be balanced against the value that tenured directors experienced with the Company can offer when navigating complex and critical issues. As the Governance Committee undertakes ongoing Board renewal activities, careful consideration is placed on the tenure of the directors to ensure an appropriate mix between longer serving and newer directors.

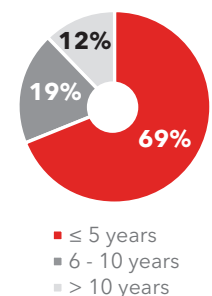
**Gender Diversity**



**Racial Diversity**



**Tenure**

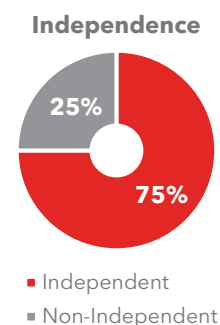


The Company does not have a mandatory retirement age for its directors or a policy that would require a director to retire after a fixed period of tenure. The combination of longer serving directors, who have an extensive history and understanding of the Company's business, and newer directors allows the Board to have the benefit of experience while also being exposed to fresh perspectives and ideas. The Board believes that its approach to Board renewal has facilitated sufficient refreshment on the Board. Over the last three years, eight new directors have been elected or appointed to our Board (two in 2020, four in 2021, and two in 2022), and two new director nominees are proposed for election at the Meeting.

The tenure of the director nominees is as follows: 11 directors (69%) have served for five years or less (including the two new director nominees), three directors (19%) have served between six and ten years, and two directors (12%), Martha Billes and Owen Billes, have served on the Board since 1980 and 2004, respectively.

## INDEPENDENCE

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. Twelve of the 16 (75%) current directors and director nominees are independent within the meaning of applicable Canadian securities laws. The Board is led by an independent, non-executive Chairman.



### 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 nominee 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 and director nominees are independent within the meaning of applicable Canadian securities laws, except Greg Hicks, Owen Billes, Sylvain Leroux and Donald Murray:

- Mr. Hicks is the President and CEO of the Company; and
- Messrs. Billes and Leroux are Canadian Tire Dealers (pursuant to contracts with the Company in the same form as other Canadian Tire Dealers' contracts) and Mr. Murray is a former Canadian Tire Dealer, having recently retired in February 2023. In the view of the Board, although Messrs. Billes, Leroux and Murray are not independent directors, the knowledge and experience they bring to the Board from the Canadian Tire Dealer perspective contributes significantly to the effective governance of the Company.

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 service as a director;
- there are no familial or commercial relationships between Ms. Billes and any director nominee or any executive of the Company, other than her familial relationship with Mr. Billes;
- the contractual arrangements between the Company and individual Canadian Tire Dealers, including the arrangements with Mr. Billes, are in a standard form, and while the Canadian Tire Dealer relationship as a whole is monitored by the Board, individual relationships are not, in the ordinary course, the subject of review by the Board or its 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 and the Governance Committee.

### Independence of Committees

All Committees, except the BCR Committee, are comprised entirely of independent directors within the meaning of applicable Canadian securities laws. Each Committee is chaired by an independent director.

Three of the six members of the BCR Committee, Messrs. Billes, Leroux and Murray, are not independent because they are current or former Canadian Tire Dealers. As operators of the Company's iconic Canadian Tire stores, the participation of current or former Canadian Tire Dealers on the BCR Committee adds a unique perspective to the Committee's oversight of the Company's brand and ESG efforts, providing insight and guidance on the deployment of ESG initiatives across Canadian Tire stores.

### 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 Chairs. On occasion, special purpose Board and Committee meetings are convened, at which sessions without management are held, as appropriate.

The independent directors also meet *in camera* without management and the non-independent directors, except Mr. Billes. Mr. Billes, a non-independent director by virtue of his role as a Canadian Tire Dealer, attends these sessions, together with Martha Billes, who is an independent director, given their significant investment in the Company. In the view of the Board, Mr. Billes' attendance does not impede open and candid dialogue among the independent directors. The Chairman of the Board exercises discretion as to whether Mr. Billes does not attend these sessions, depending on the circumstances. The Board held 11 meetings in 2022, comprised of nine regularly scheduled Board meetings and two special Board meetings. *In camera* sessions were held at each of the nine regularly scheduled Board meetings.

In addition, to ensure access to independent advice, the Board and each Committee may, at the expense of CTC, engage external advisors having particular expertise for the purposes of fulfilling their respective Mandates.

### MAJORITY VOTING POLICY

The Company has adopted a majority voting policy with respect to the election of directors by the holders of its Class A Non-Voting Shares, which provides that any nominee who receives a greater number of votes "withheld" than votes "for" his or her election in an uncontested election of directors will tender his or her resignation to the Board promptly following the applicable Annual Meeting of Shareholders. Directors other



than the nominee will consider whether to accept the resignation or whether there exist exceptional circumstances that warrant not accepting the resignation, and the Board's determination will be announced within 90 days following the date of such meeting.

The Company has not adopted a majority voting policy with respect to the election of directors by the holders of Common Shares. It relies on an exemption from the TSX majority voting requirements, given that the Billes family beneficially owns, controls and directs the votes attached to more than 60% of the Company's outstanding Common Shares and as a result, can effect the election of directors by the holders of Common Shares with their votes alone. The full text of the Company's majority voting policy is available on the Company's website at [www.corp.canadiantire.ca](http://www.corp.canadiantire.ca). Click on Corporate Governance under the Investors tab.

## Expectations of Directors

The Board, through its Governance Committee, has codified its expectations of directors serving on the Board to foster consistent and meaningful contributions from each director and ensure that ethical standards are upheld, in line with CTC's Core Values and Brand Purpose. While directors are expected to understand and comply with their legal obligations and the Company's Code of Conduct, directors' duties extend beyond their duties at law. Directors are, among other things, expected to possess relevant business skills and experience, develop financial literacy, and appreciate the financial, competitive, risk, human capital, brand, and other implications of the Company's strategies, tactics and transactions, in order to effectively oversee the governance of CTC. For the full text of the Expectations of Directors, visit the Company's website at [www.corp.canadiantire.ca](http://www.corp.canadiantire.ca). Click on Corporate Governance under the Investors tab.

The Board's expectations with respect to meetings and attendance, service on other public company boards and ethical conduct are discussed below.

### Share Ownership Guidelines

To ensure that directors' interests are aligned with those of CTC's shareholders, demonstrate that directors are financially committed to CTC through personal share ownership and promote CTC's long-standing commitment to sound corporate governance, CTC has adopted share ownership guidelines for its directors. For more information, see *Director Share Ownership Guidelines* on page 44.

## MEETINGS AND ATTENDANCE

Directors are expected to attend and be prepared for all Board and Committee meetings, participate actively at meetings, and provide quality contributions to the Board's discussions. In 2022, the Board held 11 meetings, which included an annual two-day strategy session and quarterly meetings to review the Company's financial performance and approve its financial disclosures. The Board also schedules additional meetings as and when necessary, to successfully carry out its duties. While Board and Committee meetings are the primary means through which directors carry out their duties and exercise oversight, directors are also expected to make themselves available for consultation with the Chairman of the Board, the Chairs of Committees and with management between meetings, as required.

### 2022 Meeting Attendance

The table below lists directors' attendance at Board and Committee meetings held during 2022:

- Except for the Governance Committee of which he is a member, 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 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.

Directors	Board	Audit Committee	MRC Committee	Governance Committee	BCR Committee	Total
Eric Anderson	11 of 11		6 of 6			17 of 17
R. Jamie Anderson	11 of 11	5 of 5				16 of 16
Martha Billes	11 of 11	5 of 5 (invitee)	6 of 6 (invitee)	6 of 6	4 of 4 (invitee)	32 of 32
Owen Billes	11 of 11	5 of 5 (invitee)	6 of 6 (invitee)	6 of 6 (invitee)	4 of 4	32 of 32
Diana Chant <sup>(1)</sup>	8 of 8	3 of 3	0 of 1	2 of 2		13 of 14
David Court <sup>(2)</sup>	11 of 11	5 of 5	3 of 3		3 of 3	22 of 22
Mark Derbyshire	11 of 11		6 of 6		4 of 4	21 of 21
Steve Frazier <sup>(3)</sup>	11 of 11	3 of 3	3 of 3		4 of 4 (Chair)	21 of 21
Greg Hicks <sup>(4)</sup>	11 of 11					11 of 11
Norman Jaskolka	11 of 11	5 of 5		6 of 6 (Chair)		22 of 22
Sylvain Leroux	11 of 11				4 of 4	15 of 15
Donald Murray	11 of 11				4 of 4	15 of 15
J. Michael Owens <sup>(5)</sup>	10 of 11 (Chairman)	5 of 5 (invitee)	6 of 6 (invitee)	4 of 4	4 of 4 (invitee)	29 of 30
Maureen Sabia <sup>(6)</sup>	5 of 5	3 of 3 (invitee)	3 of 3 (invitee)	2 of 2	1 of 1 (invitee)	14 of 14
Nadir Patel <sup>(7)</sup>	11 of 11	5 of 5 (Chair)	3 of 3	4 of 4		23 of 23
Christine Rupp <sup>(8)</sup>	2 of 2		1 of 1			3 of 3
Sowmyanarayan Sampath <sup>(9)</sup>	6 of 7	2 of 2				8 of 9
Cynthia Trudell	10 of 11		6 of 6 (Chair)	6 of 6		22 of 23

## Notes

- (1) Ms. Chant was appointed a member of the MRC Committee and ceased to be Chair and a member of the Audit Committee as well as a member of the Governance Committee on May 12, 2022. Ms. Chant served as a director of CTC until August 31, 2022.
- (2) Mr. Court was appointed a member of the BCR Committee and ceased to be a member of the MRC Committee on May 12, 2022.
- (3) Mr. Frazier was appointed Chair of the BCR Committee as well as a member of the MRC Committee and ceased to be a member of the Audit Committee on May 12, 2022.
- (4) In 2022, Mr. Hicks attended one Audit Committee meeting, five MRC Committee meetings, two Governance Committee meetings and two BCR Committee meetings.
- (5) Mr. Owens was elected Chairman of the Board on May 12, 2022. He was also appointed a member of the Governance Committee and ceased to be Chair and a member of the BCR Committee on May 12, 2022. Prior to his appointment to the Governance Committee, he attended one additional meeting as an invited guest. Mr. Owens did not attend the Board meeting at which his appointment as Chairman of the Board was approved.
- (6) Miss Sabia served as Chairman of the Board and a director until May 12, 2022.
- (7) Mr. Patel was appointed Chair of the Audit Committee as well as a member of the Governance Committee and ceased to be a member of the MRC Committee on May 12, 2022.
- (8) Ms. Rupp was appointed to the Board and the MRC Committee on November 1, 2022.
- (9) Mr. Sampath was elected to the Board and appointed to the Audit Committee on May 12, 2022.



## SERVICE ON OTHER PUBLIC COMPANY BOARDS

Directors are expected to devote appropriate time and attention to the affairs of the Company. As such, the Board has adopted an overboarding policy regarding service by its directors on other public company boards. Directors whose primary occupation is serving as professional directors are limited from serving on more than four public company boards (including the Board). Directors with part-time roles are limited to two public company boards (including the Board) and directors with full-time roles may only serve on the Company's Board and no other public company board other than the board of their employer, if applicable. Exceptions to the Company's overboarding policy require the approval of the Governance Committee.

### Interlocking Directorships

An interlocking directorship exists when two or more directors of the Board serve on the same board of directors of another publicly traded company. The Governance Committee considers interlocking directorships when conducting its Board renewal activities. There are no public company interlocking directorships among the current directors or director nominees.

## ETHICAL CONDUCT

The Company is committed to maintaining its place as one of Canada's most trusted companies by embracing clear ethical conduct standards. Conducting business in accordance with high ethical standards builds and protects the Company's reputation with employees, customers, suppliers and other stakeholders.

The Board is responsible for setting the tone with respect to ethical conduct at the Company, and to that end, has adopted an Ethical Business Conduct Policy. The policy establishes high standards of ethical conduct for directors, officers, employees and independent contractors, which are enshrined in the Company's Code of Conduct. The commitment of the Company's Board and senior management to the Code of Conduct and CTC's Core Values drives a culture of integrity that fosters a positive and productive working environment and helps manage risk. The Company has also adopted a Supplier Code of Business Conduct, which sets out the social compliance principles and practices of ethical business conduct that CTC expects of its suppliers of goods and services.

Directors are expected to demonstrate their commitment to CTC's Core Values and act in accordance with those values. This is facilitated through adherence to the Company's Code of Conduct, managing conflicts of interest, and the Audit Committee's oversight of certain related party transactions.

### Codes Of Conduct

The Code of Conduct formally addresses the ethical business standards and expectations of the Company's directors, officers, employees and independent contractors 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 Code of Conduct to ensure that it continues to reflect the tone of the Company's corporate culture and evolving standards and practices. Directors and employees must acknowledge annually that they have read, understood and will commit to abide by the standards and expectations set out in the Code of Conduct.

Members of senior management are accountable for supporting and endorsing compliance with the Code of Conduct and Supplier Code of Business Conduct (the *Codes*), promoting an environment of open communication about ethical conduct obligations and ensuring that violations are reported in a manner consistent with the requirements of the Codes. Each Code contains an explanation of how the Company monitors compliance with such Code. The Board has established a business conduct compliance program which provides a compliance mechanism for the Codes.

The Triangle Ethics Office is responsible for managing the business conduct compliance program, including:

- overseeing the confidential and anonymous receipt, retention, investigation, treatment and resolution of complaints and concerns relating to breaches of the Codes, including with respect to accounting, internal accounting controls or auditing matters;

- 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 Code of Conduct and their disposition, on a quarterly basis.

Copies of the Codes are available on the Company's website at [www.corp.canadiantire.ca](http://www.corp.canadiantire.ca) and on SEDAR at [www.sedar.com](http://www.sedar.com).

## Managing Conflicts of Interest

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 that has declared a conflict of interest cannot vote on the matter in which he or she has a material interest.

## Related Party Transactions

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 laws and, if appropriate, recommends those transactions to the Board for approval.

## Director Development

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### DIRECTOR ORIENTATION

When a new director is invited to join the Board, they are provided with an individualized orientation program designed to enhance the director's understanding of the Company and its business and to foster a smooth transition into their role on the Board. In addition to the information a new director receives about the Company and the Board through the director recruitment and interview process, 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, and assigns an existing director to help orient and guide the new director through the first few months on the Board. Arrangements are made for new directors to meet with the President and CEO and other executives for deep dive discussions on the Company's business and operations. 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, Board and Committees is also provided to new directors, including the current business plan, recent annual and financial disclosures, Board policies and Mandates, and key Board presentations. Directors also receive a copy of the Code of Conduct and acknowledge that they have read, understood and commit to abide by its standards and expectations.

### CONTINUING EDUCATION

The Chairman of the Board, in conjunction with the Governance Committee, initiates educational opportunities and responds to requests for director education from Board members on an ongoing basis to ensure that directors are continually made aware of the issues facing the Company. The Chairman arranges for the provision of educational presentations and materials by management and external parties, as well as visits to stores and the Company's facilities. Committee Chairs also initiate educational opportunities for their respective Committees. Directors receive a substantial amount of background information and in-depth reviews in the context of Board and Committee meetings on important aspects of the Company's business that not only assist them in discussing the issues to be addressed and the decisions to be made at such meetings, but also educate them on matters relevant to the Company and its business. The Board also receives

educational and informational briefings on industry topics and the external environment. The Board maintains a library on its director portal on topics relevant to the Company's business as well as general industry trends. Directors may also attend conferences, seminars and courses to expand their knowledge and skills.

In 2022, the Board and its Committees received presentations from management and external advisors on a broad range of topics pertaining to strategic and/or risk matters as set out in the following table. During the year, the Board also received a tour and briefing in connection with the Company's new distribution centre in the Greater Toronto Area.

Description	Date	Participants
Venture Capital	February 16, 2022	Board
Greenhouse Gas Emissions	March 16, 2022	BCR Committee
Owned Brands	March 17, 2022	Board
Cyber Risk	March 17, 2022	Board
	November 10, 2022	
Board Effectiveness	May 11, 2022	Governance Committee and Committee Chairs
Geopolitical Risk	June 8, 2022	Board
Company Valuations	June 8, 2022	Board
	October 6, 2022	
Voluntary ESG Reporting	June 27, 2022	BCR Committee
Diversity, Inclusion and Belonging	August 10, 2022	MRC Committee
	November 9, 2022	BCR Committee
Shareholder Engagement	October 12, 2022	Governance Committee
Talent Risk	October 5, 2022	MRC Committee
	November 10, 2022	Board
Mandatory ESG Reporting	November 9, 2022	Audit Committee
Economic Risk	November 10, 2022	Board
Corporate Governance Developments	December 7, 2022	Governance Committee
Geopolitical Risk and Supply Chain	December 8, 2022	Board

## Performance Assessments

The Board, through its Governance Committee, is responsible for assessing the effectiveness and contributions of the Board, Committees, Chairman of the Board and individual directors. The processes for conducting these evaluations are regularly reviewed to ensure their continued effectiveness. Set out below is an overview of the respective assessment processes.

### BOARD, COMMITTEES AND DIRECTORS

The Governance Committee has a formal process for assessing the effectiveness and contribution of the Board, Committees and individual directors, which is generally conducted every two years.

To enable and encourage assessments that provide more candid and constructive feedback, the performance of the Board, Committees (including Committee Chairs), and individual directors is evaluated through personal interviews, which are led by the Chair of the Governance Committee and the Chairman of the Board. The interview process allows the directors to share their reflections, raise critical, top of mind issues, and provide constructive feedback relating to the performance of their peers. While the interviews are structured around guidelines that are circulated in advance to the directors, they also allow significant latitude to accommodate open-ended, in the moment conversation regarding where directors think there is opportunity for improvement. In preparing for the interviews, the directors are also asked to consider the Board and Committee Mandates, the Committee Chair Position Descriptions and the Expectations of Directors, as well

as the Board's operating principles and actions in support of CTC's Core Values. The President and CEO's participation in this process allows the Governance Committee to gauge the Board and management's relationship to ensure there is alignment on the ways the Board can add value to the Company.

The Chair of the Governance Committee reports to the Board and Committees on their respective performance assessments, which are used to define priorities, identify areas for improvement and align on the actions that are necessary to enhance Board and Committee performance. The Chair of the Governance Committee meets with each director to provide feedback on their performance based on the peer reviews. The Chairman of the Board gathers feedback on the performance of the Chair of the Governance Committee and discusses that feedback with him. The results of the individual director performance assessments are one of the factors considered by the Governance Committee and the Board when making decisions with respect to the nomination of the incumbent directors for re-election to the Board, as well as determining Committee memberships.

## CHAIRMAN OF THE BOARD

The performance of the Chairman of the Board is generally assessed annually through personal interviews with each director, which are conducted by the Chair of the Governance Committee. Directors are asked to assess the Chairman of the Board's performance over the prior year, taking into account how well the Chairman has led the Board. Directors are also asked to consider the Chairman's duties as set out in the Chairman's Position Description.

The Chair of the Governance Committee reviews the results of the evaluation with the Chairman of the Board and provides a report to both the Governance Committee and the Board.

## Environmental, Social and Governance

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CTC's Brand Purpose guides all actions related to the Company's business strategy, including CTC's position and strategy in relation to ESG topics that matter most to its stakeholders. CTC has integrated ESG directly into its enterprise strategy as it is critical to fulfilling the Company's Brand Purpose, achieving its financial aspirations, and improving environmental and social outcomes for Canadians.

## ESG GOVERNANCE

At the Board, primary oversight of CTC's ESG strategy and risk management is the responsibility of the BCR Committee, which coordinates with the Audit Committee, MRC Committee and Governance Committee. The BCR Committee's ESG responsibilities include, but are not limited to:

- monitoring emerging trends, risks, issues and regulatory developments in relation to ESG matters;
- overseeing the Company's management of its priority ESG topics (including objectives, strategies, targets, goals and commitments) and the impacts thereof on the Company's brand and reputation;
- reviewing and, where applicable, approving, the Company's strategic ESG initiatives; and
- approving the Company's ESG reporting.

For more information, see the *Brand and Corporate Responsibility Committee Report* on page 41.

CTC's leaders develop and implement strategies relevant to their businesses and areas of expertise, aligned to the Company's overall ESG strategy. Executive oversight of these efforts is the responsibility of the Executive ESG Council, which is made up of cross-functional CTC leaders. The Executive ESG Council's accountabilities include approval of the overall ESG strategy and related initiatives, monitoring performance and progress of such initiatives, and review and oversight of external ESG reporting.

## ESG REPORTING

In 2022, CTC published its inaugural ESG Report, which outlines its approach to its ESG topics and focuses on those that the Company has identified as being most relevant to the enterprise and its stakeholders. The report is segmented into four pillars – People and Community, Environment, Responsible Sourcing, and Governance – and addresses the following 12 priority ESG topics, including related aspirations, commitments, strategies and activities, as applicable:

People & Community	Environment	Responsible Sourcing	Governance
Community Impact	Climate Change	Sustainable Supply Chain Management	Business Ethics
Diversity, Inclusion & Belonging	Circularity: Operational Waste	Human Rights & Social Responsibility	Corporate Governance & Risk Management
Talent & Culture	Circularity: Packaging & Product Waste	Product Safety & Quality	Privacy & Data Security

The Company's ESG Report, which includes a Climate Data Supplement, is available at [www.corp.canadiantire.ca](http://www.corp.canadiantire.ca) under the Environmental, Social and Governance tab.

## DIVERSITY, INCLUSION AND BELONGING

Guided by our Core Value that inclusion is a must, the Company is committed to an equitable and inclusive culture that represents its people, customers and communities across the country. The Company's diversity, inclusion and belonging (DIB) strategy takes an organization-wide approach to incorporate inclusive and equitable practices into all aspects of CTC's operations, and aims to have DIB serve as an essential driver for future organizational priorities. The strategy is designed to achieve an outcome of belonging through building an inclusive culture, and prioritizing diverse representation across the organization to develop the next generation of the Company's leaders. Within the strategy is a Diverse Workforce Plan, which aims to embed high-impact talent management practices into the Company, create an attractive work environment, and engage employees in career advancement pipelines to make the Company a desired place for their learning, growth and innovation. Various initiatives have been implemented as part of the Diverse Workforce Plan:

- Executive and management leadership programs for underrepresented groups;
- Connecting emerging leaders from underrepresented groups with senior leaders for personal coaching and mentorship;
- Voluntary, employee-led Employee Resource Groups;
- Workshops with senior executives to prioritize strategies for identifying and developing diverse talent within senior management; and
- Communication of the Company's commitment to DIB in its recruitment messaging and activities.

The DIB team leads the Company's efforts on diversity, and is guided by the Company's DIB Council that is comprised of senior executives and business leaders from across the enterprise. This group ensures alignment of diversity efforts with the Company's overall business strategy and Brand Purpose, and is co-chaired by the Chief Human Resources Officer and the Chief Brand and Customer Officer. At the Board, the DIB strategy is principally overseen by the MRC Committee, with the BCR Committee also overseeing the Company's DIB efforts under its broader ESG mandate. The MRC Committee has played an increasingly important role with respect to all aspects of human capital management, including DIB, in recent years, and receives regular reporting by management which includes DIB-related metrics through its People and Culture Dashboard.

### Executive Diversity

The Company embraces all forms of diversity, and its senior leadership and executive officers are represented by individuals who are diverse in their gender, age, experience, race and ethnicity. Diverse representation within our executive ranks not only introduces a broad range of voices in the most significant decision-making levels across the enterprise, but also empowers underrepresented employees to see their long-term career development at the Company. Through the implementation of the Diverse Workforce Plan, as well

as external recruiting where required, the Company is aiming to build a leadership pipeline that will elevate strong, diverse leaders in the future.

CTC's senior leadership team is comprised of individuals at the level of Senior Vice-President and above and CTC employs 10 (29%) women in these positions. With respect to women in executive officer positions, there are three female executive officers of the Company and its major subsidiaries (including CTB), representing approximately 25% of the total executive officers. The terms executive officers and major subsidiaries have the meanings ascribed thereto under applicable securities laws.

CTC has chosen not to adopt specific targets regarding the representation of women in executive officer positions. It believes that diverse representation is achieved when organizations take a systemic approach to creating inclusive work environments. The Company believes that targets alone cannot adequately address retention or tackle the inequities and barriers faced by diverse employees. CTC's DIB strategy aims to increase diverse representation at all levels, including amongst the executive officers, through programs and initiatives to increase cultural representation, accelerate leadership capabilities, expand talent mobility, and develop a strong and representative leadership pipeline.

## CLIMATE CHANGE

The Company is committed to integrating climate change considerations into its decision-making processes to support the reduction of greenhouse gas (GHG) emissions in its operations. To achieve this commitment, the Company undertook initial assessments of its climate risks and opportunities, and continues to look to the Task Force on Climate-related Financial Disclosures recommendations and the evolving regulatory landscape to progress its efforts.

In 2017, the Company set two five-year GHG emissions reduction targets: one related to buildings and operations, which was achieved, and the other related to product transportation activities, which was not achieved due to unanticipated growth in our eCommerce business. Learnings from these efforts led to a renewed focus on decarbonizing our buildings to create the greatest impact in emissions reductions. As part of its inaugural ESG Report, the Company announced a new target to reduce Scope 1 and Scope 2 GHG emissions, which include Dealer-operated Canadian Tire stores, by 40% by 2030 relative to a 2020 baseline. The BCR Committee oversaw management's work in developing a new and meaningful pathway for reducing carbon emissions and approved the 2030 targets.

## COMMUNITY IMPACT

The Company's Brand Purpose guides our commitment and efforts to support the people and communities in which we operate. The largest beneficiary of this work is Canadian Tire Jumpstart Charities (*Jumpstart*), an independent charitable organization which has been assisting Canadian families in overcoming the financial and accessibility barriers to sport and play for their kids since 2005. Jumpstart has helped over 3.1 million children gain access to sport and play.

CTC is proud to be Jumpstart's biggest supporter, including providing funding to help cover general administrative expenses to ensure that 100% of donations received by Jumpstart go directly towards supporting kids in need. In addition, customers, employees, vendors and other CTC business partners support Jumpstart's work through numerous events including the annual Jumpstart Month, a fundraising campaign held at the Company and across its retail banners to help children in their communities participate in sports and recreation. Given the Company's significant financial and in-kind contributions in support of Jumpstart, the BCR Committee receives periodic reporting on Jumpstart's strategy, disbursement activities and brand health metrics. Jumpstart's Annual Report is available at [www.annualreport.jmpst.ca](http://www.annualreport.jmpst.ca).

The Company's philanthropic activities also extend to providing support during emergencies and disasters, many of which are managed through a long-standing relationship with the Canadian Red Cross.



## Shareholder Engagement

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The Board has developed a policy (the *Statement of Principles*) setting out the principles that guide the Board's approach to shareholder engagement. The Statement of Principles reflects the Board's belief that maintaining open lines of communication with our shareholders on key matters is of critical importance. As such, the Board and management are always interested in the views of shareholders and have worked to develop a trusted relationship with the investment community. The Governance Committee actively oversees management's approach to shareholder engagement and reviews the Board's processes in order to strengthen its connection with shareholders.

Ordinary course engagement and communications with shareholders, whether through the Board or management, include:

- quarterly earnings calls and news releases;
- annual and quarterly financial reports;
- other annual disclosures and voluntary reporting, including this Circular, the 2022 AIF and the Company's ESG Report;
- industry conferences, store tours and distribution centre tours;
- information provided on our website;
- responses to investor inquiries via phone, email or letters;
- our annual meeting of shareholders; and
- events and meetings with institutional and other shareholders.

Shareholders are requested to direct any inquiries to the Investor Relations department via email to [investor.relations@cantire.com](mailto:investor.relations@cantire.com), with a copy to [corporatesecretary@cantire.com](mailto:corporatesecretary@cantire.com), the Corporate Secretary's Office, for matters specifically directed to the Board. Depending on the nature of the inquiry, the matter will be addressed by management, the Chairman of the Board and/or one or more directors at the appropriate time. Matters that may be addressed by the Board include governance practices, Board composition, executive compensation, talent development and succession planning, as well as ESG, risk and strategy oversight. To keep the Board apprised of management's shareholder engagement activities, the Head of Investor Relations is invited to provide an update on shareholder engagement and investor relations at meetings of the Governance Committee and keeps the Chairman of the Board and the Chair of the Governance Committee informed of developments between meetings.

During 2022, the Board and management conducted various shareholder engagement activities. The Chairman of the Board and the Chairs of the Governance Committee and MRC Committee met with the Canadian Coalition for Good Governance to discuss a broad range of topics, including board composition and diversity, skills and succession planning, corporate strategy and material business risk oversight. In addition to hosting an Investor Day in March 2022 to unveil the Company's *Better Connected* strategy and new financial aspirations, the President and CEO and other members of management engaged with individuals from over 85 investor institutions, both directly and through participation in six investor conferences and roadshows throughout the year. Meetings addressed topics of interest to investors, including with respect to strategy and performance as well as governance and ESG matters.

In the context of its Board renewal and succession planning, and based on feedback from shareholders following the 2022 Annual Meeting of Shareholders, the Board adopted a diversity policy codifying its commitment to diversity. In adopting the policy, the Board set a target that it be comprised of at least 30% women by the 2023 Annual Meeting of Shareholders and thereafter, which, subject to the election of the director nominees, will result in the achievement of the target. See *Board Diversity* on page 24.



## COMMITTEE REPORTS

The following Committee reports present an overview of key responsibilities and provide an update of each Committee's activities in 2022.

### Audit Committee Report

#### MEMBERS



**NADIR  
PATEL**  
(Chair)



**R. JAMIE  
ANDERSON**



**DAVID  
COURT**



**NORMAN  
JASKOLKA**



**SOWMYANARAYAN  
SAMPATH**

#### PURPOSE AND 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](http://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 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 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 an annual performance assessment, 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.

The Audit Committee plays a key role in supporting the Board's oversight of risk. The Committee reviews and recommends to the Board the Company's ERM Policy, including the ERM Framework and Risk Appetite Statement. Quarterly 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 and reviews the Company's risk disclosures. It also receives additional reporting on financial, credit, cyber and legal risk exposures and ethical business conduct matters.



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 and approving insurance coverage maintained by the Company, reviewing the appointments of the Chief Financial Officer and the Treasurer and scheduling education topics at Committee meetings, as appropriate.

## 2022 UPDATE

The Audit Committee met five times during 2022. Highlights of the work which the Committee performed during 2022, as part of or in addition to its responsibilities under its Mandate, include:

- receiving from the CFO quarterly financial performance reports on the Company, including its reporting segments, and discussing key drivers of, and impacts to, performance;
- reviewing reports on CEO and CFO certification to ensure the process is kept current and operating effectively;
- receiving management reports regarding the Company's financial statements, Management's Discussion and Analysis and related disclosures, discussing with the external auditor key areas of focus impacting the financial statements, and recommending the Company's financial disclosures to the Board for approval;
- discussing with management the implementation of accounting changes, including the implications thereof;
- overseeing financial disclosures prepared in connection with Investor Day, including the Company's financial aspirations and strategic growth plan;
- monitoring developments and receiving continuing education concerning ESG reporting and the impact of ESG on financial disclosures;
- reviewing reports from internal audit concerning the findings of project and process audits and other reviews and related action plans to improve controls and processes that mitigate strategic, financial and operational risks;
- supporting the Board in its oversight of risk management, including through its reviews and discussions with management regarding its assessment of key enterprise risk exposures;
- overseeing management's strategy and priorities for addressing cyber risk through the review of quarterly cyber risk management reports (including management's cyber risk dashboard) and education by external advisors;
- receiving reports on the management of the Company's financial risks, including compliance with the Financial Risk Management Board Policy;
- reviewing and recommending to the Board amendments to the Financial Reporting Board Policy; and
- overseeing and participating in an annual review of the external auditor's performance.

## COMPOSITION

Applicable Canadian securities laws require the Audit Committee to be comprised of independent directors (as determined under NI 52-110) who are 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.

## AUDITOR INDEPENDENCE

The Audit Committee has adopted an External Auditor Independence Policy which establishes various practices and procedures designed to ensure the independence of the external auditor. Pursuant to the policy, restrictions have been implemented with respect to the hiring of current or former members of the external auditor and the provision of certain services by the external auditor which may impede its independence. The policy also outlines procedures relating to the provision of audit, audit-related and non-audit services by the external auditor, including the pre-approval of non-audit services. The Audit

Committee conducts an annual assessment of the external auditor and based on the most recent assessment, has recommended that Deloitte LLP be reappointed as the external auditor at the Meeting.

## ADDITIONAL INFORMATION

Additional information about our Audit Committee as required by NI 52-110 is contained in Section 8 of the 2022 AIF, which is available on the Company's website at [www.corp.canadiantire.ca](http://www.corp.canadiantire.ca) and on SEDAR at [www.sedar.com](http://www.sedar.com). A copy of the Audit Committee Mandate is also included in the 2022 AIF.

## Management Resources and Compensation Committee Report

### MEMBERS



CYNTHIA  
TRUDELL  
(Chair)



ERIC  
ANDERSON



MARK  
DERBYSHIRE



STEVE  
FRAZIER



CHRISTINE  
RUPP

## PURPOSE AND 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's Mandate which is available on the Company's website at [www.corp.canadiantire.ca](http://www.corp.canadiantire.ca).*

The MRC Committee assists the Board with its oversight responsibilities with respect to the Company's human resource strategies, plans, policies and procedures, including in the areas of talent development, succession planning, compensation, employee engagement and DIB, with particular emphasis on Executives, including Executives whose roles are critical to the execution of the Company's strategy (*Top Roles*).

As part of its Mandate, the MRC Committee annually reviews and reports to the Board on management's practices and programs relating to talent development, assessment and advancement of Executives. The Board, together with the Committee, oversees the Corporation's succession planning for the President and CEO. The Committee is also responsible for succession planning for *Top Roles*. For information on the Company's succession planning process, see *Succession Planning* on page 20.

The MRC Committee reviews and approves the principal employment terms of *Top Roles*, and reviews and recommends the principal employment terms of the President and CEO to the Board for approval. The Committee recommends the President and CEO's annual performance objectives to the Board and, in consultation with the Chairman of the Board, the Committee conducts an annual assessment of the President and CEO's performance and reports on its assessment to the Board. The Committee also reviews the annual performance objectives of *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 Committee also reviews and approves performance goals and conditions, grants, and payouts under the Company's incentive plans,

as well as the adjudication of matters impacting the payouts under those plans. In carrying out its responsibilities, the Committee consults with its compensation advisors, as appropriate. The Committee reviews the share ownership of Executives relative to their share ownership guidelines. It also recommends executive compensation disclosure to the Board for approval, including reporting on the compensation arrangements of the Company's Named Executive Officers (NEOs).

In addition to its other responsibilities, the Committee oversees the Company's workforce DIB strategy, initiatives and outcomes. In overseeing the health of the employee value proposition, it monitors the employee experience and engagement across the Company through management reports and the results of employee opinion surveys to ensure the Company is capable of recruiting the talent needed for the business. The Committee recommends to the Board significant changes to employee benefit, retirement and savings programs and reviews any proposed major organizational design changes of the Company or its subsidiaries.

For additional information regarding the role of the MRC Committee in executive compensation, see *Role of the MRC Committee in Executive Compensation* on page 48.

## 2022 UPDATE

The MRC Committee met six times in 2022. Highlights of the work which the Committee performed during 2022, as part of or in addition to its responsibilities under its Mandate, include:

- in connection with the 2021 fiscal year, approving payout of the awards pursuant to the 2021 Short-Term Incentive Plan (STIP) and the Company's 2019 Performance Share Units (see *Short-Term Incentive Plan* on page 54 of the 2022 Management Information Circular dated March 17, 2022 and *2019 PSU Payout (Vested in 2022)* on page 63 of this Circular for further details);
- in connection with the 2022 executive compensation plans and programs, reviewing and approving grants and performance goals and conditions under the Company's incentive plans;
- reviewing the performance objectives for Top Roles and recommending to the Board the performance objectives of the CEO;
- receiving updates on the progress of management's talent strategy, including with respect to talent acquisition and development;
- discussing with management risks related to talent availability, diverse talent representation, diversity metrics, succession planning and talent readiness, the hybrid working model, employee wellbeing and employee health and safety, and overseeing the development of a People and Culture Dashboard to monitor key metrics in these areas;
- reviewing and reporting to the Board on talent development and succession planning for the CEO and Top Roles and, in the case of the CEO, the emergency succession plan, protocols and current/future succession candidates;
- receiving updates from management on its DIB strategy and its Diverse Workforce Plan to attract, retain and develop diverse talent, including the various initiatives supporting the execution of the plan;
- recommending to the Board amendments to the Company's Performance Share Unit Plan, Restricted Share Unit Plan and Stock Option Plan;
- reviewing the equity ownership of Executives relative to the Executive Share Ownership Guidelines;
- evaluating and recommending to the Board updates to the Company's health benefit plan; and
- recommending the Company's 2023 executive compensation plans and programs for the ensuing year to the Board for approval.

Following the 2022 fiscal year, the Committee approved various matters in connection with the Company's 2022 compensation plans and programs. The Committee approved the corporate pool funding under the STIP and, in the case of the Top Roles, their performance ratings and associated STIP individual performance multipliers. It also conducted the performance assessment of the President and CEO and recommended his STIP individual performance multiplier to the Board for approval. The Committee also approved the Company's profit sharing award. Additional information relating to these matters is included under the *Executive Compensation* section of this Circular, beginning on page 47.

# Governance Committee Report

## MEMBERS



**NORMAN  
JASKOLKA**  
(Chair)



**MARTHA  
BILLES**



**J. MICHAEL  
OWENS**



**NADIR  
PATEL**



**CYNTHIA  
TRUDELL**

## PURPOSE AND RESPONSIBILITIES

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

As the Board's nominating committee, 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. Recommendations to the Board on each director's nomination for election or appointment are made after having considered the Board skills matrix, the Board diversity policy, the results of director performance assessments, director tenure, succession planning, independence considerations and other legal requirements, the overboarding policy, interlocking directorships, as well as the results of due diligence reviews. The Committee also maintains an evergreen list of qualified candidates for Board membership to support Board renewal. The Committee recommends to the Board the appointment of the Chairman of the Board and the Chair and members of the Governance Committee, and appoints the Chairs and members of all other Committees. 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, including the 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 Committee is responsible for reviewing the Board diversity policy annually to assess its effectiveness in promoting a diverse Board and the progress of the Board in achieving the targets set out in the policy. In addition, the Committee annually reviews the skills included in the Board skills matrix and refines them, as necessary, to ensure they remain the highest priority skills for the Board.

The Governance Committee regularly reviews its Mandate, the Position Descriptions of the Chairman of the Board, Committee Chairs, Directors and the Corporate Secretary and assesses the Board's processes for director orientation and education activities. The Committee also recommends to the Board the governance portions of the Circular.

## 2022 UPDATE

The Governance Committee met six times in 2022. Highlights of the work which the Committee performed during 2022, as part of or in addition to its responsibilities under its Mandate, include:

- overseeing the Chairman succession process resulting in the appointment of J. Michael Owens as Chairman of the Board, succeeding Maureen Sabia;
- developing, and recommending to the Board for approval, a Board diversity policy which codifies its commitment to diversity and, as part of the policy, a target that the Board be comprised of at least 30% women by the 2023 Annual Meeting of the Shareholders and thereafter;
- developing and approving a skills matrix which ensures that the highest priority skills for the Board to effectively oversee the Company are reflected amongst its members;
- as part of the Board's continuous renewal process, reviewing potential director candidates, resulting in the recommendation of Christine Rupp's appointment to fill a director vacancy during the year, and updates to its evergreen list of qualified director candidates;
- conducting a review of the Company's director compensation program, and recommending changes to director compensation effective on January 1, 2023;
- receiving reports from the Corporate Secretary on corporate governance developments and overseeing the Company's response to such developments;
- receiving reports on key Investor Relations topics and activities, including management and Board engagement;
- reviewing and overseeing processes and priorities in connection with Board and shareholder engagement; and
- approving amendments to the Position Descriptions of the Chairman, Directors and Corporate Secretary.

Following the 2022 fiscal year, in connection with the Meeting, the Committee recommended and the Board approved the proposed nominations of Lyne Castonguay and Cathryn Cranston as directors of the Company.

## Brand and Corporate Responsibility Committee Report

### MEMBERS



STEVE  
FRAZIER  
(Chair)



OWEN  
BILLES



DAVID  
COURT



MARK  
DERBYSHIRE



SYLVAIN  
LEROUX



DONALD  
MURRAY

## PURPOSE AND RESPONSIBILITIES

The following is a summary of the key responsibilities of the BCR Committee. For a full description of the Committee's responsibilities, see the BCR Committee Mandate which is available on the Company's website at [www.corp.canadiantire.ca](http://www.corp.canadiantire.ca).

The purpose of the BCR Committee is to assist the Board in overseeing the Company's ESG efforts and ensuring the Company's brand remains trusted and relevant to Canadians. In carrying out this mandate, the

Committee oversees the development and fulfilment of the Company's brand purpose, monitors emerging trends, risks, issues and regulatory developments in relation to ESG matters, including management's plans in response thereto, oversees the Company's management of its priority ESG topics (including objectives, strategies, targets, goals and commitments) and their impacts on the Company's brand and reputation, reviews and, where applicable, approves the Company's strategic ESG initiatives, and approves the Company's ESG reporting.

The BCR Committee also reviews assessments and studies of the Company's brand and reputation, receives updates on the Company's crisis management framework and operations, monitors the integration of the Company's brand purpose with the Company's strategy, and provides oversight of the Company's charity of choice, Jumpstart, which includes assessing Jumpstart's brand health and receiving reports on the audits of its activities.

## 2022 UPDATE

The BCR Committee met four times in 2022. Highlights of the work which the Committee performed during 2022, as part of or in addition to its responsibilities under its Mandate, include:

- overseeing the development, and approving the publication and dissemination, of the Company's inaugural ESG Report, which included robust engagement with management on the narrative and metrics contained in the report;
- assessing management's progress with the Company's ESG strategic initiatives which support the Company's *Better Connected* strategy;
- approving the Company's target for reducing Scope 1 and Scope 2 GHG emissions, which include its Dealer-operated Canadian Tire stores, by 40% by 2030 relative to a 2020 baseline;
- receiving updates from management on its workforce DIB strategy and its Diverse Workforce Plan to attract, retain and develop diverse talent, including the various initiatives supporting the execution of the plan;
- considering ESG ratings given to the Company by various organizations, including opportunities for improvement
- receiving reports on the Company's crisis management framework and its operations, which serves to protect the Company's brand and reputation;
- reviewing reports from Jumpstart's management on its strategy, disbursement activities and brand health metrics; and
- reviewing plans and aligning on timelines for management's future reporting to the Committee to facilitate the Committee's continued oversight of the Company's ESG strategy roll-out, including the monitoring of risks and opportunities, as well as strategic guidance on brand trust.





# 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

In 2022, directors, other than the President and CEO, were compensated for their service through a combination of retainers, meeting fees and travel fee (if applicable). The Chairman of the Board receives an all-inclusive retainer and does not receive any additional compensation for serving on the Board or on any Committee. For information on the compensation of the President and CEO for the year ended December 31, 2022, see *Executive Compensation* on page 47.

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

The following table lists the fees our directors were entitled to receive during 2022:

Fees <sup>(1)</sup>	Amount (\$)
<b>Annual Retainers</b>	
Chairman of the Board	500,000
Directors	170,000
Committee Chairs:	
• Audit Committee	30,000
• MRC Committee	20,000
• Governance Committee	17,500
• BCR Committee	13,500
Committee Member	5,000
<b>Meeting Fees<sup>(2)</sup></b>	
• Board, MRC, Governance and BCR Committees	2,000
• Audit Committee	2,750
Meetings of Less than 60 Minutes:	
• Board, MRC, Governance and BCR Committee Meeting	1,000
• Audit Committee Meeting	1,375
<b>Travel Fee</b>	
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) Directors who attend meetings of Committees of which they are not members may also be eligible to receive meeting fees.

## COMPENSATION FOR SERVICE ON SUBSIDIARY BOARDS

From time to time, directors of CTC are appointed to serve on the board of directors of CTB. Directors of CTB, including CTC directors that serve on the CTB board of directors, receive an annual retainer and meeting fees. They are also reimbursed for travel and other expenses incurred to attend CTB board and committee meetings. Retainer and meeting fees earned by CTB's directors cannot be received in DSUs.

## 2023 DIRECTOR COMPENSATION CHANGES

In 2022, the Governance Committee engaged Hugessen Consulting to assist with a market review of the Company's director compensation program. The last review of director compensation was conducted in 2019. CTC's director compensation program was benchmarked using a Canadian peer group comprised of issuers of a similar scale and size to the Company, with reference to CTC's North American Retail Peer Group for benchmarking executive compensation, as described on page 54. Given the results of the market review conducted by Hugessen Consulting and various other factors, the Governance Committee recommended changes to the director compensation program, which the Board approved effective January 1, 2023.

Key among the changes was the transition to a flat fee structure, in alignment with market practice, which eliminates meeting fees for both Board and Committees and simplifies the director compensation program. An annual director retainer of \$225,000 was approved, which includes compensation for service on one Committee. Directors serving on each additional Committee receive an annual retainer of \$15,000 and directors who attend Committee meetings as permanent invited guests receive an annual retainer of \$10,000. A flat fee structure for Committee Chairs was also approved, with annual retainers of \$40,000 for the Audit Committee Chair and \$30,000 for the Chairs of the MRC Committee, Governance Committee and BCR Committee. No changes were made to the Chairman's retainer of \$500,000.

As a result of these changes, the Director SOGs, which require directors to accumulate at least three times the value of the annual director retainer, have increased from \$510,000 to \$675,000 effective January 1, 2023. In addition, U.S. directors are now required to meet the guideline amount in U.S. dollars and, in the case of the Chairman of the Board, the guideline has been increased to \$1,000,000, representing two times the Chairman's retainer.

## 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 the director may elect to receive all or part of his or her annual compensation, which is paid quarterly, in DSUs, based on the ten-day volume weighted average price of Class A Non-Voting Shares on the TSX prior to and including the last business day before the end of the applicable quarter. Additional DSUs are credited to a director's DSU account as DSU dividend equivalents 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 and are settled in cash after the director completes his or her service with the Company, calculated based on the ten-day volume weighted average price of 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 directors 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 SOGs. Every director, other than the President and CEO, is required to accumulate at least three times the value of the annual director retainer in Common Shares, Class A Non-Voting Shares and/or DSUs, by their fifth anniversary. The value required to meet the Director SOGs is calculated as the greater of the acquisition cost and market value of the Common Shares, Class A Non-Voting Shares and DSUs.

A director who does not meet the required investment under the Director SOGs 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 on the Board.

If the annual director retainer is increased, directors are required to satisfy the new guideline amount by the later of their guideline achievement date and two years following the effective date of the increase.

The Governance Committee regularly assesses the appropriateness of the level of share ownership required and balances the need for directors to demonstrate financial commitment to CTC with diversification in their personal investment portfolios.

## DIRECTORS' HEDGING POLICY

Under the Director SOGs, 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.

## 2022 Director Compensation

The table below shows the compensation paid to CTC's directors, other than the President and CEO, with respect to CTC's most recently completed financial year, which ended on December 31, 2022, and the allocation of fees between cash and DSUs:

Director Name	Fees Earned <sup>(1)(2)</sup> (\$)	All Other Compensation <sup>(3)</sup> (\$)	Total (\$)	Allocation of Fees Earned	
				Cash (%)	DSUs (%)
Eric Anderson <sup>(4)</sup>	214,500	–	214,500	84%	16%
R. Jamie Anderson	208,750	1,910	210,660	100%	–
Martha Billes	239,750	7,487	247,237	100%	–
Owen Billes	203,000	6,929	209,929	100%	–
Diana Chant <sup>(5)</sup>	153,209	–	153,209	100%	–
David Court	225,764	–	225,764	100%	–
Mark Derbyshire	227,500	–	227,500	100%	–
Steve Frazier <sup>(4)</sup>	232,695	–	232,695	100%	–
Norman Jaskolka	239,250	–	239,250	–	100%
Sylvain Leroux	203,000	–	203,000	14%	86%
Donald Murray	208,000	–	208,000	–	100%
J. Michael Owens <sup>(6)</sup>	392,225	30,525	422,750	50%	50%
Nadir Patel	245,712	1,610	247,322	40%	60%
Christine Rupp <sup>(4) (7)</sup>	36,666	–	36,666	50%	50%
Maureen Sabia <sup>(8)</sup>	183,712	366,603	550,315	100%	–
Sowmyanarayan Sampath <sup>(4) (9)</sup>	135,412	–	135,412	–	100%
Cynthia Trudell <sup>(4)</sup>	246,500	–	246,500	–	100%
<b>Total</b>			<b>4,010,709</b>		

### Notes

- (1) Fees Earned includes the aggregate of annual retainers, meeting fees and travel fee (if applicable) received in cash and/or DSUs at the election of each director. All director compensation is earned and paid in Canadian dollars, with the exception of U.S. directors who are paid in U.S. dollars.
- (2) As a result of travel restrictions due to COVID-19, certain directors entitled to the annual travel fee attended meetings virtually and their annual travel fee was prorated accordingly.

- (3) All Other Compensation includes: (i) annual retainer and meeting fees paid to Miss Sabia (\$72,000) and Mr. Owens (\$28,880) for serving as directors of CTB (Mr. Owens was appointed to the CTB board of directors on August 2, 2022); (ii) perquisites for Mr. R.J. Anderson in respect of executive medical services (\$1,910), Ms. Billes in respect of head office parking (\$361) and personal security (\$7,126), Mr. Billes in respect of head office parking (\$312) and personal security (\$6,617), Mr. Owens in respect of head office parking (\$1,645), Mr. Patel in respect of executive medical services (\$1,610) and Miss Sabia in respect of head office parking (\$468); and (iii) fees paid to Miss Sabia (\$294,135) for serving as Special Advisor to the Chairman of the Board pursuant to an advisory services agreement that the Company and Miss Sabia entered into following her retirement from the Board for a period of one year in the amount of \$475,000 per annum, which may be extended for a further one-year term upon the mutual agreement of the parties. All directors were also eligible to participate in CTC's roadside assistance program, which program carries a notional value of approximately \$67.
- (4) Ms. Rupp and Trudell and Messrs. E. Anderson, Frazier and Sampath are U.S. directors and were 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 30, 2022, the daily exchange rate posted by the Bank of Canada for conversion of Canadian dollars to U.S. dollars was \$1.00 equals US \$0.7383.
- (5) Ms. Chant retired from the Board effective August 31, 2022.
- (6) Mr. Owens was appointed Chairman of the Board effective May 12, 2022.
- (7) Ms. Rupp was appointed to the Board effective November 1, 2022.
- (8) Miss Sabia retired from the Board effective May 12, 2022.
- (9) Mr. Sampath was elected to the Board on May 12, 2022.

## Director Share-Based Awards

The table below shows the DSUs held by CTC's directors, other than the President and CEO, as at the end of CTC's most recently completed financial year, which ended on December 31, 2022.

Director Name	Total Number of DSUs <sup>(1)</sup> (#)	Value of DSUs Not Paid Out or Distributed <sup>(2)</sup> (\$)	DSUs Granted During the Fiscal Year <sup>(1)</sup> (#)	Value of DSUs Vested During the Fiscal Year <sup>(3)</sup> (\$)
Eric Anderson	5,221	738,772	457	73,562
R. Jamie Anderson	—	—	—	—
Martha Billes	—	—	—	—
Owen Billes	—	—	—	—
Diana Chant	1,737	245,786	61	9,931
David Court	5,370	759,855	187	30,704
Mark Derbyshire	5,743	812,635	200	32,834
Steve Frazier	—	—	—	—
Norman Jaskolka	6,997	990,076	1,708	273,865
Sylvain Leroux	1,719	243,239	1,132	180,879
Donald Murray	8,357	1,182,516	1,566	251,076
J. Michael Owens	1,928	272,812	1,303	202,018
Nadir Patel	936	132,444	936	149,744
Christine Rupp	174	24,621	175	24,830
Maureen Sabia	2,704	382,616	94	15,463
Sowmyanarayan Sampath	1,228	173,762	1,229	183,802
Cynthia Trudell	8,691	1,229,777	2,299	366,449

### Notes

- (1) Under the DSU Plan for Directors, DSUs granted in lieu of cash fees and accrued DSU dividend equivalents are vested at the time of issuance and are settled in cash after the director completes his or her 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 DSUs held by each director as at the Company's 2022 fiscal year end has been calculated with reference to the closing price of Class A Non-Voting Shares on the TSX on December 30, 2022, the last business day prior to such date (\$141.50).
- (3) The value of DSUs that vested during the 2022 fiscal year was determined by multiplying the number of DSUs issued to each director during the year by the ten-day volume weighted average price of Class A Non-Voting Shares on the TSX prior to and including the last business day before the applicable date of issuance.



# EXECUTIVE COMPENSATION

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## 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.

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 strategic objectives. To that end, the MRC Committee oversaw a comprehensive review of CTC's executive compensation programs which resulted in the implementation of the following changes in 2022:

- The introduction of new performance measures in the Performance Share Unit (PSU) plan. The new performance measures are retail return on invested capital (*Retail ROIC*) and earnings per share (*EPS*), which are long-term financial performance measures, and loyalty sales as a percentage of total CTC sales (*Loyalty Sales*), which is a customer focused performance measure. These three new performance measures enhance the evaluation of CTC's long-term performance and replace the previous performance measure which was linked to CTC's Short Term Incentive Plan (*STIP*) performance.
- The redesigned performance management program which strengthens the objective setting and performance assessment process to better support CTC's strategic priorities. The new program includes Business Objectives, anchored to the annual business plan and the delivery of CTC's business strategy, which includes CTC's ESG strategy, and People and Culture Objectives, anchored to leadership behaviours that enable results and drive CTC's culture. Examples of People and Culture Objectives include objectives in support of CTC's Core Values, DIB strategy, as well as employee engagement and various other culture related priorities.

The new long-term performance measures in the PSU plan and the redesigned performance management program, which informs the Individual Performance Multiplier in determining individual STIP awards, build on the existing strengths of CTC's compensation programs. For more information on the STIP and PSU plan, see *Short-term Incentive Plan* on page 57 and *2022 Performance Share Units* on page 61.

The MRC Committee is satisfied that CTC's executive compensation policies and practices used in 2022 support CTC's strategy and that these policies and practices continue to be effective in attracting, retaining, and motivating the Company's 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 (the *NEOs*) for the 2022 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*), which include the NEOs. For the 2022 fiscal year, the NEOs were as follows:

### NAMED EXECUTIVE OFFICERS



**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



**JOHN PERSHING,**  
Executive Vice-  
President and Chief  
Human Resources  
Officer (CHRO)



**THOMAS FLOOD,**  
President, Canadian  
Tire Retail (CTR)

## COMPENSATION GOVERNANCE

### Role of the MRC Committee in Executive Compensation

The MRC Committee assists the Board in its oversight of the Company's human resource strategies, plans, policies and procedures, including in the areas of talent management, succession planning and executive compensation. Its approach to compensation is a rigorous one and is based on the Board's desire to build and retain a skilled leadership team that acts in the best interests of the Company and its shareholders. The MRC Committee is focused on attracting and retaining highly skilled management, including through the identification of high performers and the development of top talent, and on 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. It pays 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, motivates 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.

For further information about the MRC Committee's responsibilities and activities in 2022 see *Management Resources and Compensation Committee Report* on page 38 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 (Chair)** – 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 as Chair of the remuneration committee of the board of directors of ISS A/S (International Service System) and a member of the compensation and corporate governance committee of the board of directors of RenaissanceRe. In addition, in her prior executive operating and general management positions with General Motors Corporation and Brunswick Corporation and their divisions, and her roles on the boards 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 policies and plans to executives and other employees.



**Eric Anderson** – Dr. Anderson's experience that is relevant to his responsibilities in compensation matters includes his current roles as the Polk Bros. Chair in Retailing and Professor of Marketing at the Kellogg School of Management at Northwestern University, Director of the Kellogg-McCormick MBAi Program, and Managing Director of Leadership Analytics Advisors, LLC as well as his former roles as a professor at the University of Chicago Booth School of Business and the W.E. Simon Graduate School of Business at the University of Rochester. In these roles, Dr. Anderson has interacted with companies and scholars to understand best practices in executive compensation.



**Mark Derbyshire** – Dr. Derbyshire's experience that is relevant to his responsibilities in compensation matters includes his role as an Independent Management Consultant and former roles as President & CEO of Holt, Renfrew & Co., Limited, Chief Talent Officer and 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 policies and plans to executives and other employees.



**Steve Frazier** – Mr. Frazier's experience that is relevant to his responsibilities in compensation matters include his former roles at Amazon.com, Inc., including as Vice President, International Consumer Programs, Vice President, China Country Manager, Vice President, U.S. Retail Hardlines, and Vice-President United Kingdom Country Manager, and as Senior Vice-President, Corporate Development of Payless ShoeSource. In these roles, Mr. Frazier had the opportunity to interact with fellow executives in connection with the application of compensation policies and plans and develop an understanding of best practices.



**Christine Rupp** – Ms. Rupp's experience that is relevant to her responsibilities in compensation matters includes her current role as Chief Customer Officer for Victoria's Secret & Co., and her former roles as Chief Customer Officer for Albertsons Companies, Inc. and other global leadership roles at Amazon, Microsoft and Sears. In these roles, Ms. Rupp had an opportunity to interact with fellow executives in connection with the application of compensation policies and plans and develop an understanding of best practices.

All members of the MRC Committee receive advice from the Board's independent compensation consultant 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, develops management's recommendations pertaining to the compensation of 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 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 matters to help inform management's recommendations to the MRC Committee. 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 Executive Compensation

In conducting its work, the MRC Committee consults with external advisors, as appropriate. Since 2006, Hugessen Consulting Inc. (*Hugessen*) has served as the MRC Committee's advisor, providing 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 2022 related to their review and input on various matters, including with respect to compensation program designs and targets, Executive salaries and incentive grants and payouts, and CTC's 2022 proxy disclosure. In addition, the Governance Committee engaged Hugessen in 2022 to assist with its review of director compensation. 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 may reflect factors and considerations in addition to the information and recommendations provided by Hugessen. Fees paid to Hugessen in 2021 and 2022 are provided in the table below.

<b>Fees</b>	<b>2022 (\$)</b>	<b>2021 (\$)</b>
Executive compensation related fees <sup>(1)</sup>	338,471	258,414
All other fees	—	—
<b>Total</b>	<b>338,471</b>	<b>258,414</b>

### Note

- (1) Hugessen's 2022 fees include fees with respect to the director compensation review (\$115,347) undertaken by the Governance Committee.

## 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, or permit inappropriate rewards. In order to mitigate excessive risk-taking, CTC's executive compensation program has the following features:

<b>MRC Committee Review</b>	The MRC Committee's review includes an evaluation of the amount of total incentives relative to base salaries and the mix of short and long-term incentives. It also evaluates performance metrics and whether performance 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.
<b>Independent Advice</b>	The MRC Committee, as outlined under <i>Role of Independent Advisor in Executive Compensation</i> on page 50, receives advice from its independent advisor on compensation matters.
<b>Balanced Programs</b>	CTC's compensation program comprises both fixed and variable, at-risk pay, based on short-term and long-term performance. CTC's STIP and PSU plan include multiple performance measures, decreasing the potential risk associated with the use of a single performance measure. CTC's STIP and PSU plan also include a cap that cannot be exceeded and have no minimum guaranteed payout.
<b>Internal Audit Review</b>	When significant changes to executive compensation programs are introduced, the MRC Committee requests CTC's Internal Audit Services to conduct a formal review to assess the nature and extent of the risks associated with those programs.
<b>Incentive Clawback Provisions</b>	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 STIP, PSU plan and Restricted Share Unit (RSU) plan using the restated financial statements. This policy would apply to any STIP, PSU or RSU 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.
<b>Double Trigger</b>	CTC's Long-term Incentive Plan (LTIP) includes "double trigger" provisions in the event of a change of control, as outlined in <i>Change of Control Provisions</i> on page 70.
<b>Executive Share Ownership Guidelines</b>	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.
<b>Executives' Hedging Policy</b>	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 NEO as at the end of the 2022 fiscal year is shown in the table below:

NEO	Multiple of Annual Salary
Greg Hicks	3x annual salary
Gregory Craig	2x annual salary
James Christie	2x annual salary
John Pershing	2x annual salary
Thomas Flood	2x annual salary

Achievement of the SOGs is based on Executives' holdings of Common Shares, Class A Non-Voting Shares, units in the CTC Share Fund under the DPSP (see *CT Profit Sharing* on page 64) and Deferred Share Units (DSUs) and calculated as the greater of the acquisition cost and the market value of those holdings.

If an Executive is promoted to an executive level with a higher SOG multiple, the Executive is required to meet the new SOG requirement within five years from the effective date of the promotion. Notwithstanding the Executive's promotion, the Executive is required to meet the 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.

The table below provides an overview of each NEO's total holdings of Class A Non-Voting Shares, CTC Share Fund units and DSUs and their value as at December 31, 2022.

	Class A Non-Voting Shares <sup>(1)</sup>		CTC Share Fund units <sup>(1)(2)</sup>		DSUs <sup>(1)(2)</sup>		Total Market Value <sup>(1)</sup>	Multiple of Salary	SOG Status
	(#)	(\$)	(#)	(\$)	(#)	(\$)	(\$)		
Greg Hicks <sup>(3)</sup>	8,491	1,201,483	1,101	124,501	6,295	890,776	2,216,760	1.8	In Progress
Gregory Craig	10,246	1,449,840	1,432	162,001	–	–	1,612,091	2.4	Met
James Christie	11,063	1,565,345	1,018	115,187	–	–	1,680,532	2.4	Met
John Pershing <sup>(4)</sup>	1,187	168,015	399	45,186	2,969	420,154	633,355	1.0	In Progress
Thomas Flood <sup>(5)</sup>	6,217	879,756	1,496	169,273	–	–	1,049,029	1.7	In Progress

#### Notes

- (1) The market value of Class A Non-Voting Shares and, accordingly, the value of DSUs, was calculated using the closing prices on the TSX on December 30, 2022 for Class A Non-Voting Shares (\$141.50). The market value for CTC Share Fund units as at December 30, 2022 was \$113.1264. The market value also includes one Common Share held by Gregory Craig based on the closing price on the TSX on December 30, 2022 for Common Shares (\$249.99).
- (2) The number of CTC Share Fund units and/or DSUs held by each NEO, if any, including DSU dividend equivalents, has been rounded down to the nearest whole number.
- (3) Mr. Hicks' share ownership guideline of three times his annual salary is to be achieved by March 12, 2025.
- (4) Mr. Pershing's share ownership guideline of two time his annual salary is to be achieved by July 2, 2024.
- (5) Mr. Flood's share ownership guideline of two time his annual salary is to be achieved by January 1, 2027.

## PHILOSOPHY AND COMPETITIVE BENCHMARKING

### Executive Compensation Philosophy

CTC's executive compensation practices are designed to attract, motivate and retain a high performing 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 four overarching principles as outlined below:

<b>Align with Enterprise Strategy</b>	<ul style="list-style-type: none"> <li>• Compensation programs are designed to be aligned with enterprise strategy, and reward and pay for strategic, financial, and operating performance over both the short- and long-term</li> </ul>
<b>Attract and Retain Top Talent</b>	<ul style="list-style-type: none"> <li>• Compensation programs are designed to be competitive against the external market and help create a compelling value proposition to attract and retain the leadership required to drive exceptional performance</li> </ul>
<b>Ensure Flexibility and Simplicity in Design</b>	<ul style="list-style-type: none"> <li>• Compensation programs are designed to be flexible and adaptive to evolving enterprise and banner priorities</li> <li>• Compensation programs are designed to be clear and simple with a direct linkage between business objectives and compensation goals</li> </ul>
<b>Balance Outcomes with Stakeholders' Interests</b>	<ul style="list-style-type: none"> <li>• Compensation programs are designed to align with the interests of all stakeholders, including shareholders, employees, customers, and the broader community</li> </ul>

## Competitive Benchmarking

In order to attract and retain the leadership talent required to achieve its goals, CTC strives 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 CTC's compensation programs, the MRC Committee uses peer groups that include the companies with which CTC competes for talent and customers.

CTC does not target a specific percentile of its peer groups in setting its compensation. Market data and median position relative to our peer groups 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 within the peer groups, 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.

CTC has two peer groups that were created using the following selection criteria:

- Publicly traded corporations with which the Company competes for talent or customers;
- Retail-focused business model and diversified/multi-divisional companies that tend to place a high value on customer experience; and
- Revenue and market capitalization generally between one-third and three times the size of CTC.

## Canadian Peer Group

The Canadian peer group consists of the following 16 Canadian companies:

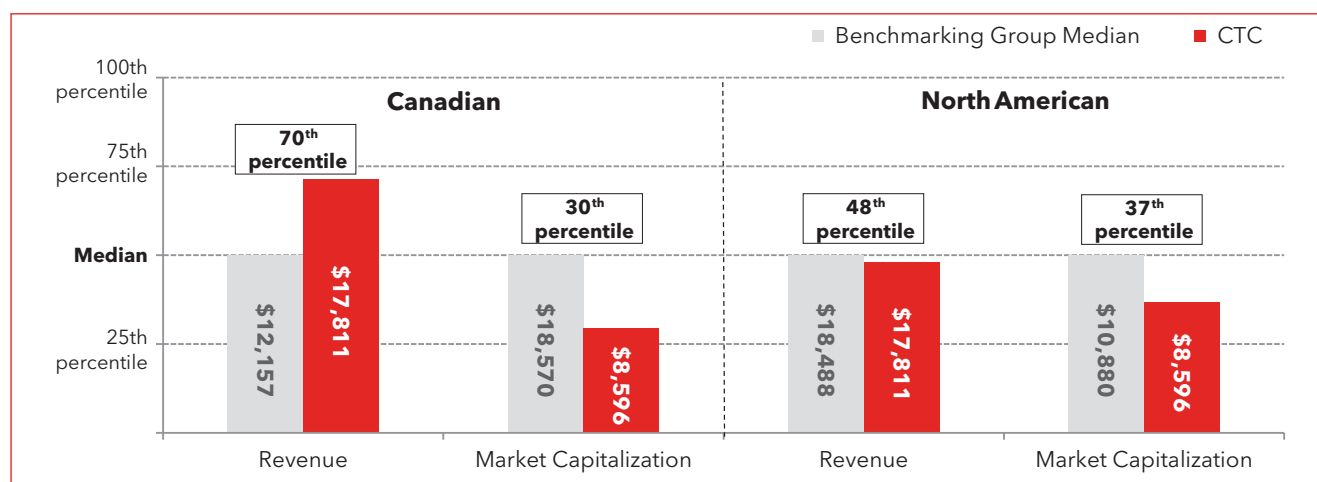
Canadian Peer Group		
Air Canada Inc.	Gildan Activewear Inc.	Restaurant Brands International Inc.
BCE Inc.	Linamar Corporation	Rogers Communications Inc.
BRP Inc.	Loblaw Companies Limited	Saputo Inc.
Dollarama Inc.	Lululemon Athletica Inc.	Shaw Communications Inc.
Empire Company Limited	Metro Inc.	Telus Corporation
Finning International Inc.		

## North American Retail Peer Group

The North America retail peer group consists of the following 21 retail companies, of which four are Canadian, and included in the Canadian peer group, and 17 are American:

North American Retail Peer Group		
Advance Auto Parts, Inc.	Foot Locker, Inc.	Murphy USA Inc.
BJ's Wholesale Club Holdings, Inc.	Kohl's Corporation	Nordstrom, Inc.
Burlington Stores, Inc.	L Brands, Inc.	The Gap, Inc.
CarMax, Inc.	Loblaw Companies Limited	Tractor Supply Company
Casey's General Stores, Inc.	Lululemon Athletica Inc.	Under Armour, Inc.
Dick's Sporting Goods, Inc.	Macy's, Inc.	Wayfair Inc.
Empire Company Limited	Metro Inc.	Williams-Sonoma, Inc.

The following table summarizes the positioning of CTC's revenue and market capitalization against the Canadian and the North American peer groups:



### Notes

- 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 30, 2022.
- U.S. data converted from USD to CAD based on an exchange rate of 1.302.

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



## 2022 EXECUTIVE COMPENSATION PROGRAM AND DECISIONS

### Components of CTC's 2022 Executive Compensation Program

The components of CTC's 2022 compensation program for Executives are described in the table below.

	Compensation Component	Objectives	Form	For Details, See Page
FIXED	Base Salary	<ul style="list-style-type: none"> <li>Provide fixed compensation that reflects the strategic importance of the role and the Executive's experience and performance contributions.</li> </ul>	Cash	56
	Short-Term Incentive Plan	<ul style="list-style-type: none"> <li>Reward Executives for their contribution to the achievement of annual operating and financial performance aligned with CTC's strategy.</li> <li>CTC maintains a Deferred Share Unit Plan for its Executives (the <i>Executives' DSU Plan</i>) pursuant to which Executives may elect to receive all or part of their STIP awards in DSUs.</li> </ul>	Cash  DSUs	57
VARIABLE	Long-Term Incentive Plan	<ul style="list-style-type: none"> <li>Align the interests of Executives with the achievement of CTC's strategy and long-term business objectives and the interests of shareholders.</li> </ul>	PSUs and Stock Options with a right to surrender for cash feature	61
OTHER PROGRAMS	Retirement and Savings Plans	<ul style="list-style-type: none"> <li>Assist Executives and other employees in achieving long-term retirement savings in the absence of a pension plan.</li> </ul>	CT Profit Sharing and CT Savings Plan	64
	Benefits	<ul style="list-style-type: none"> <li>Provide health and dental coverage and other ancillary benefits to support employees and their families.</li> </ul>	Health and dental coverage; group life and accidental death and dismemberment insurance; short-term disability coverage; and employee-paid long-term disability insurance	65
	Perquisites	<ul style="list-style-type: none"> <li>Provide market competitive perquisites to Executives.</li> <li>Reinforce Company affiliation.</li> <li>Reinforce individual accountability for personal financial planning as CTC does not offer a pension plan.</li> </ul>	Car allowance; membership in roadside assistance program; Company-paid parking; annual medical services; employee store discount; and annual financial planning allowance	65

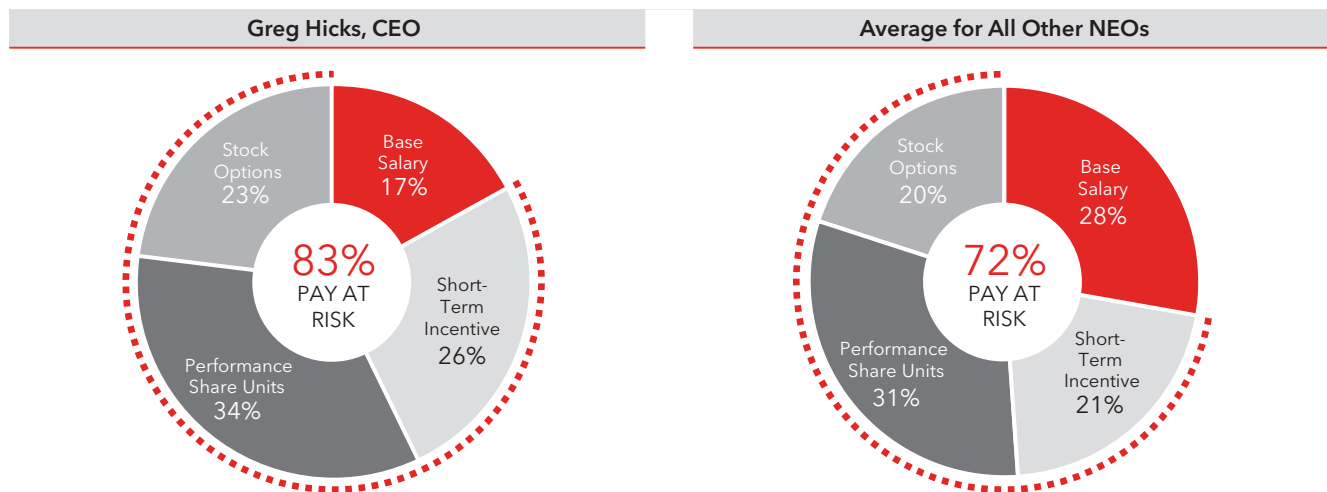
### Fixed Versus Variable Compensation

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.

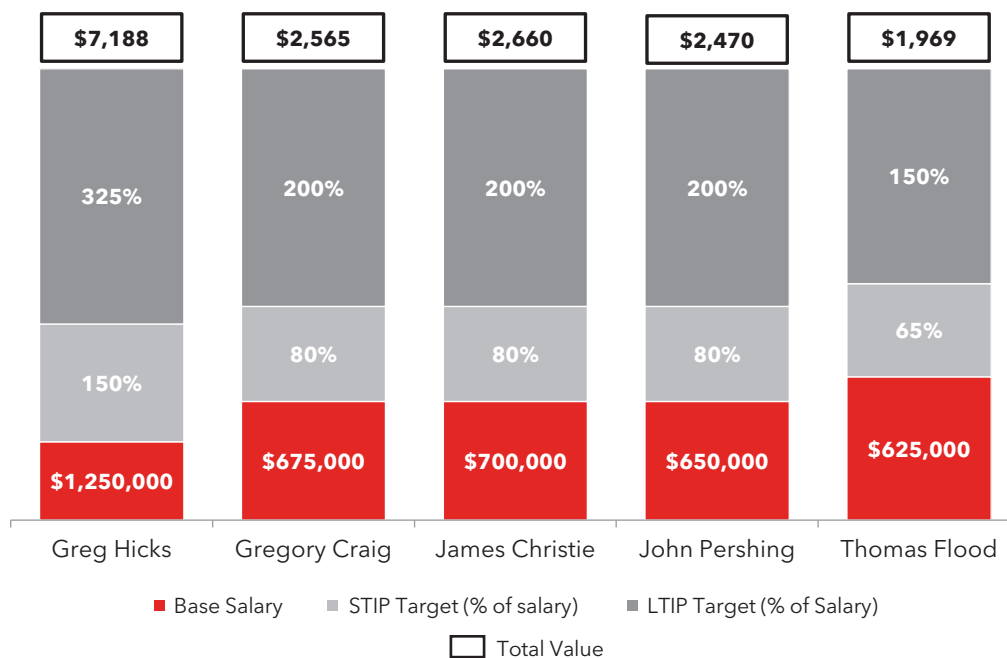
A significant portion of the total compensation paid to the NEOs at target is tied to STIP and LTIP and, accordingly, is contingent upon financial performance and, in the case of LTIP, share price appreciation. STIP and LTIP target awards were increased in 2022 to better align with the market and further increase the proportion of total compensation at risk.

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 and pay at risk for the primary compensation components of total direct compensation for the President and CEO and the average for all other NEOs in the 2022 fiscal year are shown below:



The overall design framework of CTC's total direct compensation program and value is summarized below, based on each NEO's position held during the 2022 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, market information and other relevant factors.

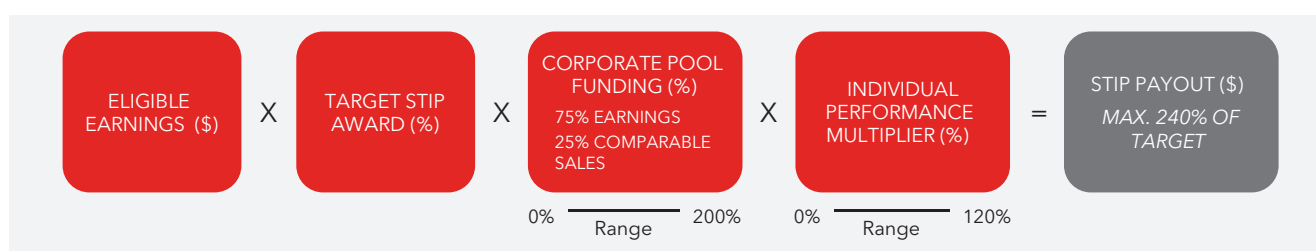
Where salary adjustments are proposed, the MRC Committee reviews and approves such adjustments for Executives in Top Roles and recommends adjustments to the salary of the President and CEO to the Board for its approval.

In connection with the Executive annual base salary review process in early 2022, Mr. Hicks' base salary increased from \$1,100,000 to \$1,250,000, Mr. Craig's base salary increased from \$650,000 to \$675,000 and Mr. Flood's base salary increased from \$575,000 to \$625,000. There were no other base salary increases for NEOs during 2022.

## Short-Term Incentive Plan

The STIP is designed to motivate and reward Executives for the achievement of annual operating and financial performance aligned with CTC's strategy. Each year, the MRC Committee recommends the STIP design, including corporate performance measures, 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 of the 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.

### 2022 STIP Design

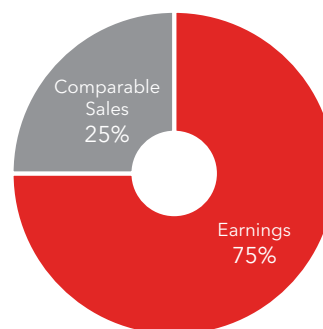


### Target STIP Award

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. In accordance with the underlying principles of the STIP program, earnings are also adjusted for real estate gains.

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 is calculated as set out below. No payout will occur if Actual STIP Earnings is below threshold performance.

The Company delivered Actual STIP Earnings of \$1,089.5 million, representing 93% of Target STIP Earnings, and Actual STIP Comparable Sales of 2.68%, which were lower by 244 bps compared to the Target STIP Comparable Sales. Retail segment earnings were impacted by the inflationary environment which led to an increase in product and freight costs. Management also continued to invest in technology projects in execution of the Company's *Better Connected* strategy, which led to higher IT costs, partly due to lower capitalization of cloud-based IT solutions compared to plan. Build-up of inventory also drove higher supply chain expenses. Comparable Sales growth was slower at CTR and SportChek with a softened consumer demand environment in the second half of the year. As the target performance metrics were not achieved, the overall Corporate Pool Funding was 52.6%. For further information regarding the Company's 2022 performance refer to the 2022 MD&A.

The following table summarizes the calculation of the Corporate Pool Funding for 2022:

Payout	Performance <sup>(2)</sup>			Payout % <sup>(3)</sup>	Weight	Corporate Pool Funding <sup>(4)</sup>
	Threshold (35%)	Target (100%)	Maximum (200%)			
STIP Earnings <sup>(1)</sup>	\$1,054.5 ▲ <b>\$1,089.5</b>	\$1,171.7	\$1,288.9	54.4%	75%	52.6%
STIP Comparable Sales <sup>(1)</sup>	2.13% ▲ <b>2.68%</b>	5.13%	8.13%	47.1%	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 2022 STIP design in accordance with the Company's standard methodology, on a 52 week basis. For further disclosure concerning how we calculate Comparable Sales please refer to the 2022 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 (93.0%) relative to threshold payout of 35% and target payout of 100%. The payout percentage for STIP Comparable Sales was calculated using a linear algebraic formula based on Actual STIP Comparable Sales as a percentage of Target STIP (52.3%) relative to threshold payout of 35% and target payout of 100%.
- (4) The Corporate Pool Funding of 52.6% was established based on the weighting and payout percentage of each measure.

Actual STIP Earnings is a non-GAAP financial measure which is reconciled to Net income attributable to shareholders of Canadian Tire Corporation as follows:

(C\$ in millions)	2022
Net income attributable to shareholders of Canadian Tire Corporation	1,044.1
Less:	
Real estate gains	11.8
Adjustments for matters affecting earnings that were not part of the business plan <sup>(1)</sup>	57.2
<b>Actual STIP Earnings</b>	<b>1,089.5</b>

#### Note

- (1) Includes the after-tax impact relating to the \$36.5 million exit of Helly Hansen operations in Russia which was a non-recurring charge in 2022 and was classified as a normalizing item for 2022.

### Individual Performance Multiplier

CTC adheres to a rigorous annual process for assessing the performance of all Executives. The evaluation of individual performance is based on the achievement of Business Objectives, anchored to the annual business plan and the delivery of CTC's business strategy, including the advancement of CTC's ESG strategy, and

People and Culture Objectives, anchored to leadership behaviours that enable results and drive CTC's culture. Examples of People and Culture Objectives include objectives in support of CTC's Core Values, DIB strategy, as well as employee engagement and various other culture related priorities. Performance is assessed against the achievement of Business Objectives and People and Culture Objectives, each weighted equally, and, based on these assessments, each Executive is assigned an individual performance multiplier of between 0% and 120%.

While certain measures are quantifiable and a range of outcomes are considered at the beginning of the year, a formulaic approach is not used to evaluate performance against the achievement of Business Objectives and People and Culture Objectives. The MRC Committee, for the purpose of evaluating the performance of the President and CEO, and the President and CEO, for the purpose of evaluating the performance of other Executives relative to their Business Objectives and People and Culture Objectives, apply their informed judgment as to the relative importance of individual objectives at year-end in order to complete the assessments. 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 table below provides a high-level summary of each NEO's 2022 individual objectives and individual performance multiplier assigned in respect of the achievement of such objectives.

Individual Performance Objectives	Individual Performance Multiplier
<p><b>GREG HICKS, President and CEO</b></p> <ul style="list-style-type: none"> <li>• Guide the execution of the 2022 Business Plan to achieve financial results and strategic initiatives.</li> <li>• Lead and enable execution of strategic plans to achieve long-term aspirations, including the evolution of the ESG strategy.</li> <li>• Lead multi-channel Customer Experience strategy.</li> <li>• Lead global Owned Brands distribution, product and market strategy, as well as Canadian Tire Financial Services' products, services, and capabilities.</li> <li>• Head the Operational Efficiency program.</li> <li>• Head the talent and culture strategy across all levels of the organization, including advancing CTC's Core Values, DIB strategy, and employee engagement.</li> </ul>	100%
<p><b>GREGORY CRAIG, Executive Vice-President and CFO</b></p> <ul style="list-style-type: none"> <li>• Drive CTC's financial performance and support the achievement of the Company's strategic goals and objectives.</li> <li>• Lead and oversee the Investor Relations strategy and the deployment of Investor Day in 2022.</li> <li>• Continue to identify and deliver initiatives that increase CTC's financial flexibility and grow shareholder value.</li> <li>• Continue to control capital allocation to improve return on invested capital and balance sheet metrics.</li> <li>• Lead and oversee the Operational Efficiency program within Finance and improvements to business intelligence support.</li> <li>• Lead talent and culture initiatives for the Finance function including advancing CTC's Core Values, DIB strategy, and employee engagement.</li> </ul>	100%

Individual Performance Objectives	Individual Performance Multiplier
<b>JAMES CHRISTIE, Executive Vice-President, CTC, Strategic Advisor and General Counsel</b> <ul style="list-style-type: none"> <li>• Drive CTC's financial performance and support the achievement of the Company's strategic goals and objectives.</li> <li>• Provide strong corporate support to Dealers and stores to enhance overall network performance.</li> <li>• Provide oversight and leadership to the CTC Legal team as General Counsel.</li> <li>• Serve as advisor to CTC's executive team in advancing strategic initiatives.</li> <li>• Oversee governance and strategic direction of CTB as Chairman of its board of directors.</li> <li>• Lead and oversee the Operational Efficiency program within Legal and Dealer Relations.</li> <li>• Lead talent and culture initiatives for the Legal and Dealer Relations function, including advancing CTC's Core Values, DIB strategy, and employee engagement.</li> </ul>	100%
<b>JOHN PERSHING, Executive Vice-President and CHRO</b> <ul style="list-style-type: none"> <li>• Drive CTC's financial performance and support the achievement of the Company's strategic goals and objectives.</li> <li>• Lead the development and execution of the talent and culture strategy across all levels of the organization.</li> <li>• Oversee the development and implementation of CTC's workplace strategy and employee health &amp; safety strategies and initiatives.</li> <li>• Lead Diversity, Inclusion and Belonging vision, strategy, and execution.</li> <li>• Oversee human capital transformation initiatives across the organization.</li> <li>• Lead and oversee the Operational Efficiency program within Human Resources.</li> <li>• Lead talent and culture initiatives within the Human Resources function, including advancing CTC's Core Values, DIB strategy, and employee engagement.</li> </ul>	100%
<b>THOMAS FLOOD, President, CTR</b> <ul style="list-style-type: none"> <li>• Drive CTR's financial performance and support the achievement of the Company's strategic goals and objectives.</li> <li>• Lead CTR's strategic initiatives in support of the achievement of the Company's short-term and long-term strategic priorities.</li> <li>• Lead and oversee the Operational Efficiency program within CTR.</li> <li>• Lead talent and culture initiatives for CTR, including advancing CTC's Core Values, DIB strategy, and employee engagement.</li> </ul>	100%

### 2022 STIP Awards

The table below provides details on the calculation of each NEO's actual 2022 STIP award, as outlined above, as a percentage of salary and as a percentage of target.

NEO	Components of STIP			STIP Award		
	Target Award as a % of Salary	Corporate Pool Funding	Individual Performance Multiplier	Amount <sup>(1)</sup> (\$)	As a % of Salary	As a % of Target
Greg Hicks	150%	52.6%	100%	983,974	78.7%	52.6%
Gregory Craig	80%		100%	283,838	42.1%	52.6%
James Christie	80%		100%	294,560	42.1%	52.6%
John Pershing	80%		100%	273,520	42.1%	52.6%
Thomas Flood	65%		100%	213,359	34.1%	52.6%

#### Note

(1) The 2022 STIP award amount was calculated based on eligible earnings from salary paid during the fiscal year.



## Long-Term Incentive Plan

The primary objective of CTC's LTIP is to align the interests of Executives 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 MRC Committee reviews and recommends the LTIP design to the Board for its approval.

Management and the MRC Committee consider many factors when developing the LTIP design, including the review of the PSU plan that took place in 2021, which include:

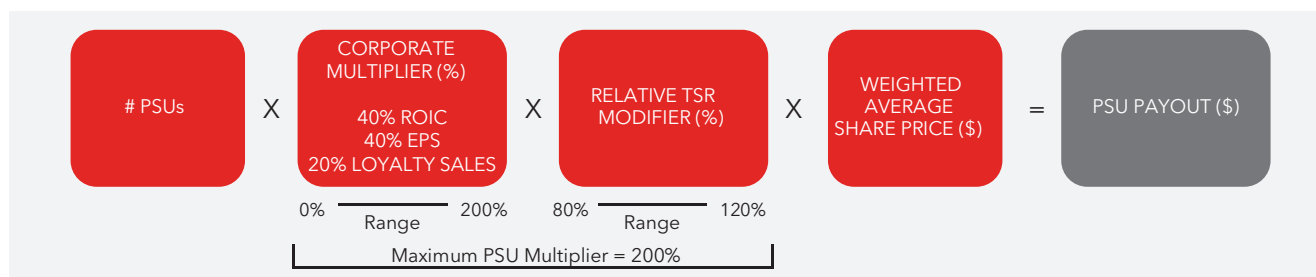
- current compensation trends;
- current and new LTIP vehicles and designs;
- aspects of the plan design or features that could incent or mitigate risk;
- tax and accounting requirements;
- program costs at payout;
- expected value to be delivered to participants;
- shareholder dilution; and
- participant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

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, CTC considers the alignment of the metrics with the results of the Company as well as CTC's strategy and long-term shareholder value creation, good compensation governance practices, risk mitigation and prevalent market practices.

The 2022 LTIP design for Executives was comprised of 60% PSUs and 40% stock options.

### 2022 Performance Share Units



The 2022 PSUs are intended to reward Executives for achieving Retail ROIC, EPS, Loyalty 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 Class A Non-Voting Shares during the ten-calendar day period commencing on the first trading day 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. The PSU Multiplier cannot exceed 200%.

## Corporate Multiplier

The 2022 PSUs are subject to a corporate multiplier (*Corporate Multiplier*) which is determined at the end of the three-year performance period based on the combination of the Retail ROIC, EPS and Loyalty Sales performance measures. Performance under the three measures is based on average performance over the three-year performance period. Performance under each performance measure is assessed independently and the resulting multiplier for each performance measure is multiplied by their respective weighting. The multiplier for each performance measure is calculated on a linear basis by reference to the following table:

	Performance (Multiplier)				Weighting
	Below Threshold (0%)	Threshold (35%)	Target (100%)	Maximum (200%)	
Three-Year Average Retail ROIC Result	< 100 bps below target	100 bps below target	100% of target	≥100 bps above target	40%
Three-Year Average EPS Result	< 90% of target	90% of target	100% of target	≥110% of target	40%
Three-Year Average Loyalty Sales Result	< 150 bps below target	150 bps below target	100% of target	≥150 bps above target	20%

## 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%.

	Performance (Modifier)		
	Threshold (80%)	Target (100%)	Maximum (120%)
Relative TSR Positioning	≤25th Percentile	50th Percentile	≥75th Percentile

The relative TSR peer group consists of the following 21 Canadian and U.S. companies listed below.

Relative TSR Peer Group	
Advance Auto Parts Inc.	Loblaw Companies Limited
Alimentation Couche-Tard Inc.	Lowe's Companies, Inc.
Amazon.com Inc.	Lululemon Athletica Inc.
Aritzia Inc.	Metro Inc.
Best Buy Co Inc.	Spin Master Corp.
BRP Inc.	The Home Depot Inc
Canada Goose Holdings Inc.	The TJX Companies, Inc.
DICK's Sporting Goods Inc.	V.F. Corporation
Dollarama Inc.	Walmart Inc.
Empire Company Limited	Wayfair Inc.
Gildan Activewear Inc.	

## Stock Options

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

Each option grant provides an Executive with the right to purchase 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 2022 options, incorporate a right to surrender for cash 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 *Description of CTC's Stock Option Plan* on page B-1.

## 2022 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. Additional special LTIP grants may be recommended to reward high performance, recognize significant contributions to the Company or for attraction and retention purposes. Management's recommendations are considered and, if appropriate, approved by the MRC Committee.

The annual 2022 LTIP grants awarded to each NEO are shown in the table below.

NEO	Salary <sup>(1)</sup> (\$)	Target Award as a % of Salary	Long-Term Incentive Award (\$)	Form of Award Allocation			
				PSUs		Stock Options	
				Value (\$)	Units <sup>(2)</sup> (#)	Value (\$)	Units <sup>(3)</sup> (#)
Greg Hicks	1,250,000	325%	4,062,364	2,437,407	13,017	1,624,956	35,134
Gregory Craig	675,000	200%	1,349,819	809,848	4,325	539,972	11,675
James Christie	700,000	200%	1,399,993	839,995	4,486	559,998	12,108
John Pershing	650,000	200%	1,299,880	779,888	4,165	519,992	11,243
Thomas Flood	625,000	150%	937,490	562,493	3,004	374,997	8,108

### Notes

- (1) LTIP awards were calculated based on base salary at the time of grant.
- (2) The number of PSUs was determined based on the weighted average share price of Class A Non-Voting Shares for the ten-calendar days ending on the business day immediately preceding the date on which the grants were made of \$187.248.
- (3) The number of stock options was determined based on the weighted average share price of Class A Non-Voting Shares for the ten-calendar days ending on the business day immediately preceding the date on which the grants were made of \$187.248 and a Black-Scholes factor of 24.7%.

## 2019 PSU Payout (Vested in 2022)

The PSU awards that were granted to the NEOs in 2019 vested and were paid out in 2022 at 177% of the grant date value due to the increase in the Company's share price between 2019 and 2022 and the overall PSU Multiplier of 1.36 that was applied to these awards. The PSU Multiplier was based on the Corporate Multiplier and Relative TSR Modifier for performance from 2019 to 2021. As a result of the Company's performance during this time, the three-year average Corporate STIP payout percentage was 152.5%, which resulted in a Corporate Multiplier of 1.70, and the Relative TSR Modifier was 0.80. For more information regarding the 2019 PSU Plan design, see page 54 of the Company's Management Information Circular dated March 12, 2020 which is available on SEDAR at [www.sedar.com](http://www.sedar.com).

The 2019 PSU payouts, including as a percentage of their grant value, are shown in the table below.

NEO	Number of PSUs Granted (#)	PSU Multiplier	Weighted Average Share Price <sup>(1)</sup> (\$)	Payout <sup>(2)</sup> (\$)	Grant Value <sup>(3)</sup> (\$)	Payout as a % of Grant Value
Greg Hicks	5,377	1.36	187.382	1,370,272	776,159	177%
Gregory Craig	2,338			595,815	337,486	177%
James Christie	6,130			1,562,166	884,853	177%
John Pershing <sup>(4)</sup>	4,360			1,111,100	584,920	190%
Thomas Flood	1,870			476,550	269,931	177%

**Notes**

- (1) This column reflects the weighted average share price of Class A Non-Voting Shares during the ten-calendar day period commencing on the first trading day following the release of the 2021 financial results.
- (2) This column reflects the value of the 2019 PSUs at the time of payout in 2022, based on the number of PSUs granted, multiplied by the weighted average share price of \$187.382 and the PSU Multiplier of 1.36.
- (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 Class A Non-Voting Shares during the ten-calendar day period ending on the day immediately preceding the grant date.
- (4) Mr. Pershing received an on-hire interim grant on August 20, 2019 at a share price of \$134.156.

**Deferred Share Units**

CTC maintains the Executive 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.

STIP 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 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 406,551 Class A Non-Voting Shares, representing approximately 0.8% 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](http://www.sedar.com). The Prescribed DPSP Disclosure, which was initially filed on SEDAR on May 6, 2014 and last

updated on March 16, 2023, 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 74.

### 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, which are also available to other employees, generally on the same basis, that 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 that may include, 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.

## Share Performance and Compensation

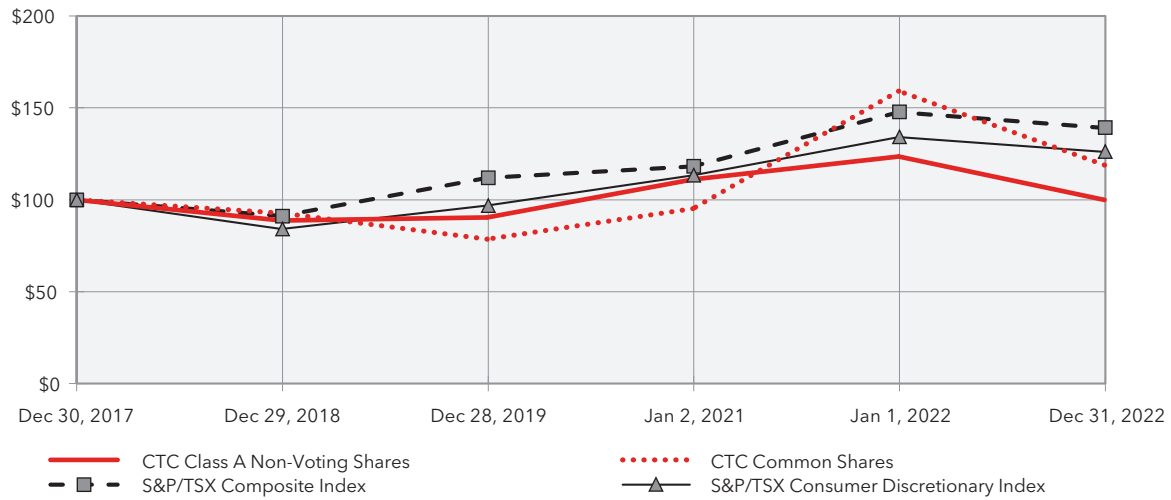
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The following chart and table compare the cumulative TSR on CTC's Class A Non-Voting Shares and Common Shares to the S&P TSX Composite Index and the S&P TSX Consumer Discretionary Index assuming \$100 was invested on December 30, 2017 and dividends 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 67). 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 and the three other highest paid NEOs serving at the end of 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 Class A Non-Voting Shares. The cumulative TSR of CTC's Common Shares is included for information purposes to comply with applicable disclosure requirements. In 2018, the Company's cumulative TSR was -11%, while NEO Compensation increased by 33% (the increase in NEO compensation was as a result of an increase to the CEO's compensation, which included a special retention award). 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 NEOs decreased by 36% (the decrease in NEO compensation was as a result of the CEO transition). In 2021, the Company's cumulative TSR was 11%, while NEO Compensation increased by 27%. In 2022, the Company's cumulative TSR was -19%, while NEO Compensation decreased by 7%.

## Cumulative Total Shareholder Return – December 30, 2017 through December 31, 2022



Fiscal Year	Fiscal Year End Date <sup>(1)</sup>	CTC Class A Non-Voting Shares (\$)	CTC Common Shares (\$)	S&P/TSX Composite Index (\$)	S&P/TSX Consumer Discretionary Index (\$)
2017	December 30, 2017	100.00	100.00	100.00	100.00
2018	December 29, 2018	88.63	92.68	91.11	83.99
2019	December 28, 2019	90.32	78.44	111.96	96.84
2020	January 2, 2021	111.11	95.14	118.23	113.35
2021	January 1, 2022	123.63	159.43	147.89	134.26
2022	December 31, 2022	99.90	118.75	139.25	126.16

**Note**

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



## 2022 Compensation

### SUMMARY COMPENSATION TABLE

The table below shows the compensation paid to each NEO with respect to CTC's most recently completed financial year, which ended on December 31, 2022, as well as financial years 2020 and 2021.

Name and Principal Position	Year	Salary <sup>(1)</sup> (\$)	Share-Based Awards <sup>(2)</sup> (\$)	Option-Based Awards <sup>(3)</sup> (\$)	Non-Equity Annual Incentive Plans <sup>(4)</sup> (\$)	All Other Compensation <sup>(5)</sup> (\$)	Total Compensation <sup>(6)</sup> (\$)
<b>Greg Hicks</b> President and CEO	2022	1,250,000	2,437,407	1,624,956	983,974	196,368	6,492,705
	2021	1,100,000	1,781,905	1,187,975	2,636,308	218,507	6,924,695
	2020	932,596	1,499,956	999,999	949,224	105,172	4,486,947
<b>Gregory Craig</b> Executive Vice-President and CFO	2022	675,000	809,848	539,972	283,838	112,932	2,421,590
	2021	650,000	584,850	389,994	844,000	94,601	2,563,445
	2020	585,577	539,987	359,999	409,636	170,577	2,065,776
<b>James Christie</b> Executive Vice-President, CTC, Strategic Advisor and General Counsel	2022	700,000	839,995	559,998	294,560	372,496	2,767,049
	2021	700,000	629,865	419,985	910,000	361,085	3,020,935
	2020	713,077	629,972	419,996	508,209	101,673	2,372,927
<b>John Pershing</b> Executive Vice-President and CHRO	2022	650,000	779,888	519,992	273,520	111,800	2,335,200
	2021	650,000	584,850	389,994	845,000	103,375	2,573,219
	2020	662,500	584,980	389,998	473,411	47,220	2,158,109
<b>Thomas Flood</b> President, CTR	2022	625,000	562,493	374,997	213,359	101,352	1,877,201
	2021	575,000	344,885	229,993	759,000	86,652	1,995,530
	2020	545,192	269,953	180,000	382,952	126,212	1,504,309

#### Notes

- (1) 2020 salary is reflective of all salary earned during the 2020 financial year which consisted of 53 weeks.
- (2) The values in this column includes PSUs for the NEOs. The grant date fair value of PSUs is based on the number of units granted, multiplied by the weighted average share price of Class A Non-Voting Shares for the ten-calendar days ending on the business day immediately preceding the date on which the grants were made.
- (3) The 2022 values in this column are based on the weighted average share price of Class A Non-Voting Shares 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 24.7%, which is then multiplied by the number of options granted. The Black-Scholes value ratio was determined using the following assumptions: estimated volatility of 34.5% (based on the daily historical share price for the three-year period ending on December 31, 2021); estimated dividend yield of 2.51%; interest rate of 1.25%; 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 right to surrender for cash 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 values in this column disclose the amount earned under the STIP in respect of the applicable financial year.
- (5) The values in this column for 2022 include:
  - (i) awards under the CT Profit Sharing program and Company match payments under the CT Savings Plan for the NEOs; and
  - (ii) for Mr. Christie, a retention bonus of \$250,000.

Perquisites that do not exceed \$50,000 in aggregate, or 10% of the NEO's annual salary, in any given year, are not included in this column.

The 2021 value for Mr. Hicks has been adjusted by \$500 from \$218,007 to \$218,507.
- (6) As CTC does not have any long-term non-equity incentive plans or a pension plan, such information is not included in this column.

## 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 December 31, 2022.

Name	Option-Based Awards				Share-Based Awards		
	Number of Securities Underlying Unexercised Options (#)	Option Exercise Price <sup>(1)</sup> (\$)	Option Expiration Date <sup>(2)</sup>	Value of Unexercised In-The-Money Options <sup>(3)</sup> (\$)	Number of Shares or Units of Shares that Have Not Vested <sup>(4)</sup> (#)	Market or Payout Value of Share-Based Awards that Have Not Vested <sup>(5)</sup> (\$)	Market or Payout Value of Vested Share-Based Awards Not Paid Out or Distributed <sup>(6)</sup> (\$)
Greg Hicks	8,127	177.094	February 26, 2025	4,142,356	41,945	5,935,218	890,776
	7,811	144.348	February 25, 2026				
	67,893	80.487	March 23, 2027				
	33,471	173.135	March 17, 2028				
	35,134	187.248	March 28, 2029				
Gregory Craig	7,834	156.293	February 27, 2024	2,236,859	14,412	2,039,298	—
	6,844	177.094	February 26, 2025				
	10,187	144.348	February 25, 2026				
	36,662	80.487	March 23, 2027				
	10,988	173.135	March 17, 2028				
James Christie	11,675	187.248	March 28, 2029	1,739,786	15,951	2,257,067	—
	8,905	144.348	February 25, 2026				
	28,515	80.487	March 23, 2027				
	11,833	173.135	March 17, 2028				
John Pershing	12,108	187.248	March 28, 2029	854,268	14,811	2,095,757	420,154
	6,334	134.156	August 19, 2026				
	13,239	80.487	March 23, 2027				
	7,326	173.135	March 17, 2028				
Thomas Flood	11,243	187.248	March 28, 2029	440,575	8,350	1,181,525	—
	4,363	177.094	February 26, 2025				
	7,221	80.487	March 23, 2027				
	6,480	173.135	March 17, 2028				
	8,108	187.248	March 28, 2029				

### Notes

- (1) CTC's current policy for determining the exercise price for options with a right to surrender for cash feature is the weighted average share price of Class A Non-Voting Shares for the ten-calendar days 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 the NEOs, as at December 31, 2022, using the December 30, 2022 closing share price of Class A Non-Voting Shares on the TSX of \$141.50.
- (4) This column contains the number of unvested PSUs held by the NEOs on December 31, 2022.
- (5) This column contains the value of unvested PSUs as at December 31, 2022, using the December 30, 2022 closing share price of Class A Non-Voting Shares on the TSX of \$141.50 and assuming a performance multiplier of 1.0 for PSUs. The actual multiplier for PSUs is determined upon vesting and may range from 0 to 2.0.
- (6) This column contains the values of vested DSUs held by the NEOs, as applicable. The value of the awards in this column is as at December 31, 2022, using the December 30, 2022 closing share price of Class A Non-Voting Shares on the TSX of \$141.50.

## INCENTIVE PLAN AWARDS

The table below shows the incentive awards that vested or were earned by each NEO during the financial year ended December 31, 2022.

Name	Option-Based Awards – Value Vested During the Year <sup>(1)</sup> (\$)	Share-Based Awards – Value Vested During the Year <sup>(2)</sup> (\$)	Non-Equity Incentive Plan Compensation – Value Earned During the Year <sup>(3)</sup> (\$)
Greg Hicks	4,061,915	2,191,606	983,974
Gregory Craig	1,480,455	595,815	283,838
James Christie	1,924,034	1,562,166	294,560
John Pershing	1,668,577	1,547,612	273,520
Thomas Flood	787,239	476,550	213,359

### Notes

- (1) This column includes the aggregate dollar value that would have been realized if stock options that vested in 2022 were exercised on the applicable vesting dates.
- (2) This column includes the values of: (i) PSUs granted in 2019 that were paid in 2022 (see *2019 PSU Payout (Vested in 2022)* on page 63); (ii) DSUs credited to Mr. Hicks and Mr. Pershing related to their 2021 STIP award; and (iii) DSU dividend equivalents credited in respect of STIP related DSUs held by the NEOs, as applicable, throughout the year.
- (3) This column includes the values of the 2022 STIP payouts for the NEOs, which is also included in the *Summary Compensation Table* on page 67.

## Post-Employment Matters

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 NEO employment agreements provide for change of control benefits; however, certain of the Company's compensation plans have termination and change of control provisions. Pursuant to their employment agreements and the Company's plans, the NEOs are entitled to the following post-employment payments and benefits, in addition to their respective salaries, awards and benefits due and owing to the end of their employment.

### POST-EMPLOYMENT BENEFITS

#### Termination of Employment Without Cause

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

- payment of their base salaries for the following periods (in each case, *the Notice Period*):
  - 24 months in the case of Messrs. Hicks and Christie; and
  - a minimum of 12 months to a maximum of 24 months based on years of service in the case of Messrs. Craig, Flood and Pershing,
 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, 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, 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 the third anniversary of his termination date and the expiry of the options, with any unvested options continuing to vest during such period;

- in the case of Messrs. Craig, Flood and Pershing, 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 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 Company match contributions under the CT Savings Plan during the applicable Notice Period, calculated based on the average annual corporate match percentage of each 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.

### Other Termination of Employment

In the event Messrs. Hicks, Craig, Flood and Pershing resign or are terminated without cause and, at the time of such resignation or termination, 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 or termination 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, and the right to exercise his outstanding stock options until the earlier of the third anniversary of his resignation and the expiry of the options, with any unvested options continuing to vest during such period.

### 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 and PSU 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 and PSU plan are subject to a "double trigger" which means that outstanding equity incentive awards are accelerated only on a termination without cause within 24 months of the Change of Control. In such circumstances, unless otherwise provided 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.

## ESTIMATED INCREMENTAL PAYMENTS

The following table presents the potential incremental payments to each of Messrs. Hicks, Christie, Craig, Flood and Pershing as if their employment had been terminated without cause, including in the event of a Change of Control, on December 30, 2022, the last business day prior to the 2022 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, the share price of 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 30, 2022	
		Without a Change of Control (\$)	With a Change of Control <sup>(1)</sup> (\$)
Greg Hicks	Base Salary	2,500,000	2,500,000
	Payment in lieu of STIP <sup>(2)</sup>	3,750,000	3,750,000
	LTIP <sup>(3)</sup>	—	2,071,208
	Payment in lieu of CT Profit Sharing Award <sup>(4)</sup>	250,000	250,000
	Payment in lieu of CT Savings Plan entitlement <sup>(5)</sup>	125,000	125,000
	Perquisites <sup>(6)</sup>	—	—
	<b>Total</b>	<b>6,625,000</b>	<b>8,696,208</b>
Gregory Craig	Base Salary	1,350,000	1,350,000
	Payment in lieu of STIP <sup>(2)</sup>	1,080,000	1,080,000
	LTIP <sup>(3)</sup>	—	745,640
	Payment in lieu of CT Profit Sharing Award <sup>(4)</sup>	135,000	135,000
	Payment in lieu of CT Savings Plan entitlement <sup>(5)</sup>	67,500	67,500
	Perquisites <sup>(6)</sup>	—	—
	<b>Total</b>	<b>2,632,500</b>	<b>3,378,140</b>
James Christie	Base Salary	1,400,000	1,400,000
	Payment in lieu of STIP <sup>(2)</sup>	1,120,000	1,120,000
	LTIP <sup>(3)</sup>	—	869,923
	Payment in lieu of CT Profit Sharing Award <sup>(4)</sup>	140,000	140,000
	Payment in lieu of CT Savings Plan entitlement <sup>(5)</sup>	70,000	70,000
	Perquisites <sup>(6)</sup>	57,020	57,020
	<b>Total</b>	<b>2,787,020</b>	<b>3,656,943</b>
John Pershing	Base Salary	650,000	650,000
	Payment in lieu of STIP <sup>(2)</sup>	520,000	520,000
	LTIP <sup>(3)</sup>	—	807,751
	Payment in lieu of CT Profit Sharing Award <sup>(4)</sup>	65,000	65,000
	Payment in lieu of CT Savings Plan entitlement <sup>(5)</sup>	32,500	32,500
	Perquisites <sup>(6)</sup>	—	—
	<b>Total</b>	<b>1,267,500</b>	<b>2,075,251</b>

NEO	Compensation Component	Estimated Incremental Payments as at December 30, 2022	
		Without a Change of Control (\$)	With a Change of Control <sup>(1)</sup> (\$)
Thomas Flood	Base Salary	1,250,000	1,250,000
	Payment in lieu of STIP <sup>(2)</sup>	812,500	812,500
	LTIP <sup>(3)</sup>	—	372,850
	Payment in lieu of CT Profit Sharing Award <sup>(4)</sup>	125,000	125,000
	Payment in lieu of CT Savings Plan entitlement <sup>(5)</sup>	62,500	62,500
	Perquisites <sup>(6)</sup>	—	—
	<b>Total</b>	<b>2,250,000</b>	<b>2,622,850</b>

**Notes**

- (1) For Change of Control provisions applicable to the NEOs, see *Change of Control Provisions* on page 70.
- (2) Assumes payout at target.
- (3) The LTIP payment shown is comprised of stock options and PSUs for all NEOs. 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 Class A Non-Voting Shares on the TSX on December 30, 2022 (\$141.50). No value is reflected in the table where the strike price for stock options is greater than the closing share price of Class A Non-Voting Shares on the TSX on December 30, 2022 (\$141.50). The PSU portion of the LTIP payment reflects the incremental value of PSUs pro-rated and payable to the date of termination, less the value of any forfeited PSUs. PSUs have been valued at a performance multiplier of 1.0 and using the closing share price of Class A Non-Voting Shares on the TSX on December 30, 2022 (\$141.50). No value is reflected in the table where the forfeited value of PSUs exceeds the pro-rated payment. 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) NEOs are entitled to the continuation of perquisites and other benefits during their Notice Periods; however, as the value of such perquisites and other benefits for Messrs. Hicks, Craig, Flood and Pershing would not exceed \$50,000 in aggregate during their Notice Periods, they are not included in this table.





## ADDITIONAL INFORMATION

### Securities Authorized under Stock Option 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 December 31, 2022. Other than the Stock Option Plan, none of CTC's other compensation plans provides for the issuance of CTC securities.

Equity Compensation Plans Approved by Securityholders	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 (#)
Stock Option Plan	1,295,507	132.25	2,092,195

The aggregate maximum number of Class A Non-Voting Shares that are authorized for issuance under the Stock Option Plan is 3,387,702, representing approximately 6.2% of the Class A Non-Voting Shares issued and outstanding as at December 31, 2022. As at December 31, 2022, the number of outstanding and unexercised options to purchase Class A Non-Voting Shares was 1,295,507, representing approximately 2.4% of the issued and outstanding Class A Non-Voting Shares. Also, as at December 31, 2022, an aggregate of 2,092,195 Class A Non-Voting Shares, representing approximately 3.9% 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
2020	1.68%
2021	0.37%
2022	0.38%

See *Description of CTC's Stock Option Plan* on page B-1 for a description of the material features of the Stock Option Plan.

### Director and Officer Indebtedness

As at December 31, 2022, 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 and Leroux 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 2022 Financial Statements for further information.

## Director and Officer Insurance

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During the fiscal year ended December 31, 2022, 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. Losses 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.

CTC paid \$863,013 in policy premiums for the period April 4, 2022 to April 4, 2023, 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 directors or the officers.

## Other Information

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The 2022 Financial Statements, 2022 MD&A, 2022 AIF, Code of Conduct and Supplier Code of Business Conduct are available on SEDAR at [www.sedar.com](http://www.sedar.com) and on our website at [www.corp.canadiantire.ca](http://www.corp.canadiantire.ca). The Prescribed DPSP Disclosure is available on SEDAR at [www.sedar.com](http://www.sedar.com).

You can also request copies of these documents by emailing [corporatesecretary@cantire.com](mailto:corporatesecretary@cantire.com) or writing to:



Eleni Damianakis  
Vice-President, Associate General Counsel and Corporate Secretary  
Canadian Tire Corporation, Limited  
2180 Yonge Street  
P.O. Box 770, Station K  
Toronto, Ontario M4P 2V8

Additional information relating to the Company is available on SEDAR at [www.sedar.com](http://www.sedar.com) and on our website at [www.corp.canadiantire.ca](http://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

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

Toronto, Ontario  
March 16, 2023

By order of the Board of Directors,

**Eleni Damianakis**  
Vice-President, Associate General Counsel and  
Corporate Secretary



# BOARD OF DIRECTORS' MANDATE

## 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.

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## DESCRIPTION OF CTC'S STOCK OPTION PLAN

Our Stock Option Plan was established for the purpose of attracting and retaining eligible employees of CTC and for the purpose of encouraging such employees to participate in the future growth, development and success of CTC's enterprises through ownership of shares of CTC. Employees at the level of Vice-President and above are eligible to receive options and non-employee directors of CTC are not eligible to receive options under the Stock Option Plan. The MRC Committee has been delegated the authority by the Board to grant options under the Stock Option Plan.

The grant of an option provides an optionee with the right to purchase a certain number of Class A Non-Voting Shares at a price per share equal to the weighted average price at which the Class A Non-Voting Shares trade on the TSX during the ten 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 ten 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. Outstanding options can be exercised for a period of up to seven years unless they are terminated earlier in accordance with the terms of the Stock Option Plan.

Outstanding options vest at the rate of one-third per year during the three years following the date of grant. Exceptions to the general vesting and expiration terms are included in the Stock Option Plan or option agreements in relation to circumstances involving disability, death, resignation or termination without cause after having reached age 60 with ten years of continuous service, termination for cause, becoming a Canadian Tire Dealer or upon the cessation of employment for any other reason.

In addition to the basic vesting provisions referred to above, the Stock Option Plan contains an early vesting "double trigger" provision in the context of a change of control, which provides that if a qualified offer has been made to purchase all or substantially all of the shares of any class of CTC and: (a) such qualified offer includes an offer for the Class A Non-Voting Shares; (b) such qualified offer is completed, and a change of control has occurred; and (c) no later than the second anniversary of such change of control the optionee's employment ceases due to a termination without cause, then any options held by the optionee shall be deemed to have vested immediately prior to the termination date.

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 grant, 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 that are not issued under an option as a result of the surrender or other termination or cancellation of the option may again be issuable pursuant to the Stock Option Plan. The maximum number of Class A Non-Voting Shares issuable under the Stock Option Plan shall not be reduced by any shares surrendered pursuant to an option agreement.

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

- *in the event of disability* – All options may be exercised or surrendered and shall continue to vest until the earlier of the expiry date of the options and three years following the date of disability;
- *in the event of death* – All options immediately vest and may be exercised or surrendered until the earlier of the expiry date of the options and three years following the date of death;
- *in the event of resignation or termination without cause after age 60 with 10 years continuous service* – All options may be exercised or surrendered and shall continue to vest until the earlier of the expiry date of the options and the date three years following the termination date;



- *in the event of resignation to become a Canadian Tire Dealer* – All options vested on the date of resignation may be exercised or surrendered until the earlier of the expiry date of the options and the date that is one year following the termination date;
- *in the event of termination for cause* – All options (vested and unvested portions) immediately expire and are cancelled on the termination date; and
- *in the event of cessation of employment for any other reason* – All options vested on the termination date may be exercised until the earlier of the expiry date of the options and the date 30 days following the termination date.

The Board may extend the period during which options may continue to vest and/or be exercised, provided that such period does not extend beyond the original expiry date (except in the context of a black out period as noted below). In addition, any option not exercised or surrendered on or before the above-noted dates will immediately expire and be cancelled.

The Stock Option Plan restricts the exercise or surrender of options during black out periods established by CTC. 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.

In addition, the Stock Option Plan provides for the adjustment of the number of Class A Non-Voting Shares and the option price per share in respect of options in the event of a subdivision, consolidation, reclassification, amalgamation or merger.

The Stock Option Plan (or an option agreement or entitlement subject to the Stock Option Plan) can be amended by the Board upon receipt of the requisite approval of the TSX and without the approval of shareholders for a number of enumerated purposes. However, the Board may not without the approval of shareholders:

- increase the maximum aggregate number of Class A Non-Voting Shares that may be optioned and issued under the Stock Option Plan;
- reduce the exercise price for options held by optionees (including by way of a cancellation and reissue of options);
- extend the term of options held by optionees;
- remove or increase the Insider Participation Limit (outlined below);
- amend the amending provisions under the Stock Option Plan;
- 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
- change the assignment and transfer restrictions under the Stock Option Plan.

Additionally, the Stock Option Plan states that the Board 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 total number of issued and outstanding Class A Non-Voting Shares as at December 31, 2022 is equal to 54,276,997 Class A Non-Voting Shares. The "*Insider Participation Limit*" generally limits the maximum number of Class A Non-Voting Shares: (a) issuable to insiders of CTC, at any time, and (b) issued to insiders of CTC, within any one-year period, 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.

Option agreements entered into by CTC with Executives generally reflect the same terms as are set out in the standard agreements described above. However, agreements with certain NEOs and other Executives 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 Matters* on page 69.

On March 17, 2022, the Board approved a number of changes to the Stock Option Plan which do not require shareholder approval. These changes are described below:

- certain provisions were moved from the form of option agreement to the Stock Option Plan, including (i) the terms and conditions applicable in the event of the cessation of the optionee's employment and in the event of a change of control, (ii) provisions for the adjustment of options in the event of a subdivision, consolidation, reclassification, amalgamation or merger and (iii) confirmation that no rights as a shareholder arise except to the extent options have been exercised and shares delivered;
  - optionees' entitlements upon cessation of employment with CTC were clarified, and the Stock Option Plan was amended to provide for accelerated vesting of options upon termination due to the death of an optionee;
  - the method of exercise and payment of exercise price provisions were amended to permit electronic notice of exercise and payment in the form of electronic and wire transfers;
  - codifying a prohibition on surrendering options for cash during a black-out period;
  - the Stock Option Plan was amended to reflect the MRC Committee's authority to grant options;
  - standard clauses for plans of this nature were added, including those respecting consent to use of electronic communications, clawback, severability, the fact that employee participation is voluntary, confirmation that participation in the Stock Option Plan does not result in other rights, confirmation that the provisions of the Stock Option Plan govern in the event of conflicts with other agreements and compliance with employment standards legislation; and
  - clarifying changes and as well as updates to defined terms were made.
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## HOW TO CONTACT US

### Head Office

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### Media Contact

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### Registrar and Transfer Agent

#### COMPUTERSHARE TRUST COMPANY OF CANADA

100 University Avenue, 8th floor  
Toronto, Ontario M5J 2Y1  
Canada

Toll-free (Canada and U.S.)	1-877-982-8768
Telephone (Global)	514-982-7122
Fax (Global)	416-263-9524
Email	<a href="mailto:service@computershare.com">service@computershare.com</a>

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.

### Annual Meeting

Thursday, May 11, 2023 at 10:00 a.m. (Eastern time)

Four Seasons Hotel Toronto  
Aria Room, 3<sup>rd</sup> Floor  
60 Yorkville Avenue  
Toronto, Ontario

Shareholders and guests will also be able to watch a live webcast of the Meeting or listen to the Meeting via teleconference. See [www.ctcagm.com](http://www.ctcagm.com) for further details.

