

CANADIAN TIRE CORPORATION, LIMITED



Notice of 2010 Annual and Special Meeting of Shareholders and Management Information Circular

March 11, 2010

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Notice of 2010 Annual and Special Meeting of Shareholders

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

When

Thursday, May 13, 2010
10:00 a.m. (Toronto time)

Where

MaRS Collaboration Centre
101 College Street
Toronto, Ontario

In this Notice, *you* and *your* refer to Canadian Tire shareholders. *We, us, our, the Company* and *Canadian Tire* refer to Canadian Tire Corporation, Limited and its subsidiaries, where applicable.

Business of the Meeting

We will address six items at the Annual and Special Meeting:

1. the Company's consolidated annual financial statements for the financial year ended January 2, 2010, including the external auditor's report
2. the election of directors who will serve until the end of the next Annual Meeting of Shareholders
3. the appointment of the external auditor who will serve until the end of the next Annual Meeting of Shareholders, and authorizing the directors to set the external auditor's compensation
4. the repeal and replacement of the Company's general by-law
5. the amendment and restatement of the Company's stock option plan, increasing the number of shares which may be optioned thereunder and approving the grant of certain options
6. the transaction of such further and other business as may properly come before the Annual and Special Meeting or any adjournment or postponement thereof.

The resolutions relating to (i) the repeal and replacement of the Company's general by-law and (ii) the amendment and restatement of the Company's stock option plan, increasing the number of shares which may be optioned thereunder and approving the grant of certain options are set out as Appendix A and B, respectively, to the accompanying management information circular.

You Have the Right to Vote

You have the right to vote at our Annual and Special Meeting if you are a Canadian Tire shareholder as of the close of business on March 25, 2010.

Your Vote is Important

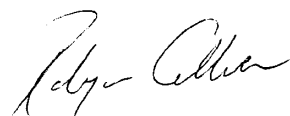
As a Canadian Tire shareholder, it is important that you read the accompanying management information circular carefully. You have different voting rights depending on whether you own Common Shares or Class A Non-Voting Shares.

You are entitled to vote at the Annual and Special Meeting either in person or by proxy. If you are unable to attend the Annual and Special Meeting in person, you are requested to vote your shares using the enclosed form of proxy or voting instruction form.

Registered shareholders should complete and sign the enclosed form of proxy and return it in the envelope provided. Proxies must be received by Canadian Tire's transfer agent, Computershare Trust Company of Canada, 100 University Avenue, 9th Floor, North Tower, Toronto, Ontario, Canada M5J 2Y1, by no later than 5:00 p.m. (Toronto Time) on Wednesday, May 12, 2010.

Non-registered shareholders should review the voting instruction form provided by their intermediaries, which sets out the procedures to be followed for voting shares held through intermediaries.

By order of the Board,



Robyn A. Collver
Secretary

Toronto, Ontario
March 11, 2010

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Management Information Circular

All information in this management information circular is as of March 11, 2010, unless otherwise indicated.

In this management information circular, *you* and *your* refer to Canadian Tire shareholders. *We*, *us*, *our*, *the Company* and *Canadian Tire* refer to Canadian Tire Corporation, Limited and its subsidiaries, where applicable.

This management information circular is provided in connection with our Annual and Special Meeting of Shareholders to be held on May 13, 2010 (*the Meeting*). Your proxy is solicited by management of Canadian Tire for the items described in the notice on the previous page.

As a shareholder, you have the right to attend and vote at the Meeting. Please read this management information circular. It gives you information you need to know to cast your vote. We also encourage you to read our 2009 Annual Report, which includes the consolidated annual financial statements of Canadian Tire for our financial year ended January 2, 2010. A copy of our 2009 Annual Report will be sent to registered and beneficial shareholders who requested it and is also available on the System for Electronic Document Analysis and Retrieval (*SEDAR*) at www.sedar.com.

The Board of Directors has approved the contents of this management information circular, and has authorized it to be sent to every shareholder. We pay for all costs associated with soliciting your proxy. We usually make our request by mail, but we may also solicit your proxy by telephone or in person.

Robyn A. Collver
Secretary

Toronto, Ontario
March 11, 2010

Table of Contents

Who Can Vote	3
Q & A on Proxy Voting	4
Business of the Meeting	6
• Receiving the Consolidated Annual Financial Statements	
• Electing Directors	
• Appointing the External Auditor	
• Considering the Repeal and Replacement of the Company's General By-Law	
• Considering Amendments to the Stock Option Plan and Grant of Options	
• Considering Other Business	
About the Nominated Directors	9
About the Board of Directors	19
• Board Committees	
• Canadian Tire Bank Board of Directors	
• Report of the Audit Committee	
• Report of the Management Resources and Compensation Committee	
• Report of the Governance Committee	
• Report of the Social Responsibility Committee	
Director Compensation	27
Executive Compensation	30
Other Compensation Information	48
Other Information	53
Appendices	
• Appendix A – Resolution confirming the repeal and replacement of By-Law No. 14 of Canadian Tire with By-Law No. 16	A1
• Appendix B – Resolution confirming the amendment and restatement of Canadian Tire's Stock Option Plan and grant of options	B1
• Appendix C – Board of Directors' Mandate	C1
• Appendix D – Audit Committee Mandate and Charter	D1
• Appendix E – Management Resources and Compensation Committee Mandate	E1
• Appendix F – Governance Committee Mandate	F1
• Appendix G – Social Responsibility Committee Mandate	G1
• Appendix H – Canadian Tire's Corporate Governance Policies and Practices	H1

Who Can Vote

Canadian Tire has two classes of shares. The items you can vote on depend on the class of shares you own. Each share you own as of the close of business on March 25, 2010 entitles you to one vote.

Common Shares

If you own Common Shares, you can vote on five items:

- 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
- the passing of an ordinary resolution confirming the repeal and replacement of By-law No. 14 of Canadian Tire with By-law No. 16, the full text of which resolution together with By-Law No. 16 are set out as Appendix A to this management information circular
- the passing of an ordinary resolution confirming the amendment and restatement of the Company's stock option plan, the increase in the number of shares which may be optioned thereunder and the grant of certain options, the full text of which resolution together with the Amended and Restated Stock Option Plan are set out as Appendix B to this management information circular
- the transaction of such further and other business as may properly come before the Meeting or any adjournment or postponement thereof.

As of March 11, 2010, Canadian Tire had 3,423,366 Common Shares outstanding. The directors and officers of Canadian Tire are not aware of any person or company that beneficially owns, directly or indirectly, or exercises control or direction over 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 G. Billes ⁽¹⁾	1,400,767	40.9%
Owen G. Billes ⁽²⁾	700,383	20.5%
C.T.C. Dealer Holdings Limited The Trustees of the Company's Deferred Profit Sharing Plan (established on January 1, 1968)	700,384	20.5%
	419,280	12.2%

Notes

- (1) Tire 'N' Me Pty. Ltd. (*Tire 'N' Me*) owns 1,400,767 Common Shares of the Company. Ms. Billes controls Tire 'N' Me and, with the exception of a small number of non-voting common shares of Tire 'N' Me owned by Mr. Billes, Ms. Billes is the beneficial owner of all the issued shares of Tire 'N' Me. The Common Shares of the Company owned by Tire 'N' Me are included in the shareholdings of Ms. Billes shown in her director biography table on page 10.
- (2) Albikin Management Inc. (*Albikin*) owns 700,383 Common Shares and 741,176 Class A Non-Voting Shares of the Company. With the exception of a small number of nominal value preferred shares of Albikin beneficially owned by Ms. Billes, Mr. Billes is the beneficial owner of all the issued shares of Albikin. By agreement between Ms. Billes and Mr. Billes, Ms. Billes controls Albikin. The Common Shares and Class A Non-Voting Shares of the Company owned by Albikin are included in the shareholdings of Mr. Billes shown in his director biography table on page 10.

Class A Non-Voting Shares

If you own Class A Non-Voting Shares, you can vote on the election of three of the 16 directors.

Holders of Class A Non-Voting Shares are entitled to vote on matters other than the appointment of three directors only 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 the 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 Board of Directors has adopted a policy providing that in an uncontested election of directors by the holders of Class A Non-Voting Shares of the Company, any nominee who receives a greater number of votes "withheld" than votes "for" his or her election will tender his or her resignation to the Chairman of the Board promptly following the Company's Annual Meeting of Shareholders. The Governance Committee will consider the offer of resignation and, if appropriate, will recommend that the Board accept the resignation. The Board of Directors will make its decision and announce it in a news release within 90 days following the Annual Meeting of Shareholders, including the reasons for rejecting the resignation, if applicable. A director who tenders a resignation pursuant to this policy will not attend the portion of any meeting of the Board of Directors or the Governance Committee at which the resignation is considered. Subject to the requirements of the *Business Corporations Act* (Ontario) (*the OBCA*), the Board of Directors may leave the vacancy unfilled until the next Annual Meeting of Shareholders, fill the vacancy through the appointment of a new director, or call a special meeting of holders of Class A Non-Voting Shares to elect a new director to fill the vacant position.

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 on which the holders of the Common Shares and the holders of the Class A Non-Voting Shares are entitled to vote together (rather than separately as a class), then based on the numbers of Common Shares and Class A Non-Voting Shares outstanding at March 11, 2010, the Class A Non-Voting Shares would represent approximately 95.8 % of the aggregate voting rights attached to the Common Shares and the Class A Non-Voting Shares. See the Company's articles of amendment dated December 15, 1983, which are available on SEDAR at www.sedar.com for more information on the voting rights of the holders of Common Shares and Class A Non-Voting Shares.

As of March 11, 2010, Canadian Tire had 78,178,223 Class A Non-Voting Shares outstanding. The directors and officers are not aware of any person or company that beneficially owns, directly or indirectly, or exercises control or direction over more than 10% of the outstanding Class A Non-Voting Shares, other than Jarislowsky, Fraser Limited. According to a report filed by Jarislowsky, Fraser Limited on SEDAR in October 2007, it exercised control or direction over 11,887,061 Class A Non-Voting Shares, which represented approximately 15.2% of the total outstanding Class A Non-Voting Shares as at March 11, 2010. Jarislowsky, Fraser Limited has advised that there has been no material change to its share ownership since the filing of its report.

Q & A on Proxy Voting

Q: What am I voting on?

A: Holders of Common Shares are voting on (i) the election of 13 directors to the Board of Canadian Tire, (ii) the appointment of the external auditor and authorizing the directors to set the external auditor's compensation, (iii) the repeal and replacement of the Company's general by-law, and (iv) the amendment and restatement of the Company's stock option plan, increasing the number of shares which may be optioned thereunder and approving the grant of certain options.

Holders of Class A Non-Voting Shares are voting on the election of three directors to the Board of Canadian Tire.

Q: Who is entitled to vote?

A: Holders of Common Shares and Class A Non-Voting Shares as at the close of business on March 25, 2010 are entitled to vote. Each Common Share and Class A Non-Voting Share is entitled to one vote on the items of business on which these shares are entitled to be voted.

Q: How do I vote?

A: If you are a registered shareholder, you may vote in person at the Meeting or you may sign the enclosed form of proxy appointing the named persons or another person you choose, who need not be a Canadian Tire shareholder, to represent you as proxyholder and vote your shares at the Meeting. If your shares are held in the name of a nominee or intermediary, please see the box on page 5 for voting instructions.

Q: What if I plan to attend the Meeting and vote in person?

A: If you are a registered shareholder, plan to attend the Meeting on May 13, 2010 and wish to vote your shares in person at the Meeting, you do not need to complete and return the form of proxy. Please register with the transfer agent, Computershare Trust Company of Canada, upon arrival at the Meeting. Your vote will be taken and counted at the Meeting. If your shares are held in the name of a nominee or intermediary, please see the box on page 5 for voting instructions.

Q: How do I vote shares registered in the name of two or more owners?

A: To vote shares registered in the name of two or more owners, all registered owners must sign the enclosed form of proxy. The completed proxy form must be returned to Canadian Tire's transfer agent, Computershare Trust Company of Canada, in the envelope provided. **These shares cannot be voted by telephone or through the Internet.**

Q: How do I vote shares registered in the name of a corporation or other legal entity?

A: 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 form of proxy. This person may have to provide proof that he or she is authorized to sign. The completed proxy form must be returned to Canadian Tire's transfer agent, Computershare Trust Company of Canada, in the envelope provided. **These shares cannot be voted by telephone or through the Internet.**

Q: Can I vote by telephone?

A: If you are a registered shareholder, you can vote by telephone by calling 1-866-732-VOTE (8683). Follow the instructions provided. You will need your 15 digit control number (located on the front of the form of proxy) to identify yourself to the system. If you are voting by telephone, all required information must be entered by 5:00 p.m. (Toronto Time) on Wednesday, May 12, 2010. If you vote by telephone, you cannot appoint anyone other than the directors named on your proxy form as your proxyholder.

Q: Can I vote through the Internet?

A: If you are a registered shareholder, go to www.investorvote.com and follow the instructions. You will need your 15 digit control number (located on the front of the form of proxy) to identify yourself to the system. If you are voting through the Internet, all required information must be entered by 5:00 p.m. (Toronto Time) on Wednesday, May 12, 2010.

Q: Who is soliciting my proxy?

A: **The enclosed form of proxy is being solicited by management of Canadian Tire** and the associated costs will be borne by Canadian Tire. The solicitation will be made primarily by mail but may also be made by telephone or in person.

Q: What if I sign the form of proxy enclosed with this circular?

A: Signing the enclosed form of proxy gives authority to Maureen J. Sabia, Stephen G. Wetmore or Frank Potter, each of whom is a director of Canadian Tire, or to another person you have appointed, to vote your shares at the Meeting.

Q: Can I appoint someone other than these directors to vote my shares?

A: **Yes. Write the name of this person, who need not be a shareholder, in the blank space provided in the form of proxy.**

It is important to ensure that any other person you appoint is attending the Meeting and is aware that he or she has been appointed to vote your shares. Proxyholders should, upon arrival at the Meeting, present themselves to a representative of Canadian Tire's transfer agent, Computershare Trust Company of Canada.

Q: What do I do with my completed proxy?

A: Return it to Canadian Tire's transfer agent, Computershare Trust Company of Canada, in the envelope provided, so that it arrives no later than 5:00 p.m. (Toronto Time) on Wednesday, May 12, 2010. This will ensure your vote is recorded.

Q: If I change my mind, can I take back my proxy once I have given it?

A: Yes. If you are a registered shareholder and wish to revoke your proxy, prepare a written statement to this effect. The statement must be signed by you or your attorney as authorized in writing or by electronic signature to the extent permitted by applicable law or, if the shareholder is a corporation, under its corporate seal or by a duly authorized officer or attorney of the corporation. This statement must be delivered to the Secretary of Canadian Tire at the following address no later than 5:00 p.m. (Toronto Time) on Wednesday, May 12, 2010, or the business day immediately preceding any adjournment of the Meeting, or to the Chairman of the Board of Canadian Tire on the day of the Meeting, Thursday, May 13, 2010, or any adjournment of the meeting.

Canadian Tire Corporation, Limited
2180 Yonge Street, 18th Floor
Toronto, Ontario M4S 2B9
Attention: Robyn A. Collier
Secretary
Fax: (416) 480-3500

Q: How will my shares be voted if I give my proxy?

A: The persons named on the form of proxy must vote for or against or withhold from voting your shares in accordance with your directions, or you can let your proxyholder decide for you. In the absence of such directions, proxies received by management will be voted **in favour of** the election of directors to the Board, the appointment of the external auditor and authorizing the directors to set the external auditor's compensation, the repeal and replacement of the Company's general by-law and the amendment and restatement of the Company's stock option plan, increasing the number of shares which may be optioned thereunder and approving the grant of certain options.

Q: What if amendments are made to these matters or if other matters are brought before the Meeting?

A: The persons named in the form of proxy will have discretionary authority with respect to amendments or variations to matters identified in the Notice of Annual and Special Meeting of Shareholders of Canadian Tire and with respect to other matters which may properly come before the Meeting.

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

Q: How many shares are entitled to be voted?

A: As of March 11, 2010, there were outstanding 3,423,366 Common Shares and 78,178,223 Class A

Non-Voting Shares of Canadian Tire. Registered shareholders may exercise one vote for each Common Share and one vote for each Class A Non-Voting Share held by them at the close of business on March 25, 2010.

Q: Who counts the votes?

A: Canadian Tire's transfer agent, Computershare Trust Company of Canada, counts and tabulates the votes.

Q: If I need to contact the transfer agent, how do I reach them?

A: For general shareholder enquiries, you can contact the transfer agent by mail at:

Computershare Trust Company of Canada
100 University Avenue
9th Floor, North Tower
Toronto, Ontario M5J 2Y1
Canada

or by telephone:

within Canada and the United States at 1-800-564-6253, and from all other countries at 514-982-7555;

or by fax:

within Canada and the United States at 1-866-249-7775, and from all other countries at 416-263-9524;

or by e-mail at service@computershare.com.

Q: If my shares are not registered in my name but are held in the name of a nominee or intermediary (a bank, trust company, securities broker, trustee or other), how do I vote my shares?

A: As required by Canadian securities legislation, you will have received from your nominee or intermediary a voting instruction form for the number of shares you hold. You can vote your shares held by your nominee or intermediary in one of two ways.

1. For your shares to be voted for you, please follow the voting instructions provided by your nominee or intermediary.

2. To vote your shares personally, insert your name in the space provided on the voting instruction form and return same by following the instructions provided. Do not otherwise complete the form as your vote will be taken at the Meeting. Upon arrival at the Meeting, please register with the transfer agent, Computershare Trust Company of Canada. Since Canadian Tire has limited access to the names of its non-registered shareholders, if you attend the Meeting Canadian Tire may have no record of your shareholdings or of your entitlement to vote unless you complete the voting instruction form as indicated above and your nominee or intermediary has appointed you as proxyholder.

Q: What if I want to change my vote?

A: If you are a non-registered shareholder, please contact your nominee or intermediary for instructions on how to revoke your voting instructions.

Business of the Meeting

We will address six items at the Meeting:

1. the Company's consolidated annual financial statements for the financial year ended January 2, 2010, including the external auditor's report
2. the election of directors who will serve until the end of the next Annual Meeting of Shareholders
3. the appointment of the external auditor who will serve until the end of the next Annual Meeting of Shareholders, and authorizing the directors to set the external auditor's compensation
4. the repeal and replacement of the Company's general by-law
5. the amendment and restatement of the Company's stock option plan, increasing the number of shares which may be optioned thereunder and approving the grant of certain options
6. the transaction of such further and other business as may properly come before the Meeting or any adjournment or postponement thereof.

The resolutions that are proposed to be passed to confirm (i) the repeal and replacement of the Company's general by-law and (ii) the amendment and restatement of the Company's stock option plan, increasing the number of shares which may be optioned thereunder and approving the grant of certain options are set out as Appendix A and B, respectively, to this management information circular.

As of the date of this management information circular, management is not aware of any changes to these items and does not expect any other items to be brought forward at the Meeting. If there are changes or new items, you or your proxyholder can vote your shares on these items as you, he or she sees fit.

1. Receiving the Consolidated Annual Financial Statements

Our 2009 Annual Report has been prepared and will be sent to registered and beneficial shareholders who requested it. It is also available on SEDAR at www.sedar.com. Management will review our consolidated financial results at the Meeting and shareholders and proxyholders will be given an opportunity to discuss these results with management.

2. Electing Directors

This year the Board has determined that 16 directors will be elected at the Annual and Special Meeting of Shareholders. Please see *About the Nominated Directors* on page 9 for more information.

If you own Common Shares, you can vote on the election of 13 directors. The following persons have been nominated for election by the holders of Common Shares:

- Iain C. Aitchison
- Martha G. Billes
- Owen G. Billes
- Peter W. Currie
- Brian G. Domelle
- H. Garfield Emerson
- Daniel E. Fournier
- Keith E. Gostlin
- James A. Riley
- Maureen J. Sabia
- Peter B. Saunders
- Graham W. Savage
- Stephen G. Wetmore

If you own Class A Non-Voting Shares, you can vote on the election of three directors. The following persons have been nominated for election by the holders of Class A Non-Voting Shares:

- Robert M. Franklin
- Frank Potter
- Timothy R. Price

All of the nominated directors are currently directors of Canadian Tire, and were elected as directors at our Annual Meeting of Shareholders on May 14, 2009, except for Peter B. Saunders who was appointed to the Board of Canadian Tire on June 10, 2009 to fill the vacancy resulting from the resignation of Suzanne R. Perles on June 2, 2009.

3. Appointing the External Auditor

If you own Common Shares, you can vote on the appointment of the external auditor and on authorizing the Board of Directors to set the external auditor's compensation. The Board recommends that the Company's current external auditor, Deloitte & Touche LLP, Chartered Accountants (*D&T*), be reappointed as the external auditor.

4. Considering the Repeal and Replacement of the Company's General By-Law

This Annual and Special Meeting of Shareholders has also been called to consider and, if thought appropriate, pass a resolution confirming the repeal and replacement of By-Law No. 14 of the Company relating generally to the conduct of the affairs of the Company (the *Previous By-Law*). The Previous By-Law was originally enacted on April 6, 1984 and confirmed by shareholders on May 17, 1984. The Company has recently undertaken a review of the Previous By-Law, particularly in light of amendments made to the OBCA, and determined that it would be in the best interests of the Company to implement a new by-law (the *New By-Law*) in order to reflect the amendments made to the OBCA and implement certain other desirable changes to update the Previous By-Law. The repeal of the Previous By-Law and the making of the New By-Law were approved by the Board of Directors on March 11, 2010. The full text of the New By-Law is set out as *Schedule 1* to *Appendix A* to this management information circular.

Selected changes to the Previous By-Law as contained in the New By-Law are summarized below:

- a) the New By-Law addresses the *Securities Transfer Act* (Ontario) (*the STA*), including a requirement that all transfers of securities of the Company be made in accordance with the OBCA and the STA;

- b) the New By-Law amends the provisions concerning the Company's authorized signatories by providing that (a) any two officers, (b) any two directors or (c) any one officer together with one director of the Company may sign any contracts, documents or instruments of the Company without further authorization by the Board of Directors of the Company;
- c) the New By-Law reflects changes to the Canadian residency requirements for directors under the OBCA and specifically indicates that a meeting of directors does not require a majority of directors who are resident Canadians in order to conduct business. In addition, the New By-Law provides that the Board shall be comprised of a percentage of Canadian residents at least equal to that prescribed by the OBCA;
- d) the New By-Law includes detailed provisions regarding potential conflicts of interest with respect to directors and officers of the Company, which reflects the requirements of the OBCA;
- e) consistent with amendments to the indemnification provision of the OBCA, the New By-Law expands the scope of the Company's indemnification obligations to include individuals acting, at the request of the Company, as a director or officer, or in a similar capacity, of another entity and the scope of indemnifiable events;
- f) consistent with the OBCA, under the New By-Law the record date for determining shareholders entitled to receive notice of a meeting of the shareholders cannot precede the date of the Meeting by more than 60 days or less than 30 days;
- g) the quorum for any meeting of any class of shares of the Corporation other than Common Shares has been increased to not less than two persons present in person, who hold or represent by proxy not less than 25% of the total number of issued shares of the Company of the class in question enjoying voting rights at such meeting⁽¹⁾; and
- h) the New By-Law specifically permits meetings of shareholders and directors to be conducted by telephone, internet or other communications facilities that permit all persons participating in the meeting to communicate with each other.

The foregoing is a summary of certain of the changes made in the New By-Law, is not a complete list of all changes made in the New By-Law and is qualified in its entirety by the full text of the New By-law which is set out as *Schedule 1 to Appendix A* to this management information circular. Shareholders are encouraged to read the full text of the New By-Law.

The Board of Directors recommends that the holders of the Common Shares of the Company vote for the approval of the resolution, the text of which is set out as *Appendix A (the By-Law Resolution)* to this management information circular, to repeal and replace the Previous By-Law with the New By-Law. The Board of Directors considers the repeal and replacement of the Previous By-Law referred to in the By-Law Resolution to be appropriate and in the best interests of the Company.

In order to become effective, the By-Law Resolution is required to be approved by a majority of the votes cast by the holders of the Common Shares of the Company represented and voted at the Meeting. **In the absence of instructions to the contrary, the persons named in the enclosed form of proxy, if named as proxy, intend to vote in favour of the By-Law Resolution.**

5. Considering Amendments to the Stock Option Plan and Grant of Options

The Company proposes that a resolution be passed to confirm the amendment and restatement of its stock option plan dated February 11, 2010 (*the Stock Option Plan*), increasing the number of shares which may be optioned thereunder and the grant of certain options. See page 48 of this management information circular for a description of the Stock Option Plan. The Stock Option Plan is a security based compensation arrangement as such term is defined in the TSX Company Manual.

A summary of the proposed amendments to the Stock Option Plan and the grant of options is set out below. The particulars of the proposed amendments to the Stock Option Plan and the grant of options are set out in the form of resolution attached to this management information circular as *Appendix B*. In order to become effective, this resolution is required to be approved by a majority of the votes cast by the holders of the Common Shares of the Company represented and voted at the Meeting.

Amendments to the Stock Option Plan

On March 11, 2010 (*the March Board Meeting*), the Board of Directors amended and restated the Stock Option Plan by providing that the maximum number of Class A Non-Voting Shares issuable pursuant to the Stock Option Plan from and after that date shall not exceed 3,400,000 Class A Non-Voting Shares (representing approximately 4.3% of the outstanding Class A Non-Voting Shares as of March 11, 2010). Prior to the March Board Meeting, the maximum number of Class A Non-Voting Shares remaining available for issuance under the Stock Option Plan was 2,532,514, representing approximately 3.2% of the outstanding Class A Non-Voting Shares as of March 11, 2010. The new plan maximum includes those Class A Non-Voting Shares reserved for issuance in connection with the Conditionally Issued Options (as defined below).

The Board of Directors also amended the amending provisions under the amended and restated Stock Option Plan to require shareholder approval if: (a) the exercise price of options is reduced or the term of any option is extended; (b) there are any amendments to the amending provisions; (c) there is any change to 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 (d) there is a change to the assignment and transfer restrictions in the Stock Option Plan. Collectively, the amendments in this paragraph shall be referred to as the *March 2010 Amendments*.

(1) This increase was implemented primarily in response to the proxy guidelines adopted by certain proxy advisory firms.

On March 23, 2010, the TSX conditionally accepted the March 2010 Amendments to the Stock Option Plan, subject to the Company obtaining approval of these amendments by the holders of a majority of the votes cast by the holders of the Common Shares represented and voted at the Meeting and the receipt of certain documentation from the Company related thereto. See also page 49 for a summary of other prior amendments made to the Stock Option Plan by the Board of Directors that do not require shareholder approval.

Grant of Options

On March 9, 2010, the Management Resources and Compensation Committee of the Board (*the MRC Committee*) authorized the conditional issuance of options to purchase an aggregate of 571,119 Class A Non-Voting Shares (*the Conditionally Issued Options*) to employees of the Company, including its officers, resulting in an over-grant of options available under the Stock Option Plan. The insiders of the Company, comprised of officers, Senior Vice-Presidents who are not officers and certain Vice-Presidents, were granted 453,855 Conditionally Issued Options, while 117,264 Conditionally Issued Options were granted to non-insiders of the Company, comprised of certain Vice-Presidents.

The Conditionally Issued Options are subject to the proposed approval of the increase in the maximum number of Class A Non-Voting Shares of the Company which may be issued under the amended and restated Stock Option Plan contemplated by the March 2010 Amendments (*the Shareholder Approval Condition*). In accordance with the stock option agreement which sets out the terms of the Conditionally Issued Options, if the Shareholder Approval Condition is not satisfied at the Meeting, the grant of the Conditionally Issued Options to the employees of the Company will be rendered null and void.

On March 23, 2010, the TSX conditionally approved the grant of those Conditionally Issued Options which were in excess of the number of Class A Non-Voting Shares available for issuance under the Stock Option Plan as of March 11, 2010, subject to the Shareholder Approval Condition and the receipt of certain documentation from the Company related thereto.

The Conditionally Issued Options have an exercise price of \$53.49 per Class A Non-Voting Share, being the weighted average price at which Class A Non-Voting Shares traded on the TSX during the ten day period prior to and including the last business day before the grant, expire at the close of

business on March 8, 2017 and have the same features as the 2008/2009 Options which are described beginning on page 48 of this management information circular.

In the event that the holders of the Common Shares approve the March 2010 Amendments and the grant of 571,119 Conditionally Issued Options, the Company will have 3,400,000 Class A Non-Voting Shares reserved for issuance (representing approximately 4.3 % of the outstanding Class A Non-Voting Shares as of March 11, 2010). As there are currently 2,672,097 outstanding and unexercised options (including the Conditionally Issued Options) to purchase Class A Non-Voting Shares (representing approximately 3.4% of the outstanding Class A Non-Voting Shares as at March 11, 2010), 727,903 Class A Non-Voting Shares remain available for further option grants under the amended and restated Stock Option Plan (representing approximately 0.9% of the outstanding Class A Non-Voting Shares as of March 11, 2010).

The Board of Directors recommends that the holders of the Common Shares of the Company vote for the approval of the resolution, the text of which is attached to this management information circular as *Appendix B (the Stock Option Plan Amendment and Grant Resolution)*, to amend and restate the Stock Option Plan and to approve the Conditionally Issued Options. A copy of the amended and restated Stock Option Plan, marked to show the March 2010 Amendments, is attached as *Schedule 1 to Appendix B* to this management information circular. The Board of Directors considers the amendment and restatement of the Stock Option Plan referred to in the Stock Option Plan Amendment and Grant Resolution to be appropriate and in the best interests of the Company.

In order to become effective, the *Stock Option Plan Amendment and Grant Resolution* is required to be approved by a majority of the votes cast by the holders of the Common Shares of the Company represented and voted at the Meeting. **In the absence of instructions to the contrary, the persons named in the enclosed form of proxy, if named as proxy, intend to vote in favour of the Stock Option Plan Amendment and Grant Resolution.**

6. Considering Other Business

We will consider any other business that may properly come before the Meeting. As of the date of this management information circular, we are not aware of any other business to be considered at the Meeting.

About the Nominated Directors

The director biographies on pages 9 to 17 describe the nominated directors, along with the number of Common Shares, Class A Non-Voting Shares and deferred share units (DSUs) under the Deferred Share Unit Plan for Directors (*the DSU Plan for Directors*) they each own. The number of DSUs that each director holds has been rounded up to the nearest whole number. DSUs do not carry any voting rights.

The director biographies also indicate the value of the Common Shares, Class A Non-Voting Shares or DSUs that directors who have not yet met the Company's share ownership guidelines for directors need to accumulate. Each such director, other than Mr. Wetmore, is required to accumulate at least three times the value of the annual director retainer in Common Shares, Class A Non-Voting Shares or DSUs by the fifth anniversary of becoming a director. For more information on the directors' share ownership guidelines, see *Director Share Ownership Guidelines* on page 27. For more information on share ownership guidelines applicable to Mr. Wetmore, see *Executive Share Ownership Guidelines* on page 38.

Each director holds office until the next Annual Meeting of Shareholders or until a successor is elected or appointed.

Pursuant to a shareholders' agreement between Martha G. Billes (together with corporations and trusts with which she is associated) and C.T.C. Dealer Holdings Limited dated October 30, 1989, as amended, Ms. Billes has proposed nine and C.T.C. Dealer Holdings Limited has proposed three of the 13 directors to be elected by the holders of Common Shares at

the Meeting. Ms. Billes and C.T.C. Dealer Holdings Limited have agreed to vote for the election of such nominees, and the President and Chief Executive Officer (*the President and CEO*), as directors of Canadian Tire.

We do not expect that any of the nominated directors will be unable to serve as a director. If, however, a nominated director tells us before the Meeting that he or she will be unable to serve as a director, the directors listed on the proxy form will vote to elect one or more substitute directors at their discretion.

Board Size

According to the Company's articles of amendment, we must have between nine and 21 directors on our Board of Directors. The Board of Directors determines the number of directors to be elected at any shareholder meeting.

The articles of amendment 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
- holders of Common Shares are entitled to elect all other directors.

Nominated directors who are elected by holders of Class A Non-Voting Shares cannot be current or former officers or employees of Canadian Tire.

Nominated Directors



Iain C. Aitchison
Howell, New Jersey,
U.S.A.
Director since: 2009
Independent⁽¹⁾

Current Activities:

Mr. Aitchison is President, "K" Line Total Logistics, LLC and President & CEO, Century Distribution Systems, Inc., international transportation and logistics companies in the U.S.A.

Past Activities:

Mr. Aitchison entered the field of international transportation in 1964, over the years serving with Dalgety (East Africa), Ltd. in Kenya and Tanzania, Gilman & Company, Ltd. in Hong Kong, Kawasaki Kisen Kaisha, Ltd. in Japan and "K" Line/Kerr Corporation in the United States.

Board/Committee Membership		Attendance		Total %	Public Board Membership During Last Five Years	
Board of Directors		8 of 8	100%	100%	Canadian Tire Corporation, Limited	
Social Responsibility Committee		1 of 1	100%		2009 – Present	
Number of Shares and Deferred Share Units (DSUs) Beneficially Owned, Controlled or Directed (as at March 11, 2010)						
Common Shares	Class A Non-Voting Shares	Number of DSUs		Total Number of Shares and DSUs	Date at which Share Ownership Guideline is to be Met	Has Share Ownership Guideline Been Met?
						Value of Shares/DSUs Needed to Meet Share Ownership Guideline ⁽²⁾
–	6	934		940	May 14, 2014	No
\$305,960						



Martha G. Billes⁽³⁾⁽⁴⁾
Calgary, Alberta,
Canada
Director since: 1980
Independent⁽¹⁾

Current Activities:

Ms. Billes is President and a director of Albikin Management Inc., an investment holding company. She is Chairman of Canadian Tire Jumpstart Charities. Ms. Billes is the daughter of Canadian Tire co-founder A.J. Billes and has beneficially owned or controlled a majority of the Common Shares of the Company since 1997. She is also a director of Marlore Enterprises Ltd. and Tire 'N' Me Pty. Ltd. Ms. Billes was recently appointed by the Federal Government to the Board of Directors of the Toronto Organizing Committee for the 2015 Pan American and Parapan American Games.

Past Activities:

Ms. Billes has served on the boards of several public companies. She received an Honorary Doctorate of Commerce degree from Ryerson University in 2002. Ms. Billes is also Honourary Consul Emeritus for the Republic of Chile, Southern Alberta Region and past member of the Board of Trustees of the Sunnybrook Medical Centre Foundation and the Calgary Women's Emergency Shelter – Endowment Fund Trust. Ms. Billes has also served as a director of Canadian Tire Bank.

Board/Committee Membership		Attendance		Total %	Public Board Membership During Last Five Years		
Board of Directors		10 of 10	100%	100%	Canadian Tire Corporation, Limited	1980 – Present	
MRC Committee		7 of 7	100%				
Governance Committee		5 of 5	100%				
Number of Shares and Deferred Share Units (DSUs) Beneficially Owned, Controlled or Directed (as at March 11, 2010)							
Common Shares	Class A Non-Voting Shares	Number of DSUs		Total Number of Shares and DSUs	Date at which Share Ownership Guideline was to be Met	Has Share Ownership Guideline Been Met?	Value of Shares/DSUs Needed to Meet Share Ownership Guideline
1,400,767	5,706	–		1,406,473	February 9, 2008	Yes	–



Owen G. Billes⁽⁴⁾⁽⁵⁾
St. Catharines, Ontario,
Canada
Director since: 2004
As a former employee of the Company and a Canadian Tire Dealer, Mr. Billes is *not independent⁽¹⁾*

Current Activities:

Mr. Billes is President, Sandy McTyre Retail Ltd., which operates a Canadian Tire store in Welland, Ontario. He is the son of Martha G. Billes and grandson of Canadian Tire co-founder A.J. Billes. Mr. Billes is also a director of Canadian Tire Jumpstart Charities and Canadian Tire Bank.

Past Activities:

Mr. Billes joined Canadian Tire in 1992 as Changeover Consultant, Dealer Changeover. He has worked at Canadian Tire in the Operations Planning Centre, Dealer Operations, Logistics and Automotive Marketing, New Business Development and Petroleum, in Customer Service Strategic Development at Canadian Tire Financial Services Limited and at four Canadian Tire stores. Mr. Billes has also served as a member of the Board of Governors for Niagara College.

Board/Committee Membership		Attendance		Total %	Public Board Membership During Last Five Years		
Board of Directors		10 of 10	100%	100%	Canadian Tire Corporation, Limited	2004 – Present	
Social Responsibility Committee		2 of 2	100%				
Number of Shares and Deferred Share Units (DSUs) Beneficially Owned, Controlled or Directed (as at March 11, 2010)							
Common Shares	Class A Non-Voting Shares	Number of DSUs		Total Number of Shares and DSUs	Date at which Share Ownership Guideline was to be Met	Has Share Ownership Guideline Been Met?	Value of Shares/DSUs Needed to Meet Share Ownership Guideline
700,383	754,765	–		1,455,148	May 11, 2009	Yes	–



Peter W. Currie
Belleville, Ontario,
Canada
Director since: 2008
Independent⁽¹⁾

Current Activities:

Mr. Currie is a director of Affinion Group Inc., Atomic Energy of Canada Limited and ARISE Technologies Inc. Mr. Currie is also a member of the Board of Directors and Chairman of the Audit Committee for Intelius Inc. and a member of the Financial Executive Institute.

Past Activities:

Mr. Currie was previously Executive Vice-President and Chief Financial Officer, Nortel Networks Corporation, Vice Chairman and Chief Financial Officer, Royal Bank of Canada, Senior Vice-President and Chief Financial Officer, Nortel Networks Corporation (Northern Telecom Limited) and Executive Vice-President and Chief Financial Officer, North American Life Assurance Company. He has served as Chairman of the Board and Chairman of the Audit Committee, Symcor Inc. Mr. Currie was a member of the Board of Directors and Chairman of the Audit Committee for C.D. Howe Research Institute and Toronto East General Hospital. He was also a member of the Board of Governors and Chairman of the Audit and Finance Committee, York University, and a director of York University Development Corporation.

Board/Committee Membership		Attendance		Total %	Public Board Membership During Last Five Years	
Board of Directors		10 of 10	100%	100%	Canadian Tire Corporation, Limited	2008 – Present
Audit Committee		6 of 6	100%		ARISE Technologies Inc.	2008 – Present
Governance Committee		4 of 4	100%			
Number of Shares and Deferred Share Units (DSUs) Beneficially Owned, Controlled or Directed (as at March 11, 2010)						
Common Shares	Class A Non-Voting Shares	Number of DSUs		Total Number of Shares and DSUs	Date at which Share Ownership Guideline is to be Met	Value of Shares/DSUs Needed to Meet Share Ownership Guideline ⁽²⁾
–	2,000	2,633		4,633	May 8, 2013	No
						\$93,610



Brian G. Domelle⁽⁵⁾
Toronto, Ontario,
Canada
Director since: 2008
As a Canadian Tire Dealer, Mr. Domelle is *not independent*⁽¹⁾

Current Activities:

Mr. Domelle is President, Brian Domelle Enterprises Limited, which operates a Canadian Tire store in Toronto, Ontario.

Past Activities:

Mr. Domelle became a Canadian Tire Dealer in 1976. Prior to becoming a Canadian Tire Dealer, he was a chartered accountant with Ernst and Young (formerly Clarkson Gordon). Mr. Domelle was President of C.T.C. Dealer Holdings Limited, and has also served as Chairman of the Metro Toronto Associate Dealers group, as a director and Secretary–Treasurer of the Canadian Tire Dealers' Association and as Secretary of the Ottawa Valley Dealers' Association. He has been actively involved with Upper Canada College as a member of its Association Council and Fundraising Committee.

Board/Committee Membership		Attendance		Total %	Public Board Membership During Last Five Years	
Board of Directors		10 of 10	100%	100%	Canadian Tire Corporation, Limited	2008 – Present
Social Responsibility Committee		2 of 2	100%			
Number of Shares and Deferred Share Units (DSUs) Beneficially Owned, Controlled or Directed (as at March 11, 2010)						
Common Shares	Class A Non-Voting Shares	Number of DSUs		Total Number of Shares and DSUs	Date at which Share Ownership Guideline is to be Met	Value of Shares/DSUs Needed to Meet Share Ownership Guideline ⁽²⁾
–	–	4,017		4,017	May 8, 2013	No
						\$129,024



**H. Garfield Emerson,
Q.C.⁽⁶⁾**

Toronto, Ontario,
Canada

Director since: 2007
Independent⁽¹⁾

Current Activities:

Mr. Emerson is Principal, Emerson Advisory, an independent advisory firm, and a Corporate Director. He is a director of CAE Inc., Pelmorex Investments Inc. and Sentry Select Capital Corp., and an Executive in Residence, Faculty of Public Affairs, Carleton University.

Past Activities:

Mr. Emerson is the past National Chair of Fasken Martineau DuMoulin LLP (2001-2006). Mr. Emerson was previously President and Chief Executive Officer of NM Rothschild & Sons Canada Limited (1990-2001), investment bankers, non-executive Chairman of the Board of Rogers Communications Inc. (1993-2006) and a senior partner of Davies, Ward & Beck. He has also served as a director of Canada Deposit Insurance Corporation, University of Toronto Asset Management Corporation, NM Rothschild & Sons Limited, Marathon Realty Company Limited, Open Text Corporation, Genstar Capital Corporation, Rogers Wireless Communications Inc. and Sunnybrook Health Sciences Centre.

Board/Committee Membership		Attendance		Total %	Public Board Membership During Last Five Years		
Board of Directors	10 of 10	100%	86%	CAE Inc.	1992 – Present		
MRC Committee	5 of 7	71%		Canadian Tire Corporation, Limited	2007 – Present		
Governance Committee	3 of 4	75%		Open Text Corporation	2008 – 2009		
				Rogers Communications Inc.	1989 – 2006		
				Rogers Wireless Communications Inc.	1993 – 2006		
Number of Shares and Deferred Share Units (DSUs) Beneficially Owned, Controlled or Directed (as at March 11, 2010)							
Common Shares	Class A Non-Voting Shares	Number of DSUs		Total Number of Shares and DSUs	Date at which Share Ownership Guideline is to be Met	Has Share Ownership Guideline Been Met?	Value of Shares/DSUs Needed to Meet Share Ownership Guideline
–	–	7,628		7,628	May 10, 2012	Yes	–



Daniel E. Fournier

Outremont, Quebec,
Canada

Director since: 2006
Independent⁽¹⁾

Current Activities:

Mr. Fournier is President of ACNG Capital, a real estate value creation and strategic planning firm, and Chairman of the Genivar Income Fund.

Past Activities:

Mr. Fournier was Executive Vice-President and Chief Investment Officer of SITQ Inc., a real estate subsidiary of Caisse de dépôt et placement du Québec. Mr. Fournier was the founding Chairman of NF (Neurofibromatosis) Canada. He was formerly Chairman and the majority shareholder of Jas. A. Ogilvy Inc., and Chairman of Ritz-Carlton Canada. Mr. Fournier has served as a member of the Board of Directors of The Brick Warehouse Corporation, Standard Life Canada, Standard Life Trust Company, Hartco Corporation, Canadian Tire Bank, and as a trustee and member of the Independent Committee of Summit REIT.

Board/Committee Membership		Attendance		Total %	Public Board Membership During Last Five Years	
Board of Directors		10 of 10	100%	100%	Canadian Tire Corporation, Limited	2006 – Present
Audit Committee		3 of 3	100%		Genivar Income Fund	2006 – Present
MRC Committee		7 of 7	100%		Summit REIT	2003 – 2007
Governance Committee		2 of 2	100%		The Brick Warehouse Corporation	2004 – 2005
Number of Shares and Deferred Share Units (DSUs) Beneficially Owned, Controlled or Directed (as at March 11, 2010)						
Common Shares	Class A Non-Voting Shares	Number of DSUs		Total Number of Shares and DSUs	Date at which Share Ownership Guideline is to be Met	Has Share Ownership Guideline Been Met?
–	–	3,330		3,330	October 12, 2011	No



Robert M. Franklin
Toronto, Ontario,
Canada
Director since: 2007
Independent⁽¹⁾

Current Activities:

Mr. Franklin is President of Signalta Capital Corporation, a private investment holding company. He is a director of Barrick Gold Corporation, Canadian Tire Bank, First Uranium Corporation, and Toromont Industries Ltd.

Past Activities:

Mr. Franklin was Chairman of Placer Dome Inc. from 1993 until it was taken over by Barrick Gold Corporation in 2006. He also served as Chairman of Clublink Corporation, ELI Eco Logic Inc., Glenayre Electronics Inc. and Photowatt Technologies Inc., and as a director of Algonquin Mercantile Corporation, Barrington Petroleum Ltd., Call-Net Enterprises Inc., Great Lakes Carbon Income Trust, Resolve Business Outsourcing Income Fund, Royster-Clark Ltd. and Serica Energy Corporation. Mr. Franklin was also a trustee for Stratos Global Corporation.

Board/Committee Membership	Attendance		Total %	Public Board Membership During Last Five Years	
Board of Directors	10 of 10	100%	100%	Barrick Gold Corporation	2006 – Present
Audit Committee	6 of 6	100%		Call-Net Enterprises Inc.	2002 – 2005
Governance Committee	1 of 1	100%		Canadian Tire Corporation, Limited	2007 – Present
Social Responsibility Committee (Chairman)	2 of 2	100%		First Uranium Corporation	2006 – Present
				Great Lakes Carbon Income Trust	2003 – 2007
				Photowatt Technologies Inc.	2006 – 2007
				Placer Dome Inc.	1987 – 2006
				Resolve Business Outsourcing Income Fund	2006 – 2009
				Royster-Clark Ltd.	2005 – 2006
				Stratos Global Corporation	2007 – 2009
				Toromont Industries Ltd.	1994 – Present

Number of Shares and Deferred Share Units (DSUs) Beneficially Owned, Controlled or Directed (as at March 11, 2010)

Common Shares	Class A Non-Voting Shares	Number of DSUs	Total Number of Shares and DSUs	Date at which Share Ownership Guideline is to be Met	Has Share Ownership Guideline Been Met?	Value of Shares/DSUs Needed to Meet Share Ownership Guideline
–	5,450	2,906	8,356	May 10, 2012	Yes	–



Keith E. Gostlin⁽⁶⁾
Kelowna, British
Columbia, Canada
Director since: 2006
As a Canadian Tire Dealer, Mr. Gostlin is *not independent*⁽¹⁾

Current Activities:

Mr. Gostlin is President, K.E. Gostlin Enterprises Ltd., which operates a Canadian Tire store in Kelowna, British Columbia.

Past Activities:

Mr. Gostlin became a Canadian Tire Dealer in 1967. He was president of the Canadian Tire Dealers' Association from 1990 to 1993, and remained on its board as past president until 1995. Mr. Gostlin has also served as chairman for three Dealer groups, as a director for C.T.C. Dealer Holdings Limited and on numerous Canadian Tire Dealers' Association committees. In addition, he has chaired various committees for the Dealers working together with the Company in connection with e-business, PartSource and the Dealer contract. Mr. Gostlin is a recipient of the Canadian Tire Award of Excellence. He has also served on the board of the Kelowna General Hospital and the Kelowna Economic Development Commission.

Board/Committee Membership	Attendance		Total %	Public Board Membership During Last Five Years	
Board of Directors	10 of 10	100%	100%	Canadian Tire Corporation, Limited	2006 – Present
Social Responsibility Committee	2 of 2	100%			

Number of Shares and Deferred Share Units (DSUs) Beneficially Owned, Controlled or Directed (as at March 11, 2010)

Common Shares	Class A Non-Voting Shares	Number of DSUs	Total Number of Shares and DSUs	Date at which Share Ownership Guideline is to be Met	Has Share Ownership Guideline Been Met?	Value of Shares/DSUs Needed to Meet Share Ownership Guideline
–	445	10,972	11,417	February 9, 2011	Yes	–



Frank Potter⁽⁶⁾
Toronto, Ontario,
Canada
Director since: 1998
Independent⁽¹⁾

Current Activities:

Mr. Potter is Chairman, Emerging Market Advisors, Inc., a consulting firm dealing with international direct investment, and Chairman of Canadian Tire Bank. He is a director of Penn West Energy Corporation, Biovail Corporation, CA Bancorp Inc. and Sentry Select Capital Corp., a private company that manages a number of exchange-traded investment trusts and each of the trusts and funds in the Sentry Select family. Mr. Potter is also Chairman of Imagine Group Holdings Limited, a private Bermuda reinsurance company.

Past Activities:

Mr. Potter is a former international banker, executive director of The World Bank and senior advisor at the Department of Finance.

Board/Committee Membership	Attendance		Total %	Public Board Membership During Last Five Years	
Board of Directors	9 of 10	90%	95%	Biovail Corporation	2009 – Present
MRC Committee (Chairman)	7 of 7	100%		C.A. Bancorp	2006 – Present
Governance Committee	5 of 5	100%		Canadian Tire Corporation, Limited	1998 – Present
				Golden China Resources Corporation	2004 – 2007
				Penn West Energy Trust	2000 – Present
				Rockwater Capital Corp.	2001 – 2007
				Softchoice Corporation	2002 – 2009
				Strategic Energy Corp.	2005 – 2008

Number of Shares and Deferred Share Units (DSUs) Beneficially Owned, Controlled or Directed (as at March 11, 2010)

Common Shares	Class A Non-Voting Shares	Number of DSUs	Total Number of Shares and DSUs	Date at which Share Ownership Guideline was to be Met	Has Share Ownership Guideline Been Met?	Value of Shares/DSUs Needed to Meet Share Ownership Guideline
–	1,823	6,953	8,776	February 9, 2008	Yes	–



Timothy R. Price
Toronto, Ontario,
Canada
Director since: 2007
Independent⁽¹⁾

Current Activities:

Mr. Price is Chairman, Brookfield Funds, Brookfield Asset Management Inc., an asset management company. He is Chairman of the York University Foundation, the lead director of Astral Media Inc., and a director of Brookfield Homes Corporation, HSBC Bank Canada, St. Michael's Hospital Foundation and the Centre for Addiction and Mental Health Foundation.

Past Activities:

Mr. Price was previously President and CEO of Hees Enterprises Limited and Chairman of Trilon Financial Corporation, which were companies that merged into Brookfield Asset Management Inc. He was formerly Chairman of Q9 Networks Inc., a trustee of Morguard REIT and a governor of York University.

Board/Committee Membership	Attendance		Total %	Public Board Membership During Last Five Years	
Board of Directors	8 of 10	80%	85%	Astral Media Inc.	1978 – Present
Audit Committee	5 of 6	83%		Brookfield Homes Corporation	2004 – 2006
MRC Committee	4 of 4	100%		Canadian Tire Corporation, Limited	2009 – Present
				HSBC Bank Canada	2007 – Present
				Morguard Corporation	2007 – Present
				Morguard REIT	1999 – 2005
				Q9 Networks Inc.	2005 – 2008

Number of Shares and Deferred Share Units (DSUs) Beneficially Owned, Controlled or Directed (as at March 11, 2010)

Common Shares	Class A Non-Voting Shares	Number of DSUs	Total Number of Shares and DSUs	Date at which Share Ownership Guideline is to be Met	Has Share Ownership Guideline Been Met?	Value of Shares/DSUs Needed to Meet Share Ownership Guideline
–	1,800	5,273	7,073	May 10, 2012	Yes	–



James A. Riley
Toronto, Ontario,
Canada
Director since: 2006
Independent⁽¹⁾

Current Activities:

Mr. Riley is a Partner of Goodmans LLP, a law firm. He is also a director of The Canadian Stage Company.

Past Activities:

Mr. Riley has more than 25 years of experience practicing law in the areas of banking, financial intermediary regulation and mergers and acquisitions. Mr. Riley has been recognized as one of Canada's leading lawyers in these and other practice areas by legal ranking guides. He has served as a director or equivalent of several other for-profit and not-for-profit organizations.

Board/Committee Membership		Attendance		Total %	Public Board Membership During Last Five Years	
Board of Directors		10 of 10	100%	100%	Canadian Tire Corporation, Limited	2006 – Present
MRC Committee		7 of 7	100%			
Governance Committee (Chairman)		5 of 5	100%			
Number of Shares and Deferred Share Units (DSUs) Beneficially Owned, Controlled or Directed (as at March 11, 2010)						
Common Shares	Class A Non-Voting Shares	Number of DSUs		Total Number of Shares and DSUs	Date at which Share Ownership Guideline is to be Met	Has Share Ownership Guideline Been Met?
–	–	10,789		10,789	May 11, 2011	Yes
						Value of Shares/DSUs Needed to Meet Share Ownership Guideline
						–



Maureen J. Sabia
Toronto, Ontario,
Canada
Director since: 1985
Non-Executive Chairman
of the Board since
March 8, 2007
Independent⁽¹⁾

Current Activities:

Miss Sabia is Non-Executive Chairman of the Board of the Company and President, Maureen Sabia International, a consulting firm. She is also a director of Canadian Tire Bank. Miss Sabia co-authored "Integrity in the Spotlight – Opportunities for Audit Committees" published in 2002 and "Integrity in the Spotlight – Audit Committees in a High Risk World" published in 2005.

Miss Sabia is Chairman of the Foreign Affairs and International Trade Canada Audit Committee. She is also Vice-Chairman of the Public Accountants Council for the Province of Ontario, a body mandated by the *Public Accounting Act, 2004* (Ontario) to oversee, in the public interest, the regulation of public accounting.

Past Activities:

Miss Sabia, a lawyer, has had careers in the public and private sectors and served as Chairman of the Export Development Corporation. She is past Chairman of the Audit Committee of Canadian Tire. Miss Sabia was formerly a director of Gulf Canada Resources Limited, Hollinger Inc., Laurentian General Insurance Company Inc., O & Y FPT Inc., O & Y Properties Corporation and Skyjack Inc. She has been a member of the Board of Governors of the University of Guelph, Chairman of the Sunnybrook Medical Centre Foundation and a member of the Board of Trustees for Sunnybrook Medical Centre.

Board/Committee Membership		Attendance		Total %	Public Board Membership During Last Five Years	
Board of Directors		10 of 10	100%	100%	Canadian Tire Corporation, Limited O & Y FPT Inc. O & Y Properties Corporation	1985 – Present 1999 – 2005 1993 – 2005
Number of Shares and Deferred Share Units (DSUs) Beneficially Owned, Controlled or Directed (as at March 11, 2010)						
Common Shares	Class A Non-Voting Shares	Number of DSUs		Total Number of Shares and DSUs	Date at which Share Ownership Guideline was to be Met	Has Share Ownership Guideline Been Met?
–	5,553	2,052		7,605	February 9, 2008	Yes
						Value of Shares/DSUs Needed to Meet Share Ownership Guideline
						–



Peter B. Saunders
Naples, Florida,
U.S.A
Director since: 2009
Independent⁽¹⁾

Current Activities:

Mr. Saunders is the Lead Director of Godiva Chocolatier and Chairman of Jack Wills Ltd., a specialty apparel retailer in the UK.

Past Activities:

Mr. Saunders was previously Chairman (2008 – 2009) and CEO (2002 – 2008) of The Body Shop International PLC and Chief Operating Officer of T. Eaton Co. Ltd. (1995 – 1997).

Board/Committee Membership		Attendance		Total %	Public Board Membership During Last Five Years	
Board of Directors		7 of 7	100%	100%	Canadian Tire Corporation, Limited	2009 – Present
MRC Committee		3 of 3	100%			
Number of Shares and Deferred Share Units (DSUs) Beneficially Owned, Controlled or Directed (as at March 11, 2010)						
Common Shares	Class A Non-Voting Shares	Number of DSUs		Total Number of Shares and DSUs	Date at which Share Ownership Guideline is to be Met	Has Share Ownership Guideline Been Met?
–	–	841		841	June 10, 2014	No
						Value of Shares/DSUs Needed to Meet Share Ownership Guideline ⁽²⁾
						\$311,626



Graham W. Savage⁽⁷⁾
Toronto, Ontario,
Canada
Director since: 1998
Independent⁽¹⁾

Current Activities:

Mr. Savage is a director of Canadian Tire Bank and Cott Corporation.

Past Activities:

Mr. Savage was previously Chief Financial Officer and a director of Rogers Communications Inc. He has also been a director of AT&T Long Distance Co., Alias Corp., FMC Financial Models Limited, Leitch Technology Corp., Lions Gate Entertainment Corp., MDC Corp., Microcell Inc., Royal Group Technologies Limited, Sun Media Corp., Sun Times Media Group, Inc. and Vitran Corporation, among others.

Board/Committee Membership		Attendance		Total %	Public Board Membership During Last Five Years	
Board of Directors		10 of 10	100%	100%	Canadian Tire Corporation, Limited	1998 – Present
Audit Committee (Chairman)		6 of 6	100%		Cott Corporation	2008 – Present
Governance Committee		5 of 5	100%		Leitch Technology Corp.	2002 – 2005
					Royal Group Technologies Limited	2005 – 2006
					Sun Times Media Group, Inc.	2004 – 2009
					Vitran Corporation	1987 – 2005
Number of Shares and Deferred Share Units (DSUs) Beneficially Owned, Controlled or Directed (as at March 11, 2010)						
Common Shares	Class A Non-Voting Shares	Number of DSUs		Total Number of Shares and DSUs	Date at which Share Ownership Guideline was to be Met	Has Share Ownership Guideline Been Met?
–	3,033	4,117		7,150	February 9, 2008	Yes
						Value of Shares/DSUs Needed to Meet Share Ownership Guideline
						–



Stephen G. Wetmore
Mississauga, Ontario,
Canada
Director since: 2003
As President and CEO,
Mr. Wetmore is *not*
independent⁽¹⁾

Current Activities:

Mr. Wetmore is President and CEO of the Company and a director of Canadian Tire Financial Services Limited and Mark's Work Wearhouse Ltd.

Past Activities:

Mr. Wetmore was previously President and CEO, Bell Aliant Regional Communications Income Fund, Group President, Corporate Performance and National Markets, Bell Canada and Executive Vice-President, BCE Inc., President and CEO of Aliant Inc., President and CEO of NewTel Enterprises Ltd., President of Air Atlantic, and Managing Director of Scotia Holding PLC. He also served as a director of Aliant Inc., Axia NetMedia Corporation, Manitoba Telecom Services Inc. and Stratos Global Corporation. Mr. Wetmore was Chair of the Atlantic Provinces' Economic Council and Nova Scotia Council on Higher Education and has actively promoted education through his leadership affiliations with Dalhousie University, Memorial University, University College of Cape Breton, the Shad Valley Institute, RCS Netherwood and the Canadian Youth Business Fundraising Committee. He has also been a director of the C.D. Howe Institute, and a member of the Financial Executives Institute.

Board/Committee Membership	Attendance		Total %	Public Board Membership During Last Five Years	
Board of Directors	10 of 10	100%	100%	Aliant Inc. Axia NetMedia Corporation Bell Aliant Regional Communications Inc. Canadian Tire Corporation, Limited Stratos Global Corporation	1999 – 2006 2005 – 2006 2006 – 2008 2003 – Present 1998 – 2007

Notes

- (1) "Independent" refers to the Board's determination of whether a director is "independent" under Section 1.2 of the Canadian Securities Administrators' National Instrument 58-101 – *Disclosure of Corporate Governance Practices*.
- (2) The estimated value of Common Shares, Class A Non-Voting Shares or DSUs that will be required to meet the share ownership guideline as at the date at which it is required to be met is calculated by subtracting from \$360,000 (being three times the annual director retainer) the greater of (i) the acquisition cost of Common Shares, Class A Non-Voting Shares or DSUs, and (ii) the market value of such shares and DSUs based on the closing share prices on December 31, 2009. The closing price for Common Shares on December 31, 2009 was \$61.74. The closing price for Class A Non-Voting Shares (and accordingly the value of a DSU) on December 31, 2009 was \$57.50. For more information on the Company's share ownership guidelines for directors, see *Director Share Ownership Guidelines* on page 27.
- (3) Tire 'N' Me owns 1,400,767 Common Shares of the Company. Ms. Billes controls Tire 'N' Me and, with the exception of a small number of non-voting common shares of Tire 'N' Me owned by Mr. Billes, Ms. Billes is the beneficial owner of all the issued shares of Tire 'N' Me. The Common Shares of the Company owned by Tire 'N' Me are included in the shareholdings of Ms. Billes shown in this table.
- (4) Albikin owns 700,383 Common Shares and 741,176 Class A Non-Voting Shares of the Company. With the exception of a small number of nominal value preferred shares of Albikin beneficially owned by Ms. Billes, Mr. Billes is the beneficial owner of all the issued shares of Albikin. By agreement between Ms. Billes and Mr. Billes, Ms. Billes controls Albikin. The Common Shares and Class A Non-Voting Shares of the Company owned by Albikin are included in the shareholdings of Mr. Billes shown in this table and are not included in the shareholdings of Ms. Billes shown in this table.
- (5) Messrs. Billes, Domelle and Gostlin 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 purchase of inventory and fixed assets. The terms and conditions of the financing support provided by the Company under this program are the same for all participating Canadian Tire Dealers. For further details about this program, see Section 13.2 of the Company's Management's Discussion and Analysis in its 2009 Financial Report contained in the Company's 2009 Annual Report which is available on SEDAR at www.sedar.com.
- (6) Messrs. Emerson and Potter serve together on the Board of Directors of Sentry Select Capital Corp. There are no other interlocking public company directorships among the director nominees.
- (7) Mr. Savage was a director of Microcell Inc. when it filed for protection under the *Companies' Creditors Arrangement Act*. Mr. Savage was a director of Sun-Times Media Group, Inc. (*Sun Times*), formerly Hollinger International Inc. (*Hollinger*). He served as a director of that company from July, 2003 until November, 2009. On June 1, 2004, the Ontario Securities Commission issued a permanent management cease trade order (the *Ontario Cease Trade Order*) against the insiders of Hollinger for failing to file its interim financial statements and interim MD&A for the three-month period ended March 31, 2004 and its annual financial statements, MD&A and AIF for the year ended December 31, 2003. In addition, the British Columbia Securities Commission issued a cease trade order against an insider of Hollinger resident in British Columbia on May 21, 2004, as updated on May 31, 2004 (the *BC Cease Trade Order*). The Ontario Cease Trade Order was allowed to expire on January 9, 2006 and is no longer in effect. The BC Cease Trade Order was revoked on February 10, 2006 and is no longer in effect. Sun Times filed for protection under Chapter 11 of the United States Bankruptcy Code in April 2009. The principal operating assets of Sun Times were subsequently sold and the company is in the process of being wound up.

Except for Peter B. Saunders, all of the director nominees have previously been elected as directors of the Company by a vote of shareholders at a meeting, the notice of which was accompanied by an information circular. Mr. Saunders was appointed to the Company's Board of Directors on June 10, 2009 to replace Suzanne R. Perles who resigned on June 2, 2009. See Mr. Saunders' biography on page 16 for more information on his principal occupation, business or employment during the past five years.

The average age of the nominated directors is 62.

Meeting Attendance

The table below lists the Board and Committee meetings held in fiscal 2009 and the number attended by each director. The Chairman of the Board is not a member of any Committee but attends all Committee meetings. Martha Billes is a permanent invited guest at meetings of Committees of which she is not a member. Attendance by the Chairman of the Board, Ms. Billes and Mr. Wetmore at meetings of Committees of which they are not members is designated by shaded boxes. Any director is entitled to attend any meeting of a Committee of which he or she is not a member.

Director	Board (10 Meetings)		Audit Committee (6 Meetings)		Management Resources & Compensation Committee (7 Meetings)		Governance Committee (5 Meetings)		Social Responsibility Committee (2 Meetings)		Total
	Number	%	Number	%	Number	%	Number	%	Number	%	%
Iain C. Aitchison ⁽¹⁾	8 of 8	100%							1 of 1	100%	100%
Martha G Billes	10 of 10	100%	6 of 6	100%	7 of 7	100%	5 of 5	100%	2 of 2	100%	100%
Owen G. Billes	10 of 10	100%							2 of 2	100%	100%
Peter W. Currie	10 of 10	100%	6 of 6	100%			4 of 4 ⁽²⁾	100%			100%
Brian G. Domelle	10 of 10	100%							2 of 2	100%	100%
H. Garfield Emerson	10 of 10	100%			5 of 7	71%	3 of 4 ⁽³⁾	75%			86%
Daniel E. Fournier	10 of 10	100%	3 of 3 ⁽⁴⁾	100%	7 of 7	100%	2 of 2 ⁽⁵⁾	100%			100%
Robert M. Franklin	10 of 10	100%	6 of 6	100%			1 of 1 ⁽⁶⁾	100%	2 of 2 (Chairman)	100%	100%
Keith E. Gostlin	10 of 10	100%							2 of 2	100%	100%
Suzanne R. Perles ⁽⁷⁾	3 of 3	100%					3 of 3	100%	1 of 1	100%	100%
Frank Potter	9 of 10	90%			7 of 7 (Chairman)	100%	5 of 5	100%			95%
Timothy R. Price	8 of 10	80%	5 of 6	83%	4 of 4 ⁽⁸⁾	100%					85%
James A. Riley	10 of 10	100%			7 of 7	100%	5 of 5 (Chairman)	100%			100%
Maureen J. Sabia	10 of 10 (Chairman)	100%	6 of 6	100%	7 of 7	100%	5 of 5	100%	2 of 2	100%	100%
Peter B. Saunders ⁽⁹⁾	7 of 7	100%			3 of 3 ⁽¹⁰⁾	100%					100%
Graham W. Savage	10 of 10	100%	6 of 6 (Chairman)	100%			5 of 5	100%			100%
Stephen G. Wetmore	10 of 10	100%	5 of 6	83%	7 of 7	100%	3 of 5	60%	2 of 2	100%	90%

Notes

- (1) Mr. Aitchison was elected as a director of the Company on May 14, 2009.
- (2) Mr. Currie served on the Governance Committee until September 10, 2009.
- (3) Mr. Emerson served on the Governance Committee until September 10, 2009.
- (4) Mr. Fournier was appointed to the Audit Committee effective May 14, 2009.
- (5) Mr. Fournier served on the Governance Committee until May 6, 2009.
- (6) Mr. Franklin was appointed to the Governance Committee on September 10, 2009.
- (7) Ms. Perles served as a director and Chairman of the Social Responsibility Committee until her resignation from the Board on June 2, 2009.
- (8) Mr. Price served on the MRC Committee until September 10, 2009.
- (9) Mr. Saunders was appointed a director of the Company on June 10, 2009 to fill the vacancy resulting from the resignation of Ms. Perles.
- (10) Mr. Saunders was appointed to the MRC Committee on September 10, 2009.

About the Board of Directors

The Board of Directors is elected by the Company's shareholders. The Board is responsible for the stewardship of the Company.

The Board is responsible for:

- overseeing the conduct of the business and affairs of the Company
- supervising management
- using reasonable efforts to ensure that all major issues affecting the Company are given appropriate consideration.

In addition to its primary roles of overseeing corporate performance and providing quality, depth and continuity of management to meet our strategic objectives, the Board, among other things, is responsible for:

- approving business, strategic, financial and succession plans and monitoring the implementation of these plans
- approving communications to shareholders
- overseeing financial reporting and disclosure
- appointing officers and reviewing their performance at least once a year
- approving dividend payments, the issue, purchase and redemption of securities, the acquisition and disposition of capital assets, short-term and long-term objectives and human resource and other plans including executive compensation, employee benefits, profit sharing and incentive plans.

The Board:

- fulfills its responsibilities directly, through its Committees and through management
- delegates its authority to manage the day-to-day business to management, but retains responsibility for reviewing management's decisions
- is informed of the Company's operations on an ongoing basis through Board and Committee meetings, and reports from and discussions with management.

The Chairman of the Board is responsible for facilitating highly effective performance of the Board. The Chairman's duties include, among other things:

- setting the agenda for Board meetings
- using her best efforts to provide directors with the information they need to make decisions and carry out their responsibilities
- chairing Board meetings
- acting as a key liaison between the Board and management.

The Chairman of the Board's position description is available on the Company's website at www.corp.canadiantire.ca. Click on "Governance" under the "Investors" tab.

The Board of Directors has a written Mandate, which it reviews annually. Please see *Appendix C* on page C1 for a copy of the Board's Mandate. This document has been approved by the Board.

The Board meets at least nine times a year, and more often, if necessary. The Board met 10 times in 2009. Time is set aside at all regularly scheduled meetings to discuss issues without management present.

Board Committees

The Board has established four standing Committees:

- Audit Committee

- MRC Committee
- Governance Committee
- Social Responsibility Committee.

The Board does not have an executive committee.

None of the current members of any of the Committees, except for Owen G. Billes, is a current or former employee of Canadian Tire or any of its subsidiaries.

All Committees meet regularly without management present. Every director who is not a member of a Committee is entitled to attend the meetings of such Committee. The Chairman of the Board attends all Committee meetings and meets with the Committee Chairmen at meetings of the Governance Committee (on which all Committee Chairmen and Martha Billes serve) and at such other times as may be required.

The Board has approved a Mandate for each Committee and has delegated responsibilities to each Committee as set out in those Mandates. Each Committee reviews its Mandate and its work plan on a regular basis to ensure that it has fulfilled all of its responsibilities under its Mandate. Any revisions to a Mandate are reviewed by the Governance Committee as required, but no less than once every three years, and recommended to the Board for approval. The Board has delegated a number of its routine approval responsibilities to its Committees, as permitted by law, in order to enable the Board to spend more time on business and strategic issues. All Committee Mandates reflect this delegation of authority, which results in improved efficiencies in decision-making. All matters approved by the Committees are reported to the Board and it is always within the prerogative of the Board to approve, veto, amend or change any approval made by a Committee.

To enhance disclosure of the responsibilities and activities of the Board's Committees, each Committee has provided a report highlighting its duties under its Mandate and significant achievements during 2009.

Canadian Tire Bank Board of Directors

The Board of Directors of Canadian Tire Bank (CTB), a wholly-owned subsidiary of Canadian Tire Financial Services Limited, which is a wholly-owned subsidiary of the Company, is comprised of 10 directors. Serving on the Board of CTB are the President and Chief Executive Officer of CTB, five directors of Canadian Tire who are cross-appointed to the CTB Board, one executive from Canadian Tire and three other outside individuals with significant management expertise in banking or similar businesses.

The Board of CTB meets quarterly or more frequently as circumstances warrant. The CTB Board reviews reports from management on principal risks associated with CTB's business and operations, approves policies that govern the principal risks of CTB, including liquidity, operational and legislative compliance risks, and reviews management's implementation of systems to manage these risks and any material deficiencies in the operation of these systems. The Chairman of the CTB Board, Frank Potter, reports to the Company's Board on oversight of CTB, and CTB's compliance with its risk management policies is reported to the Company's Audit Committee.

Report of the Audit Committee



Graham W. Savage,
Chairman



Peter W. Currie



D.E. Fournier



Robert M. Franklin



Timothy R. Price

Current
Members:

MANDATE

The Audit Committee Mandate and Charter is set out in Appendix D and is available on the Company's website at www.corp.canadiantire.ca. Click on "Governance" under the "Investors" tab.

The Audit Committee Chairman's position description is available on the Company's website at www.corp.canadiantire.ca. Click on "Governance" under the "Investors" tab.

The Audit Committee oversees Canadian Tire's financial reporting and disclosure, risk management and compliance with applicable laws and regulations.

In 2009, the Audit Committee, in accordance with its Mandate and Charter, accomplished the following:

Financial Reporting

- ✓ Reviewed the annual and interim financial statements, external auditor's report, management's discussion and analysis, annual information form, financial news releases, officer certifications and all other disclosure documents containing material audited or unaudited financial information
- ✓ Reviewed the appropriateness of and changes to accounting policies and practices
- ✓ Reviewed the procedures used in preparing financial statements and reports
- ✓ Monitored the effectiveness of disclosure controls and procedures and the design of internal controls over financial reporting
- ✓ Monitored the Company's financial risks
- ✓ Directed the activities of the Internal Audit Services department and its reports.

External Auditor

- ✓ Recommended to the Board the firm of chartered accountants to be nominated for appointment as the external auditor
- ✓ Reviewed the external auditor's annual client services plan
- ✓ Evaluated the external auditor's performance
- ✓ Reviewed and approved proposed external audit fees for the year
- ✓ Monitored the independence of and received the external auditor's report on its independence including disclosure of all engagements and associated fees for non-audit services for the Company
- ✓ Reviewed and approved the Company's policy on hiring current and former partners and employees from the external auditor
- ✓ Reviewed the planned scope of the audit, the areas of special emphasis and the materiality levels proposed to be employed
- ✓ Reviewed the results of the audit and discussed the external auditor's opinion on our accounting controls and the quality of our financial reporting
- ✓ Reviewed and approved non-audit services where appropriate
- ✓ Monitored the quality and effectiveness of the relationship among the external auditor, management and the Audit Committee
- ✓ Reviewed reports from the external auditor to management on internal control issues identified in the course of its audit and attest activities.

Internal Auditor

- ✓ Reviewed the reports of the Internal Auditor and the adequacy and appropriateness of management's actions
- ✓ Reviewed the performance of the Internal Auditor
- ✓ Reviewed and approved the Internal Auditor's annual audit plan
- ✓ Reviewed and approved the Internal Auditor's charter.

Risk Management

- ✓ Reviewed regular reports on the Company's enterprise risk management (ERM) program
- ✓ Reviewed and recommended to the Board for approval risk management policies governing principal risks

	<ul style="list-style-type: none"> ✓ Reviewed management's reports on compliance with the Code of Business Conduct (<i>the Code</i>) ✓ Reviewed the process for monitoring compliance with and communication of the Code to directors and employees. <p>Compliance with Applicable Laws and Regulations</p> <ul style="list-style-type: none"> ✓ Reviewed reports from management on the Company's compliance with applicable legal and regulatory requirements and the effectiveness of the Company's policies, procedures and programs in relation to its compliance with such laws and regulations ✓ Reviewed the status of the Company's tax returns and those of its subsidiaries. <p>Financial Literacy of Audit Committee Members</p> <ul style="list-style-type: none"> ✓ Assessed the financial literacy of each Audit Committee member.
2009 KEY MILESTONES	<ul style="list-style-type: none"> ✓ Recommended the appointment of Marco Marrone as Chief Financial Officer ✓ Received regular updates from management on the transition to international financial reporting standards (<i>IFRS</i>) and considered the implications of IFRS implementation on the Company ✓ Received regular updates from management on the progress of the Company's Business Continuity Management Program ✓ Received high-level assessments of the Company's technology risk ✓ Reviewed CTB's methodology and predictive accuracy of its credit card allowance model ✓ Reviewed the Company's exposure to fraud in its Pacific Rim offices and processes in place to mitigate that exposure ✓ Reviewed management's progress on improving the Corporation's application of its ERM program, including conducting a more in-depth review of the Corporation's principal risks ✓ Recommended changes to its Mandate and Charter to articulate more clearly the Company's approach to risk management and the division of risk management duties between the Audit Committee and the Board.
FINANCIAL LITERACY	All members are "financially literate" as required by the Canadian Securities Administrators (CSA).
100% INDEPENDENT	<p>All members meet Board approved independence standards which are derived from the CSA corporate governance guidelines and are set out in <i>Appendix H</i> to this management information circular.</p> <p>Martha G. Billes is invited to attend all Audit Committee meetings.</p>

Please see *Appendix D* on page D1 for a copy of the Audit Committee's Mandate and Charter, which has been approved by the Board.

For more information about the Audit Committee as required by Part 5 of National Instrument 52-110, see pages 50 to 53 of our Annual Information Form for the year ended January 2, 2010 which is available on SEDAR at www.sedar.com.

Auditor's Fees

The table below shows the fees that D&T received for services for the financial years ended January 3, 2009 and January 2, 2010, respectively:

Auditor's Fees	2008 (ended January 3, 2009)	2009 (ended January 2, 2010)
Audit fees	\$2,819,382	\$2,804,287
Audit-related fees	\$1,206,595	\$831,442
Tax fees	\$491,637	\$360,129
All other fees	\$57,076	\$409,018
Total	\$4,574,690	\$4,404,876

The Audit Committee met six times in 2009. The Chairman of the Audit Committee is available to meet at any time and meets regularly with the external auditor and representatives of the Internal Audit Services department and management.

This report has been approved by the members of the Audit Committee: Graham W. Savage, *Chairman*, Peter W. Currie, Daniel E. Fournier, Robert M. Franklin and Timothy R. Price.

Report of the Management Resources and Compensation Committee



Current
Members: Frank Potter,
Chairman



Martha G. Billes



H. Garfield Emerson



Daniel E. Fournier



James A. Riley



Peter B. Saunders

MANDATE

The MRC Committee Mandate is set out in Appendix E and is available on the Company's website at www.corp.canadiantire.ca. Click on "Governance" under the "Investors" tab.

The MRC Committee Chairman's position description is available on the Company's website at www.corp.canadiantire.ca. Click on "Governance" under the "Investors" tab.

The MRC Committee oversees Canadian Tire's management resources and compensation strategy, plans, policies, procedures and practices.

In 2009, the MRC Committee, in accordance with its Mandate, accomplished the following:

Organizational Health

- ✓ Reviewed key organization initiatives.

Succession Planning

- ✓ Assessed officer succession practices
- ✓ Determined replacements for the President and CEO in the event of emergency
- ✓ Reviewed the systems and processes for evaluating senior management development and succession.

Executive Compensation Philosophy

- ✓ Reviewed the Company's compensation philosophy
- ✓ Reviewed the adequacy, competitiveness, internal equity and cost effectiveness of the design of the Company's benefit programs
- ✓ Assessed the linkage of the Company's executive compensation philosophy and incentive plans to the Company's financial and non-financial performance.

Appointment and Compensation of Executives other than the President and CEO

- ✓ Reviewed the appointment and terms of employment of the officers and other senior executives proposed for appointment as the head of a business unit or significant corporate function (*collectively, Senior Executives*)
- ✓ Reviewed remuneration changes for Senior Executives
- ✓ Reviewed changes to compensation guidelines and benefit plans and programs
- ✓ Reviewed annual (short-term incentive plan) and long-term incentive plan designs for and payments to senior management.

President and CEO Performance, Evaluation and Compensation

- ✓ Approved the President and CEO's performance objectives
- ✓ Oversaw the process for evaluating the President and CEO.

Disclosure

- ✓ Reviewed and recommended to the Board for approval the executive compensation disclosure to be included in the management information circular.

2009 KEY MILESTONES	<ul style="list-style-type: none"> ✓ Approved increased share ownership guidelines for officers and other executives at the level of Senior Vice-President and above, and recommended to the Board the establishment of a deferred share unit plan for the benefit of such officers and Senior Vice-Presidents (other than the President and CEO) ✓ Approved an improved process for reviewing and approving adjudication requests from management relating to payouts under the Company's Short-Term Incentive Plan ✓ Approved a number of changes to the Company's 2010 Executive Compensation Policy, including changes to the comparator group used to position compensation levels, the short-term and long-term target incentive levels for non-officer senior vice-presidents, base salary adjustment processes, and the 2010 Short Term Incentive Plan and Long Term Incentive Plan designs ✓ Approved the process for assessing the performance of the Company's Senior Executives.
100% INDEPENDENT	<p>The Board has restricted the criteria for membership in the MRC Committee by requiring that not more than one third of its members be chief executive officers of any publicly traded entity.</p> <p>All members meet Board approved independence standards which are derived from the CSA corporate governance guidelines and are set out in <i>Appendix H</i> to this management information circular.</p> <p>Owen G. Billes is invited to attend all MRC Committee meetings.</p>

Please see *Appendix E* on page E1 for a copy of the MRC Committee's Mandate, which has been approved by the Board.

The MRC Committee met seven times in 2009.

This report has been approved by the members of the MRC Committee: Frank Potter, *Chairman*, Martha G. Billes, H. Garfield Emerson, Daniel E. Fournier, James A. Riley and Peter B. Saunders.

Report of the Governance Committee



Current
Members: James A. Riley,
Chairman



Martha G. Billes



Robert M. Franklin



Frank Potter



Graham W. Savage

MANDATE

The Governance Committee Mandate is set out in Appendix F and is available on the Company's website at www.corp.canadiantire.ca. Click on "Governance" under the "Investors" tab.

The Governance Committee Chairman's position description is available on the Company's website at www.corp.canadiantire.ca. Click on "Governance" under the "Investors" tab.

The Governance Committee oversees Canadian Tire's approach to corporate governance in order to assist the Board to discharge its duties in a highly effective manner.

In 2009, the Governance Committee, in accordance with its Mandate, accomplished the following:

Composition and Performance of the Board and its Committees

(i) Director Nominations

- ✓ Reviewed criteria for selecting new directors
- ✓ Reviewed the competencies and skills required in directors and the Board as a whole
- ✓ Maintained an evergreen list of director nominees
- ✓ Recommended three Class A Non-Voting Share director nominees and 13 Common Share director nominees to the Board for approval
- ✓ Appointed the Chairmen and members of the Audit Committee, the MRC Committee, the Governance Committee (based on the structure approved by the Board) and the Social Responsibility Committee

(ii) Evaluation of the Board, its Committees and Individual Directors

- ✓ Reviewed criteria for evaluating the independence status of each director
- ✓ Assessed the independence of each director
- ✓ Reviewed the process for evaluating the performance of the Board and the individual directors, the Committees and the individual Committee members and the Chairman of the Board
- ✓ Evaluated the Board and Committee Mandates and the position descriptions of the Chairman of the Board and the Committee Chairmen.

Director Education and Orientation

- ✓ Reviewed and evaluated the director orientation and education processes.

Disclosure

- ✓ Reviewed and recommended to the Board for approval the corporate governance disclosure to be included in the management information circular.

Remuneration of the Chairman of the Board and the Directors

- ✓ Recommended the form and amount of the directors' and the Chairman of the Board's compensation.

Other Duties and Responsibilities

- ✓ Recommended to the Board the appointment of the Chairman of the Board
- ✓ Reviewed the ongoing relationship between the Board and management and reported to the Board
- ✓ Reviewed the delegation of authority by the Board to the Committees of the Board.

2009 KEY MILESTONES	<ul style="list-style-type: none"> ✓ Recommended to the Board revised share ownership guidelines for directors ✓ Implemented a number of governance changes to improve Board and Committee efficiencies, including reducing the number of directors serving on Committees ✓ Approved the form and content of tools for assessing the performance of the Committees and the Chairman of the Board and conducted such performance evaluations ✓ Recommended to the Board changes to the mandates of the Board and each Committee to, among other things, ensure that they appropriately delegate duties and responsibilities of the Board ✓ Approved position descriptions for the directors and the Secretary.
100% INDEPENDENT	All members meet Board approved independence standards which are derived from the CSA corporate governance guidelines and are set out in <i>Appendix H</i> to this management information circular.

Please see *Appendix F* on page F1 for a copy of the Governance Committee's Mandate, which has been approved by the Board.

See *Appendix H* on page H1 for a description of our corporate governance policies and practices.

The Governance Committee met five times in 2009.

This report has been approved by the members of the Governance Committee: James A. Riley, *Chairman*, Martha G. Billes, Robert M. Franklin, Frank Potter and Graham W. Savage.

Report of the Social Responsibility Committee



Current
Members: Robert M. Franklin,
Chairman



Iain C. Aitchison



Owen G. Billes



Brian G. Domelle



Keith E. Gostlin

MANDATE

The Social Responsibility Committee Mandate is set out in Appendix G and is available on the Company's website at

www.corp.canadiantire.ca. Click on "Governance" under the "Investors" tab.

The Social Responsibility Committee Chairman's position description is available on the Company's website at

www.corp.canadiantire.ca. Click on "Governance" under the "Investors" tab.

The Social Responsibility Committee oversees Canadian Tire's policies, procedures and practices which address the Company's corporate social responsibilities, including balancing the Company's economic growth with environmental and social responsibility.

In 2009, the Social Responsibility Committee, in accordance with its Mandate, accomplished the following:

Corporate Social Responsibility

- ✓ Reviewed and assessed the Company's policies, procedures and practices and management's reports with respect to the Company's corporate social and environmental responsibilities and its philanthropic activities and investment in and development of the communities in which it operates
- ✓ Reviewed and assessed the Company's corporate social responsibility activities
- ✓ Reviewed the financial reports of and discussed key initiatives of Canadian Tire Jumpstart Charities (Jumpstart).

2009 KEY MILESTONES

- ✓ Approved the Company's Community and Business Sustainability Report
- ✓ Received updates from management on the progress of the Company's business sustainability strategy
- ✓ Reviewed significant changes in the name and mandate of Jumpstart, concluding that Jumpstart continues to be a charitable undertaking that is aligned with the social responsibility endeavors of the Company.

Martha G. Billes is invited to attend all Social Responsibility Committee meetings.

Please see *Appendix G* on page G1 for a copy of the Social Responsibility Committee's Mandate, which has been approved by the Board.

The Social Responsibility Committee met twice in 2009.

This report has been approved by the members of the Social Responsibility Committee: Robert M. Franklin, *Chairman*, Iain C. Aitchison, Owen G. Billes, Brian G. Domelle and Keith E. Gostlin.

Director Compensation

Fees and Expenses

In 2009, our non-employee directors received:

- an annual retainer
- an attendance fee for each Board and Committee meeting they attended
- a travel fee to cover travel time related to meetings they attended in certain circumstances.

The table below lists the fees our directors (including the Chairman of the Board) were entitled to receive during 2009. The President and CEO does not receive any of these fees.

Annual Retainer	Fees
Chairman of the Board	\$320,000
• Class A Non-Voting Share Purchases or DSUs	\$24,000
• Company Paid Parking	\$2,900
• Club Dues ⁽¹⁾	\$2,850
• Club Entrance Fee ⁽¹⁾	\$5,200
Board Members	\$120,000
Audit Committee Chairman ⁽²⁾	\$25,000
Other Committee Chairmen ⁽³⁾	\$11,000
Attendance Fees	
Board Meeting	\$2,000
• Held via conference call	\$1,000
Committee Meeting ⁽⁴⁾⁽⁵⁾ (other than Audit Committee Meeting)	\$2,000
• Held via conference call	\$1,000
Audit Committee Meeting ⁽⁴⁾⁽⁵⁾	\$2,750
• Held via conference call	\$1,375
Travel Fee	
When travel time for a round trip to attend meetings is more than four hours ⁽⁴⁾	\$1,500

Notes

- (1) The Chairman of the Board receives reimbursement for annual club dues and a one-time club entrance fee that was paid in three annual installments in 2007, 2008 and 2009.
- (2) Effective January 1, 2010, the Audit Committee Chairman retainer was increased to \$30,000.
- (3) Effective January 1, 2010, the MRC Committee Chairman retainer was increased to \$15,000.
- (4) Not applicable to the Chairman of the Board.
- (5) Applicable to directors who attended Committee meetings as invited guests. Any director may attend any meeting of a Committee on which he or she does not serve, but will not be paid for attending such meeting unless specifically invited to attend by the Chairman of the Committee.

Directors, other than the President and CEO, are also reimbursed for travel and other expenses they incur to attend shareholder meetings, Board and Committee meetings or to perform other duties in their role as a director.

DSU Plan for Directors

The Chairman of the Board and every other director who is neither a full nor a part-time employee or officer of the Company 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 quarterly retainer, meeting fees and additional compensation (including travel fees) in DSUs. A director may revoke his or her election to

participate in the DSU Plan for Directors upon written notice to the Company.

DSUs are credited quarterly to each participating director's account. The number of DSUs is calculated by dividing the amount the director elects to receive in DSUs by the weighted average price at which Class A Non-Voting Shares trade on the TSX during the ten day period prior to and including the last business day (*the Fair Market Value*) before the date on which the DSUs are credited. DSUs are also credited to a director's DSU account when the Company pays a dividend or other distribution on its Class A Non-Voting Shares, which are calculated by multiplying the number of DSUs in the director's account at the time such dividend or other distribution is paid by the amount of the dividend or other distribution, and dividing that amount by the Fair Market Value on the day the dividend or other distribution is paid.

When a director resigns from the Board, he or she must elect to receive payment of his or her DSU account by no later than the last business day in December of the first calendar year following the calendar year in which the resignation occurs on a business day (*the Settlement Date*) within such period to be determined by the director upon at least 10 days prior written notice to the Company. The director will receive an amount that is equal to the number of DSUs credited to his or her account, including any dividends or other distribution paid by the Company on the Class A Non-Voting Shares that have accrued in the form of DSUs, multiplied by the Fair Market Value on the Settlement Date. The retiring director receives such payment in cash, net of any applicable statutory source deductions. Subject to certain limitations, a director may elect to receive, following his or her resignation from the Board, partial payments of his or her DSU account prior to the Settlement Date instead of one lump sum payment. The DSUs may not be assigned by a participating director (see *About the Nominated Directors* on pages 9 to 17 for information concerning the individual DSU holdings of the nominated directors).

In the event a director ceases to be eligible to participate in the DSU Plan for Directors but remains a director, officer or employee of the Company, such director will continue to be entitled to his or her existing DSUs and to the benefits of the DSU Plan for Directors in respect of such DSUs but will not be entitled to acquire further DSUs.

Director Share Ownership Guidelines

To ensure that directors' interests are aligned with those of the Company's shareholders, under our Director Share Ownership Guidelines each director, other than the President and CEO who is subject to our Executive Share Ownership Guidelines (see page 38 for a description of the Executive Share Ownership Guidelines), is required to accumulate at least three times the value of the annual director retainer in Common Shares, Class A Non-Voting Shares or DSUs by the fifth anniversary of becoming a director (see *About the Nominated Directors* on pages 9 to 17 for information concerning the individual holdings of the nominated directors and, where applicable, the value of Common Shares, Class A Non-Voting Shares or DSUs required to meet the share ownership

guideline amount). When the annual director retainer is increased, directors who met the guideline as at their guideline achievement date but would not meet the guideline on the effective date of the increase in the retainer are required to increase their investment. The amount of the required increase in investment is the amount that is the difference between three times the new annual director retainer and the value of the directors' holdings as at their guideline achievement date and must be achieved by the date that is two years after the effective date of the increase.

During 2009, each director, other than the Chairman of the Board and the President and CEO (see *Summary Compensation Table* on page 42 for the President and CEO's compensation), was entitled to receive an annual retainer of \$120,000. If a director met the required share ownership guideline of Common Shares, Class A Non-Voting Shares or DSUs, or any combination thereof, he or she received:

- the entire annual retainer of \$120,000 in cash, Common Shares, Class A Non-Voting Shares or DSUs, or any combination thereof, as specified by the director.

If a director had not reached the required share ownership guideline amount, he or she received:

- up to \$60,000 (50%) in cash, if elected by the director; and
- at least \$60,000 (50%) in Common Shares, Class A Non-Voting Shares or DSUs, or any combination thereof, at his or her discretion.

Compensation of Directors of CTB

During 2009, certain of the Company's directors, Owen G. Billes, Daniel E. Fournier, Robert M. Franklin, Frank Potter, Maureen J. Sabia and Graham W. Savage, also served as directors of CTB. Mr. Potter served as Chairman of the CTB Board throughout 2009, and Mr. Franklin filled the vacancy

resulting from Mr. Fournier's resignation from the CTB Board in January, 2009. For their service as directors of CTB, in addition to their compensation for serving as directors of the Company, these directors received:

- an annual retainer
- an attendance fee for each Board and Committee meeting they attended
- a travel fee to cover travel time relating to meetings they attended in certain circumstances.

The table below lists the fees that CTB directors were entitled to receive in cash during 2009:

Annual Retainer	Fees
Chairman of the Board (includes annual Board retainer and Chairman's retainer of \$29,000)	\$65,000
Board Members	\$36,000
Audit and Risk Management Committee Chairman	\$15,000
Governance and Conduct Review Committee Chairman	\$10,000
Attendance Fees	
Board Meeting	\$2,000
• Including meeting held via conference call	
Audit and Risk Management Committee Meeting	
• Including meeting held via conference call	\$2,500
Governance and Conduct Review Committee Meeting	
• Including meeting held via conference call	\$2,000
Meetings of less than 60 minutes held via conference call	\$800
Travel Fee	
When travel time for a round trip to attend meetings is more than four hours	\$1,500

These six directors were also reimbursed for travel and other expenses incurred to attend Board and Committee meetings or to perform other duties in their role as a director. Retainer and meeting fees earned by the Company's directors for serving as a director of CTB cannot be received in DSUs.

Director Compensation Table

The following table sets out the compensation that was paid by the Company (including CTB) to its non-employee directors during the year ended January 2, 2010 under the compensation arrangements described above (as applicable). Some directors elected to receive all or a portion of their cash compensation in DSUs. Mr. Wetmore does not receive any compensation for serving as a director of the Company. His compensation for serving as President and CEO is included under *Summary Compensation Table* on page 42. The total compensation received by the Company's non-employee directors in 2009 was approximately \$2,995,398. This amount includes the dollar value of DSUs credited to the directors' DSU accounts.

The Company does not grant any share-based or option-based awards or provide any non-equity incentive plan compensation to its non-employee directors. The Company does not have a defined benefit or defined contribution plan in place for its directors.

Name	Fees earned			All Other Compensation (\$)(d)	Total Compensation (\$)(e)
	Amount of Fees in Cash (\$)(a)	Amount of Fees in DSUs (\$)(b)	Total Fees Earned (\$)(c)		
Iain C. Aitchison ⁽¹⁾	52,162	52,162	104,324	–	104,324
Martha G. Billes	196,000	–	196,000	–	196,000
Owen G. Billes ⁽²⁾	164,750	–	164,750	51,600	216,350
Peter W. Currie	83,000	83,000	166,000	–	166,000
Brian G. Domelle	33,750	120,000	153,750	–	153,750
H. Garfield Emerson	–	156,500	156,500	–	156,500
Daniel E. Fournier ⁽³⁾	106,750	60,000	166,750	14,003	180,753
Robert M. Franklin ⁽⁴⁾	111,135	60,000	171,135	42,600	213,735
Keith E. Gostlin	–	162,000	162,000	–	162,000
Suzanne R. Perles ⁽⁵⁾	52,989	20,934	73,923	–	73,923
Frank Potter ⁽⁶⁾	126,674	45,326	172,000	86,600	258,600
Timothy R. Price	38,250	120,000	158,250	–	158,250
James A. Riley	–	175,500	175,500	–	175,500
Maureen J. Sabia ⁽⁷⁾ (Chairman)	363,876	–	363,876	72,813	436,689
Peter B. Saunders ⁽⁸⁾	47,212	47,212	94,424	–	94,424
Graham W. Savage ⁽⁹⁾	133,000	60,000	193,000	55,600	248,600

Notes

- (1) Mr. Aitchison was elected to the Board at the Company's 2009 Annual Meeting of Shareholders held on May 14, 2009.
- (2) The amount in column (d) represents retainer and meeting fees paid to Mr. Billes for serving as a director of CTB.
- (3) The amount in column (d) represents retainer, meeting and travel fees paid to Mr. Fournier for serving as a director of CTB. Mr. Fournier resigned as a director of CTB effective January 29, 2009.
- (4) The amount in column (d) represents retainer and meeting fees paid to Mr. Franklin for serving as a director of CTB. Mr. Franklin was appointed a director of CTB on March 12, 2009.
- (5) Ms. Perles resigned as a director of the Company on June 2, 2009.
- (6) The amount in column (d) represents retainer and meeting fees paid to Mr. Potter for serving as Chairman and a director of CTB.
- (7) The amount in column (a) includes \$23,875 which was used to purchase Class A Non-Voting Shares for Miss Sabia. The amount in column (d) includes Company-paid perquisites for Miss Sabia's services as Chairman of the Board, including parking of \$3,277 (inclusive of taxes), 2009 and 2010 annual club dues of \$6,090 (inclusive of taxes), the final instalment of a one-time club entrance fee of \$5,200 and \$646 for miscellaneous items relating to life insurance and other personal benefits. The amount in column (d) also includes \$57,600 in retainer and meeting fees paid to Miss Sabia for serving as a director of CTB.
- (8) Mr. Saunders was appointed to the Board on June 10, 2009 to fill the vacancy resulting from the resignation of Ms. Perles.
- (9) The amount in column (d) represents retainer and meeting fees paid to Mr. Savage for serving as a director of CTB.

Executive Compensation

Table of Contents

Compensation Discussion and Analysis (page 30)

- Introduction (page 30)
- Executive Compensation Philosophy (page 30)
- Role and Composition of the MRC Committee and Role of Management and Independent Advisors (page 31)
- Components of Canadian Tire's Executive Compensation Program (page 33)
- Competitive Benchmarking (page 34)
- How Canadian Tire Makes Executive Compensation Decisions (page 34)
- 2009 Executive Compensation Decisions (page 39)

Statement of the MRC Committee (page 40)

How Our Shares Have Performed and Relationship with Executive Compensation (page 41)

Summary Compensation Table (page 42)

Outstanding Share-Based Awards and Option-Based Awards (page 43)

Incentive Plan Awards (page 44)

Termination and Change of Control Benefits (page 45)

The NEOs for 2009, and the roles held by each such NEO before and after November 16, 2009, are as follows:

NEO	Title as at January 3, 2009	Title as at November 16, 2009 (if changed)
Stephen G. Wetmore	President and CEO	
Marco Marrone	President, Canadian Tire Financial Services	Chief Financial Officer and Executive Vice-President, Finance
Michael B. Medline	Chief Corporate Officer and President, Diversified Businesses	President, Canadian Tire Automotive and Dealer Relations
G. Michael Arnett	President, Canadian Tire Retail	
J. Huw Thomas	Executive Vice-President, Finance and Administration and Chief Financial Officer	Executive Vice-President, Financial Strategy and Performance

Compensation Discussion and Analysis

Introduction

The following Compensation Discussion and Analysis (CD&A) is intended to provide Canadian Tire's shareholders with a description of the processes and decisions involved in the design, oversight and payout of its compensation programs for the Named Executive Officers (NEOs) for the 2009 financial year. While the focus of the CD&A is on NEO participation in the compensation programs, all of the programs apply to the Company's entire executive team.

Effective November 16, 2009, the Company reorganized its executive team under Stephen Wetmore in order to further align executive talent to the Company's strategy. The Company's automotive-related businesses were combined to achieve a single strategic clarity under the leadership of Michael Medline. A new function was created, led by Huw Thomas, which will drive enterprise-wide strategic planning and execution by providing a single, central view of operational and financial strategy. Marco Marrone was appointed Chief Financial Officer, with all finance functions of the Company and its subsidiaries aligned under his leadership.

Executive Compensation Philosophy

A. Principles

Canadian Tire's executive compensation practices are designed to attract, motivate and retain an outstanding leadership team, as well as to align rewards with business results and individual performance. The Company's approach is to encourage management to make decisions and take actions that will create long-term sustainable growth and result in long-term shareholder value.

The Company's executive compensation program is based on the following principles:

- compensation must be guided by a pay for performance philosophy;
- compensation must be market competitive to attract and retain leadership talent required to drive business results;
- compensation must incorporate an appropriate balance of short and long-term rewards;
- compensation must foster an environment of accountability, teamwork, and cross-functional collaboration;
- incentive programs must align leaders with the goals and objectives of the Company and its shareholders; and
- all executives must have a significant personal stake in the Company's success through share ownership.

B. Fixed versus Variable Compensation

The determination of total compensation for each NEO is based on their level of job responsibility, Company performance, individual performance and market practice. Total compensation is comprised of both fixed and variable elements. The fixed elements include base salary, benefits, perquisites and two savings plans (a share purchase plan and a deferred profit sharing plan). The Company does not have a pension plan for any of its employees, including the NEOs. A decision was made by the MRC Committee in 2009 that the Committee will not provide annual salary adjustments to NEOs

to reflect merit or inflation after they have reached a market-competitive base salary. NEO salaries will continue to be reviewed on an annual basis to ensure alignment within the market competitive range. However, adjustments will only be made to increase a NEO's base salary within the market competitive range as their skills and experience broaden, or if the market value of the role increases.

The variable elements of total compensation consist of an annual short-term incentive plan and a long-term incentive plan comprised of performance share units and stock options. A significant portion (i.e. between 64% and 80%) of the total compensation paid to NEOs is contingent upon financial and share price performance and tied to these incentive plans. This percentage of performance-contingent compensation is consistent with that employed by the Company's benchmarking peer group (described below).

In order to further strengthen the relationship between pay and performance, in 2010 the Company introduced changes to its short-term incentive plan that incorporate the achievement of individual performance objectives into the calculation of each NEO's annual bonus which will apply to short-term incentive payments for 2010. This individual performance component will be weighted at 25% of the total award. Also in 2010, the Company will be developing a policy on incentive compensation clawbacks.

C. CEO Compensation

In 2008, the MRC Committee identified Mr. Wetmore as the preferred succession candidate for the position of President and CEO of the Company. The Committee structured the employment arrangement with Mr. Wetmore to reflect the Company's "pay for performance" philosophy while providing a competitive package that would attract Mr. Wetmore to assume the role of President and CEO. Significant elements of these arrangements included the following:

- the contract is for an indefinite and not a fixed term;
- the maximum amount of salary and bonus that the President and CEO is entitled to, by contract, upon termination of employment is one year;
- the arrangement does not include a signing bonus;
- the President and CEO's base salary is \$1,250,000, an amount that is within the range of the Company's benchmarking peer group and reflective of Mr. Wetmore's skills and experience;
- the President and CEO's salary will not necessarily be increased during his tenure with the Company;
- the President and CEO will participate in the Company's long-term incentive plans at a rate of 300% of his annual salary, which is approximately 46% higher than the participation rate under the prior CEO arrangement, and he is entitled to receive two-thirds of the annual award in the form of longer term incentives (stock options) and one-third in the form of medium term incentives (currently performance share units); and
- in the event of the President and CEO's retirement on or after March 12, 2012 he will not forfeit unvested performance share units and stock options. Unvested performance share units will pay out, depending on the Company's performance, as if the President and CEO had continued to be employed by the Company during the performance period applicable to those units, and

unvested stock options will continue to vest until the earlier of the third anniversary of the retirement date and the expiry of the stock options under the applicable option agreements.

The Company does not have a pension plan, and as such the President and CEO is not entitled to a pension from the Company upon resignation, termination or retirement.

Role and Composition of the MRC Committee and Role of Management and Independent Advisors

A. Role and Composition of the MRC Committee

The MRC Committee oversees the Company's executive compensation program on behalf of the Board of Directors. The MRC Committee is responsible for recommending to the Board the appointment and compensation of its NEOs and other executives at the level of Senior Vice-President and above (SVPs). In this CD&A we refer to NEOs and SVPs in the collective as *Executives*.

The MRC Committee reviews the Company's executive compensation program every year. As part of this review, the MRC Committee evaluates individual Executive compensation, including annual base salary, short and long-term incentives, and perquisites. The MRC Committee believes that this review process allows for a thorough assessment of the Company's executive compensation program's alignment with plan objectives and market practices.

In addition, the MRC Committee is responsible for executive succession planning. Canadian Tire has an ongoing commitment to identify and develop current and future leaders of the organization. Accordingly, the MRC Committee oversees the management of a succession planning process whereby leaders are identified for future roles in the organization and development plans are prepared and implemented to ensure key roles are appropriately backed-up. As part of this process, Canadian Tire has recently introduced the use of a professional assessment centre intended to provide members of the executive team with specific and actionable development plans.

As part of the MRC Committee's mandate for executive succession planning, the MRC Committee annually reviews its emergency succession plan and identifies individuals who would be called upon on an interim basis to fill key roles, such as the President and CEO position, in the event of an unplanned vacancy.

The Company's corporate governance practices require that all members of the MRC Committee be independent and that no more than one-third of the MRC Committee's members be chief executive officers of any publicly traded entity. The MRC Committee's composition meets both of these requirements. The Board of Directors believes that the MRC Committee collectively has the knowledge, experience and background required to fulfill its Mandate. The current members of the MRC Committee are Frank Potter, *Chairman*, Martha G. Billes, H. Garfield Emerson, Daniel E. Fournier, James A. Riley and Peter B. Saunders.

For further information about the MRC Committee, including its activities in 2009, see the *Report of the Management*

Resources and Compensation Committee on page 22 of this management information circular.

B. Role of Management in Compensation Decisions

The Senior Vice-President, Human Resources assists the President and CEO in developing and presenting to the MRC Committee management's recommendations and supporting material pertaining to the compensation of the Executives. In addition, the Senior Vice-President, Human Resources works with the Chairman of the MRC Committee to plan the MRC Committee meeting agendas and prepare presentations for each meeting of the MRC Committee. The President and CEO is invited to attend all regular meetings of the MRC Committee. An "in-camera" session during which management is not in attendance is held during each regular MRC Committee meeting.

C. Role of Independent Advisor in Compensation Decisions

Hugessen Consulting Inc. (*Hugessen*) has been retained directly by the MRC Committee to provide independent advice, compensation analysis and other information to support the MRC Committee in evaluating compensation recommendations and making effective 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 in conjunction with

management. Services provided by Hugessen in 2009 included review and commentary on proposed compensation program changes such as salary increases, incentive program design and CTC's share ownership policy. In addition, Hugessen provided review and guidance related to the Company's 2009 proxy disclosure.

Hugessen, based on its experience and expertise, has confirmed to the MRC Committee that the MRC Committee has undertaken appropriate analysis to properly inform itself of relevant information to assist in its decisions. The decisions taken by the MRC Committee remain its responsibility and may reflect factors and considerations in addition to the information and recommendations provided by Hugessen.

Compensation consultant fees paid to Hugessen in 2009 were approximately \$174,691, inclusive of applicable taxes. Hugessen has no other mandates for Canadian Tire.

D. Other Compensation Advisors to the Company

Management retains Towers Watson and Mercer from time to time to provide expertise, information and advice pertaining to the design and implementation of executive compensation programs. Any recommendations made by management or its consultants are reviewed with the MRC Committee's advisor and remain subject to MRC Committee review and approval. Compensation consultant fees paid to Towers Watson and Mercer in 2009 were approximately \$23,785 and \$40,539, respectively, inclusive of applicable taxes.

Components of Canadian Tire's Executive Compensation Program

The components of the executive compensation program in which Executives were eligible to participate during 2009 are described in the table below. Each of these programs is described in more detail starting on page 34 of this management information circular.

Compensation Component	Objectives	Form
Base Salary	<ul style="list-style-type: none"> Provide fixed compensation that reflects the market value of the role and the skills and experience of the Executive. 	Cash
Annual Short-term Incentive Plan	<ul style="list-style-type: none"> Reward Executives for their contribution to the achievement of annual business objectives and financial goals. 	Cash ⁽¹⁾⁽²⁾
Long-term Incentive Plans	<ul style="list-style-type: none"> Align the interests of Executives with achievement of the Company's long-term business objectives as well as with the interests of shareholders. 	
<ul style="list-style-type: none"> Performance Share Unit Plan 	<ul style="list-style-type: none"> Reward Executives for achieving consolidated operating earnings targets over a three-year period. 	Performance Share Units
<ul style="list-style-type: none"> Stock Option Plan 	<ul style="list-style-type: none"> Align the interests of Executives and shareholders by rewarding executives for share price appreciation over a seven-year period. 	Stock Options with a tandem Stock Appreciation Rights feature
Benefits	<ul style="list-style-type: none"> Promote general wellness and preventative care. 	Medical and dental insurance; group life and accidental death and dismemberment insurance; short-term disability insurance; employee-paid long-term disability insurance; and employee store discount program.
Savings Plans	<ul style="list-style-type: none"> Assist NEOs and other employees in achieving long-term retirement savings in the absence of Company retirement and pension plans. 	Deferred Profit Sharing Plan Share Purchase Plan
Perquisites	<ul style="list-style-type: none"> The Company takes a conservative approach to perquisites and determines such programs by reviewing competitive market practices. 	Annual car allowance and Company-paid parking; annual medical assessment; and annual financial planning allowance that is intended to reinforce individual accountability for personal financial planning as the Company does not offer retirement and pension plans.

Notes

- (1) The Company maintains a Deferred Share Unit Plan for Stephen G. Wetmore pursuant to which Mr. Wetmore may elect to receive all or part of his short-term incentive plan award in DSUs. For more information see *Deferred Share Unit Plan for Stephen G. Wetmore* on page 38.
- (2) The Company established a Deferred Share Unit Plan for Executives in 2009 pursuant to which Executives (other than the President and CEO) may elect to receive DSUs for all or part of their respective short-term incentive plan awards payable with respect to the 2010 and subsequent fiscal years. For more information see *Deferred Share Unit Plan for Executives* on page 38.

The compensation mix varies by executive level to reflect both market practice and the impact of more senior roles on overall Company performance. The base salary and savings plan portions of executive compensation are fixed, while the annual short-term and long-term incentive portions are performance-based. The Company chooses its compensation mix to reflect, generally, that of companies in its peer group.

The target pay mix of the primary compensation components for the NEOs for fiscal 2009 is shown in the following table. This percentage of pay at risk compensation is consistent with the Company's benchmarking peer group:

NEO	Percentage of Target Total Direct Compensation ⁽¹⁾				Percentage of pay at risk ⁽¹⁾
	Base salary	Short-term incentive	Long-term incentives Performance Share Units	Stock Options	
Stephen G. Wetmore	20%	20%	20%	40%	80%
Marco Marrone	36%	23%	20%	20%	64%
Michael B. Medline	34%	22%	22%	22%	66%
G. Michael Arnett	34%	22%	22%	22%	66%
J. Huw Thomas	34%	22%	15%	29%	66%

Note

- (1) Percentages have been rounded to the nearest whole number.

The overall design of the Company's 2009 NEO compensation program is summarized in the following table:

NEO	Salary Range (\$000's)	STIP Target (as % of salary)	LTIP Target (as % of salary)
Stephen G. Wetmore	contractual	100.0%	300.0%
Marco Marrone ⁽¹⁾	\$420 – \$630	65.0%	127.5%
Michael B. Medline	\$420 – \$630	65.0%	127.5%
G. Michael Arnett	\$420 – \$630	65.0%	127.5%
J. Huw Thomas	\$420 – \$630	65.0%	127.5%

Note

(1) Mr. Marrone was promoted to Chief Financial Officer and Executive Vice-President, Finance effective November 16, 2009. The compensation program for his previous role held in 2009 was as follows: salary range \$350,000-\$530,000, short-term incentive plan target 60% and long-term incentive plan target 112.5%.

Competitive Benchmarking

In order to attract and retain the leadership talent required to achieve its goals, the Company needs to ensure that its executive compensation programs remain market competitive. Market practices help to define the total compensation mix, as well as the range of pay opportunity for our Executives based on information from the companies in the benchmarking peer group with which Canadian Tire competes for talent.

Every two years, a comprehensive market review of compensation practices is undertaken. This review involves analysis of the compensation elements, levels and practices of a peer group of organizations. The Company selects the elements of its compensation programs to ensure a competitive compensation package for its Executives. It then positions its base salary, short-term incentive and long-term incentive compensation levels at the median of compensation levels for executives in comparable roles in the peer group.

The group of companies against which Canadian Tire benchmarks its executive compensation practices, as approved by the MRC Committee, is listed in the table below. The list includes Canadian companies (that are not subsidiaries of a foreign parent) from a cross-section of industries, with annual revenues ranging between one-half to two times the revenues of Canadian Tire.

Benchmarking Peer Group

Ace Aviation Holdings	Maple Leaf Foods
Agrium Inc.	Metro Inc.
Alimentation Couche-Tard Inc.	Molson Coors Canada Inc.
Brookfield Asset Management Inc.	Rogers Communication
Canadian Pacific Railway Limited	RONA Inc.
Celestica Inc.	Sears Canada Inc.
Empire Company Ltd.	Shoppers Drug Mart Corporation
Enbridge Inc.	SNC-Lavalin Group Inc.
Finning International Inc.	Talisman Energy Inc.
Industrial-Alliance Life Insurance Company	Teck Cominco Ltd.
Jean Coutu Group Inc.	Telus Corporation
Loblaw Companies Limited	TransCanada Corp.

An extensive market review of compensation levels and practices was undertaken by management in 2008. This review included an analysis of the competitiveness of the Company's total compensation levels as well as the individual components. In 2009, a review was undertaken by the Company to update the benchmarking peer group and better reflect the landscape in which Canadian Tire competes for talent. The review was completed with guidance and input from Hugessen, the MRC Committee's independent advisor. The next comprehensive review will be completed in 2010.

How Canadian Tire Makes Executive Compensation Decisions

A. Base Salary

The overall objective of the base salary paid to Canadian Tire's Executives is to provide fixed compensation that reflects the market value of the role and the skills and experience an Executive must possess to make meaningful contributions to the organization. The Company's salary structure includes market competitive ranges for the Executives. Individual positioning of each Executive's base salary within the applicable range is dependent on his or her skills, experience, performance and potential, as well as the overall strategic importance of the role.

The MRC Committee makes an annual recommendation to the Board for each Executive's annual salary, taking the following into consideration:

- the position of the Executive's salary within the salary range;
- the Executive's experience, knowledge, performance and potential; and
- total compensation for each Executive.

A decision was made by the MRC Committee in 2009 that the Committee will not give annual adjustments to Executives to reflect merit or inflation after they have reached a market-competitive base salary. Executive salaries will continue to be reviewed on an annual basis to ensure alignment within the market competitive range. However, adjustments will only be made to increase an Executive's base salary within the market competitive range as their skills and experience broaden, or realign salary levels if the market value of the role increases.

B. Annual Short-term Incentive Plan

The objective of the annual short-term incentive plan (STIP) is to motivate and reward Executives and other Canadian Tire senior leaders to achieve annual business objectives and financial goals. Each year, the MRC Committee recommends for approval by the Board the STIP design, including business performance measures, weightings and targets.

(i) Annual STIP Design Process

The following process is used in developing Canadian Tire's annual STIP design:

- STIP targets, expressed as a percentage of base salary, are determined for each Executive based on competitive market practice for comparable roles. The STIP target is the award that is earned for achieving target levels of business performance.
- STIP performance measures and associated weightings are determined for each Executive based on their

specific role. In 2009, 100% of the STIP award for Messrs. Wetmore, Medline and Thomas, as corporate officers, and 50% of the STIP award for Messrs. Marrone and Arnett, as business unit presidents, was dependent on Canadian Tire's consolidated earnings performance. The balance of the STIP award for Messrs. Marrone and Arnett was based on business unit specific performance measures.

- Business performance targets are established for each STIP performance measure.
- Performance "shoulders" are established for each STIP performance measure:
 - The "lower shoulder" is the minimum level of business performance for which a threshold STIP award (i.e. 35% of the target award) is earned. The lower shoulder is typically 92% of target business performance. No STIP award is paid if performance is below the lower shoulder (threshold);
 - The "upper shoulder" is the level of business performance for which a maximum STIP award (i.e. 175% of the target award) is earned. The upper shoulder is typically 108% of target business performance.

(ii) Annual STIP Payout Process

The basis of calculation for each STIP performance measure is documented in the annual business plan, which is approved by the Board. At the end of the fiscal year, management assesses the results for each of the STIP performance measures. When assessing results, matters requiring interpretation and adjudication may arise. In such cases, these matters are presented by management to the MRC Committee for review and approval. After the adjudication is completed, the final results for each of the STIP performance measures are compared to the established targets. The STIP award payable to each Executive for each performance measure is then calculated. No STIP award is paid for a performance measure if the final result falls below the established threshold.

The Company maintains a Deferred Share Unit Plan for Stephen G. Wetmore pursuant to which Mr. Wetmore may elect to receive all or part of his STIP award in DSUs. For more information see *Deferred Share Unit Plan for Stephen G. Wetmore* on page 38.

The Company established a Deferred Share Unit Plan for Executives in 2009 pursuant to which Executives (other than the President and CEO) may elect to receive DSUs for all or part of their respective STIP awards payable with respect to the 2010 and subsequent fiscal years. For more information see *Deferred Share Unit Plan for Executives* on page 38.

(iii) 2009 STIP Design

2009 STIP awards payable to the NEOs at minimum, threshold, target and maximum levels of business performance are shown in the table below:

NEO	STIP Award (% of base salary)			
	Minimum	Threshold	Target	Maximum
Stephen G. Wetmore	0%	35.0%	100.0%	175.00%
Marco Marrone	0%	22.75%	65.0%	113.75%
Michael B. Medline	0%	22.75%	65.0%	113.75%
G. Michael Arnett	0%	22.75%	65.0%	113.75%
J. Huw Thomas	0%	22.75%	65.0%	113.75%

The percentage of base salary payable at target for each of the business performance measures included in the 2009 STIP design is outlined in the table below:

NEO	Percentage of Base Salary Payable at Target			
	Performance Measure			
	Canadian Tire Corporation Consolidated Earnings	Canadian Tire Retail Operating Earnings	Canadian Tire Financial Services Operating Earnings	STIP award payable at target (% of base salary)
Stephen G. Wetmore	100%			100%
Marco Marrone	32.5%		32.5%	65%
Michael B. Medline	65.0%			65%
G. Michael Arnett	32.5%	32.5%		65%
J. Huw Thomas	65.0%			65%

For fiscal 2010, the Company will be introducing a revised STIP plan that incorporates the achievement of individual performance objectives in addition to financial measures. The existing financial measures will be reweighted to incorporate the individual component, which will be weighted at 25% of the total award. The individual performance component is being introduced for all of our executives at the SVP level and above.

C. Long-term Incentive Plan

The primary objective of Canadian Tire's Long-term Incentive Plan (*LTIP*) is to align the interests of senior management with the achievement of the Company's long-term business objectives as well as with the interests of shareholders.

(i) Annual LTIP Design and Allocation Process

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

Management considers many factors when developing its annual LTIP design recommendations, including:

- current compensation trends, including those of the benchmarking peer group;

- current and new LTIP plan vehicles and designs;
- tax and accounting requirements;
- program costs at payout;
- expected value to be delivered to participants; and
- participant views and contractual commitments.

The LTIP design is tested annually under historical and prospective performance scenarios. This "backward and forward" testing provides the MRC Committee with reasonable assurance that the LTIP payout implications are appropriate and aligned with shareholder and Company objectives.

Once the LTIP design is finalized, management recommends the annual Executive LTIP allocations to reflect individual performance and potential to the MRC Committee for approval. Previous Executive LTIP allocations are not taken into consideration in determining current year allocations. Management's proposal is considered and approved by the MRC Committee.

(ii) 2006 - 2009 LTIP Design Summary

The 2009 LTIP design, as well as the LTIP designs that were in place for 2006 to 2008, are summarized in the following table:

LTIP Plan	Plan Objectives	Design Summary
Performance Share Unit Plan (2009) <ul style="list-style-type: none"> • Long-term incentive awarded in 2009 to be paid out in 2012 	<ul style="list-style-type: none"> • Reward Executives for achieving consolidated operating earnings targets over a three-year period. 	<ul style="list-style-type: none"> • PSUs are paid out in cash at the end of the performance period • The number of units awarded is based on salary, individual capabilities, performance and potential • Payment is linked to: <ul style="list-style-type: none"> • 3-year average corporate STIP payout percentage result that relates to Canadian Tire's consolidated operating earnings results • value of Class A Non-Voting Shares
Performance Share Unit Plan (2008) <ul style="list-style-type: none"> • Long-term incentive awarded in 2008 to be paid out in 2011 	<ul style="list-style-type: none"> • Reward Executives for achieving growth in operating earnings over a three-year period. 	<ul style="list-style-type: none"> • PSUs are paid out in cash at the end of the performance period • The number of units awarded is based on salary, individual capabilities, performance and potential • Payment is linked to: <ul style="list-style-type: none"> • 3-year compound annual growth rate of Canadian Tire's operating earnings • value of Class A Non-Voting Shares
Performance Driven Share Unit Plan (2006, 2007) <ul style="list-style-type: none"> • Long-term incentive awarded in 2006 and 2007 paid out or to be paid out in 2009 and 2010, respectively 	<ul style="list-style-type: none"> • Reward Executives for achieving earnings per share and return on invested capital targets. 	<ul style="list-style-type: none"> • Performance driven share units (PDSUs) are paid out in cash at the end of the performance period • The number of PDSUs awarded is based on: <ul style="list-style-type: none"> • salary, individual capabilities, performance and potential • earnings per Class A Non-Voting Share and return on invested capital • Payment is linked to the value of Class A Non-Voting Shares
Stock Option Plan (2007, 2008 and 2009) <ul style="list-style-type: none"> • Long-term incentive awarded annually 	<ul style="list-style-type: none"> • Align the interests of Executives and shareholders by rewarding Executives for share price appreciation over a seven-year period. 	<ul style="list-style-type: none"> • Options to buy Class A Non-Voting Shares with a tandem stock appreciation rights (TSAR) feature • The number of options awarded is based on salary, individual capabilities, performance and potential • The value of the options is linked to the appreciation in the value of Class A Non-Voting Shares

(iii) 2009 LTIP Design Features

The 2009 LTIP design was comprised of PSUs and stock options. This design composition is common among the Company's comparator group in that 21 of the 24 companies include stock options as a component of their LTIP design (11 include a combination of stock options and share units; 10 include only stock options).

The target 2009 LTIP award, expressed as a percentage of base salary, and the proportion of the award allocated in PSUs and stock options for the NEOs, is shown in the following table:

NEO	2009 Target LTIP Grant (% of base salary)		
	Total Target Award	PSUs	Stock Options
Stephen G. Wetmore	300.0%	100.0%	200.0%
Marco Marrone	112.5%	56.25%	56.25%
Michael B. Medline	127.5%	63.75%	63.75%
G. Michael Arnett	127.5%	63.75%	63.75%
J. Huw Thomas	127.5%	42.5%	85.0%

(iv) 2009 Performance Share Unit Plan

PSUs, which are a form of restricted share unit, are awarded by the MRC Committee to Executives and other designated employees based on salary, individual capabilities, potential and performance. They vest at the end of a three year performance period if performance conditions are met.

Each PSU awarded entitles the Executive to a cash payment equal to the weighted average price of one Class A Non-Voting Share during the 20 trading day period that commences on the day following the last day of the performance period.

PSU awards are generally paid out to Executives on the payroll date immediately following 90 days after the end of the performance period, less any applicable source deductions. Pro-rated awards are paid out before the end of the performance period if an Executive is terminated for reasons other than cause or in certain other circumstances. Except to the extent provided in Mr. Wetmore's employment agreement (see page 45), a payment will not be made to an Executive if he or she resigns voluntarily (other than a voluntary retirement after the age of 60) or is terminated for cause during the performance period.

The 2009 PSUs are subject to a back-end multiplier (applied at the end of the three year performance period) based on the 3-year average corporate STIP payout percentage. The multiplier is calculated on a linear basis by reference to the following table:

	Below Threshold	Threshold	Target	Maximum
3-year average corporate STIP payout percentage (2009-2011)	<50%	50%	100%	>150%
Performance Multiplier	0.0	0.35	1.0	1.75

The 2009 PSUs will not be earned if the average 3-year corporate STIP payout percentage is below 50%.

In the event the Executive ceases to be an employee of the Company due to death or disability, the Executive or his or her estate, as applicable, will receive payment in respect of PSUs calculated as if the Executive had been an active employee during the performance period. Except as otherwise provided in an employment agreement, in the event of retirement of an Executive before the age of 60, the amount which the Executive would otherwise have received will be reduced proportionately to the period of active employment (as defined in the 2009 Performance Share Unit Plan) within the performance period by multiplying such amount by a fraction, the numerator of which is the number of days of active employment during the performance period and the denominator of which is the number of days in the expected performance period (as defined in the 2009 Performance Share Unit Plan). The Board or MRC Committee may elect to classify the departure of an employee who has not achieved age 60 as retirement after age 60 for the purposes of the 2009 Performance Share Unit Plan. Except as otherwise provided in an employment agreement, in the event of retirement of an Executive after age 60, the Executive will receive payment in respect of PSUs calculated as if the Executive had been an active employee during the performance period.

Except as described herein or to the extent otherwise provided in an employment agreement, if payment is made prior to the end of the performance period, including upon termination triggered by a change of control of the Company, the amount payable to an Executive will be reduced to the period of active employment within the performance period and PSUs will be subject to a modified back-end multiplier. In the event the termination of the Executive occurs during the first fiscal year of the performance period, the multiplier will be deemed to be 1.0. If the termination of the Executive occurs during the second fiscal year of the performance period, the multiplier will be calculated based on the corporate STIP payout percentage for the previous fiscal year to a maximum multiplier of 1.0. If the termination of the Executive occurs during the third fiscal year of the performance period, the multiplier will be calculated based on the average corporate STIP payout percentage for the previous two fiscal years to a maximum multiplier of 1.0. If the termination of the Executive occurs subsequent to the third fiscal year but prior to the end of the performance period, the standard multiplier will apply.

The 2009 Performance Share Unit Plan also contains customary provisions in respect of adjustments to or reorganization of the capital structure of the Company. The PSUs are not transferrable or assignable by an Executive other than by testamentary disposition or the laws of decent and distribution.

Subject to applicable regulatory approval, the Board may also elect to satisfy any cash payment for PSU awards through the issuance of Class A Non-Voting Shares. In such event and subject to applicable regulatory approval, the value of each Class A Non-Voting Share issued will be determined by the Chairman of the Board or the MRC Committee.

The terms and conditions of the 2010 Performance Share Unit Plan adopted by the Company are substantially similar to those of the 2009 Performance Share Unit Plan.

(v) Stock Option Plan

The Company's Stock Option Plan was established to increase the alignment between compensation of Executives and other senior managers and the long-term performance of Canadian Tire's shares. The process for granting stock options is described beginning on page 35.

Each option grant provides the optionee with the right to subscribe for one Class A Non-Voting Share at the weighted average price at which Class A Non-Voting Shares trade on the TSX during the 10-day period ending on the date immediately preceding the date that the option was granted (*the strike price*). All stock option agreements, including the 2009 option agreement, incorporate a TSAR feature whereby an optionee can elect to surrender his 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.

The change of control provisions in our 2009 stock option agreements are the same for all optionees. The provisions were selected to provide optionees early vesting only if a termination of their employment occurred within a period of time, the length of which was such that the termination could reasonably be linked to the change of control of the Company. For more information on the Company's Stock Option Plan see *Stock Option Plan* on page 48.

D. Perquisites

The Company takes a conservative approach to perquisites and determines such programs by reviewing competitive market practices. Executives are provided with an annual car allowance and Company-paid parking. Executives are also provided with an annual medical assessment as well as an annual financial planning allowance that is intended to reinforce individual accountability for personal financial planning as the Company does not offer retirement and pension plans.

E. Other Benefits

NEOs participate in the Company's profit sharing and share purchase plans (see *Canadian Tire Corporation, Limited Deferred Profit Sharing Plan* on page 50 and *Canadian Tire Corporation, Limited Share Purchase Plan* on page 51 for descriptions of these plans), which are available to most full time employees. The Canadian Tire Corporation, Limited Deferred Profit Sharing Plan and the Canadian Tire Corporation, Limited Share Purchase Plan serve to assist employees in achieving long-term retirement savings in the absence of Company retirement and pension plans. NEOs are also entitled to receive health benefits available to other employees, generally on the same basis, which are designed to promote general wellness and preventative care. These benefits include medical and dental insurance, group life and accidental death and dismemberment insurance, short-term disability insurance and employee-paid long-term disability insurance. An employee store discount program is also provided.

F. Deferred Share Unit Plan for Stephen G. Wetmore

Mr. Wetmore is eligible to participate in the Deferred Share Unit Plan for Stephen G. Wetmore pursuant to which he may elect to receive all or part of his annual STIP award in DSUs. The

election is irrevocable for the applicable fiscal year once the fiscal year has commenced. For the 2009 financial year, Mr. Wetmore elected to receive 50% of his 2009 STIP award in DSUs.

The number of DSUs is calculated by dividing the amount Mr. Wetmore elects to receive in DSUs by the weighted average price at which Class A Non-Voting Shares trade on the TSX during the five business days (*the Fair Market Value*) prior to the tenth business day following the release of the Company's financial statements for the year in respect of which the STIP award was earned. DSUs are also credited to Mr. Wetmore's DSU account when the Company pays a dividend or other distribution on its Class A Non-Voting Shares, the number of which is calculated by multiplying the number of DSUs in his account at the time such dividend or other distribution is paid by the amount of the dividend or other distribution, and dividing that amount by the Fair Market Value on the day the dividend or other distribution is paid.

Pursuant to DSU plan rules, when Mr. Wetmore no longer holds a position with the Company as either an officer, employee or director, he must elect to receive payment of his DSU account on a date no later than the last business day in December of the first calendar year following the calendar year in which the resignation occurs (*the Settlement Date*). Mr. Wetmore will receive an amount that is equal to the number of DSUs credited to his account, including any dividends or other distribution paid by the Company on the Class A Non-Voting Shares that have accrued in the form of DSUs, multiplied by the Fair Market Value on the Settlement Date.

In the event Mr. Wetmore ceases to be an employee of the Company but remains a director or officer of the Company, Mr. Wetmore will continue to be entitled to his existing DSUs and to the benefits of the Deferred Share Unit Plan for Stephen G. Wetmore in respect of such DSUs but will not be entitled to acquire further DSUs. The DSUs may not be assigned by Mr. Wetmore.

G. Deferred Share Unit Plan for Executives

In 2009, the MRC Committee approved a Deferred Share Unit Plan for all Executives other than the President and CEO. The MRC Committee may also designate employees of an affiliate of the Company as eligible to participate in the Deferred Share Unit Plan for Executives. Under this Plan, participants may elect to receive DSUs for all or part of their STIP awards payable with respect to the 2010 and subsequent financial years. The terms of the Plan are generally the same as the Deferred Share Unit Plan for Stephen G. Wetmore. The DSUs may not be assigned by an Executive.

H. Executive Share Ownership Guidelines

Canadian Tire has established share ownership guidelines (SOGs) that set out minimum levels of share ownership for the Executives. The SOGs are designed to align the interests of the Executives with the interests of shareholders, demonstrate that the Executives are financially committed to the Company through personal share ownership, and promote the Company's long-standing commitment to sound corporate governance.

Within five years of appointment, the NEOs are expected to accumulate Class A Non-Voting Shares (or their equivalent) equal to a multiple of their annual salary, as follows:

NEO	Multiple of Annual Salary
Stephen G. Wetmore	3x
Marco Marrone	2x
Michael B. Medline	2x
G. Michael Arnett	2x
J. Huw Thomas	2x

Class A Non-Voting Shares, Common Shares, DSUs, PSUs with a front-end multiplier, and units held by the NEOs in the CTC

Share Fund of the Canadian Tire Corporation, Limited Deferred Profit Sharing Plan can be counted towards the minimum ownership requirement. Achievement of share ownership guidelines is calculated using the greater of the closing share price as reported on the TSX on the last business day of December or the acquisition cost of the Common Shares or Class A Non-Voting Shares, or the value of the DSUs at the time the units were credited to the Executive's account.

Each year, management reviews and reports on each Executive's level of share ownership to the Executive and to the MRC Committee. As at December 31, 2009, all Executives were in compliance with their SOGs in that they either had already attained or they still have time left to achieve the required level of share ownership.

2009 Executive Compensation Decisions

A. Impact of Business Performance on 2009 Executive Compensation

The Company's performance in 2009 met the Board of Directors' expectations – which were tempered by assumptions about the challenging economy and its effect on consumer spending and ability to repay debt – despite unseasonable weather in every season of the year. In addition to meeting those challenges, the Company ended 2009 in its strongest financial position in a decade and emerged from the recession in a position of strength.

The MRC Committee applied the 2009 STIP design to determine the STIP awards for 2009. In doing so, consistent with management's recommendation, the MRC Committee made adjustments to the financial results used to determine the STIP award to eliminate the effects of two accounting items that did not reflect 2009 business performance. In the view of the MRC Committee, these adjustments, which adjusted the performance results, ensured that the STIP awards made for 2009 appropriately fulfilled the objectives of the 2009 STIP design. The performance results that affect NEO STIP payouts slightly exceeded target for the financial year ended January 2, 2010, resulting in all but one of the NEOs experiencing an increase in total compensation from 2008 levels. Mr. Wetmore became President and CEO the Company on January 1, 2009 and therefore does not have a historical payout for comparison.

Targets for the Company's business performance measures applicable to the NEOs, along with 2009 final results, are shown in the following table:

Performance Measure	2009 STIP Performance Targets			2009 Final Result	Final Result vs. Target
	Threshold (pays 35% of target incentive)	Target (pays 100% of target incentive)	Maximum (pays 175% of target incentive)		
Canadian Tire Corporation Consolidated Earnings	\$306,430,206	\$333,076,311	\$359,722,416	\$334,500,188	Exceeded
Canadian Tire Retail Operating Earnings	\$234,046,225	\$254,398,071	\$274,749,917	\$257,184,764	Exceeded
Canadian Tire Financial Services Operating Earnings	\$127,515,168	\$138,603,443	\$149,691,718	\$139,218,512	Exceeded

B. 2009 Base Salary Increases

Consistent with the MRC Committee's approach to salary increases described above, the following base salary increases were approved by the MRC Committee in 2009:

NEO	2009 Base Salary Increase
Stephen G. Wetmore	n/a
Marco Marrone ⁽¹⁾	12.4%
Michael B. Medline	8.9%
G. Michael Arnett	10.0%
J. Huw Thomas	n/a

Note

- (1) Mr. Marrone received an increase of 5.6% effective July 4, 2009 as part of the annual market and performance review. He received an additional increase of 6.4% effective November 16, 2009 in recognition of the increased duties and responsibilities assumed with his promotion to Chief Financial Officer and Executive Vice-President, Finance.

C. 2009 STIP Payout

The 2009 STIP awards paid to each NEO, expressed as a percentage of base salary, for each business performance measure are shown in the table below:

Performance Measure	2009 STIP Award Paid in 2010				
	NEO				
	Stephen G. Wetmore	Marco Marrone ⁽¹⁾	Michael B. Medline	G. Michael Arnett	J. Huw Thomas
Canadian Tire Corporation Consolidated Earnings	104.0%	33.8%	67.6%	33.8%	67.6%
Canadian Tire Retail Operating Earnings				35.8%	
Canadian Tire Financial Services Operating Earnings		33.9%			
2009 Actual STIP Award (% of eligible salary)	104.0%	67.6%	67.6%	69.6%	67.6%
2009 Target STIP Award (% of base salary)	100.0%	65.0%	65.0%	65.0%	65.0%
2009 Actual STIP Award (as % of Target)	104.0%	104.0%	104.0%	107.2%	104.0%
2009 Actual STIP Award (\$)	\$1,260,094	\$310,797	\$370,658	\$364,271	\$326,532

Note

- (1) Mr. Marrone participated in the Canadian Tire Financial Services STIP plan from January 1, 2009 through November 16, 2009 that achieved a payout of 104.2% of plan and the Company STIP plan from November 16, 2009 through January 2, 2010 that achieved 104.0% of plan. Mr. Marrone's total annual incentive payout under both plans is \$310,797.

D. 2009 LTIP Grant

The MRC Committee determined that the LTIP design for the CFO in 2009 would be the same as that for the President and CEO. The President and CEO and the CFO LTIP awards are more heavily weighted to longer term (stock options with three year vesting and a seven year expiry period) than medium term (performance share units that pay out in three years, the longest performance period permitted under tax laws) incentives. The 2009 LTIP grants awarded to the NEOs are shown in the table below.

NEO ⁽²⁾	2009 Actual LTIP Grant (% of base salary) ⁽¹⁾		
	Total Award	PSUs	Stock Options
Stephen G. Wetmore	300%	100%	200%
Marco Marrone	113%	56%	56%
Michael B. Medline	128%	64%	64%
G. Michael Arnett	128%	64%	64%
J. Huw Thomas	128%	43%	85%

Notes

- (1) Amounts have been rounded to the nearest whole number.
 (2) Actual LTIP grant as a percentage of salary is calculated using the base salary at time of allocation.

E. 2009 PDSU Payout (vested value of 2006 PDSU Grant)

The 2009 payouts for the PDSU awards that were granted to the NEOs in 2006 paid out in all cases at less than 63% of the grant date value. Payout amounts and percentages by NEO are shown in the table below.

NEO	2009 PDSU Payout		
	2006 PDSU Award (\$) ⁽¹⁾	Payout (\$) ⁽²⁾	Percentage of 2006 Award %
Stephen G. Wetmore	n/a	n/a	n/a
Marco Marrone	\$306,268	\$188,362	62%
Michael B. Medline	\$391,060	\$240,512	62%
G. Michael Arnett	\$330,977	\$203,559	62%
J. Huw Thomas	\$707,277	\$434,993	62%

Notes

- (1) The composition of the 2006 LTIP award was 50% PDSUs and 50% stock options. Values reflect the number of PDSUs granted multiplied by the weighted average share price of a Class A Non-Voting Share for the 10 days beginning on the day the prior year financial results are released.
 (2) The value of each PDSU paid out in 2009 was based on the weighted average share price for the 20 trading days following February 12, 2009, which was the last day of the performance period.

F. Perquisite and Benefit Programs

There were no changes made in fiscal 2009 to any of the perquisite and benefit programs in which the Executives participated.

Statement of the MRC Committee

The MRC Committee is satisfied that Canadian Tire's executive compensation policies and practices support the Company in achieving its strategic objectives, and that the programs are effective in attracting, retaining and motivating a skilled team of NEOs to maximize shareholder value. The Chairman of the MRC Committee, Frank Potter, will be available to answer questions relating to Canadian Tire's executive compensation practices at the Annual and Special Meeting of Shareholders to be held on May 13, 2010.

Members of the MRC Committee:

Frank Potter, *Chairman*
 Martha G. Billes
 H. Garfield Emerson

Daniel E. Fournier
 James A. Riley
 Peter B. Saunders

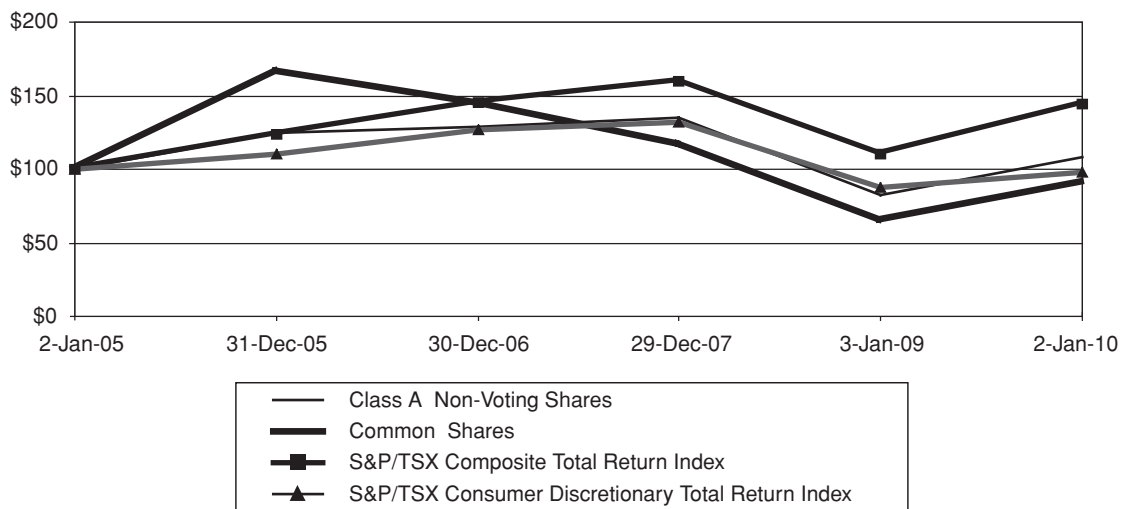
How Our Shares Have Performed and Relationship with Executive Compensation

The following chart compares the cumulative shareholder return on the Company's Class A Non-Voting Shares and Common Shares to the S&P TSX Composite Total Return Index and the S&P TSX Consumer Discretionary Total Return Index assuming \$100 was invested on January 2, 2005 (assuming reinvestment of dividends). Over this five-year fiscal period, Canadian Tire's total NEO compensation has generally reflected the shareholder return on the Class A Non-Voting Shares. The one exception was 2005, when NEO compensation fell by 2%, while the Class A Non-Voting Share price rose by 25%. In 2006 and 2007, there was close alignment between the growth in NEO compensation and shareholder return. During 2008, the performance of Canadian Tire's Class A Non-Voting Shares mirrored the deterioration in global equity markets, declining by 39%, with total NEO compensation declining by 23%. In 2009, the Company's share price rose by 32% and the Company's strong pay for performance approach was illustrated with NEO compensation increasing by 50% over 2008.

For the purpose of the above discussion, 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). The executive compensation values have been calculated for the NEOs based on the same methodology as disclosed in the *Summary Compensation Table* on page 42. This is a methodology adopted by Canadian Tire 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 methodologies used by other issuers for this purpose.

Cumulative Total Shareholder Return

January 2, 2005 through January 2, 2010



Date	Canadian Tire Corporation, Limited		S&P/TSX Composite Total Return Index	S&P/TSX Consumer Discretionary Total Return Index
	Class A Non-Voting Shares	Common Shares		
January 2, 2005	\$100.00	\$100.00	\$100.00	\$100.00
December 31, 2005	\$124.87	\$124.87	\$124.13	\$109.81
December 30, 2006	\$128.46	\$144.34	\$145.55	\$127.02
December 29, 2007	\$134.55	\$116.23	\$159.73	\$132.20
January 3, 2009	\$82.27	\$65.07	\$110.15	\$87.24
January 2, 2010	\$108.66	\$90.53	\$144.65	\$98.45

Summary Compensation Table

The table below shows the compensation paid to the NEOs in respect of the Company's most recently completed financial year (ended January 2, 2010). In light of the changes to the content and format requirements for executive compensation disclosure made by the Canadian Securities Administrators, the Company has disclosed compensation in the Summary Compensation Table below for the 2008 and 2009 fiscal years in accordance with these requirements. Disclosure of compensation for prior years, in accordance with the then applicable requirements, is contained in the Company's previous management information circular dated March 6, 2008, which is available on SEDAR at www.sedar.com.

Name and Principal Position (a)	Year (b)	Salary (\$) (c)	Share-based awards (\$) ⁽¹⁾ (d)	Option-based awards (\$) ⁽²⁾ (e)	Non-equity incentive plan compensation (\$) (f)		Pension Value (\$) ⁽⁵⁾ (g)	All other compensation (\$) ⁽⁶⁾ (h)	Total compensation (\$) (i)
					Annual incentive plans ⁽³⁾ (f1)	Long-term incentive plans ⁽⁴⁾ (f2)			
Stephen Wetmore⁽⁷⁾ President and CEO	2009	1,250,000	1,249,956	2,499,181	1,260,094	—	—	173,024	6,432,255
	2008	9,615	—	—	—	—	—	175,500	185,115
Marco Marrone Chief Financial Officer and Executive Vice-President, Finance	2009	461,538	250,304	250,226	310,797	—	—	79,823	1,352,688
	2008	446,846	262,472	267,825	178,285	—	—	80,015	1,235,443
Michael B. Medline President, Canadian Tire Automotive and Dealer Relations	2009	550,000	350,601	350,509	370,658	—	—	92,825	1,714,593
	2008	509,019	262,472	267,825	183,682	—	—	93,201	1,316,199
G. Michael Arnett President, Canadian Tire Retail	2009	525,000	318,718	318,641	364,271	—	—	88,745	1,615,375
	2008	495,193	262,472	267,825	237,591	—	—	85,234	1,348,315
J. Huw Thomas Executive Vice-President, Financial Strategy and Performance	2009	483,000	205,242	410,411	326,532	—	—	87,028	1,512,214
	2008	487,181	499,959	—	129,562	—	—	89,157	1,205,859

Notes

- (1) The grant date value disclosed in this column for PSUs is based on the weighted average share price of a Class A Non-Voting Share for the 10 days beginning on the day the prior year financial results are released multiplied by the number of units granted.
- (2) The disclosed value in this column is based on the weighted average share price of a Class A Non-Voting Share for the 10 days prior to the date of grant multiplied by a Black-Scholes factor of 27.5%, multiplied by the number of options granted. The Black Scholes value ratio was determined using the following assumptions: an estimated volatility of 20.65% (based on monthly historical share price and dividend data up to the end of December 2008), estimated dividend yield (based on the full term of the option) of 1.12%, interest rate of 4.0%, and the option term of 7 years. The accounting fair value of the option-based awards under Canadian GAAP at the time of grant was zero as a result of the TSAR feature. The Company has chosen to use Black Scholes as the methodology for determining the number of options granted as this methodology is commonly used by other issuers.
- (3) This column lists the amount earned under the STIP in the reporting financial year. Mr. Wetmore, in accordance with his DSU plan described on page 38, elected to take 50% of his 2009 STIP award in DSUs.
- (4) In 2009, Canadian Tire did not have any long-term non-equity incentive plans.
- (5) Canadian Tire does not have a defined benefit or defined contribution pension plan available to employees.
- (6) This column contains awards under the deferred profit sharing and share purchase plans, and perquisites for the President and CEO. Mr. Wetmore received perquisites in the amount of \$91,000 in 2009. This included a perquisite allowance of \$70,000 and club fees of \$21,000. The value of perquisites for the other NEOs did not exceed \$50,000 in aggregate, or 10% or more of the NEO's annual salary, and is therefore not included in this column.
- (7) Mr. Wetmore became President and CEO on January 1, 2009, just prior to the end of fiscal 2008 which ended on January 3, 2009. The amount in column (c) for 2008 represents the salary he earned between January 1 and January 3, 2009. The amount reported in column (h) for 2008 represents retainer and meeting fees of \$175,500 received by Mr. Wetmore for serving as a non-employee director during 2008 prior to his appointment as President and CEO.

Outstanding Share-Based Awards and Option-Based Awards

The table below shows the total outstanding long-term incentive awards for each NEO as at January 2, 2010.

Name (a)	Option-based Awards			Share-based Awards		
	Number of securities underlying unexercised options (#) ⁽¹⁾ (b)	Option exercise price (\$) ⁽²⁾ (c)	Option expiration date ⁽³⁾ (d)	Value of unexercised in-the-money options (\$) ⁽⁴⁾ (e)	Number of shares or units of shares that have not vested (#) ⁽⁵⁾ (f)	Market or payout value of share-based awards that have not vested (\$) ⁽⁶⁾ (g)
Stephen Wetmore, President and CEO	226,960	40.042	March 11, 2016	3,962,268	31,206	\$1,794,345
Marco Marrone, Chief Financial Officer and Executive Vice-President, Finance	1,500 2,200 2,500 17,379 16,187 16,181 22,724	25.420 29.626 33.514 64.819 71.903 63.417 40.042	March 7, 2012 March 13, 2013 August 7, 2013 March 8, 2013 March 7, 2014 March 6, 2015 March 11, 2016	\$566,123	14,518	\$834,785
Michael Medline, President, Canadian Tire Automotive and Dealer Relations	8,300 18,501 2,500 16,187 16,181 31,831	29.626 64.819 63.203 71.903 63.417 40.042	March 13, 2013 March 8, 2013 August 10, 2013 March 7, 2014 March 6, 2015 March 11, 2016	\$787,060	17,022	\$978,765
Michael Arnett, President, Canadian Tire Retail	10,000 7,000 4,000 4,400 4,022 14,000 16,187 16,181 28,937	21.030 25.420 29.173 29.626 64.819 62.960 71.903 63.417 40.042	March 1, 2011 March 7, 2012 July 29, 2012 March 13, 2013 March 8, 2013 May 11, 2013 March 7, 2014 March 6, 2015 March 11, 2016	\$1,330,396	16,226	\$932,995
Huw Thomas, Executive Vice President, Financial Strategy and Performance	37,271	40.042	March 11, 2016	\$650,677	21,262	\$1,222,565

Notes

- (1) From 2006 to 2008, Mr. Thomas received LTIP grants comprised of PDSUs and PSUs only.
- (2) Canadian Tire's policy for determining the strike price for options with a TSAR feature is the 10-day weighted average share price ending on the business day immediately preceding the date on which the grants are approved.
- (3) Options granted prior to 2006 have a 10 year term. Options granted in 2006 and subsequent years have a 7 year term.
- (4) This column contains the aggregate dollar value of in-the-money unexercised options as at January 2, 2010 using the December 31, 2009 closing share price of \$57.50.
- (5) This column contains the number of unvested PDSUs and PSUs held by each NEO on January 2, 2010.
- (6) This column contains the value of unvested PDSUs and PSUs awarded NEOs at the end of the financial year using the December 31, 2009 closing share price of \$57.50. The PSUs granted in 2008 are subject to a back-end multiplier (applied at vesting) of 0 - 2 depending upon performance (see page 36). The PSUs granted in 2009 are subject to a back-end multiplier (applied at vesting) of 0 - 1.75 depending upon performance (see page 37). The market value of these units has been calculated using a multiplier of 1. There are no back-end multipliers on the 2007 PDSUs.

Incentive Plan Awards

The table below shows the incentive awards that vested or were earned by each NEO during the financial year ended January 2, 2010.

Name (a)	Option-based awards – Value vested during the year (\$) ⁽¹⁾ (b)	Share-based awards – Value vested during the year (\$) ⁽²⁾ (c)	Non-equity incentive plan compensation – Value earned during the year (\$) ⁽³⁾ (d)
Stephen G. Wetmore	–	–	1,260,094
Marco Marrone	–	188,362	310,797
Michael B. Medline	–	240,512	370,658
G. Michael Arnett	–	203,559	364,271
J. Huw Thomas	–	434,993	326,532

Notes

- (1) This column includes the aggregate dollar value that would have been realized if stock options were exercised on the vesting date. The value of all NEOs option based awards vesting in 2009 was zero as these grants were out-of-the-money.
- (2) This column includes the value of the 2006 PDSU plan payout upon vesting. Under the plan, the vested award is calculated using the 20 trading day weighted average share price beginning the day following the performance period.
- (3) This column includes the value of the 2009 STIP plan payout, which is also disclosed in the *Summary Compensation Table* on page 42.

Termination and Change of Control Benefits

President and CEO Employment Agreement

An employment contract was established with Mr. Wetmore effective January 1, 2009. The key terms of the contract are the following:

Officer	Stephen G. Wetmore, President and CEO
Effective Date	January 1, 2009
Base Salary	\$1,250,000
STIP	Mr. Wetmore's annual target STIP award is 100% of base salary if targets established by the Board for the President and CEO are met and up to 200% of base salary if such targets are exceeded by established amounts, subject to the terms of the STIP.
Deferred Share Unit Plan	Mr. Wetmore may elect annually to defer all or a portion of his STIP award into DSUs governed by his Deferred Share Unit Plan.
LTIP	<p>Mr. Wetmore is eligible to receive annual grants under the LTIP with a target value at the date of the grant of 300% of base salary, subject to the same performance factors applicable to the other participants in the LTIP. He is entitled to receive one-third of his annual grant in the form of PSUs or any equivalent plan and two-thirds in the form of stock options.</p> <p>Mr. Wetmore is only entitled to a pro-rata grant for part years of employment. Accordingly, if Mr. Wetmore's termination date is prior to the end of a year, he will forfeit a portion of the award for that year determined as the number of days in the year subsequent to the termination date divided by 365.</p>
Monthly Perquisite Allowance	The Company provides Mr. Wetmore with a monthly perquisite allowance of \$5,833.00 to be spent at his discretion.
Other Benefits	Mr. Wetmore is entitled to benefits that are generally provided to the Company's Executives, such as participation in the Company's Deferred Profit Sharing Plan and Share Purchase Plan (see pages 50 and 51).
Involuntary Termination Without Cause or Resignation for Good Reason	<p>In the event of involuntary termination without cause or resignation for "Good Reason", Mr. Wetmore is entitled to:</p> <ul style="list-style-type: none"> • continuation of base salary for twelve months; • continued entitlement to STIP for twelve months calculated based on the lesser of (i) the average of the STIP bonus paid to Mr. Wetmore in the two fiscal years immediately preceding the termination/resignation date; and (ii) the target STIP bonus for Mr. Wetmore for the fiscal year in which the termination/resignation date occurs; • continued participation in the Company's employee benefit plans for 12 months, to the extent permitted by the terms of those plans; • with respect to LTIP awards: <ul style="list-style-type: none"> (i) immediate vesting of any unvested stock options and the right to exercise all outstanding stock options until the earlier of the third anniversary of the termination/resignation date and the expiry of the stock options under the applicable option agreements; and (ii) payment of awards under the PSU or any equivalent plan, without acceleration of payment of such PSUs, as if Mr. Wetmore had continued to be employed by the Company during any term or performance period provided for under such plan.
Resignation prior to March 12, 2012	In the event of resignation prior to March 12, 2012 for any reason other than "Good Reason", Mr. Wetmore is entitled to base salary and expenses due and owing at the date of resignation. No STIP payment will be made in respect of the year in which the resignation date occurs, and unvested PSUs and stock options will be forfeited.
Resignation with or without Good Reason or Involuntary Termination Without Cause on or after March 12, 2012 – LTIP Entitlement	<p>With respect to unvested LTIP awards, in the event of Mr. Wetmore's resignation with or without "Good Reason" or involuntary termination without cause on or after March 12, 2012, Mr. Wetmore is entitled to:</p> <ul style="list-style-type: none"> • payment of awards under the PSU or any equivalent plan as if he had continued to be employed by the Company during any term or performance period provided for under such plan; and

- the right to exercise stock options granted to Mr. Wetmore until the earlier of the third anniversary of the termination/resignation date and the expiry of the stock options under the applicable option agreements, with the options continuing to vest during such period in accordance with the applicable option agreements.

Termination for Cause or Death

The Company may immediately terminate Mr. Wetmore's employment contract at any time for cause. The contract is terminated automatically on death.

In the event of termination for cause, the Company is obligated to pay any base salary and expenses due and owing at the termination date. No STIP payment will be made in respect of the year in which the termination date occurs, and unvested PSUs and stock options will be forfeited.

In the event of death, the Company is obligated to pay base salary and expenses due and owing at the termination date. The Company will also pay STIP *pro rated* to the termination date. With respect to LTIP awards, Mr. Wetmore's legal personal representatives are entitled to: (i) exercise all outstanding stock options until the earlier of the third anniversary of the termination date and the expiry of the stock options under the applicable option agreements; and (ii) payment of awards under the PSU or any equivalent plan as if Mr. Wetmore had continued to be employed by the Company during any term or performance period provided for under such plan.

Equity Ownership and Disposition Restrictions

Mr. Wetmore shall achieve the Company's guidelines for equity ownership in the Company as they may be amended from time to time. Currently these guidelines require ownership of equity of the Company with a value equal to three times Mr. Wetmore's base salary, within five years of the effective date of Mr. Wetmore's employment agreement. Mr. Wetmore shall be given full credit for any shares and DSUs of the Company in connection with such equity ownership. During the term of his agreement, Mr. Wetmore agrees not to sell any shares of the Company which he owns (however acquired, including shares acquired on the exercise of options) and not to exercise any share appreciation rights without the consent of the Board, provided that the Board may unreasonably withhold its consent.

Non-Compete/Non-Solicit

The foregoing entitlements are conferred to Mr. Wetmore in part on the condition of his fulfillment of the following non-competition and non-solicitation obligations.

Mr. Wetmore may not during his employment and for one year thereafter:

- either alone or in any other capacity, directly or indirectly advise, manage, carry on, establish, control, engage in, invest in, offer financial assistance or services to, or permit his name to be used by any business which is the same as or substantially similar to or which competes with a significant line of business carried on by the Company in Canada or which is in the Company's active contemplation as of the date of his departure; or
- solicit any officer, employee, agent or supplier of the Company or attempt to persuade any officer, employee, agent or supplier of the Company to discontinue their relationship with the Company.

CFO Employment Agreement

An employment contract was established with Mr. Marrone effective November 16, 2009. At the time of entering into the agreement with Mr. Marrone, he had 23 years of service with Canadian Tire. The key terms of the contract are the following:

Officer	Marco Marrone, CFO and Executive Vice-President, Finance
Effective Date	November 16, 2009
Base Salary	\$500,000
Termination Without Cause	<p>The employment agreement for Mr. Marrone provides for the following payments and benefits following his termination without cause, in addition to his salary and expenses to the date of termination and the payments and benefits to which he is entitled under various Company compensation plans which apply generally to Executives:</p> <ul style="list-style-type: none"> • payment of an amount equal to 24 months' base salary, payable as salary continuance and subject to certain claw backs in the event new employment is secured (the <i>Claw back Conditions</i>);⁽¹⁾

Note

- (1) If Mr. Marrone enters into a new employment relationship with a compensation package that is equal to or greater than his current compensation package from the Company, at any time during the 24-month notice period, the Company will provide a one-time lump sum payment at the time such new employment is secured that is equal to 50% of the remaining termination amounts owing to Mr. Marrone. If Mr. Marrone enters into a new employment relationship with a compensation package that is less than his current compensation package from the Company, at any time during the 24-month notice period, the Company will pay to Mr. Marrone an amount that is equal to the difference between his new compensation package and his salary continuance payments until completion of the 24 months' notice period. Minor consulting contracts will not be considered new employment. If, during the course of a year, compensation from consulting contracts amount to a value equal to 50% or more of Mr. Marrone's current compensation package from the Company, the Company will pay to Mr. Marrone an amount that is equal to the difference between the compensation received from his consulting contracts and his salary continuance payments until completion of the 24-month notice period.

- payment under the STIP at the target payout level during the 24-month notice period, subject to the Claw back Conditions;
- payment of awards under the PSU or any equivalent plan as if Mr. Marrone had continued to be employed by the Company during any term or performance period provided for under such plan;
- the right to exercise stock options granted to Mr. Marrone until the earlier of the third anniversary of the termination date and the expiry of the options under the applicable option agreements, with the options continuing to vest during such period in accordance with the applicable option agreements;
- payment of group insurance benefits during the 24-month notice period;
- payment of the Company automobile allowance during the 24-month notice period, subject to the Claw back Conditions;
- pro-rated payment in lieu of an award under the Company's Deferred Profit Sharing Plan for the current year and an additional lump sum payment for the 24-month notice period in lieu of an award under the Deferred Profit Sharing Plan; and
- entitlement to the Company financial planning benefit for the 24-month notice period.

Non-Compete/Non-Solicit

Under his employment agreement, Mr. Marrone may not be directly employed, anywhere in Canada, at any time during his employment with the Company or for one year thereafter, by a retailer competing with the Company in the financial services, clothing, automotive parts, accessories or services, sporting goods, housewares, or hardware businesses, regardless of the reason for his departure.

Mr. Marrone is also prohibited during his employment with the Company and for a period of eighteen months thereafter from directly or indirectly, either individually or in partnership or jointly or in conjunction with any person or persons, firm, association, syndicate or corporation, solicit, attempting to solicit or communicate in any way with the employees, suppliers or dealers of the Company for the purposes of causing them to discontinue or alter their relationship with the Company and/or be retained or engaged by another person, firm, corporation or entity.

Post-Employment Benefits

The following table summarizes the estimated incremental payments to each NEO who is party to a written employment contract with the Company in the event of his termination without cause:

		Estimated Incremental Payments as at January 2, 2010 – Termination Without Cause or Resignation for Good Reason (\$) ⁽¹⁾
	Compensation Component	
Stephen G. Wetmore	Base Salary	\$1,250,000
	STIP ⁽²⁾	\$1,250,000
	Payment in lieu of Deferred Profit Sharing Plan entitlement ⁽³⁾	\$0
	Continuation of medical benefits and financial planning for 12 months	\$24,059
	Total	\$2,524,059
Marco Marrone	Base Salary	\$1,000,000
	STIP ⁽²⁾	\$650,000
	Payment in lieu of Deferred Profit Sharing Plan entitlement ⁽³⁾	\$100,000
	Continuation of medical benefits, financial planning, and car allowance for 24 months	\$72,988
	Total	\$1,822,988

Notes

(1) As applicable.

(2) Assumes payout at target.

(3) Assumes that Deferred Profit Sharing Plan awards are 10% of salary during the relevant notice periods.

No incremental payments are triggered upon a change in control of the Company. In addition, no incremental amount would be received by Mr. Wetmore in respect of the accelerated vesting of his options if he was terminated without cause or resigned for Good Reason before March 12, 2012 since the discount rate applied to calculate the net present value of the accelerated entitlements is not greater than the rate at which the Class A Non-Voting Shares would otherwise appreciate over the period of acceleration.

Other Compensation Information

Securities Authorized for Issue under Compensation Plans as at January 2, 2010

Plan Category	Number of Securities to be Issued Upon Exercise of Outstanding Options, Warrants and Rights (a)	Weighted-average Exercise Price of Outstanding Options, Warrants and Rights (b)	Number of Securities Remaining Available for Future Issuance under Equity Compensation Plans (excluding securities reflected in column (a)) (c)
Equity Compensation Plans Approved by Securityholders			
• Stock Option Plan	2,148,844 ⁽¹⁾	\$52.62	383,670
Equity Compensation Plans Not Approved by Securityholders			
• Canadian Tire's Deferred Profit Sharing Plan	N/A	N/A	842,949 ⁽²⁾
• Deferred Profit Sharing Plan for Employees of Participating Associate Dealers			
• Canadian Tire's Share Purchase Plan			
Total	2,148,844	N/A	1,226,619

Note

(1) The weighted average term remaining is 4.75 years.

(2) On March 11, 2010, the number of securities remaining available for future issuance under Canadian Tire's Deferred Profit Sharing Plan, Deferred Profit Sharing Plan for Employees of Participating Associate Dealers and Share Purchase Plan was reduced to 500,000 Class A Non-Voting Shares. For more information see page 52.

Description of our Equity Compensation Plans

Stock Option Plan

The Company's Stock Option Plan was established for the purpose of rewarding certain officers and employees of the Company and for the purpose of encouraging such officers and employees to participate in the future growth, development and success of the Company's enterprises through ownership of shares of the Company.

Prior to March 11, 2010, the maximum number of Class A Non-Voting Shares remaining available for issuance under the Stock Option Plan was 2,532,514, representing approximately 3.2% of the outstanding Class A Non-Voting Shares as of March 11, 2010, but will be increased to 3,400,000 Class A Non-Voting Shares (representing approximately 4.3% of the outstanding Class A Non-Voting Shares as of March 11, 2010) if the matter referred to on page 7 of this management information circular under the heading *Considering Amendments to the Stock Option Plan and Grant of Options* is approved at the Meeting.

A total of 765,706 stock options were awarded in 2009, which represented 0.98% of the outstanding Class A Non-Voting Shares (commonly referred to as the annual "burn" rate) as at January 2, 2010. The total number and terms of outstanding stock options, stock appreciation rights, shares and units subject to restrictions on resale were taken into account in determining the total options available to be granted to all participants during 2009. As of March 11, 2010, the number of outstanding and unexercised options to purchase Class A Non-Voting Shares is 2,672,097, including the Conditionally Issued Options (as defined on page 8), representing approximately 3.4% of the currently outstanding Class A Non-Voting Shares.

The Stock Option Plan states that no one person can receive options to buy more than 5% of the total number of Class A Non-Voting Shares outstanding, which as of March 11, 2010 is equal to 3,908,911 Class A Non-Voting Shares. The grant of an option provides an optionee with the right to subscribe for a

Class A Non-Voting Share at the weighted average price at which the Class A Non-Voting Shares trade on the TSX during the 10-day period ending on the business day immediately preceding the date the option is granted. The option price for all Class A Non-Voting Shares taken up on the exercise of each option shall be paid in full at the time of such exercise. The Stock Option Plan states that no option shall extend for a period of more than 10 years from the date upon which an option is granted except in circumstances in which the exercise period may be extended in the event of a black out period.

Options granted under the Stock Option Plan prior to 2006 to subscribe for Class A Non-Voting Shares generally vest at the rate of 25% per year for the four years following the date the options were granted. Options granted in 2006 and 2007 under the Stock Option Plan (*the 2006/2007 Options*) to subscribe for Class A Non-Voting Shares generally vest at the rate of 33⅓% per year for the three years following the date the options were granted. Options granted in 2008 and 2009 under the Stock Option Plan (*the 2008/2009 Options*) to subscribe for Class A Non-Voting Shares generally vest three years after the date the options were granted. Exceptions to the general vesting requirements are included in the Stock Option Plan or option agreements in relation to circumstances involving incapacity, death, retirement or 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 agreements entered into during 2007 and thereafter contain an early vesting "double trigger" provision which was approved by the Board of Directors on the recommendation of the MRC Committee. Under the "double trigger" mechanism, if: (a) a qualified offer has been completed for all or substantially all of the shares of the Company which includes an offer for the Class A Non-Voting Shares and a change of control has occurred; and (b) within two years of the change of control the employment of the optionee has been terminated without cause, then all of the

options held by the optionee shall be deemed to have vested immediately prior to the date of termination.

Option agreements entered into prior to 2006 specify that options can be exercised for a period of up to ten years and outline the circumstances in which option rights will be terminated earlier. The 2006/2007 Options and the 2008/2009 Options were granted under agreements which specify that options can be exercised for a period of up to seven years and outline the circumstances in which option rights will be terminated earlier. All outstanding option agreements provide that, at the election of the optionee, options can be exercised or surrendered in exchange for a cash payment equal to the excess of the weighted average price at which the Class A Non-Voting Shares trade on the TSX on the trading day that the options are surrendered over the exercise price stipulated in the optionee's stock option agreement, multiplied by the number of Class A Non-Voting Shares surrendered.

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

If an employee becomes incapacitated, dies, retires having reached 60 years of age, retires to become a Canadian Tire Dealer or ceases to be employed by the Company (or any of its subsidiaries) for any other reason, the employee's options may only be exercised by the employee, or his or her personal representative as the case may be, as follows:

- in the event of incapacity or death – up to the earlier of the expiration of the options and three years following the date of incapacity or death;
- in the event of having reached 60 years of age – in connection with the option agreements entered into during 2006 and thereafter either (a) the earlier of the expiry date of the option and the date three years following the date of such retirement if such retirement takes place after at least 10 years of continuous service of the optionee with the Company; or (b) the earlier of the expiry date of the option and one year following the date of such retirement in any other case. In connection with option agreements entered into prior to 2006, the earlier of the expiration of the option and the date that is three years following the date of retirement;
- in the event of retirement to become a Canadian Tire Dealer – up to the earlier of the expiration of the options and one year following the date of retirement; and
- in the event of cessation of employment for any other reason – up to the earlier of the expiration of the options and 30 days following the date on which the optionee ceases to be employed.

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 self-imposed black out period by the Company (the *Black Out Expiration Term*) during which trading in securities of the Company is not permitted if such options would otherwise expire during or immediately after such black out period.

The Stock Option Plan (or an option agreement or entitlement subject to the Stock Option Plan) can be amended by the

Board of Directors as recommended by the MRC Committee upon receipt of the requisite approval of the TSX and without the approval of shareholders for purposes of: (a) modifying the fundamental terms of the option agreements as set out in the Stock Option Plan; (b) effecting the early expiration of options; (c) accelerating the vesting of options; (d) modifying the manner of determining the minimum option price of any option; (e) amending the black out period or Black Out Expiration Term; (f) otherwise amending any option agreement or entitlement subject to the Stock Option Plan; (g) amending the amending provision under the Stock Option Plan; (h) making amendments for the purpose of curing or correcting any ambiguity or defective or inconsistent provision or clerical omission or mistake or manifest error contained in the Stock Option Plan; and (i) making any other amendment whatsoever to the Stock Option Plan which is considered appropriate by the Board of Directors. However, the Board of Directors may not without the approval of shareholders increase the maximum aggregate number of Class A Non-Voting Shares issuable under the Stock Option Plan, reduce the exercise price for options held by insiders of the Company, or extend the term of options held by insiders of the Company. Additionally, the Stock Option Plan states that the Board of Directors may not make any amendments which prejudice the rights of optionees under existing option agreements without first obtaining the approval of the optionees who are parties to such option agreements.

On February 11, 2010, the Board of Directors amended the Stock Option Plan pursuant to the amending provisions thereunder. The principal amendments were (a) the addition of an *"Insider Participation Limit"* (as defined by the TSX) to limit to 10% the maximum number of Class A Non-Voting Shares issuable to insiders at any time and which may be issued to insiders of the Company within any one-year period, pursuant to the Stock Option Plan and any other security based compensation arrangement of the Company and (b) the addition of a provision that 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.

On March 9, 2010, the MRC Committee authorized the conditional issuance of options to purchase an aggregate of 571,119 Class A Non-Voting Shares which are referred to in this management information circular as the Conditionally Issued Options. On March 11, 2010, the Board of Directors further amended and restated the Stock Option Plan by establishing a new aggregate plan maximum and amending the amending provisions thereunder. Each of the grant of the Conditionally Issued Options and the amendment and restatement of the Stock Option Plan is subject to the approval by the holders of the Common Shares at the Meeting. Provided that the grant of the Conditionally Issued Options and these amendments are approved, the Company will have 3,400,000 Class A Non-Voting Shares reserved for issuance (representing approximately 4.3% of the outstanding Class A Non-Voting Shares as of March 11, 2010). As there are currently 2,672,097 outstanding and unexercised options (including the Conditionally Issued Options) to purchase Class A Non-Voting Shares, 727,903 Class A Non-Voting Shares remain available for future option grants under the amended and restated Stock Option Plan (representing approximately 0.9% of the currently

outstanding Class A Non-Voting Shares), which number will increase as previously-granted options expire or are terminated or surrendered for cash. See page 7 of the management information circular for more information on the grant of the Conditionally Issued Options and the amendments to the Stock Option Plan.

The Stock Option Plan can be terminated by the Board of Directors at any time without prejudice to the rights of optionees under outstanding options.

Canadian Tire Corporation, Limited Deferred Profit Sharing Plan

This plan rewards our employees and officers and those of participating subsidiaries and encourages them to participate in our growth, development and success. There is no fixed maximum number or percentage of Class A Non-Voting Shares which may be issued in connection with the plan and designated for any one of the participating officers or the participating officers as a group.

Every year we make an annual payment under the plan that equals at least one percent of our previous year's net profits after income tax. We designate the amount to be allocated to each of the employees and officers participating in the plan. Currently, a minimum of 10% of the amount allocated to each employee or officer is invested in a Company share fund (which includes Class A Non-Voting Shares) (subject to certain limits), with the balance invested as directed by each employee and officer. The plan administrators annually subscribe for Class A Non-Voting Shares to facilitate investment in the Company share fund and are then allotted and issued these shares from treasury, generally at the then current market price, calculated as the weighted average price at which Class A Non-Voting Shares trade on the TSX during the 20-day period ending on the date of subscription.

The money and securities held in connection with the plan (*the plan property*), is divided into funds that are then divided into units. Most of the plan property is currently held by a Canadian life insurance company which has issued a group annuity policy to the trustees of the plan. The policy provides plan participants with rights and benefits equivalent to those to which they would otherwise be entitled under the plan.

Twenty percent of the units held for plan participants vest after one full year of employment. The remaining units vest after two full years of employment.

When participants turn 71, they receive the net asset value of all units that have been allocated to them. Participants who die, retire after they turn 65 or leave their job because they have a permanent physical or mental disability, or because their job was eliminated in certain circumstances, are entitled to receive an amount equal to the net asset value of all units that have been allocated to them, to direct the transfer of this amount to certain registered plans or to purchase an annuity with this amount, whether or not the units have vested. If, however, they leave their job due to other circumstances, they will receive (or can direct payment of) the net asset value of all units held for and vested in them. Participants can withdraw units from the plan before they turn 65 as long as they meet certain provisions of the plan and according to terms that the trustees of the plan approve from time to time. If the plan is

terminated or wound up, participants will receive the net asset value of all units held for them, whether or not the units have vested. In certain circumstances, participants may elect to receive Class A Non-Voting Shares held for them at the time of the receipt of the net asset value of the units. Participants are not entitled to transfer their rights under the plan, except in limited specified circumstances.

The Canadian Tire Corporation, Limited Deferred Profit Sharing Plan was established under a trust deed dated January 1, 1968, amended and restated as of January 1, 2001 and thereafter further amended. Robyn A. Collver, Stanley W. Pasternak and William L. Peters, each of whom is an employee of the Company, are the current trustees of the plan. Ms. Collver and Mr. Pasternak hold the positions of Senior Vice-President, Secretary and General Counsel and Senior Vice-President and Treasurer, respectively.

Amendments to the plan can be made with the approval of the Board of Directors except where shareholder approval is required by law or by a regulatory organization having jurisdiction over the Company or its securities, including a securities commission or the TSX. In certain other cases, participant approval is also required in order to amend the plan.

Deferred Profit Sharing Plan for Employees of Participating Dealers

This plan was created by the Canadian Tire Dealers' Association for use by Canadian Tire Dealers (*Dealers*) to enable Dealers the opportunity to share their success with their employees.

The plan is open to employees of Dealers who are unrelated to the Dealer and who meet certain other criteria, including working at a Canadian Tire Store during the previous calendar year. None of our employees or those of our subsidiaries (including officers) are eligible to participate in the plan.

Under the plan, Dealers grant awards to their employees (*the participants*) on an annual basis. The Dealer contribution to the plan must meet minimum contribution levels based on profits or sales of the Canadian Tire Store. If a Dealer has contributed to the plan (and otherwise complied with the plan requirements), we will pay a bonus to the Dealer, and the Dealer then contributes an equivalent amount to the plan in the following year.

Contributions to the plan are made to the trustee of the plan (currently Sun Life Assurance Company of Canada) on behalf of the participants. These contributions are primarily invested in Barclays Global Investors life-cycle balanced index funds, and are generally vested immediately. The pooled fund is divided into units and each participant is allocated a number of units based on the value of the contributions made on his or her behalf. A portion of the funds contributed to the plan is invested by the trustee in Class A Non-Voting Shares of Canadian Tire. Under the agreement pursuant to which the plan was established, we have agreed to allot and issue to the trustee Class A Non-Voting Shares from treasury, generally at the current market price, calculated as the weighted average price at which Class A Non-Voting Shares trade on the TSX during the 20-day period immediately preceding the receipt of the subscription proceeds for the shares.

If a participant's employment with a Dealer is terminated (other than as a result of a change in the Dealer at a particular store location) or if a participant dies or becomes disabled, the participant or his or her legal representative is paid the dollar value of the units held for him or her, except where the participant returns to the same Dealer's store location, or joins another Dealer store, within 30 days. If the participant returns to the same store location, the plan continues for such participant; if the participant moves to another store, the participant's holdings are transferred to the new store's plan. At the election of the participant, his or her entitlement may also be paid through the transfer of Class A Non-Voting Shares to a registered retirement savings plan or to purchase an annuity. Participants are not entitled to transfer their rights under the plan, except in limited circumstances. Withdrawals from the plan are permitted in other specified circumstances, including on a participant reaching 65 years of age, for educational or housing purposes and on marital breakdown.

The plan was established in 1972 under an agreement between the Canadian Tire Dealers' Association, Canadian Tire Corporation, Limited and all participating Canadian Tire Dealers. A formal agreement relating to the plan was made on November 1, 1990, replaced on January 1, 1994 and further replaced on July 1, 2004.

The plan can be amended with the approval of the Board of Directors of Canadian Tire and the Canadian Tire Dealers' Association except where (a) the proposed provisions impede the operation of the plan, (b) there is a proposed increase in the number of Class A Non-Voting Shares of the Company that may be issued under the plan or (c) shareholder approval is required by law or by a regulatory organization having jurisdiction over the Company or its securities, including a securities commission or the TSX.

Canadian Tire Corporation, Limited Share Purchase Plan

The Canadian Tire Corporation, Limited Share Purchase Plan (*the SPP*) is designed to encourage employees to share in our future growth, development and success by owning Class A Non-Voting Shares. Our employees and those of participating subsidiaries may participate in the SPP, including officers of the Company and participating subsidiaries (*the Eligible Employees*). There is no fixed maximum number or percentage of Class A Non-Voting Shares which may be issued under the SPP to or acquired by any Eligible Employee, including insiders of the Company. The SPP includes an employee share purchase component and a Company contribution component.

Eligible Employees can contribute up to 10% of their annual base salary before deductions to the SPP through payroll deduction (*the Participant Contributions*). During 2009 and prior to the date hereof, Participant Contributions were used to subscribe for Class A Non-Voting Shares issued by the Company periodically at the then current market price, calculated as the weighted average price at which Class A Non-Voting Shares trade on the TSX during specific four-week periods. From and after March 11, 2010, the Participant Contributions will be used to purchase Class A Non-Voting Shares from time to time on the open market at the prevailing market prices. During 2009, 521,804 Class A Non-Voting Shares of the Company, representing approximately 0.7% of its currently outstanding Class A Non-Voting Shares, were issued

by the Company to employees under the SPP in consideration of the payment of Participant Contributions.

We also contribute a taxable bonus from our profits of up to 50% of the amount each Eligible Employee contributes to the SPP (*the Company Contribution*), subject to approval by the Board. Company Contributions are made to a trust established by the Company as of December 16, 1993, as amended on a number of occasions (*the EPSP*). Sun Life Financial Trust Inc. (*Sun Life*) is the administrator of the SPP and the trustee of the EPSP and is responsible for the acquisition of Class A Non-Voting Shares, in these capacities.

The Company Contribution is made on behalf of each Eligible Employee participating in the SPP (*a Participant*) and on behalf of former Participants in limited circumstances, on or before the last working day of the calendar year, generally on the condition that the Participant is still an Eligible Employee at that time. The Company Contribution is used by Sun Life to purchase Class A Non-Voting Shares on the open market in accordance with the terms of the SPP, which are then allocated to the Participants. We may, at our discretion, compensate Participants and former Participants for income tax they pay on the Company Contribution for the current year and previous year and did so in 2009.

The Class A Non-Voting Shares purchased or subscribed for by Participants with Participant Contributions vest immediately. The Class A Non-Voting Shares purchased for Participants using Company Contributions will begin to vest for each Participant after the first full year of employment and will continue to vest over the following nine years until all of the Class A Non-Voting Shares purchased with Company Contributions have become fully vested. Participants are not entitled to transfer their rights under the SPP, except pursuant to a will, the laws of descent and distribution or a court order.

Dividends paid on Class A Non-Voting Shares are reinvested in Class A Non-Voting Shares for each Participant and vest immediately under the Company's Dividend Reinvestment Plan. If the employment of a Participant is terminated, he or she can no longer participate in the SPP, is entitled to receive all vested Class A Non-Voting Shares and may request that they be sold, transferred or withdrawn by share certificate. In these circumstances, the Participant also loses all unvested Class A Non-Voting Shares that have been allocated to him or her under the SPP except where the employee has died, in which case his or her estate will also be entitled to receive unvested Class A Non-Voting Shares in the SPP.

The SPP can be amended with the approval of the Board of Directors except where shareholder approval is required by law or by a regulatory organization having jurisdiction over the Company or its securities, including a securities commission or the TSX. At a meeting held on December 10, 2009, the Board of Directors approved amendments to the SPP which, among other things, provide that the Class A Non-Voting Shares representing Participant Contributions will be purchased on the open market and not issued by the Company from treasury, specify the roles of the administrator of the SPP and the trustee of the EPSP, authorize the Board of Directors to terminate the SPP and to determine the implications of a termination, clarify certain provisions of the SPP to reflect its

operations and make a number of other house-keeping amendments.

Reserve under Deferred Profit Sharing Plan, Deferred Profit Sharing Plan for Employees of Participating Dealers and Share Purchase Plan

On May 12, 2005, the holders of Common Shares approved the issuance of an aggregate of 4,900,000 Class A Non-Voting Shares under the Company's Deferred Profit Sharing Plan, the Deferred Profit Sharing Plan for Employees of Participating Dealers and the SPP. On March 11, 2010, the Board of Directors reduced the number of Class A Non-Voting Shares

reserved for issuance under all three plans from 735,267 to 500,000 Class A Non-Voting Shares (representing approximately 0.6% of the outstanding Class A Non-Voting Shares as of March 11, 2010), to be allocated at the Board's discretion between the Deferred Profit Sharing Plan and the Deferred Profit Sharing Plan for Employees of Participating Dealers. As described under *Canadian Tire Corporation, Limited Share Purchase Plan* on page 51, from and after March 11, 2010, Class A Non-Voting Shares subscribed for under the SPP with Participant Contributions will be purchased on the open market and not issued from treasury.

Other Information

Liability Insurance for Directors and Officers

During the year ended January 2, 2010, the Company purchased liability insurance coverage of \$125 million for its directors and officers. This insurance is designed to protect them against liabilities they may face in their capacity as directors or officers of Canadian Tire.

Each loss is subject to a deductible of \$250,000 (\$500,000 deductible for securities claims brought by, or on behalf of, a shareholder of Canadian Tire). The directors' and officers' liability insurance does not cover losses arising from illegal conduct, fraud or bad faith.

We paid \$534,000 in policy premiums for the period April 4, 2009 to April 4, 2010, none of which was paid by individual directors and officers. The insurance policy does not differentiate between coverage for directors and coverage for officers, and we cannot estimate the amount of the premium that relates to the group of directors or the group of officers.

Normal Course Issuer Bid

We have adopted a policy of repurchasing sufficient Class A Non-Voting Shares to offset, over the long term, the dilutive effects of issuing Class A Non-Voting Shares under our employee and the Dealers' profit sharing plans, our stock option and share purchase arrangements and the dividend reinvestment plan. We may also purchase Class A Non-Voting Shares if the Board determines, after consideration of market conditions and our financial flexibility and investment opportunities, that a purchase of further Class A Non-Voting Shares is an appropriate means of enhancing the value of the remaining Class A Non-Voting Shares. This repurchase arrangement is called a *normal course issuer bid*.

We have filed a notice of intention with the TSX to make a normal course issuer bid to purchase up to 3.5 million Class A Non-Voting Shares between February 19, 2010 and February 18, 2011. This is less than 10% of the public float of Class A Non-Voting Shares as of February 10, 2010, as required by the TSX. Canadian Tire's Common Shares are not part of this bid.

We purchased 742,198 Class A Non-Voting Shares in 2009 under the notice of intention to make a normal course issuer bid which we filed in February 2009.

Documents You Can Request

You can ask us for a copy of the following documents at no charge:

- Notice of intention to make the 2010 Normal Course Issuer Bid

- Management's Discussion and Analysis (*MD&A*) and consolidated financial statements for the financial year ended January 2, 2010. These documents contain financial information and are included in our 2009 Annual Report
- 2010 Annual Information Form and the documents incorporated by reference.

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

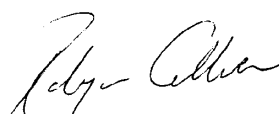
Information Available Online

The MD&A, consolidated financial statements, Annual Information Form and other additional information about the Company are also available on SEDAR at www.sedar.com.

You can also visit our website at www.corp.canadiantire.ca. Click on "Governance" of the "Investors" tab for current and past financial reports, annual information forms, management information circulars, financial news releases, stock price information, dividend payment history, as well as investor presentations and webcasts.

The contents and the sending of this management information circular have been approved by the Board of Directors of the Company.

Dated as of March 11, 2010
Toronto, Ontario



Robyn A. Collver
Secretary

Appendix A

Resolution confirming the repeal and replacement of By-Law No. 14 of Canadian Tire with By-Law No. 16

BE IT RESOLVED THAT:

1. By-Law No. 14 of Canadian Tire Corporation, Limited (*the Company*) is repealed, provided that such repeal shall not affect the operation of such by-law prior to such repeal or affect the validity of any act done, or right, privilege, obligation or liability acquired or incurred under, or the validity of any contract or agreement made pursuant to, such by-law prior to its repeal;
2. By-Law No. 16 of the Company, the full text of which is attached as Schedule 1 to this *Appendix A* to the management information circular of the Company dated March 11, 2010, being a by-law regulating the business and affairs of the Company, is confirmed as made by the board of directors of the Company; and
3. Each of the directors and officers of the Company be and is hereby authorized and directed to do all things and execute all documents necessary or desirable to give effect to the foregoing.

SCHEDULE 1

BY-LAW NO. 16

A by-law relating generally to
the conduct of the affairs of

CANADIAN TIRE CORPORATION, LIMITED

BE IT ENACTED as a by-law of CANADIAN TIRE CORPORATION, LIMITED (hereinafter called the "**Corporation**") as follows:

SECTION ONE INTERPRETATION

1.01 Definitions

In the by-laws of the Corporation, unless the context otherwise requires:

- (1) "**Act**" means the *Business Corporations Act*, R.S.O. 1990, c. B.16, as from time to time amended, and every statute that may be substituted therefor and, in the case of such substitution, any reference in the by-laws of the Corporation to provisions of the Act shall be read as references to the provisions substituted therefor in the new statute or statutes;
- (2) "**appoint**" includes "elect" and vice-versa;
- (3) "**articles**" means the articles of the Corporation as from time to time amended or restated;
- (4) "**board**" means the board of directors of the Corporation;
- (5) "**business day**" means a day other than a Saturday, Sunday or any other day on which Canadian chartered banks in Toronto, Ontario generally are closed for business;
- (6) "**by-laws**" means this by-law and all other by-laws of the Corporation from time to time in force and effect;
- (7) "**meeting of shareholders**" includes an annual meeting of shareholders and a special meeting of shareholders;
- (8) "**officers**" means the officers appointed by the board from time to time;
- (9) "**recorded address**" means in the case of a shareholder the address of the shareholder as recorded in the securities register of the Corporation; and in the case of joint shareholders means the address appearing in such securities register in respect of such joint holding or the first address so appearing if there is more than one address; and in the case of a director, officer, auditor or member of a committee of the board means the person's latest address as recorded in the records of the Corporation;
- (10) "**Regulations**" means the regulations made under the Act, as from time to time amended and every regulation that may be substituted therefor and, in the case of such substitution, any references in the by-laws of the Corporation to provisions of the Regulations shall be read as references to the substituted provisions therefor in the new regulations;
- (11) "**Securities Transfer Act**" means the *Securities Transfer Act* (Ontario) S.O. 2006, c.8., as from time to time amended, and every statute that may be substituted therefor and, in the case of such substitution, any reference in the by-laws of the Corporation to provisions of the Securities Transfer Act shall be read as references to the provisions substituted therefor in the new statute or statutes;
- (12) "**security**" means a share, stock, bond, debenture, note or warrant or another right evidencing an interest in a person and commonly known as a security;
- (13) "**security certificate**" means a document or other instrument in writing evidencing a security;
- (14) "**signing officer**" means, in relation to any instrument, any person authorized to sign the same on behalf of the Corporation by Section 2.03 or by a resolution passed pursuant thereto;
- (15) "**special meeting of shareholders**" includes a meeting of the holders of any class or classes of shares at which special business is conducted and any annual meeting of shareholders at which special business is conducted;
- (16) "**Vice-President**" includes an Executive Vice-President and a Senior Vice-President;
- (17) all terms contained in the by-laws that are not otherwise defined in the by-laws and which are defined in the Act shall have the meanings given to such terms in the Act;

- (18) the singular shall include the plural and vice-versa; the masculine shall include the feminine and neuter and vice-versa; and the word “person” shall include individuals, bodies corporate, corporations, companies, partnerships, syndicates, trusts, unincorporated organizations and any number or aggregate of persons; and
- (19) the headings used in the by-laws are inserted for reference purposes only and are not to be considered or taken into account in construing the terms or provisions thereof or to be deemed in any way to clarify, modify or explain the effect of any such terms or provisions.

1.02 Conflict with Laws

In the event of any inconsistency between the by-laws and mandatory provisions of the Act or the Securities Transfer Act, the provisions of the Act or the Securities Transfer Act, as applicable, shall prevail.

SECTION TWO BUSINESS OF THE CORPORATION

2.01 Corporate Seal

The Corporation may, but need not, have a corporate seal. The form of any corporate seal shall be adopted and may be changed by resolution of the board.

2.02 Financial Year

Until changed by the board, the financial year of the Corporation shall end on December 31 in each year if such date is a Saturday but if such date is not a Saturday shall end on the Saturday nearest to, whether before or after, December 31 in the year in question.

2.03 Execution of Instruments

Contracts, documents or instruments in writing requiring the signature of the Corporation may be signed on behalf of the Corporation by (a) any two officers of the Corporation; (b) any two directors of the Corporation, or (c) any one officer together with any one director of the Corporation; and instruments in writing so signed shall be binding upon the Corporation without any further authorization or formality. In addition, the board shall have power from time to time by resolution to appoint any officer or officers or any other person or persons on behalf of the Corporation to sign contracts, documents and instruments in writing generally or to sign specific contracts, documents or instruments in writing. The corporate seal of the Corporation may be affixed to contracts, documents or instruments in writing signed as aforesaid but any such contract, document or instrument in writing is not invalid solely because the corporate seal of the Corporation is not affixed thereto.

The term “**contracts, documents or instruments in writing**” as used in this by-law shall include deeds, mortgages, hypothecs, charges, conveyances, transfers and assignments of property, real or personal, movable or immovable, agreements, releases, receipts and discharges for the payment of money or other obligations, conveyances, transfers and assignments of securities and all paper writings.

In particular, without limiting the generality of the foregoing (a) any two officers of the Corporation; (b) any two directors of the Corporation, or (c) any one officer together with any one director of the Corporation signing together shall have authority to sell, assign, transfer, exchange, convert or convey any and all securities owned by or registered in the name of the Corporation and to sign and execute (under the corporate seal of the Corporation or otherwise) all assignments, transfers, conveyances, powers of attorney and other instruments that may be necessary for the purpose of selling, assigning, transferring, exchanging, converting or conveying any such securities.

Subject to Section 8.05, the signature of the Chairman of the Board, the President, any Vice-President, the Secretary, the Treasurer, any Assistant-Secretary, any Assistant-Treasurer, any director of the Corporation and/or any other officer or officers, person or persons, appointed as aforesaid by resolution of the board may, if specifically authorized by resolution of the board, be printed, engraved, lithographed or otherwise mechanically or electronically reproduced upon any contracts, documents or instruments in writing or on security certificates executed or issued by or on behalf of the Corporation and all contracts, documents or instruments in writing or security certificates of the Corporation on which the signature or signatures of any of the foregoing officers or directors or persons authorized as aforesaid shall be so reproduced pursuant to a specific authorization by resolution of the board, shall be deemed to have been manually signed by such officers or directors or persons whose signature or signatures is or are so reproduced and shall be as valid to all intents and purposes as if they had been signed manually and notwithstanding that the officers or directors or persons whose signature or signatures is or are so reproduced may have ceased to hold office at the date of the delivery or issue of such contracts, documents or instruments in writing or security certificates of the Corporation.

2.04 Custody of Securities

All securities owned by the Corporation shall be lodged (in the name of the Corporation or another person authorized by the Corporation) with a chartered bank or a trust company or in a safety deposit box or, if so authorized by resolution of the board, with such other depositaries or in such other manner as may be determined from time to time by resolution of the board.

All security certificates for securities owned by the Corporation may be issued or held in the name of a nominee or nominees of the Corporation (and if issued or held in the names of more than one nominee shall be held in the names of the nominees jointly with the right of survivorship) and may be endorsed in blank with endorsement guaranteed in order to enable transfer thereof to be completed and registration thereof to be effected.

2.05 Securities in other Persons

All securities of any other person carrying voting rights held from time to time by the Corporation may be voted at any and all meetings of shareholders, bondholders, debenture holders or holders of other securities of such other person by the signing officers of the Corporation. The signing officers of the Corporation may for and on behalf of the Corporation execute and deliver proxies and arrange for the issuance of voting certificates or other evidence of the right to vote at any such meeting in such names as they may determine without the necessity of a resolution or other action by the board.

SECTION THREE BORROWING AND SECURITIES

3.01 Borrowing Power

Without limiting the borrowing powers of the Corporation set forth in the Act, the board may, without authorization of the shareholders, from time to time:

- (1) borrow money upon the credit of the Corporation;
- (2) issue, reissue, sell or pledge debt obligations of the Corporation, whether secured or unsecured;
- (3) subject to the Act, give a guarantee on behalf of the Corporation to secure performance of an obligation of any person; and
- (4) charge, mortgage, hypothecate, pledge or otherwise create a security interest in all or any currently owned or subsequently acquired real or personal, movable or immovable, tangible or intangible, property of the Corporation, including book debts, rights, powers, franchises and undertaking, to secure any obligation of the Corporation.

Nothing in this section limits or restricts the borrowing of money by the Corporation on bills of exchange or promissory notes made, drawn, accepted or endorsed by or on behalf of the Corporation.

3.02 Delegation

The board may from time to time by resolution delegate to such one or more of the directors and officers of the Corporation as may be designated by the board all or any of the powers conferred on the board by Section 3.01 or by the Act to such extent and in such manner as the board shall determine at the time of each such delegation.

SECTION FOUR DIRECTORS

4.01 Action by the Board and Quorum

The board shall manage or supervise the management of the business and affairs of the Corporation. A majority of the number of directors as determined from time to time by the directors or shareholders in accordance with the Act and the articles shall form a quorum for the transaction of business at any meeting of the board and, notwithstanding any vacancy in the board, the remaining directors may exercise all the powers of the board so long as a quorum of the board remains in office. No business shall be transacted at a meeting unless a quorum of the board is present.

4.02 Qualification

No person shall be qualified for election as a director if disqualified in accordance with the Act. A director need not be a shareholder. The board shall be comprised of a percentage of Canadian residents at least equal to that prescribed from time to time by the Act.

4.03 Election and Term

The election of directors shall take place yearly at each annual meeting of shareholders and all the directors then in office shall retire but, if qualified, shall be eligible for re-election. The voting on the election of directors shall be by show of hands unless a ballot is demanded by any shareholder. If an election of directors is not held at the proper time, the incumbent directors shall continue in office until their successors are elected.

4.04 Electronic Participation

Subject to the Act, if all of the directors present at or participating in the meeting consent, a director may participate in a meeting of the board or a committee of the board by means of such telephonic, electronic or other communication facilities as permit all persons participating in the meeting to communicate with each other simultaneously and instantaneously, and a director participating in a meeting by such means shall be deemed to be present at that meeting. A consent is effective whether given before, at or after the meeting and may be given with respect to all meetings of the board and committees of the board.

4.05 Place of Meetings

Meetings of the board may be held at any place within or outside Ontario provided that in any financial year of the Corporation, a majority of the meetings of the board shall be held within Canada.

4.06 Calling of Meetings

Subject to the Act, meetings of the board shall be held from time to time on such day and at such time and at such place as the board, the Chairman of the Board, the President, any Vice-President who is a director or any two directors of the Corporation may determine and the Secretary, when directed by the board, the Chairman of the Board, the President, any Vice-President who is a director or any two directors, shall convene a meeting of the board.

4.07 Notice of Meeting

Notice of the date, time and place of each meeting of the board shall be given in the manner provided in Section 11.01 to each director not less than five days before the time when the meeting is to be held. Except where the Act requires the purpose thereof or the business to be transacted thereat to be specified in a notice of a meeting of directors, a notice of a meeting of directors need not but shall whenever possible specify the purpose of or business to be transacted at the meeting.

A director may in any manner waive notice of or otherwise consent to a meeting of the board.

4.08 First Meeting of New Board

Provided a quorum of directors is present, each newly elected board may without notice hold its first meeting if such meeting is held immediately following the meeting of shareholders at which such board is elected.

4.09 Adjourned Meeting

Notice of an adjourned meeting of the board is not required if the time and place of the adjourned meeting is announced at the original meeting.

4.10 Regular Meetings

The board may appoint a day or days in any month or months for regular meetings of the board at a place and hour to be named. A copy of any resolution of the board fixing the place and time of such regular meetings or a notice with similar information shall be sent to each director at least five days before the time at which the first meeting referred to therein is to be held and no other notice shall be required of the time and place of any such regular meeting. Except where the Act requires the purpose thereof or the business to be transacted thereat to be specified, notice of the purpose of and business to be transacted at a regular meeting need not but shall whenever possible be given as provided in Section 4.07.

4.11 Chairman

The chairman of any meeting of the board shall be the Chairman of the Board or, if the Chairman of the Board is not present, the President if the President is a director and present or, if the President is not a director or is not present, a Vice-President who is a director and is present. If no such officer is present, the directors present shall choose one of their number to be chairman.

4.12 Votes to Govern

At all meetings of the board every question shall be decided by a majority of the votes cast on the question.

4.13 Conflict of Interest

A director who is a party to a material contract or transaction or proposed material contract or transaction with the Corporation, or who is a director or officer of, or has a material interest in, any person who is a party to a material contract or transaction or proposed material contract or transaction with the Corporation, shall disclose in writing to the Corporation or request to have entered in the minutes of the meetings of the directors the nature and extent of the interest of such director, including a material change in such interest, at the time and in the manner provided by the Act. A director interested in a contract or transaction so referred to the board shall not attend any part of a meeting of the board during which the contract or transaction is discussed and shall not vote on any resolution to approve the same except as permitted by the Act. If no quorum exists for the purpose of voting on a resolution to approve a contract or transaction only because a director is not permitted to be present at the meeting by reason of this section, the remaining directors shall be deemed to constitute a quorum for the purposes of voting on the resolution. Where all of the directors are required to disclose their interests pursuant to this section, the contract or transaction may be approved only by the shareholders.

4.14 Remuneration and Expenses

The directors who are not salaried officers or employees of the Corporation or any subsidiary of the Corporation shall be paid such remuneration for their services as the board may from time to time determine. The directors shall also be entitled to be reimbursed for travelling and other expenses properly incurred by them in attending meetings of the shareholders or of the board or any committee thereof or otherwise in the performance of their duties.

SECTION FIVE COMMITTEES

5.01 Committee of Directors

The board may appoint a committee of directors, however designated, and delegate to such committee any of the powers of the board except those which pertain to items which, under the Act, a committee of directors has no authority to exercise.

5.02 Transaction of Business

The powers of any committee of the board may be exercised by a meeting at which a quorum is present or by resolution in writing signed by all members of such committee who would have been entitled to vote on the resolution at a meeting of the committee. Meetings of any committee of the board may be held at any place within or outside Ontario. Unless otherwise determined by the board, each committee shall have power to fix its quorum at not less than a majority of its members, to elect its chairman and to regulate its procedure.

5.03 Executive Committee

The directors are authorized to elect from among their number an executive committee. Any member of the executive committee may be removed or replaced at any time by the board and shall cease to be a member of the executive committee upon ceasing to be a director. The board may delegate to such executive committee any of the powers of the board except those which pertain to items which under the Act a committee of directors has no authority to exercise. The executive committee shall elect from its own number a chairman. Unless otherwise ordered by the executive committee, the Secretary of the Corporation shall be the secretary of the executive committee. The members of the executive committee shall be entitled to receive such remuneration for acting as members of the executive committee as the board of directors may from time to time determine.

SECTION SIX OFFICERS

6.01 Appointment

The board may from time to time appoint a Chairman of the Board, a President, one or more Vice-Presidents (to which title may be added words indicating seniority or function), a Secretary, a Treasurer, a Controller and such other officers as the board may determine, including one or more assistants to any of the officers so appointed. The board may specify the duties of such officers and, subject to the provisions of the Act and of the by-laws, delegate to such officers specified powers to manage the business and affairs of the Corporation. Except in the case of the Chairman of the Board who shall be a director, an officer may but

need not be a director and one person may hold more than one office. In the event of the absence or inability to act of any officer or for any other reason that the board may deem sufficient, the board may delegate all or any of the powers of such officer to any other officer or to any director. In addition to the appointment of officers, the board may make such other appointments of individuals to positions it may designate from time to time.

6.02 Chairman of the Board

The Chairman of the Board shall, when present, preside at all meetings of the board and of shareholders and shall be vested with and may exercise such powers and shall perform such other duties as may from time to time be assigned by the board. During the absence or disability of the Chairman of the Board, the duties of the Chairman of the Board shall be performed and the powers of the Chairman of the Board shall be exercised by another director appointed by the board.

6.03 President

Unless and until the board designates any other officer of the Corporation to be the Chief Executive Officer of the Corporation, the President shall be the Chief Executive Officer of the Corporation and, subject to the authority of the board, shall have responsibility for the management of the business and affairs of the Corporation and such other powers and duties as the board may specify. The President shall be vested with and may exercise all the powers and shall perform all the duties of the Chairman of the Board if none is appointed or if the Chairman of the Board is absent or unable to act.

6.04 Vice-President

Each Vice-President shall have such powers and duties as the board or the President may specify.

6.05 Secretary

The Secretary shall give or cause to be given as and when instructed, all notices to shareholders, directors, officers, auditors and members of committees of the board. The Secretary shall be the custodian of the stamp or mechanical device generally used for affixing the corporate seal of the Corporation and of all books, papers, records, documents and instruments belonging to the Corporation except when some other officer or agent has been appointed for that purpose and shall have such other powers and duties as the board may specify.

6.06 Treasurer

The Treasurer shall keep proper accounting records in compliance with the Act and, subject to any resolution of the board, shall have the care and custody of all the funds and securities of the Corporation and shall in the Treasurer's discretion deposit the same in the name of the Corporation in a bank or banks or with another depository or depositories or otherwise hold the same in safekeeping. The Treasurer shall render to the board whenever required an account of all transactions for which the Treasurer is responsible and of the financial position of the Corporation and shall have such other powers and duties as the board may specify.

6.07 Powers and Duties of Other Officers

The powers and duties of all other officers shall be such as the terms of their engagement call for or as the board may specify. Any of the powers and duties of an officer to whom an assistant has been appointed may be exercised and performed by such assistant, unless the board otherwise directs.

6.08 Variation of Powers and Duties

Subject to the provisions of the Act, the board may from time to time vary, add to or limit the powers and duties of any officer.

6.09 Term of Office

The board, in its discretion, may remove any officer of the Corporation, with or without cause. Subject to the right of the board to remove any officer, each officer appointed by the board shall hold office until the officer's successor is appointed or until the earlier of the officer's resignation or death.

6.10 Terms of Employment and Remuneration

The terms of employment and the remuneration of an officer appointed by the board shall be settled by the board from time to time. The fact that any officer or employee is a director or shareholder of the Corporation shall not disqualify the officer or employee from receiving such remuneration as an officer or employee of the Corporation.

6.11 Agents and Attorneys

The board shall have power from time to time to appoint agents or attorneys for the Corporation in or outside Canada with such powers (including the powers to subdelegate) as may be thought fit.

6.12 Conflict of Interest

An officer who is a party to, or who is a director or officer of or who has a material interest in any person who is a party to, a material contract or transaction or proposed material contract or transaction with the Corporation shall disclose such interest in accordance with Section 4.13.

SECTION SEVEN PROTECTION OF DIRECTORS, OFFICERS AND OTHERS

7.01 Submission of Contracts or Transactions to Shareholders for Approval

The board in its discretion may submit any contract, act or transaction for approval, ratification or confirmation at any meeting of shareholders called for the purpose of considering the same and any contract, act or transaction that shall be approved, ratified or confirmed by a resolution passed by a majority of the votes cast at any such meeting (unless any different or additional requirement is imposed by the Act or by the Corporation's articles or any other by-law) shall be as valid and as binding upon the Corporation and upon all the shareholders as though it had been approved, ratified or confirmed by every shareholder of the Corporation.

7.02 For the Protection of Directors and Officers

Subject to the Act and Sections 4.13 and 6.12 hereof, in supplement of and not by way of limitation upon any rights conferred upon directors and officers by the provisions of the Act, it is declared that no director or officer shall be disqualified by office from, or vacate the office of director or officer by reason of, holding any office with or place of profit under the Corporation or under any body corporate in which the Corporation shall be a shareholder or by reason of being otherwise in any way directly or indirectly interested in or contracting with the Corporation or any such body corporate as vendor, purchaser or otherwise or being concerned in any contract or arrangement made or proposed to be entered into with the Corporation or any such body corporate in which the officer or director is in any way directly or indirectly interested as vendor, purchaser or otherwise nor shall any director or officer be liable to account to the Corporation or any of its shareholders or creditors for any profit arising from any such office or place of profit. Subject to the provisions of the Act and Sections 4.13 and 6.12 hereof, no contract or arrangement entered into by or on behalf of the Corporation in which any director or officer shall be in any way directly or indirectly interested shall be avoided or voidable and no director or officer shall be liable to account to the Corporation or any of its shareholders or creditors for any profit realized by or from any such contract or arrangement by reason of the fiduciary relationship of such director or officer with the Corporation. Subject to the provisions of the Act and Sections 4.13 and 6.12 hereof, no director or officer shall be obliged to make any declaration of interest or refrain from voting in respect of a contract or proposed contract with the Corporation in which such director or officer is in any way directly or indirectly interested.

7.03 Limitation of Liability

Except as otherwise provided in the Act, no director or officer of the Corporation shall be liable for the acts, receipts, neglects or defaults of any other director or officer or employee or for joining in any receipt or act for conformity or for any loss, damage or expense incurred by the Corporation through the insufficiency or deficiency of title to any property acquired by the Corporation or for or on behalf of the Corporation or for the insufficiency or deficiency of any security in or upon which any of the moneys of or belonging to the Corporation shall be placed out or invested or for any loss or damage arising from the bankruptcy, insolvency or tortious act of any persons including any person with whom or which any moneys, securities or effects shall be lodged or deposited for any loss, conversion, misapplication or misappropriation of or any damage resulting from any dealings with any moneys, securities or other assets belonging to the Corporation or for any other loss, damage or misfortune whatever which may happen in the execution of the duties of such director or officer or in relation thereto unless the same shall happen by or through a failure to exercise the powers and to discharge the duties of the office of director or officer honestly, in good faith and in the best interests of the Corporation and in connection therewith to exercise the degree of care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances. The directors for the time being of the Corporation shall not be under any duty or responsibility in respect of any contract, act or transaction whether or not made, done or entered into in the name of or on behalf of the Corporation, except such as shall have been submitted to and authorized or approved by the board. If any director or officer of the Corporation shall be employed by or shall perform services for the Corporation otherwise than as a director or officer or shall be a member of a firm or a shareholder, director or officer of a company which is employed by or performs services for the Corporation, the fact that the person is a director or officer of the Corporation shall not disentitle such director or officer or such firm or company, as the case may be, from receiving proper remuneration for such services.

7.04 Indemnity

Subject to the limitations contained in the Act, the Corporation shall indemnify a director or officer, a former director or officer, or another individual who acts or acted at the Corporation's request as a director or officer, or an individual acting in a similar capacity, of another person, and the heirs and legal representatives of each such person, against all costs, charges and expenses, including an amount paid to settle an action or satisfy a judgment, reasonably incurred by the individual in respect of any civil, criminal, administrative, investigative or other action or proceeding in which the individual is involved because of that association with the Corporation or other person, if:

- (1) the individual acted honestly and in good faith with a view to the best interests of the Corporation or, as the case may be, to the best interests of the other entity for which the individual acted as a director or officer or in a similar capacity at the Corporation's request;
- (2) in the case of a criminal or administrative action or proceeding that is enforced by a monetary penalty, the individual had reasonable grounds for believing that the individual's conduct was lawful; and
- (3) a court or other competent authority has not judged that the individual has committed any fault or omitted to do anything that the individual ought to have done.

The Corporation shall also indemnify each such person in such other circumstances as the Act permits or requires. Nothing in this by-law shall limit the right of any individual entitled to indemnity to claim indemnity apart from the provisions of this by-law.

7.05 Insurance

The Corporation may purchase and maintain insurance for the benefit of any person referred to in Section 7.04 against such liabilities and in such amounts as the board may from time to time determine and are permitted by the Act.

SECTION EIGHT SHARES AND OTHER SECURITIES

8.01 Allotment

The board may from time to time allot or grant options to purchase any authorized and unissued shares of the Corporation at such times, to such persons and for such consideration as the board shall determine, provided that no share shall be issued until it is fully paid as provided by the Act. Shares may be issued as uncertificated securities or be represented by share certificates in accordance with the provisions of the Act and the Securities Transfer Act.

8.02 Registration of Transfers

All transfers of securities of the Corporation shall be made in accordance with the Act and the *Securities Transfer Act*. Subject to the provisions of the Act and the Securities Transfer Act, no transfer of securities represented by a security certificate shall be registered in a securities register except upon presentation of the certificate representing such securities with an endorsement which complies with the Act and the *Securities Transfer Act* made thereon or delivered therewith duly executed by an appropriate person as provided by the Act and the *Securities Transfer Act*, together with such reasonable assurance that the endorsement is genuine and effective as the board may from time to time prescribe, and only upon payment of all applicable taxes and any fees prescribed by the board and compliance with such restrictions on transfer as are authorized by the articles.

8.03 Transfer Agents and Registrars

The board may from time to time appoint one or more agents to maintain, in respect of each class of securities of the Corporation issued by it in registered form, a securities register and one or more branch securities registers. Such a person may be designated as transfer agent and registrar according to the person's functions and one person may be designated as both registrar and transfer agent. The board may at any time terminate such appointment.

8.04 Non-recognition of Trusts

Subject to the provisions of the Act and the Securities Transfer Act, the Corporation may treat as absolute owner of any security of the Corporation the person in whose name the security is registered in the securities register as if that person had full legal capacity and authority to exercise all rights of ownership, irrespective of any indication to the contrary through knowledge or notice or description in the Corporation's records or on the security certificate.

8.05 Share Certificates and Written Evidence of Ownership

Every holder of one or more shares of the Corporation that are certificated securities under the Act shall be entitled, at the shareholder's option, to a share certificate, or to a non-transferable written acknowledgement of the shareholder's right to obtain a share certificate, stating the number and class or series of shares held by the shareholder as shown on the share register. Share certificates and acknowledgements of a shareholder's right to a share certificate, respectively, shall be in such form as the board shall from time to time approve. Any share certificate shall be signed in accordance with Section 2.03 and need not be under the corporate seal; provided that, unless the board otherwise determines, certificates representing shares in respect of which a transfer agent and/or registrar has been appointed shall not be valid unless countersigned by or on behalf of such transfer agent and/or registrar. The signature of one of the signing officers or, in the case of share certificates which are not valid unless countersigned by or on behalf of a transfer agent and/or registrar, the signatures of both signing officers, may be printed or mechanically reproduced in facsimile upon share certificates and every such facsimile signature shall for all purposes be deemed to be the signature of the officer whose signature it reproduces and shall be binding upon the Corporation. A share certificate executed as aforesaid shall be valid notwithstanding that one or both of the officers whose facsimile signature appears thereon no longer holds office at the date of issue of the certificate.

8.06 Replacement of Share Certificates

The board or any officer or agent designated by the board may in the discretion of the board or such officer or agent direct the issue of a new share certificate in lieu of and upon cancellation of a share certificate that has been mutilated or in substitution for a share certificate claimed to have been lost, destroyed or wrongfully taken on payment of such fee and on such terms as to indemnity, reimbursement of expenses and evidence of loss and of title as the board may from time to time prescribe, whether generally or in any particular case.

8.07 Uncertificated Securities

Holders of uncertificated securities of the Corporation shall be entitled to receive written notice or other documentation evidencing their ownership interest, as provided by the Act.

8.08 Joint Securityholders

If two or more persons are registered as joint holders of any securities of the Corporation, the Corporation shall not be bound to issue more than one security certificate in respect thereof, and delivery of a security certificate representing securities held by any such joint holder to any one of such persons shall be sufficient delivery to all of them. Any one of such persons may give effectual receipts for the security certificate issued in respect thereof or for any dividend, bonus, return of capital or other money or consideration payable or in respect of such securities.

8.09 Deceased Securityholder

In the event of the death of a holder, or of one of the joint holders, of any security of the Corporation, the Corporation shall not be required to make any entry in the securities register in respect thereof or to make payment of any dividend, bonus, return of capital or other money or consideration thereon except upon production of all such documents as may be required by law and upon compliance with the reasonable requirements of the Corporation and its transfer agents.

SECTION NINE DIVIDENDS

9.01 Dividends

Subject to the provisions of the Act, the board may from time to time declare dividends payable to the shareholders according to their respective rights and interests in the Corporation. Dividends may be paid in money or property or by issuing fully paid shares of the Corporation.

9.02 Dividend Cheques

A dividend payable in cash shall be paid either electronically by direct deposit or by cheque drawn on the Corporation's bankers or one of them to the order of each registered holder of shares of the class or series in respect of which it has been declared and, if paid by cheque, mailed by prepaid ordinary mail to such registered holder at the recorded address of such holder, unless such holder otherwise directs. In the case of joint holders any cheque issued shall, unless such joint holders otherwise direct, be made payable to the order of all of such joint holders and mailed to them at their recorded address. The mailing of such cheque as set out in this section, unless the same is not paid on due presentation, shall satisfy and discharge the

liability for the dividend to the extent of the sum represented thereby plus the amount of any tax which the Corporation is required to and does withhold.

9.03 Non-receipt of Cheques

In the event of non-receipt of any dividend cheque by the person to whom it is sent as set out in Section 9.02, the Corporation shall issue to such person a replacement cheque for a like amount on such terms as to indemnity, reimbursement of expenses and evidence of non-receipt and of title as the Corporation may from time to time prescribe, whether generally or in any particular case.

9.04 Record Date for Dividends and Rights

The board may fix in advance a date, preceding by not more than 50 days the date for the payment of any dividend or the date for the issue of any warrant or other evidence of the right to subscribe for securities of the Corporation, as a record date for the determination of the persons entitled to receive payment of such dividend or to exercise the right to subscribe for such securities, and notice of any such record date shall be given not less than seven days before such record date in the manner provided by the Act. If no record date is so fixed, the record date for the determination of the persons entitled to receive payment of any dividend or to exercise the right to subscribe for securities of the Corporation shall be at the close of business on the business day on which the resolution relating to such dividend or right to subscribe is passed by the board.

9.05 Unclaimed Dividends

Any dividend unclaimed after a period of six years from the date on which the same has been declared to be payable shall be forfeited and shall revert to the Corporation, except as otherwise required by law.

SECTION TEN MEETINGS OF SHAREHOLDERS

10.01 Annual Meetings

The annual meeting of shareholders shall be held, subject to the Act, at such time in each year and at such place as the board, the Chairman of the Board or the President may from time to time determine, for the purpose of considering the financial statements and reports required by the Act to be placed before the annual meeting, electing directors, appointing an auditor and for the transaction of such other business as may properly be brought before the meeting.

10.02 Special Meetings

The board, the Chairman of the Board or the President shall have the power to call a special meeting of shareholders at any time.

10.03 Place of Meetings

Subject to the Corporation's articles, a meeting of shareholders of the Corporation shall be held at such place in or outside of Ontario as the board may determine or, in the absence of such a determination, at the place where the registered office of the Corporation is located. If, pursuant to Section 10.07, the Corporation makes available a telephonic, electronic or other communication facility that permits all participants of a shareholders meeting to communicate with each other simultaneously and instantaneously during the meeting and otherwise complies with the Act, any person entitled to attend such meeting may participate by means of such communication facility in the manner prescribed by the Act, and any person participating in the meeting by such means is deemed to be present at the meeting for the purposes of the Act and the by-laws.

10.04 Notice of Meetings

Notice of the time and place of each meeting of shareholders shall be given in the manner set forth in Section 11.01 not less than 21 days nor more than 50 days before the date of the meeting to each director, to the auditor and to each shareholder who at the close of business on the record date for notice is entered in the securities register as the holder of one or more shares carrying the right to vote at the meeting. A shareholder and any other person entitled to attend a meeting of shareholders may in any manner waive notice of or otherwise consent to a meeting of shareholders.

10.05 List of Shareholders Entitled to Notice

For every meeting of shareholders, the Corporation shall prepare a list of shareholders entitled to receive notice of the meeting, arranged in alphabetical order and showing the number of shares held by each shareholder entitled to vote at the

meeting. If a record date for the meeting is fixed pursuant to Section 10.06, the shareholders listed shall be those registered at the close of business on such record date. If no record date is fixed, the shareholders listed shall be those registered at the close of business on the business day immediately preceding the day on which notice of the meeting is given. The list shall be available for examination by any shareholder during usual business hours at the registered office of the Corporation, or at the place where the central securities register is maintained and at the meeting of shareholders for which the list was prepared.

10.06 Record Date for Notice

The board may fix in advance a date, preceding the date of any meeting of shareholders by not more than 60 days and not less than 30 days (or pursuant to the time limitations as may be prescribed by the Act from time to time), as a record date for the determination of the shareholders entitled to receive notice of the meeting, provided that notice of any such record date shall be given not less than seven days before such record date by newspaper advertisement in the manner provided in the Act and, if any shares of the Corporation are listed for trading on a stock exchange in Canada, by written notice to each such stock exchange. If no record date is so fixed, the record date for the determination of the shareholders entitled to receive notice of the meeting shall be at the close of business on the business day immediately preceding the day on which the notice is given.

10.07 Meetings Held by Electronic Means

If the directors or shareholders of the Corporation call a meeting of shareholders pursuant to the Act, the directors may determine that the meeting shall be held, in accordance with the Act, entirely by means of a telephonic, electronic or other communication facility that permits all participants to communicate with each other simultaneously and instantaneously during the meeting.

10.08 Chairman, Secretary and Scrutineers

The chairman of any meeting of shareholders shall be the Chairman of the Board or, if the Chairman of the Board is not present within 15 minutes from the time fixed for holding the meeting, the President or, if the President is not present within such time period, the persons present and entitled to vote shall choose one of their number to be chairman. If the Secretary of the Corporation is absent, the chairman shall appoint some person, who need not be a shareholder, to act as secretary of the meeting. If desired, one or more scrutineers, who need not be shareholders, may be appointed by a resolution or by the chairman with the consent of the meeting.

10.09 Persons Entitled to be Present

The only persons entitled to be present at a meeting of shareholders shall be those entitled to vote thereat, the directors and the auditor of the Corporation and others who, although not entitled to vote are entitled or required under any provision of the Act or the articles or the by-laws to be present at the meeting. Any other person may be admitted only on the invitation of the chairman of the meeting or with the consent of the meeting.

10.10 Quorum

Two persons present in person, each being a shareholder entitled to vote at the meeting or a duly appointed proxyholder for an absent shareholder entitled to vote at the meeting, shall be a quorum at any meeting of shareholders for the purpose of choosing a chairman of the meeting and the adjournment of the meeting; for all other purposes unless a greater number of persons is required to be present or a greater number of shares is required to be represented at the meeting by the Act or the articles or any other by-law a quorum at:

- (1) any meeting of holders of common shares shall be not less than two persons present in person, each being a shareholder entitled to vote at the meeting or a duly appointed proxyholder for an absent shareholder entitled to vote at the meeting, who hold or represent by proxy not less than 50% of the total number of issued common shares of the Corporation; and
- (2) any meeting of any other class of shares of the Corporation shall be not less than two persons present in person, each being a shareholder entitled to vote at the meeting or a duly appointed proxyholder for an absent shareholder entitled to vote at the meeting, who hold or represent by proxy not less than 25% of the total number of issued shares of the Corporation of the class in question enjoying voting rights at such meeting.

If at any meeting, the requisite quorum is not present within half an hour after the time appointed for the meeting, then the meeting shall be adjourned to such date not being less than 10 days later and to such time and place as may be announced by the chairman at the meeting or thereafter by the Secretary of the Corporation, and, subject to the Act, it shall not be necessary to give notice of the adjourned meeting. At such adjourned meeting the persons present at such meeting, provided that there are at least two such persons present in person, each being a shareholder entitled to vote at the meeting or a duly appointed proxyholder for an absent shareholder entitled to vote at the meeting, shall be a quorum for the transaction of the business for which the meeting was originally called.

10.11 Right to Vote

The persons entitled to vote at any meeting of shareholders shall be the persons entitled to vote in accordance with the Act and the articles.

10.12 Joint Shareholders

If two or more persons hold shares jointly, any one of them present in person or represented by proxy at a meeting of shareholders may, in the absence of the other or others, vote the shares; but if two or more of those persons are present in person or represented by proxy and vote, they shall vote as one the shares jointly held by them.

10.13 Votes to Govern

At any meeting of shareholders every question shall, unless otherwise required by the articles, by-laws or the Act, be determined by a majority of the votes cast on the question.

10.14 Show of Hands

Subject to the provisions of the Act, any question at a meeting of shareholders shall be decided by a show of hands, which may include such other indication of a vote made by means of the telephonic, electronic or other communication facility, if any, made available by the Corporation for that purpose (subject to Section 10.07), unless a ballot thereon is required or demanded as hereinafter provided. Upon a show of hands, every person who is present in person or participating by means of any telephonic, electronic or other communication facility that the Corporation has made available for such purpose, and entitled to vote shall have one vote. Whenever a vote by show of hands shall have been taken upon a question, unless a ballot thereon is so required or demanded, subject to the Act, a declaration by the chairman of the meeting that the vote upon the question has been carried or carried by a particular majority or not carried and an entry to that effect in the minutes of the meeting shall be prima facie evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against any resolution or other proceeding in respect of the said question, and the result of the vote so taken shall be the decision of the shareholders upon the said question. For the purpose of this section, if at any meeting the Corporation has made available to shareholders the means to vote electronically, any vote made electronically shall be included in tallying any votes by show of hands.

10.15 Ballots

On any question proposed for consideration at a meeting of shareholders, and whether or not a vote by show of hands has been taken thereon, any shareholder or proxyholder entitled to vote at the meeting or the chairman of the meeting may require or demand a ballot. A ballot so required or demanded shall be taken in such manner as the chairman shall direct. A requirement or demand for a ballot may be withdrawn at any time prior to the taking of the ballot. If a ballot is taken each person present shall be entitled, in respect of the shares which the person is entitled to vote at the meeting upon the question, to that number of votes provided by the Act or the articles, and the result of the ballot so taken shall be the decision of the shareholders upon the said question.

SECTION ELEVEN NOTICES

11.01 Method of Giving Notices

Any notice (which term includes any communication or document) to be given (which term includes sent, delivered or served) pursuant to the Act (including the Regulations), the articles, the by-laws or otherwise to a shareholder, director, officer, auditor or member of a committee of the board shall be sufficiently given if: delivered personally to the person to whom it is to be given; delivered to the recorded address of the person; mailed to the person's recorded address by prepaid or ordinary or air mail; sent to the person's recorded address by any means of prepaid transmitted or recorded communication; or an electronic document is provided in accordance with Section Twelve of this by-law.

A notice delivered as set out in this section is deemed to have been given when it is delivered personally or to the recorded address; a notice mailed as set out in this section shall be deemed to have been given when deposited in a post office or public letter box and shall be deemed to have been received on the fifth day after so depositing; a notice sent by means of transmitted or recorded communication as set out in this section is deemed to have been dispatched or delivered to the appropriate communication company or agency or its representative for dispatch; and a notice sent by electronic means as set out in this section and Section Twelve shall be deemed to have been given upon receipt of reasonable confirmation of transmission to the designated information system indicated by the person entitled to receive such notice. The Secretary or Assistant Secretary may change or cause to be changed the recorded address of any shareholder, director, officer, auditor or member of a committee of the board in accordance with any information believed by the Secretary or Assistant Secretary to be reliable.

11.02 Signature on Notices

The signature of any director or officer of the Corporation on any notice or document to be given by the Corporation may be written, stamped, mechanically reproduced or electronically reproduced in whole or in part.

11.03 Proof of Service

With respect to every notice sent by post it is sufficient to prove that the envelope or wrapper containing the notice or other document was properly addressed as provided in this by-law and put into a post office or into a letter box. With respect to every notice or other document sent as an electronic document it is sufficient to prove that the electronic document was properly addressed to the designated information system as provided in this by-law and sent by electronic means. A certificate of the Chairman of the Board, the President, a Vice-President, the Secretary or the Treasurer or of any other officer of the Corporation in office at the time of the making of the certificate or of a transfer officer of any transfer agent or branch transfer agent of shares of any class of the Corporation as to the facts in relation to the mailing or delivery of any notice or other document to any shareholder, director, officer, auditor or member of a committee of the board or publication of any notice or other document shall be conclusive evidence thereof and shall be binding on every shareholder, director, officer, auditor or member of a committee of the board as the case may be.

11.04 Notice to Joint Shareholders

All notices with respect to shares registered in more than one name shall, if more than one address appears on the records of the Corporation in respect of such joint holdings, be given to all of such joint shareholders at the first address so appearing, and notice so given shall be sufficient notice to the holders of such shares.

11.05 Computation of Time

In computing the date when notice must be given under any provision requiring a specified number of days notice of any meeting or other event both the date of giving the notice and the date of the meeting or other event shall be excluded.

11.06 Undelivered Notices

If any notice given to a shareholder pursuant to Section 11.01 is returned on three consecutive occasions because the shareholder cannot be found, the Corporation shall not be required to give any further notices to such shareholder until the shareholder informs the Corporation in writing of the shareholder's new address.

11.07 Omissions and Errors

The accidental omission to give any notice to any shareholder, director, officer, auditor or member of a committee of the board or the non-receipt of any notice by any such person or any error in any notice not affecting the substance thereof shall not invalidate any action taken at any meeting held pursuant to such notice or otherwise founded thereon.

11.08 Deceased Shareholders

Any notice or other document given (pursuant to Section 11.01) to the address of any shareholder as the same appears in the records of the Corporation shall, notwithstanding that such shareholder is then deceased, and whether or not the Corporation has notice of the death of such shareholder, be deemed to have been duly served in respect of the shares held by such shareholder (whether held solely or with any person or persons) until some other person is entered in such shareholder's stead in the records of the Corporation as the holder or one of the holders thereof and such service shall for all purposes be deemed a sufficient service of such notice or document on such shareholder's heirs, executors or administrators and on all persons, if any, interested with such shareholder in such shares.

11.09 Persons Entitled by Death or Operation of Law

Every person who, by operation of law, transfer, death of a shareholder or any other means whatsoever, shall become entitled to any share, shall be bound by every notice in respect of such share which shall have been duly given to the shareholder from whom the person derives title to such share prior to the person's name and address being entered on the securities register (whether such notice was given before or after the happening of the event upon which the person became so entitled) and prior to the furnishing by such person to the Corporation of the proof of authority or evidence of the person's entitlement prescribed by the Act.

11.10 Waiver of Notice

Any shareholder (or the shareholder's duly appointed proxyholder), director, officer, auditor or member of a committee of the board may at any time waive any notice, or waive or abridge the time for any notice, required to be given to the shareholder, director, officer, auditor or member of a committee of the board under any provision of the Act (including the Regulations), the articles, the by-laws or otherwise and such waiver or abridgement, whether given before or after the meeting or other event of which notice is required to be given, shall cure any default in the giving or in the time of such notice, as the case may be. Any such waiver or abridgement shall be in writing except a waiver of notice of a meeting of shareholders or of the board or of a committee of the board which may be given in any manner.

SECTION TWELVE ELECTRONIC DOCUMENTS

12.01 Creation and Provision of Information

Unless the articles provide otherwise, and subject to and in accordance with the Act, the Corporation may satisfy any requirement of the Act to create or provide a notice, document or other information to any person by the creation, and provision, of an electronic document. Except as provided in the Act, "electronic document" means any form of representation of information or of concepts fixed in any medium in or by electronic, optical or other similar means that can be read or perceived by an individual and that complies with the *Electronic Commerce Act, 2000*, S.O. 2000, c. 17, as from time to time amended, and every statute that may be substituted therefor.

SECTION THIRTEEN EFFECTIVE DATE

13.01 Effective Date

This by-law shall come into force upon being confirmed, with or without variation, by a majority of the votes cast at a meeting of the shareholders of the Corporation who are entitled to vote thereon duly called for the purpose of considering the same.

13.02 Repeal of By-Laws

Upon this by-law coming into force, By-law No. 14 of the Corporation is hereby repealed provided that such repeal shall not affect the previous operation of such by-law so repealed or affect the validity of any act done or right, privilege, obligation or liability acquired or incurred under or the validity of any contract or agreement made pursuant to such by-law prior to its repeal. All officers and persons acting under the repealed by-law shall continue to act as if appointed under the provisions of this by-law and all resolutions of the shareholders or board with continuing effect passed under the repealed by-law shall continue to be good and valid except to the extent inconsistent with this by-law and until amended or repealed.

ENACTED this 11th day of March, 2010.

WITNESS the seal of the Corporation.

"Stephen G. Wetmore"

President

"Robyn A. Collver"

Secretary

Appendix B

Resolution confirming the amendment and restatement of Canadian Tire's Stock Option Plan and grant of options

BE IT RESOLVED THAT:

1. the amendment and restatement of the Stock Option Plan (*the Stock Option Plan*) by the Board of Directors of Canadian Tire Corporation, Limited (*the Company*) to reflect the changes set out in the amended and restated stock option plan attached as Schedule 1 (*the Amended and Restated Stock Option Plan*) to this *Appendix B* to the management information circular of the Company dated March 11, 2010 including, but not limited to:
 - (a) establishing an aggregate maximum of 3,400,000 Class A Non-Voting Shares issuable from time to time under the Amended and Restated Stock Option Plan, including the Class A Non-Voting Shares issuable in connection with the Conditionally Issued Options (as hereinafter defined); and
 - (b) amending the amending provisions in subparagraph 7(b)(i) of the Amended and Restated Stock Option Plan;are hereby ratified, confirmed and approved;
2. all issued and outstanding stock options previously granted under the Stock Option Plan are hereby continued under and governed by the Amended and Restated Stock Option Plan, and are hereby ratified, confirmed and approved;
3. the stock options conditionally granted under the Stock Option Plan by the Management Resources and Compensation Committee of Board of Directors of the Company on March 9, 2010 to purchase 571,119 Class A Non-Voting Shares (*the Conditionally Issued Options*) are hereby ratified, confirmed and approved, and are hereby continued under and governed by the Amended and Restated Stock Option Plan; and
4. each of the directors and officers of the Company be and is hereby authorized and directed to do all things and execute all documents necessary or desirable to give effect to the foregoing.

SCHEDULE 1

CANADIAN TIRE CORPORATION, LIMITED AMENDED AND RESTATED STOCK OPTION PLAN

WHEREAS the Corporation is desirous of establishing a stock option plan for the purpose of rewarding certain officers and employees of the Corporation and for the purpose of encouraging such officers and employees to participate in the future growth, development and success of the Corporation's enterprises through ownership of shares of the Corporation;

AND WHEREAS the Corporation is empowered to establish a stock option plan and has taken all necessary steps and procedures to authorize the establishment of the Plan, subject to the approvals hereinafter referred to;

NOW THEREFORE THIS INSTRUMENT WITNESSETH AS FOLLOWS:

1. In this Plan, unless there is something in the subject matter or context inconsistent therewith,
 - (a) "**Act**" means the *Business Corporations Act* (Ontario);
 - (b) "**Black Out Expiration Term**" means the 10 business day period commencing immediately after the expiration of a Black Out Period;
 - (c) "**Black Out Period**" means a period of time self-imposed by the Corporation during which trading in securities of the Corporation by certain Employees of the Corporation is not permitted;
 - (d) "**Class A Non-Voting Shares**" means the Class A Non-Voting Shares in the capital of the Corporation;
 - (e) "**Corporation**" means Canadian Tire Corporation, Limited, a company incorporated under the laws of the Province of Ontario, with its registered office in the City of Toronto, in the said Province, and includes any successor of such company;
 - (f) "**Employee**" means a person employed on a full or part time basis by the Corporation or a Subsidiary;
 - (g) "**Exchange**" means the TSX and any other stock exchange that the shares of the Corporation are listed on from time to time;
 - (h) "**Insider of the Corporation**" means a person who is subject to the insider reporting requirements under National Instrument 55-101 – *Insider Reporting Exemptions*;
 - (i) "**Insider Participation Limit**" has the meaning ascribed thereto in paragraph 5;
 - (j) "**Market Price**" means the weighted average price at which Class A Non-Voting Shares of the Corporation trade on the TSX during the ten day period prior to and including the last business day before the date of determination of such price;
 - (k) "**Option**" means a right provided in accordance with the Plan pursuant to which an Employee is entitled to subscribe for any unissued Class A Non-Voting Shares;
 - (l) "**Option Agreement**" means an agreement between the Corporation and an Employee pursuant to which an Option is granted;
 - (m) "**Optionee**" means an Employee or former Employee who has been granted an Option pursuant to an Option Agreement;
 - (n) "**Plan**" means the Stock Option Plan set out herein, as amended, and includes any and every instrument supplemental or ancillary hereto;
 - (o) "**Security Based Compensation Arrangements**" has the meaning ascribed thereto in subsection 613(b) of the TSX Company Manual, as such definition is amended from time to time;
 - (p) "**Subsidiary**" means a subsidiary of the Corporation as defined in the Act;
 - (q) "**TSX**" means the Toronto Stock Exchange;
 - (r) "**Voting Shares**" means any shares of the Corporation carrying voting rights under all circumstances or under some circumstances that have occurred and are continuing;
 - (s) words importing the singular number shall include the plural and vice versa and words importing the masculine gender shall include the feminine gender and neuter and vice versa and words importing persons shall include firms, corporations and other legal entities and vice versa; and

- (t) the Plan shall be governed by and construed in accordance with the laws of the Province of Ontario and the federal laws of Canada applicable therein.
2. Subject to paragraphs 5 and 6, the Board of Directors of the Corporation may from time to time authorize the granting of Options to Employees in accordance with the terms of the Plan with respect to such aggregate number of Class A Non-Voting Shares as may be approved by them, provided that the maximum number of Class A Non-Voting Shares issuable pursuant to the Plan from and after March 8, 2007 ~~11, 2010~~ shall not exceed ~~2,545,314~~ 3,400,000 Class A Non-Voting Shares (excluding any Class A Non-Voting Shares surrendered pursuant to the terms of an Option Agreement), and further provided that the percentage of Class A Non-Voting Shares subject to an Option in favour of any one Employee shall not exceed five per cent of the number of issued and outstanding Class A Non-Voting Shares from time to time. For purposes of this paragraph 2 and paragraph 5, the number of Class A Non-Voting Shares then outstanding shall mean the number of Class A Non-Voting Shares outstanding on a non-diluted basis immediately prior to the proposed grant of the applicable Option.
3. The option price per Class A Non-Voting Share shall be determined from time to time by the Board of Directors of the Corporation but shall not, in relation to any Option, be less than the Market Price of the Class A Non-Voting Shares on the date on which such Option is granted.
4. Option Agreements shall be entered into with each Optionee and shall specify the terms upon which Options are granted and the time and manner of exercise of Options granted pursuant thereto, consistent with the terms of the Plan, provided that:
- (a) no Option shall extend for a period of more than ten years from the date upon which it is granted except where permitted by paragraph 4(l);
 - (b) the option price for all Class A Non-Voting Shares taken up on the exercise of each Option shall be paid in full at the time of such exercise;
 - (c) no Optionee shall have any rights as a shareholder of the Corporation in respect of the Class A Non-Voting Shares subject to any Option until such shares have been taken up, paid for in full and issued;
 - (d) Class A Non-Voting Shares not taken up and paid for under any Option prior to the expiry or earlier termination thereof may again be optioned pursuant to the Plan;
 - (e) the time or times during which Options may be exercised may be limited from time to time by the Board of Directors of the Corporation for particular Optionees, any group or groups of Optionees or for Optionees generally and such limitations may apply to any or all Class A Non-Voting Shares subject to an Option, notwithstanding any other term of this Plan;
 - (f) Options may only be exercised by the Optionee or by his or her legal personal representatives;
 - (g) in the event an Optionee becomes incapacitated to the extent of being unable to perform his or her duties with the Corporation or a Subsidiary, the Option may be exercised by the Optionee or his or her legal personal representatives, (A) as to any or all of the optioned shares in respect of which such Option has not then been exercised, (B) up to and including (but not after) the earlier of the expiration of the Option and the date three years following the date on which the Optionee ceases to be employed by the Corporation or a Subsidiary;
 - (h) in the event of the death of the Optionee, the Option may be exercised by the Optionee's legal personal representatives, (A) as to any or all of the optioned shares in respect of which such Option has not then been exercised, (B) up to and including (but not after) the earlier of the expiration of the Option and the date three years following the date of death of the Optionee;
 - (i) in the event an Optionee retires after having attained the age of sixty years, the Option may be exercised by the Optionee or his or her legal personal representatives as specified in the applicable Option Agreement;
 - (j) in the event an Optionee retires to become a Canadian Tire Associate Dealer, the Option may be exercised by the Optionee or his or her legal personal representatives, (A) as to any or all of the optioned shares in respect of which such Option is exercisable at the date of retirement, (B) up to and including (but not after) the earlier of the expiration of the Option and the date one year following the date of such retirement;
 - (k) in the event an Optionee ceases to be employed by the Corporation or a Subsidiary for any reason other than as set out in subparagraphs 4(g), (h), (i) or (j), the Option may be exercised by the Optionee or his or her legal personal representatives, (A) as to any or all of the optioned shares in respect of which such Option is exercisable at the date the Optionee ceases to be employed by the Corporation or a Subsidiary, (B) up to and including (but not after) the earlier of the expiration of the Option and the date thirty days following the date on which the Optionee ceases to be so employed; and
 - (l) in the event the time or times during which Options may be exercised by Optionees are restricted due to a Black Out Period (Class A Non-Voting Shares pursuant to such Options cannot be traded during a Black Out Period), such time

shall be extended by the Corporation (without the approval of the Board of Directors) for the Black Out Expiration Term. For greater certainty, in the event the time or times during which Options may be exercised by Optionees expires 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.

5. (a) No Class A Non-Voting Shares will be reserved for issuance pursuant to the Plan if the number of Class A Non-Voting Shares reserved for issuance pursuant to the Plan, together with Class A Non-Voting Shares reserved (and unissued) pursuant to all of the Corporation's previously established or proposed Security Based Compensation Arrangements, could result, at any time, in the issuance, within a one-year period, of a number of Class A Non-Voting Shares exceeding ten percent of the outstanding issue.
- (b) The maximum number of Class A Non-Voting Shares (A) issuable to Insiders of the Corporation, at any time, pursuant to this Plan and any other Security Based Compensation Arrangements of the Corporation is 10% of the total number of Class A Non-Voting Shares then outstanding; and (B) which may be issued to Insiders of the Corporation, within any one year period, pursuant to this Plan and any other Security Based Compensation Arrangements of the Corporation is 10% of the total number of Class A Non-Voting Shares then outstanding. The restrictions on the number of Class A Non-Voting Shares issuable and which may be issued to Insiders of the Corporation under this subparagraph 5(b) shall be referred to as the "**Insider Participation Limit**".
6. Appropriate adjustments in the number of Class A Non-Voting Shares in respect of which Options may be granted under the Plan and in the number of Class A Non-Voting Shares and the price per share stipulated in any Option Agreement may be made by the Board of Directors of the Corporation in the Option Agreement, by board resolution or otherwise, to give effect to alterations in the number or class of or change in the shares of the Corporation resulting from any subdivision, consolidation or reclassification of, or other change in, the Class A Non-Voting Shares of the Corporation or the amalgamation, consolidation or merger of the Corporation, or other relevant changes in the capital of the Corporation.
7. (a) The Board of Directors of the Corporation may from time to time alter or amend the Plan (or an Option Agreement or entitlement subject to the Plan) upon receipt of requisite approval from the Exchange for the purpose of:
 - (i) modifying any or all of the matters referred to in subparagraph 4(a) to (l) of the Plan;
 - (ii) effecting early expiration of Options generally or Options granted to one or more Optionees or groups of Optionees;
 - (iii) accelerating the vesting of Options generally or Options granted to one or more Optionees or groups of Optionees;
 - (iv) modifying the manner of determining the minimum option price of any Option generally or Options granted to one or more Optionees or groups of Optionees;
 - (v) amending the Black Out Period or the Black Out Expiration Term for Options generally or Options granted to one or more Optionees or groups of Optionees;
 - (vi) otherwise amending any Option Agreement or entitlement subject to the Plan;
 - (vii) amending this paragraph 7;
 - (viii) making amendments for the purpose of curing or correcting any ambiguity or defective or inconsistent provision or clerical omission or mistake or manifest error contained in the Plan; and
 - (ix) making any other amendment whatsoever to the Plan which is considered appropriate by the Board of Directors of the Corporation.
- (b) Notwithstanding subparagraph 7(a) and subject to paragraph 6, as applicable, the Board of Directors of the Corporation may not:
 - (i) without the approval of the shareholders given by a resolution passed at a special meeting of shareholders called to consider such alteration or amendment: (A) increase the maximum aggregate number of Class A Non-Voting Shares that may be optioned and issued under the Plan as provided in paragraph 2 hereof when taken together with all other security based compensation arrangements as defined by the TSX (except only as may be appropriate under the provisions of paragraph 5 hereto); (B) reduce the exercise price for Options held by Insiders of the Corporation or Optionees; (C) extend the term of Options held by Insiders of the Corporation; and Optionees; (D) remove or exceed the Insider Participation Limit; (E) amend the amending provisions set out in paragraph 7; (F) change the definition of Employee in paragraph 1 of the Plan to include non-Employee directors or permit non-Employee directors to be granted Options pursuant to paragraph 2 of the Plan; or (G) change the assignment and transfer restrictions in paragraph 13 of the Plan.
 - (ii) make any amendments to the Plan 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.

- (c) The Board of Directors of the Corporation may at any time terminate the Plan with respect to any Class A Non-Voting Shares not at the time subject to any Option but such termination shall in no way affect the right of an Optionee with respect to an Option outstanding at the time of such termination.
8. Subject to the foregoing provisions, the Board of Directors of the Corporation may determine from time to time the form of and the terms and conditions to be included in any Option Agreement, including the terms of any limitations referred to in subparagraph 4(e).
9. The decision of the Board of Directors of the Corporation with respect to any matter under the Plan shall be binding upon the Corporation and on all Employees and Optionees.
10. The terms of the Plan and the granting of Options pursuant to the Plan shall be subject to the approval of the Exchange and any other regulatory authorities as may be necessary or desirable.
11. In addition to the approval set out in paragraph 9 hereof, the terms of the Plan and the granting of Options pursuant to the Plan shall be subject to the approval of the holders of at least a majority of the then outstanding Voting Shares of the Corporation given at the first meeting of such shareholders at which the Plan and the granting of Options are presented for approval and, notwithstanding any other term hereof, no Option shall be exercised prior to such approval being given.
12. Nothing in the Plan shall be construed to give any Employee any right to be granted an Option.
13. An Option is personal to each Optionee and 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.
14. If any provision of this Plan contravenes any law or any order, policy, by-law or regulation of any regulatory body having jurisdiction, then such provision shall be deemed to be amended to the extent necessary to bring such provision into compliance therewith.

DATED as of the ~~11th~~^{13th} day of ~~February~~^{May}, 2010.

Appendix C

Canadian Tire Corporation, Limited

Board of Directors' Mandate

The Board of Directors 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.

The Board of Directors 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 Chief Executive Officer (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.

The Board may also delegate certain of its powers to appropriate Board committees, 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 meeting following the meeting of the Committee at which such decision was made.

COMMITTEES OF THE BOARD

The Board has established the following committees to assist in discharging its duties: the Audit Committee, the Governance Committee, the Management Resources and Compensation Committee and the Social Responsibility Committee. Each committee has its own Board approved mandate. The Board may establish additional Board Committees as circumstances require. The Board is responsible for overseeing the duties delegated to each Board Committee.

THE BOARD'S DUTIES

The Board's duties include:

1. Strategic Planning

- Providing oversight and guidance on the strategic issues facing the Company.
- Requiring the CEO, in collaboration with the Board, to develop and to present to the Board for approval the Company's long term strategic plan.
- Supervising the development of the Company's operating plan.
- Approving the Company's financial objectives and operating plan, including capital allocations, expenditures and transactions which exceed threshold amounts set by the Board.
- Monitoring implementation and effectiveness of the approved strategic and operating plans and their conformity with the Company's Mission Statement.
- Approving major business decisions not specifically delegated to management.

2. Financial Information and Internal Controls

- 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.
- Overseeing the integrity of the Company's management information systems and the effectiveness of the Company's internal controls.
- Overseeing the preparation of and processes relating to management's reports and attestations with respect to the Company's internal control and disclosure control procedures.
- Ensuring 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 ensuring that such filings are in a form that permits their certification.
- Approving the Company's financial statements, management's discussion and analysis (MD&A) and news releases prepared by senior management and overseeing the Company's compliance with applicable audit, accounting and reporting requirements.

3. Identification and Management of Risks

- Ensuring that processes are in place to identify the principal risks inherent in the Company's business and operations.
- Overseeing management's implementation of a comprehensive enterprise risk management program and compliance management program.
- Monitoring the Company's systems and controls for assessing, managing and monitoring principal risks and management's reports relating to the operation and effectiveness of these systems and controls.
- Approving and monitoring the processes that provide reasonable assurance of compliance with applicable legal and regulatory requirements.

4. Human Resource Management and Executive Compensation

- Ensuring 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.
- Overseeing the Company's executive compensation program and overall compensation philosophy for all other employees.
- Monitoring the Company's approach to human resource management.
- 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 officers.

5. Integrity, Ethics and Social Responsibility

- 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.
- Approving the Company's Code of Business 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.
- Approving other policies and practices for dealing with matters related to integrity, ethics and social responsibility.

6. Corporate Communications and Public Disclosure

- Approving the Company's corporate communications policies.
- Overseeing the establishment of policies and processes for accurate, timely and appropriate public disclosure.
- Monitoring compliance with a written disclosure policy and applicable corporate, securities and exchange requirements.

7. Governance

- Developing, approving and monitoring the Company's approach to corporate governance including a set of corporate governance principles and guidelines.
- Evaluating the structures and procedures established by the Board which allow the Board to function independently of management.
- Establishing Board committees and defining their mandates to assist the Board in carrying out its roles and responsibilities.
- Setting expectations and responsibilities of directors, including attendance at, preparation for, and participation in Board and committee meetings.
- Establishing, maintaining and implementing appropriate formal processes for regularly assessing the effectiveness of the Board, the Chairman of the Board, the committees, each committee chairman and individual directors.
- Monitoring the composition of the Board with a view to the effectiveness and independence of the Board and its members.
- Identifying competencies and skills necessary for the Board as a whole and each individual director.
- Identifying individuals qualified to become new directors.
- Ensuring that each new director engages in a comprehensive orientation process and that all directors are provided with continuing education opportunities.
- Reviewing the Board's mandate at least once every three years (or more frequently if necessary, or at the request of the Secretary or Assistant Secretary as a result of legislative or regulatory changes) to ensure it appropriately reflects the Board's stewardship responsibilities.

Appendix D

Canadian Tire Corporation, Limited

Audit Committee Mandate and Charter

I The Board of Directors' Mandate for the Audit Committee

1. The Board of Directors (*Board*) bears responsibility for the stewardship of Canadian Tire Corporation, Limited (the *Corporation*). To discharge that responsibility, the Board is obligated by law to supervise the management of the business and affairs of the Corporation. The Board's supervisory function involves Board oversight or monitoring of all significant aspects of the management of the Corporation's business and affairs.

The Board has established, and hereby continues the existence of, a committee of the Board known as the Audit Committee (the *Committee*) to assist the Board in its monitoring of the Corporation's:

- (a) financial reporting and disclosure;
- (b) risk management; and
- (c) compliance with applicable laws and regulations.

(a) Financial Reporting and Disclosure Duties of the Board

Financial reporting and disclosure by the Corporation constitute a significant aspect of the management of the Corporation's business and affairs. The objective of the Board's monitoring of the Corporation's financial reporting and disclosure (the *Financial Reporting Objective*) is to gain reasonable assurance of the following:

- (i) that the Corporation complies with all applicable laws, regulations, rules, policies and other requirements of governments, regulatory agencies and stock exchanges relating to financial reporting and disclosure;
- (ii) that the accounting principles, significant judgements and disclosures which underlie or are incorporated in the Corporation's financial statements are the most appropriate in the prevailing circumstances;
- (iii) that the Corporation's quarterly and annual financial statements are accurate and present fairly the Corporation's financial position and performance in accordance with generally accepted accounting principles and together with management's discussion and analysis, the annual information form and associated officer certifications constitute a fair presentation of the Corporation's financial condition; and
- (iv) that appropriate information concerning the financial position and performance of the Corporation is disseminated to the public in a timely manner.

The Board is of the view that the Financial Reporting Objective cannot be reliably met unless the following activities (the *Financial Fundamental Activities*) are conducted effectively:

- (A) the Corporation's accounting functions are performed in accordance with a system of internal financial controls designed to capture and record properly and accurately all of the Corporation's financial transactions;
- (B) material information about the Corporation including its consolidated subsidiaries is captured in accordance with a system of disclosure controls and procedures designed to provide reasonable assurance to management that information required to be disclosed by the Corporation in its filings under securities legislation is recorded, processed, summarized and reported in accordance with specified time periods;
- (C) the Corporation's internal financial controls and disclosure controls and procedures are regularly assessed for effectiveness and efficiency;
- (D) the Corporation's quarterly and annual financial statements are properly prepared by management;
- (E) the Corporation's quarterly and annual financial statements are reported on by an external auditor appointed by the shareholders of the Corporation; and
- (F) the financial components of the Corporation's Disclosure Policy are complied with by management and the Board.

(b) Risk Management Duties of the Board

Risk management is another significant aspect of the management of the Corporation's business and affairs. The objective of the Board's monitoring of the Corporation's risk management activities (the *Risk Management Reporting Objective*) is to gain reasonable assurance that the strategic, operational, financial, legal and reporting risks of the Corporation's business (*Risks*) are identified in a timely manner and are effectively and appropriately assessed, monitored, managed and responded to.

The Board is of the view that the Risk Management Reporting Objective cannot be reliably met unless the following activities (the *Risk Management Fundamental Activities*) are conducted effectively:

- (i) a policy which accurately sets out the Risk philosophy and appetite of the Corporation and the expectations and accountabilities for identifying, assessing, monitoring, managing and responding to Risks (the *ERM Policy*) is developed, implemented and maintained;
- (ii) the most significant Risks, including those Risks related to or arising from the Corporation's weaknesses, threats to the Corporation's business and the assumptions underlying the Corporation's strategic plan (*Principal Risks*) are identified in a timely manner;
- (iii) a formalized, disciplined and integrated enterprise risk management process (the *ERM Process*) is developed and employed to appropriately identify, assess, monitor, manage and respond to Risks; and
- (iv) the ERM Policy and ERM Process are reviewed and, to the extent required, updated annually.

(c) Legislative and Regulatory Compliance Duties of the Board

Compliance with applicable laws and regulations is also an essential aspect of the management of the Corporation's business and affairs. The objective of the Board's monitoring of the Corporation's compliance with applicable laws and regulations (the *Compliance Reporting Objective*) is to gain reasonable assurance that the Corporation's business and affairs are conducted in a manner which limits exposure of:

- (i) the Corporation to issues that may negatively impact its reputation; and
- (ii) the Corporation, its employees and directors to financial penalties and civil and criminal liability.

The Board is of the view that the Compliance Reporting Objective cannot be reliably met unless appropriate policies and processes and supporting corporate compliance programs (the *Compliance Fundamental Activities*) exist and are implemented effectively throughout the Corporation, including establishment and maintenance of a written code of business conduct and ethics (the *Code of Business Conduct*) applicable to directors, officers and employees of the Corporation, and monitoring of compliance with the Code of Business Conduct;

(d) Activities of the Committee

The Committee shall develop and present to the Board for the Board's approval a Charter which, amongst other things, will describe the activities in which the Committee will engage for the purpose of gaining reasonable assurance that each of the Financial Fundamental Activities, the Risk Management Fundamental Activities and the Compliance Fundamental Activities are being conducted effectively and that the Financial Reporting Objective, the Risk Management Objective and the Compliance Reporting Objective are being met.

2. Composition of Committee

- (a) The Committee shall be appointed annually and shall consist of at least five (5) members from among the directors of the Corporation, each of whom shall be an independent director as defined under the applicable requirements of the securities regulatory authorities as adopted or amended and in force from time to time and free from any relationship that, in the opinion of the Board, could interfere with the exercise of his or her independent judgement as a member of the Committee. Officers of the Corporation, including the Chairman of the Board, may not serve as members of the Audit Committee.
- (b) All members of the Committee shall be financially literate as described in paragraph 3 of the Operating Principles.
- (c) The Governance Committee shall designate the Chairman of the Committee.

3. Reliance on Management and Experts

In contributing to the Committee's discharging of its duties under this mandate, each member of the Committee shall be entitled to rely in good faith upon:

- (a) financial statements of the Corporation represented to him or her by an officer of the Corporation or in a written report of the external auditors to present fairly the financial position of the Corporation in accordance with generally accepted accounting principles; and
- (b) any report of a lawyer, accountant, engineer, appraiser or other person whose profession lends credibility to a statement made by any such person.

"Good faith reliance" means that the Committee member has considered the relevant issues, questioned the information provided and assumptions used, and assessed whether the analysis provided by management or the expert is reasonable. Generally, good faith reliance does not require that the member question the honesty, competency and integrity of management or the expert unless there is a reason to doubt their honesty, competency and integrity.

4. Limitations on Committee's Duties

In contributing to the Committee's discharging of its duties under this mandate, each member of the Committee shall be obliged only to exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances. Nothing in this mandate is intended, or may be construed, to impose on any member of the Committee a standard of care or diligence that is in any way more onerous or extensive than the standard to which all Board members are subject. The essence of the Committee's duties is monitoring and reviewing to gain reasonable assurance (but not to ensure) that the Financial Fundamental Activities, the Risk Management Fundamental Activities and the Compliance Fundamental Activities are being conducted effectively and that the Financial Reporting Objective, the Risk Management Objective and the Compliance Reporting Objective are being met and to enable the Committee to report thereon to the Board.

II Audit Committee Charter

The Audit Committee's Charter outlines how the Committee will satisfy the requirements set forth by the Board in its mandate. This Charter comprises:

- Operating Principles;
- Operating Procedures;
- Specific Responsibilities and Duties.

A. Operating Principles

The Committee shall fulfill its responsibilities within the context of the following principles:

(1) Committee Values

The Committee members will act in accordance with the Corporation's Code of Business Conduct for Employees and Directors. The Committee expects the management of the Corporation to operate in compliance with the Corporation's Code of Business Conduct for Employees and Directors and with corporate policies; with laws and regulations governing the Corporation; and to maintain strong financial reporting and control processes.

(2) Communications

The Chairman and members of the Committee expect to have direct, open and frank communications throughout the year with management, other Committee Chairmen, the external auditors, the Internal Auditor and other key Committee advisors as applicable.

(3) Financial Literacy

All Committee members shall have the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Corporation's financial statements.

(4) Annual Audit Committee Work Plan

The Committee, in consultation with management and the external auditors, shall develop an annual Audit Committee Work Plan responsive to the Committee's responsibilities as set out in this Charter.

In addition, the Committee, in consultation with management and the external auditors, shall develop and participate in a process for review of important financial topics that have the potential to impact the Corporation's financial disclosure.

(5) Meeting Agenda

Committee meeting agendas shall be the responsibility of the Chairman of the Committee in consultation with Committee members, senior management and the external auditors.

(6) Committee Expectations and Information Needs

The Committee shall communicate its expectations to management and the external auditors with respect to the nature, timing and extent of its information needs. The Committee expects that written materials will be received from management and the external auditors at least one week in advance of meeting dates.

(7) External Resources

To assist the Committee in discharging its responsibilities, the Committee may, in addition to the external auditors, at the expense of the Corporation, retain one or more persons having special expertise.

(8) In Camera Meetings

At each meeting of the Committee, the members of the Committee shall meet in private session with the external auditors; with management; and with the Committee members only. The Committee shall meet in private session with the Internal Auditor and with the head of Risk Management and Compliance as often as it deems necessary, but in any event, no less than twice per year.

(9) Reporting to the Board

The Committee, through its Chairman, shall report after each Committee meeting to the Board at the Board's next regular meeting.

(10) Committee Self Assessment

- (a) On a bi-annual basis, the Committee shall conduct an evaluation of the Committee's performance including its ability to meet the requirements of this Charter and Mandate in accordance with the evaluation process developed by the Committee and approved by the Governance Committee, and provide the results of the performance evaluation to the Governance Committee and the Board. In addition, the Committee shall periodically review its role and responsibilities.
- (b) The Committee shall approve criteria for evaluating the financial literacy of its members in accordance with the terms of sections 1.6 and 3.1 of National Instrument 52-110 Audit Committees, as amended or replaced from time to time, and shall conduct an annual assessment of the financial literacy of its members and determine those members to be identified as financially literate in the Corporation's annual continuous disclosure documents in accordance with regulatory requirements.

(11) The External Auditors

The Committee expects that, in discharging their responsibilities to the shareholders, the external auditors shall be accountable to the Board through the Audit Committee. The external auditors shall report all material issues or potentially material issues to the Committee.

(12) Approval of Other Engagements

The Committee shall approve all engagements for accounting and tax advice provided by an audit firm other than the external auditors.

(13) Committee Chairman's Job Description

The Committee shall develop and recommend to the Governance Committee a job description for the Chairman of the Committee. The Committee shall review and update the Chairman's job description at least once every three years, or more frequently if required, or at the request of the Secretary or Assistant Secretary as a result of legislative or regulatory changes, and recommend changes to the Governance Committee for its approval.

B. Operating Procedures

- (1) The Committee shall meet at least four times annually, or more frequently as circumstances dictate. Meetings shall be held at the call of the Chairman, upon the request of two members of the Committee or at the request of the external auditors, and a majority of the members of the Committee shall form a quorum.
- (2) The powers of the Committee may be exercised at a meeting at which a quorum of the Committee is present in person or by telephone or other electronic means or by a resolution signed by all members entitled to vote on that resolution at a meeting of the Committee. Each Committee member (including the Chairman) is entitled to one vote in Committee proceedings. For greater certainty the Chairman does not have a second or casting vote.

- (3) Any Director is entitled to attend, and the Committee may invite any officer or employee of the Corporation or any other person to attend, any Committee meetings to participate in the discussion and review of the matters considered by the Committee.
- (4) Unless the Committee otherwise specifies, the Secretary or Assistant Secretary of the Corporation shall act as Secretary of all meetings of the Committee.
- (5) In the absence of the Chairman of the Committee, the members shall appoint an acting Chairman.
- (6) A copy of the minutes of each meeting of the Committee shall be provided to each member of the Committee and to each director of the Corporation in a timely fashion.

C. Responsibilities and Duties

To fulfill its responsibilities and duties, the Committee shall:

Financial Reporting

- (1) review the Corporation's annual and quarterly financial statements with management and the external auditors to gain reasonable assurance that the statements are accurate, complete, represent fairly the Corporation's financial position and performance and are in accordance with GAAP and together with management's discussion and analysis, the annual information form and associated officer certifications constitute a fair presentation of the Corporation's financial condition and report thereon to the Board before such financial statements are approved by the Board;
- (2) review with management and the external auditors the financial statements of the Corporation's significant subsidiaries and of the Corporation's profit sharing plans;
- (3) receive from the external auditors reports on their review of the annual and quarterly financial statements;
- (4) receive from management a copy of the representation letter provided to the external auditors and any additional representations required by the Committee;
- (5) review and, if appropriate, approve news releases and reports to shareholders issued by the Corporation with respect to the Corporation's annual and quarterly financial statements;
- (6) review and if appropriate, approve all public disclosure documents containing material audited or unaudited financial information, except those referred to in paragraph (7) below, including annual information forms, annual and interim management's discussion and analysis, annual and interim CEO/CFO certifications of results, annual and quarterly earnings news releases, dividend declaration news releases, normal course issuer bid news releases, earnings guidance and associated news releases, rights offering circulars and material change reports of a financial nature; in circumstances where events render it impractical for the Board or the Audit Committee to review any such news releases and material change reports with management prior to issuing or filing such news releases and material change reports, authority to review and approve such news releases and material change reports may be exercised by the Chairman of the Audit Committee and the Chairman of the Board, acting together;
- (7) review and, if appropriate, recommend approval to the Board of prospectuses, take-over bid circulars, issuer bid circulars and directors' circulars; and
- (8) satisfy itself that adequate procedures are in place for the review of the Corporation's disclosure of financial information extracted or derived from the Corporation's financial statements in order to satisfy itself that such information is fairly presented and periodically assess the adequacy of these procedures.

Accounting Policies

- (1) review with management and the external auditors the appropriateness of the Corporation's accounting policies, disclosures, reserves, key estimates and judgements, including changes or variations thereto and obtain reasonable assurance that they are presented fairly in accordance with GAAP; and report thereon to the Board;
- (2) review major issues regarding accounting principles and financial statement presentation including any significant changes in the selection or application of accounting principles to be observed in the preparation of the accounts of the Corporation and its subsidiaries;
- (3) review with management and the external auditors the degree of conservatism of the Corporation's underlying accounting policies, key estimates and judgements and reserves.

Risk and Uncertainty

Enterprise Risk Management

The Committee shall gain reasonable assurance that Risks of the Corporation are identified in a timely manner and are being effectively and appropriately assessed, monitored, managed and responded to by:

- (1) considering and recommending to the Board for approval the ERM Policy setting out the Risk philosophy and appetite of the Corporation and the expectations and accountabilities for identifying, assessing, monitoring, managing and responding to Risks;
- (2) conducting an annual review of the ERM Policy and considering and recommending to the Board for approval any changes thereto;
- (3) considering and recommending to the Board for approval the Principal Risks of the Corporation;
- (4) considering and approving the ERM Process to be used to appropriately identify, assess, monitor, manage and respond to Risks;
- (5) conducting an annual review of the ERM Process and considering and approving any changes thereto;
- (6) considering and approving policies regarding the management of the Corporation's Principal Risks;
- (7) at least semi-annually, obtaining from management a report addressing the Corporation's exposure to each Principal Risk;
- (8) obtaining from management an annual report on compliance with the ERM Policy and ERM Process, as well as any other policies of the Corporation that address the management of Risks;
- (9) obtaining from the internal auditor biennial reports regarding management's implementation and maintenance of an effective ERM Process and the management of the Corporation's Principal Risks; and
- (10) reviewing the adequacy of insurance coverages maintained by the Corporation.

In addition, the Committee shall:

- (1) review regularly with management, the external auditors and the Corporation's legal counsel, any legal claim or other contingency, including tax assessments, that could have a material effect upon the financial position or operating results of the Corporation and the manner in which these matters have been disclosed in the financial statements;
- (2) approve counterparties to derivative transactions with long term investment grade ratings pursuant to the Securities and Derivatives Board Policy;
- (3) approve continuing transaction limits in the event of a downgrade of financial institutions rated "AA" or "A" pursuant to the Securities and Derivatives Board Policy; and
- (4) approve equity hedging activity proposed by management in the absence of an Equity Risk Management Policy.

Financial Controls and Control Deviations

- (1) regularly assess the Corporation's system of internal financial controls and the Corporation's control environment to gain reasonable assurance that such controls are effective and efficient and to assist the Board in assessing whether senior management has created a culture of integrity and an effective control environment throughout the organization.
- (2) review the plans of the internal and external auditors to gain reasonable assurance that the combined evaluation and testing of internal financial controls is comprehensive, coordinated and cost-effective;
- (3) receive regular reports from management, the external auditors and the Corporation's legal advisors on all significant deviations or indications/detection of fraud and the corrective activity undertaken in respect thereto.

Disclosure Controls and Deviations

- (1) satisfy itself that management has developed and implemented a system to ensure that the Corporation meets its continuous disclosure obligations;
- (2) receive regular reports from management and the Corporation's legal advisors on the functioning of the disclosure compliance system, including any significant instances of non-compliance with such system, in order to satisfy itself that such system may be reasonably relied upon.

Compliance with Laws and Regulations

- (1) review regular reports from management and others (e.g., internal and external auditors) with respect to the Corporation's compliance with laws and regulations having a material impact on the financial statements including:
 - (a) tax and financial reporting laws and regulations;
 - (b) legal withholding requirements;
 - (c) environmental protection laws and regulations;
 - (d) other laws and regulations which expose directors to liability;
- (2) review the status of the Corporation's tax returns and those of its subsidiaries;
- (3) review regular reports from management and others with respect to the Corporation's compliance with laws and regulations and gain reasonable assurance that the Corporation's policies, procedures and programs in relation thereto are operating effectively and that the Corporation's provisions with respect to such matters are sufficient and appropriate;
- (4)
 - (a) approve a Code of Business Conduct that is comprised of standards reasonably designed to promote integrity and to deter wrongdoing and that addresses the following issues:
 - (i) conflicts of interest, including transactions and agreements in respect of which a director or member of management has a material interest;
 - (ii) protection and proper use and exploitation of the Corporation's assets and opportunities;
 - (iii) confidentiality of private information relating to the business and affairs of the Corporation;
 - (iv) fair and ethical dealing with the Corporation's security holders, customers, suppliers, competitors and employees;
 - (v) compliance with applicable laws, rules and regulations; and
 - (vi) reporting of any illegal or unethical behavior or other breaches of the Code of Business Conduct;
 - (b) gain reasonable assurance that waivers of compliance with the Code of Business Conduct granted for the benefit of any director or executive officer are being granted only by the Board or an appropriately empowered Board committee;
 - (c) review annually the process for monitoring compliance with and communication of the Code of Business Conduct to the Corporation's employees and directors and gain reasonable assurance that such process is operating effectively;
- (5) discuss with the General Counsel any significant legal, compliance or regulatory matters that may have a material effect on the financial statements or the business and affairs of the Corporation, or on the compliance policies of the Corporation.

Relationship with External Auditors

- (1) recommend to the Board the nomination of the external auditors and the remuneration and the terms of engagement of the external auditors;
- (2) if necessary, recommend the removal by the shareholders of the current external auditors and replacement with new external auditors;
- (3) review the performance of the external auditors annually or more frequently as required;
- (4) receive annually from the external auditors an acknowledgement in writing that the shareholders, as represented by the Board and the Committee, are their primary client;
- (5) receive a report annually from the external auditors with respect to their independence, such report to include a disclosure of all engagements (and fees related thereto) for non-audit services by the Corporation;
- (6) establish a policy under which management shall bring to the attention of the Chairman of the Committee all requests for non-audit services to be performed by the external auditors for the Corporation and its subsidiaries before such work is commenced. The Chairman is authorized to approve all such requests, but if any such service exceeds \$250,000 in fees, or the service is of a sensitive or unusual nature, the Chairman shall consult with the Committee before approving the service. The Chairman has the responsibility to inform the Committee of all pre-approved services at its next meeting;
- (7) discuss with management and the external auditors the timing and the process for implementing the rotation of the lead audit partner, the concurring partner and any other active audit engagement team partner;

- (8) review with the external auditors the scope of the audit, the areas of special emphasis to be addressed in the audit, the extent to which the external audit can be coordinated with internal audit activities and the materiality levels which the external auditors propose to employ;
- (9) meet regularly with the external auditors in the absence of management to determine, *inter alia*, that no management restrictions have been placed on the scope and extent of the audit examinations by the external auditors or the reporting of their findings to the Committee;
- (10) establish effective communication processes with management and the Corporation's internal and external auditors to assist the Committee to monitor objectively the quality and effectiveness of the relationship among the external auditors, management and the Committee;
- (11) oversee the work of the external auditors and the resolution of disagreements between management and the external auditors with respect to financial reporting; and
- (12) request that the external auditors provide to the Committee, at least annually, an oral and/or written report describing the external auditors' internal quality assurance policies and procedures as well as any material issues raised in the most recent internal quality assurance reviews, quality reviews conducted by the Canadian Public Accountability Board, or any inquiry or investigation conducted by government or regulatory authorities.

Internal Auditor

- (1) review the Internal Auditor's terms of reference;
- (2) review the annual plan of the Internal Auditor;
- (3) review the reports of the Corporation's Internal Auditor with respect to control and financial Risk, and any other matters appropriate to the Committee's duties. The Committee shall review the adequacy and appropriateness of management's response, including the implementation thereof;
- (4) review and approve the reporting relationship of the Internal Auditor to ensure that an appropriate segregation of duties is maintained and that the Internal Auditor has an obligation to report directly to the Committee on matters affecting the Committee's duties, irrespective of his or her other reporting relationships;
- (5) approve the appointment, replacement, reassignment or dismissal of the Internal Auditor;
- (6) in consultation with management, review and approve the annual compensation payable to the Internal Auditor.

Other Responsibilities

- (1) periodically review the form, content and level of detail of financial reports to the Board;
- (2) review annually the expenses of the Chairman of the Board and the Chief Executive Officer for the purpose of gaining reasonable assurance as to the reasonableness of such expenses;
- (3) after consultation with the Chief Financial Officer and the external auditors, gain reasonable assurance, at least annually, of the quality and sufficiency of the Corporation's accounting and financial personnel and other resources;
- (4) review in advance the appointment of the Corporation's Chief Financial Officer and its other senior financial executives;
- (5) investigate any matters that, in the Committee's discretion, fall within the Committee's duties;
- (6) review reports from the Internal Auditor, the external auditors, and/or other Committee Chairmen on their review of compliance with the Corporation's Code of Business Conduct, and the Corporation's policies on political donations and payments to suppliers or others;
- (7) review and approve the Corporation's policies with respect to the hiring of partners, employees and former partners and employees of the current and former external auditors;
- (8) (a) establish procedures for:
 - (i) the confidential receipt, retention and treatment of complaints received by the Corporation regarding the Corporation's accounting, internal accounting controls or auditing matters; and
 - (ii) the confidential anonymous submission, retention and treatment of concerns by employees regarding questionable accounting or auditing matters; and
- (b) require that all such matters be reported to the Committee together with a description of the resolution of the complaints or concerns;

- (9) review management's reports on compliance with, and proposed changes to, all Board level policies that have been approved by the Board from time to time.

Accountability

- (1) review and assess this Mandate and Charter at least once every three years, or more frequently if necessary, or at the request of the Secretary or Assistant Secretary of the Corporation as a result of legislative or regulatory changes, taking into account all applicable legislative and regulatory requirements as well as any best practice guidelines recommended by regulators or stock exchanges with whom the Corporation has a reporting relationship and, if appropriate, recommend changes to the Mandate and Charter to the Governance Committee for recommendation to the Board for its approval, except for minor technical amendments to this Mandate and Charter, authority for which is delegated to the Secretary or Assistant Secretary of the Corporation, who will report any such amendments to the Board at its next regular meeting.
- (2) from time to time, as requested by the Board, disclose its Mandate and this Charter in the Corporation's statement of corporate governance practices and in its annual information form.
- (3) review the description of the Committee's activities as set forth in the Corporation's statement of corporate governance practices.

Appendix E

Canadian Tire Corporation, Limited

Management Resources and Compensation Committee Mandate

The Board of Directors has established a Management Resources and Compensation Committee (the *Committee*) to oversee the Corporation's management resources and compensation strategy, plans, policies, procedures and practices.

This mandate (the *Mandate*) sets out the Committee's purpose, composition, member qualification, member appointment and removal, responsibilities, operations, manner of reporting to the Board, annual evaluation and compliance with this Mandate, and certain other items.

1. Purpose of the Committee

The Committee is responsible for performing the duties set out in this Mandate to enable the Board to fulfill its oversight responsibilities in relation to the Corporation's:

- (a) recruitment, development and retention of senior management resources (including all personnel of the Corporation and its subsidiaries at the level of "director" or the equivalent thereof and above (*Senior Management*));
- (b) appointment, performance evaluation and compensation of the Chief Executive Officer and officers of the Corporation;
- (c) succession planning systems and processes relating to Senior Management;
- (d) compensation structure for Senior Management including salaries, annual and long-term incentive plans and plans involving share issuances and share unit awards;
- (e) benefit plans; and
- (f) share ownership guidelines for Senior Management.

2. Composition of the Committee

- (a) The Committee shall be comprised of at least five Directors, each of whom shall be an independent director as defined under the applicable requirements of the securities regulatory authorities as adopted or amended and in force from time to time and free from any relationship that in the opinion of the Board could interfere with the exercise of his or her independent judgment as a member of the Committee. None of the Committee members shall be officers of the Corporation.
- (b) The Governance Committee shall designate the Chairman of the Committee.

3. Member Qualifications

Each member of the Committee shall have or develop an understanding of management resources and compensation principles and practices.

4. Member Appointment and Removal

Committee members shall be appointed annually by the Governance Committee and from time to time thereafter to fill vacancies on the Committee. A Committee member may be removed or replaced at any time at the discretion of the Governance Committee.

5. Responsibilities of the Committee

- (a) The Committee shall be responsible to review and recommend to the Board:
 - (i) the appointment and terms of employment of officers of the Corporation and, at the request of the Committee, other persons who are proposed for appointment as the head of a business unit or significant corporate function (*Other Persons*);
 - (ii) the base salaries of officers of the Corporation, including the CEO and Other Persons, and any changes to their remuneration;
 - (iii) the design of short-term, long-term and other incentive plans for Senior Management;
 - (iv) a process for appraising annually the performance of the Chief Executive Officer against agreed quantitative and qualitative performance objectives, both short and long-term;

- (v) periodic changes to compensation guidelines and benefit plans; and
- (vi) significant changes to employee benefit programmes.
- (b) The Committee shall be responsible to review and approve, subject to the compensation philosophy approved by the Board:
 - (i) profit sharing awards to eligible employees of the Corporation and its subsidiaries in accordance with the formula for such awards approved by the Board;
 - (ii) grants pursuant to the Corporation's short-term and long-term incentive plans and payouts thereunder;
 - (iii) any discretionary bonuses for officers of the Corporation proposed by the CEO;
 - (iv) the adjudication of matters impacting the Corporation's short-term or long-term incentive plans;
- (c) The Committee shall review at least annually the Corporation's compensation philosophy and the general design and make-up of its broadly applicable benefit programmes as to their general adequacy, competitiveness, internal equity and cost effectiveness. In its review the Committee will assess the linkage of executive compensation philosophy and executive incentive plans to the Corporation's financial and non-financial performance, support for the Corporation's business strategy, and alignment with the Corporation's employee compensation philosophy.
- (d) The Committee shall oversee the annual appraisal of the Chief Executive Officer's performance and shall report thereon to the Board.
- (e) The Committee shall obtain reasonable assurance that the Corporation has appropriate systems and processes for the evaluation of Senior Management development and succession within the Corporation, and shall review at least annually with the Chief Executive Officer the performance of and potential for advancement of each officer of the Corporation and their respective successors. The Committee may also at its discretion request information on the management resources of any part of the Corporation or its subsidiaries.
- (f) The Committee shall ensure that there is an appropriate process in place for the evaluation of the Chief Executive Officer's development and succession within the Corporation.
- (g) The Committee shall report to the Board at least annually its appraisal of the Corporation's officer succession circumstances and practices, including the effectiveness of identifying, training and preparing high-potential candidates for advancement.
- (h) The Committee shall determine at least annually, as a separate and supplementary contingency plan to the succession process, the identity of immediate replacements in the event of an emergency for the Chief Executive Officer, the Chief Financial Officer, and the presidents of large strategic business units.
- (i) The Committee shall review with the Chief Executive Officer any proposed major changes in organization or personnel of the Corporation and its subsidiaries and, if advisable, recommend approval to the Board.
- (j) The Committee shall establish the terms and conditions, and shall approve in each instance, the participation by the Chief Executive Officer on the board of directors of any other corporation, commercial or not-for-profit, not directly related to the interests of the Corporation (an *Outside Board*), and the Committee shall review participation by any officer of the Corporation, as approved by the Chief Executive Officer, to any Outside Board (except for any appointment to a not-for-profit Outside Board if the officer so requests).
- (k) The Committee shall review and approve annually share ownership guidelines for Senior Management. The Committee shall review as required the actual ownership position relative to ownership guidelines and transactions in the Corporation's securities and other long-term incentive arrangements by Senior Management.
- (l) The Committee shall review the results of periodic employee opinion surveys.
- (m) The Committee shall perform such other functions as may from time to time be assigned to the Committee by the Board.

6. Operations

- (a) The Committee shall meet at least four times annually and as many additional times as required to carry out its duties effectively. Committee meetings shall be held at the call of the Committee Chairman, or upon the request of two Committee members, and a majority of members shall constitute a quorum.
- (b) The powers of the Committee may be exercised at a meeting at which a quorum is present in person or by telephone or other electronic means or by a resolution signed by all members entitled to vote on that resolution at a meeting of the Committee. Each Committee member (including the Chairman) is entitled to one vote in Committee proceedings. The Chairman does not have a second or casting vote.

- (c) The Committee Chairman shall develop the agenda for and conduct all meetings of the Committee at which he is present.
- (d) Unless the Committee otherwise specifies, the Secretary or Assistant Secretary of the Corporation shall act as secretary of the meetings of the Committee, and minutes shall be kept for each Committee meeting.
- (e) In the absence of the Committee Chairman, the Committee members shall appoint an Acting Chairman.
- (f) The Committee shall meet *in camera* at the beginning and conclusion of every meeting of the Committee.
- (g) The Committee may at its discretion invite management to attend and participate in meetings of the Committee.
- (h) Any Director is entitled to attend meetings of the Committee.
- (i) A copy of the minutes of each meeting of the Committee shall be provided to each Director.

7. Reporting to the Board

- (a) The deliberations, decisions and recommendations of the Committee shall be reported to the Board in a timely manner.
- (b) The Committee shall oversee the preparation and shall approve annually the Committee's report for inclusion in the Corporation's management information circular.

8. Evaluation and Assessment of this Mandate, the Committee and its Compliance with this Mandate

- (a) At least once every three years, or more frequently if necessary, or at the request of the Secretary or Assistant Secretary of the Corporation as a result of legislative or regulatory changes, the Committee shall review and assess the adequacy of this Mandate taking into account all applicable legislative and regulatory requirements as well as any best practice guidelines recommended by regulators or stock exchanges with whom the Corporation has a reporting relationship and, if appropriate, recommend changes to the Mandate to the Governance Committee for recommendation to the Board for its approval, except for minor technical amendments to this Mandate, authority for which is delegated to the Secretary or Assistant Secretary of the Corporation, who will report any such amendments to the Board at its next regular meeting;
- (b) On a bi-annual basis, the Committee shall conduct a review and evaluation of the Committee's performance including its ability to meet the requirements of this Mandate, in accordance with the evaluation process developed by the Committee and approved by the Governance Committee, and provide the results of the performance evaluation to the Governance Committee and Board.

9. Miscellaneous

To assist the Committee in discharging its responsibilities, the Committee may conduct any investigation and have access to any officer, employee or agent of the Corporation, including any such officer, employee or agent seconded by the Corporation to the Foundation, in connection with its Mandate.

The Committee may at the expense of the Corporation retain advisors having particular expertise, and shall be entitled to rely in good faith upon any report of a lawyer, accountant, engineer, appraiser or other person whose profession lends credibility to a statement made by any such person.

Appendix F

Canadian Tire Corporation, Limited

Governance Committee Mandate

The Board of Directors (the *Board*) bears responsibility for the stewardship of Canadian Tire Corporation, Limited (the *Corporation*). The Board believes that the development and maintenance of the Corporation's approach to corporate governance is an essential aspect of this stewardship responsibility.

Corporate governance, as defined by the Organization for Economic Co-operation and Development, "is the system by which business corporations are directed and controlled. The corporate governance structure specifies the distribution of rights and responsibilities among different participants in the corporation, such as, the board, managers, shareholders and other stakeholders, and spells out the rules and procedures for making decisions on corporate affairs. By doing this, it also provides the structure through which the company objectives are set, and the means of attaining those objectives and monitoring performance".

The objective of the Board's development and maintenance of the Corporation's approach to corporate governance is to enable the Board to discharge its duties in a highly effective manner (the *Governance Objective*). The Board has established a committee of the Board known as the Governance Committee (the *Committee*), the mandate of which is to assist the Board in achieving its Governance Objective.

This mandate sets out the Committee's purpose, composition, member qualifications, member appointment and removal, responsibilities, annual evaluation of this mandate, the Committee and compliance with this mandate, operations, manner of reporting to the Board and certain other items. The Committee is responsible for meeting the requirements of this mandate and in so doing, will assist the Board to fulfill its Governance Objective.

1. Purpose of the Committee

The purpose of the Committee is to provide reasonable assurance to the Board that the Board is discharging its Governance Objective.

2. Composition of the Committee

- (a) The Committee shall be comprised of at least four Directors, all of whom shall be independent, as hereinafter defined.
- (b) One of the Committee members shall be designated by the Board as the Committee Chairman.

3. Member Qualifications

- (a) In addition to possessing the qualities required by the Director's position description, each member of the Committee shall have an understanding of corporate governance issues or shall commit to understanding such issues in a timely manner.
- (b) Each member of the Committee shall be independent. A Director is independent if:
 - (i) the Director has no direct or indirect relationship with the Corporation which, in the view of the Board, could reasonably be expected to interfere with the exercise of the Director's independent judgement; and
 - (ii) the Director is not an individual who is considered to have a material relationship with the Corporation under the terms of section 1.4 of National Instrument 52-110 Audit Committees, as amended or replaced from time to time.

4. Member Appointment and Removal

Committee members shall be appointed by the Board:

- (a) annually at the first Board meeting following the meeting of shareholders at which Directors are elected each year, and
- (b) from time to time thereafter to fill vacancies on the Committee. A Committee member may be removed or replaced at any time in the discretion of the Board.

5. Responsibilities of the Committee

(a) Oversight of the Corporation's Corporate Governance Practices and Principles

- (i) The Committee shall be responsible for:
 - (1) developing and recommending to the Board for approval the Corporation's corporate governance practices and principles;

- (2) reviewing and evaluating on an ongoing basis the Board's approach to corporate governance and the Corporation's corporate governance practices and principles, and reporting and making recommendations thereon annually to the Board with a view to maintaining the Board's corporate governance standards for the Corporation;
 - (3) monitoring best practices for governance globally and reviewing the Board's governance practices annually with a view to continuously improving the Board's corporate governance standards;
 - (4) reviewing the disclosure of the Corporation's corporate governance practices and principles and the operation thereof required by applicable regulatory authorities or stock exchanges before such disclosure is submitted to the Board for its approval; and
 - (5) keeping abreast of the latest regulatory requirements, developments and guidance in corporate governance and updating the Board on corporate governance issues as necessary.
- (ii) The Chairman of the Committee shall:
- (1) together with the Chairman of the Board, meet annually and privately with each Director for the purpose of discussing any aspects of the Corporation's corporate governance (including the effectiveness of the Board or any committee of the Board) which the Chairmen or such Director may wish to address; and
 - (2) report to the Committee with respect to the results of such meetings.

(b) Nominating Directors

The Committee shall be responsible for:

- (i) annually identifying and recommending to the Board the appropriate criteria for selecting new Directors and the competencies and skills required to be possessed by individual Directors (the *Selection Criteria*), reviewing the Selection Criteria adopted by the Board periodically and, where appropriate, recommending to the Board changes to the Selection Criteria;
- (ii) annually identifying and recommending to the Board the competencies and skills required to be possessed by individual Directors to enable the Board to discharge its duties as required by National Policy 58-201 – Corporate Governance Guidelines and the Canadian Tire Corporation, Limited Board of Directors Mandate (the *Requisite Competencies and Skills*), annually reviewing the Requisite Competencies and Skills adopted by the Board and, where appropriate, recommending to the Board changes to the Requisite Competencies and Skills;
- (iii) in conjunction with annually identifying the Requisite Competencies and Skills required to be possessed by individual Directors, determining whether the current Directors individually or collectively possess the Requisite Competencies and Skills as required by National Policy 58-201 – Corporate Governance Guidelines;
- (iv) if the Board determines that the Board, as a whole, does not possess all of the Requisite Competencies and Skills, either: (1) taking appropriate steps to enable one or more of the current Directors to develop the Requisite Competencies and Skills which the Board does not possess, or (2) taking appropriate steps to recommend for election or appointment to the Board, in consultation with the controlling shareholder and C.T.C. Dealer Holdings in respect of nominees for election or appointment to the Board by the holders of Common Shares, one or more individuals who have the Requisite Competencies and Skills which the Board does not possess;
- (v) identifying and maintaining an evergreen list of candidates qualified to become new Directors;
- (vi) considering the competencies and skills that:
 - (1) the Board believes to be necessary for the Board as a whole, and the Chairman of the Board to possess;
 - (2) the Board believes to be necessary for individual committees, particularly with respect to upcoming retirements of committee Chairmen and committee members;
 - (3) the Board believes to be necessary for Board succession planning in light of the opportunities and risks facing the Corporation;
 - (4) the Board believes each existing Director to possess; and
 - (5) any proposed new Director nominee will bring to the Board;
- (vii) recommending to the Board qualified individuals as nominees for election to the Board by the shareholders of the Corporation at a meeting of shareholders of the Corporation and for appointment by the Board to fill any vacancies on the Board if a Director elected by the shareholders ceases to be a Director, having regard for the competencies and skills listed in section 5(b)(vi) of this mandate and consultation with such persons as it determines appropriate, including current Directors, prospective nominees as Directors and the controlling shareholder and C.T.C. Dealer

Holdings Limited (in respect of possible nominees for election to the Board by the holders of the Common Shares and individuals who might be appointed to fill a vacancy if any such nominee that was elected ceased to be a Director); and

- (viii) appointing the persons to serve or fill vacancies on the Audit Committee, the Management Resources and Compensation Committee (the *MRCC*), the Social Responsibility Committee, the Governance Committee (based on the structure thereof approved by the Board) and special committees of the Board, including appointing and filling vacancies in the chairmanships thereof.

(c) Evaluation of the Board, Committees of the Board and Individual Directors

- (i) The Committee shall be responsible for:
- (1) developing and approving processes which facilitate the evaluation of the Board as a whole and the committees of the Board, and reviewing such processes with the Chairman of the Board and the relevant committee chairmen;
 - (2) conducting not less than bi-annually, an evaluation of the effectiveness of the Board including an evaluation as to whether the Board has appropriate composition and procedures to allow it to function independently from management, and reporting thereon to the Board;
 - (3) recommending to the Board criteria for:
 - (a) the composition and size of the Board and committees of the Board; and
 - (b) evaluating any other applicable considerations.
 - (4) reviewing not less than bi-annually the effectiveness of the committees of the Board, including the composition and membership of each such Board committee, and whether there is a need for cross appointments to promote greater committee effectiveness;
 - (5) reviewing at least once every three years, or more frequently if necessary, or at the request of the Secretary or Assistant Secretary as a result of legislative or regulatory changes, the adequacy of the mandates applicable to the Board of Directors and each Board committee, ensuring that each Board committee reviews at least once every three years its respective mandate and, where required, recommending changes to the Board for its approval;
 - (6) reviewing at least once every three years, or more frequently if necessary, or at the request of the Secretary or Assistant Secretary as a result of legislative or regulatory changes, the adequacy of the position descriptions for the Chairman of the Board, the committee chairmen, the Directors and the Secretary and, where required, approving changes thereto;
 - (7) reviewing at least once every three years, or more frequently if necessary, or at the request of the Secretary or Assistant Secretary as a result of legislative or regulatory changes, the delegation of authority by the Board to the committees of the Board and, where appropriate, recommending changes to the Board for its approval;
 - (8) developing and approving a process for assessing not less than bi-annually the contributions, effectiveness and qualifications of individual Directors considering, among other things:
 - (a) the Directors' position description;
 - (b) the competencies and skills each individual Director is expected to bring to the Board, including the financial literacy and expertise of each individual Director;
 - (c) each individual Director's continuing qualification under the *Business Corporations Act* (Ontario) and other applicable laws, rules and policies; and
 - (d) the continuing validity of the assumptions underlying the appointment of each individual Director;
 - (9) providing feedback to each Director on his or her effectiveness based on the results of the performance evaluation processes developed and approved by the Committee and during such other times as may be required;
 - (10) establishing criteria for evaluating the independence of individual Directors in accordance with the terms of section 1.4 (and section 1.5 for Audit Committee members) of National Instrument 52-110 Audit Committees, as amended or replaced from time to time;
 - (11) assessing annually individual Director independence and determining those Directors to be identified as independent in the Corporation's annual continuous disclosure documents in accordance with regulatory requirements;

- (12) gaining and maintaining reasonable assurance that a majority of Directors, the Chairman of the Board and every member of the Audit Committee, the MRCC and the Committee are "independent", and in so doing the Committee shall:
- (a) obtain annually from each Director a written declaration (a *Declaration*) containing:
 - (i) a description of every direct or indirect relationship (an *Actual Relationship*) which such Director has with the Corporation;
 - (ii) a statement as to whether such Director is an individual who is considered to have a material relationship (a *Considered Relationship*) with the Corporation under the terms of section 1.4 (and section 1.5 for Audit Committee members) of National Instrument 52-110 Audit Committees, as amended or replaced from time to time;
 - (iii) such Director has a Considered Relationship or Considered Relationships with the Corporation, a description of each such Considered Relationship; and
 - (iv) an undertaking by such Director to advise the Board or the Committee promptly of (1) any changes to any Actual Relationship or Considered Relationship described in the Declaration, and (2) any Actual Relationship or Considered Relationship which such Director has with the Corporation which comes into existence subsequent to the time the Declaration is obtained by the Board or the Committee from such Director;
 - (b) evaluate whether any Actual Relationship which a Director has with the Corporation could reasonably be expected to interfere with the exercise of such Director's independent judgment, and making recommendations thereon to the Board; and
 - (c) promptly recommend to the Board any changes to the composition of the committees and to the Chairmanship of the Board required as a result of any Director or Directors having Actual Relationships or Considered Relationships with the Corporation in order to maintain the independence of the Chairman of the Board and the members of each such committee;
- (13) developing and approving a process for annually assessing the performance of the Chairman of the Board in that role;
- (14) conducting an annual performance review of the Chairman of the Board and reporting thereon to the Board;
- (15) reporting bi-annually to the Board the results of the Committee's assessments of the performance of the Board as a whole, the committees of the Board and the Directors;
- (16) following consultation with the Chairman of the Board, removing a Director from a Board committee (other than the Committee), if in the Committee's view, or under applicable laws, rules or policies such Director is no longer competent or is disqualified from serving as a member of a Board committee; and
- (17) carrying out any other evaluation processes adopted by the Board and delegated to the Committee.

(d) Director Education and Orientation

- (i) The Committee shall develop, review and evaluate on an annual basis the Board's processes for orientation and education of Directors.
- (ii) The Committee shall ensure that:
 - (1) each new Director participates in a comprehensive orientation process in relation to his or her Board responsibilities, the role of the Board and its committees, and the contributions and commitment of time and resources that the Corporation expects each individual Director will make;
 - (2) each Director is provided with written materials (which shall be updated by the Secretary of the Corporation from time to time as required), covering topics including, but not limited to:
 - (a) the Corporation's Directors' and Officers' insurance coverage;
 - (b) copies of the articles and by-laws of the Corporation;
 - (c) copies of the mandate of the Board and the mandate of each Board committee;
 - (d) copies of the position descriptions for the Chairman of the Board and the chairman of each Board committee;
 - (e) the Corporation's share structure and significant shareholders;

- (f) a copy of the Corporation's current strategic plan;
- (g) copies of the Corporation's Annual Reports, Management's Discussion & Analysis (*MD&A*) and Management Information Circulars for the most recent financial year of the Corporation preceding such new director's election or appointment to the Board;
- (h) a copy of the Corporation's current Annual Information Form;
- (i) a copy of each of the Corporation's Codes of Business Conduct;
- (j) a copy of each of the Corporation's Board policies;
- (k) a description of (1) the amount, form and timing of remuneration payments made to each director by the Corporation including the Directors' Deferred Share Unit Plan, and (2) the Corporation's equity ownership guidelines for directors;
- (l) a copy of the Directors' and Officers' indemnification agreement;
- (m) a copy of the Corporation's most recent investor presentation;
- (3) at his or her request, each new Director is provided with written materials covering the following topics:
 - (a) copies of the agendas and minutes for all Board and Board committee meetings held in the 12-month period immediately preceding such new director's election or appointment to the Board;
 - (b) copies of the Corporation's interim financial statements and related MD&As for the two financial years of the Corporation immediately preceding such new director's election or appointment to the Board;
 - (c) the Associate Dealer Contract and the Corporation's relationship with the Associate Dealers; and
 - (d) the Corporation's loyalty programs.
- (4) the Chairman of the Board meets with each proposed new Director and explains to such proposed new Director the culture of the Board, and the commitment of time and energy expected of every Director;
- (5) whenever practical, the committee chairmen meet with each proposed new Director to review the responsibilities and mandates of the committees of the Board for which such proposed new Director will serve; and
- (6) relevant orientation and continuing education is made available to all Directors to enable the Directors to maintain or enhance their skills and capabilities as Directors and to maintain the currency of their knowledge and comprehension of the Corporation's business including the opportunity, at the expense of the Corporation to:
 - (a) attend any conference, seminar, course or other educational experience (i) which is intended to expand corporate directors' knowledge and skills, and (ii) which is approved by the Chairman of the Committee and, where the expense could be significant, the Chairman of the Board;
 - (b) visit key competitors of the Corporation and any of the Corporation's principal operating locations, and to discuss the operation of those locations with the managers of those locations; and
 - (c) meet with the President and Chief Executive Officer, other corporate officers and the senior officers of all of the Corporation's business units for the purpose of discussing the nature and operation of the Corporation's business and affairs.

(e) Other Duties and Responsibilities

The Committee shall be responsible for:

- (i) following consultation with the Chairman of the Board, fixing the dates and times of meetings of the Board of Directors and of the Board committees;
- (ii) monitoring, reviewing annually and recommending to the Board the form and amount of the Directors' remuneration for Board and committee service, as well as service as Chairman of the Board or a committee of the Board, to ensure that it is both commensurate with the responsibilities and risks assumed and competitive with other companies which are comparable in terms of size and complexity to the Corporation's business, and recommending any changes to the Board for approval;
- (iii) at least annually, and in conjunction with the Chairman of the Board, reviewing a succession and emergency preparedness planning process for the Chairman of the Board position, and recommending this process to the Board for approval;

- (iv) recommending to the Board the appointment of the Chairman of the Board, the removal of the Chairman of the Board for any reason the Committee sees fit, and, upon a vacancy in this position, recommending to the Board an individual to replace the Chairman of the Board, based on the applicable succession planning process;
- (v) reviewing, through the President and Chief Executive Officer, any management concerns about its relationship with the Board and reporting to the Board its findings therewith;
- (vi) reviewing the Corporation's articles and by-laws from time to time with a view to identifying potential amendments, and recommending those amendments to the Board for its review;
- (vii) reviewing as necessary legal and regulatory developments and changes and referring such matters to other committees of the Board for their review as appropriate; and
- (viii) performing such other functions as may from time to time be assigned to the Committee by the Board.

6. Evaluation and Assessment of this Mandate, the Committee and its Compliance with this Mandate

- (a) At least once every three years, or more frequently if necessary, or at the request of the Secretary or Assistant Secretary of the Corporation as a result of legislative or regulatory changes, the Committee shall review and assess the adequacy of this mandate taking into account all applicable legislative and regulatory requirements as well as any best practice guidelines recommended by regulators or stock exchanges with whom the Corporation has a reporting relationship and, if appropriate, recommend changes to the mandate to the Board for its approval, except for minor technical amendments to this mandate, authority for which is delegated to the Secretary or Assistant Secretary of the Corporation, who will report any such amendments to the Board at its next regular meeting;
- (b) On a bi-annual basis, the Committee shall conduct a review and evaluation of the Committee's performance including its ability to meet the requirements of this mandate, in accordance with the evaluation process developed and approved by the Committee and provide the results of the performance evaluation to the Board.

7. Operations

- (a) The Committee shall meet at least three times annually and as many additional times as necessary to carry out its duties effectively. Committee meetings shall be held at the call of the Committee Chairman, or upon the request of two Committee members, and a majority of the members of the Committee shall form a quorum.
- (b) The powers of the Committee may be exercised at a meeting at which a quorum of the Committee is present in person or by telephone or other electronic means or by a resolution signed by all members entitled to vote on that resolution at a meeting of the Committee. Each Committee member (including the Chairman) is entitled to one vote in Committee proceedings. For greater certainty the Chairman does not have a second or casting vote.
- (c) The Committee Chairman shall develop the agenda for and conduct all meetings of the Committee at which he or she is present.
- (d) Unless the Committee otherwise specifies, the Secretary or Assistant Secretary of the Corporation shall act as secretary of the meetings of the Committee and minutes shall be kept for each Committee meeting.
- (e) In the absence of the Committee Chairman, the Committee members shall appoint an Acting Chairman.
- (f) A portion of each of the Committee's meetings shall be conducted with no members of management present.
- (g) Any Director is entitled to attend, and the Committee may invite any officer or employee of the Corporation or any other person to attend, any Committee meetings to participate in the discussion and review of the matters considered by the Committee.
- (h) A copy of the minutes of each meeting of the Committee shall be provided to each Director.

8. Reporting to the Board

The deliberations, decisions and recommendations of the Committee shall be reported to the Board in a timely manner.

9. Miscellaneous

To assist the Committee in discharging its responsibilities set out in this mandate, the Committee may, as it deems necessary or advisable for its purposes conduct any investigation and access any officer, employee or agent of the Corporation.

Appendix G

Canadian Tire Corporation, Limited

Social Responsibility Committee Mandate

The Board of Directors (the *Board*) bears responsibility for the stewardship of Canadian Tire Corporation, Limited (the *Corporation*). The Board believes that the oversight of policies, procedures and practices which address the Corporation's corporate social responsibilities is an essential aspect of this stewardship responsibility.

The objective of the Board's approach to corporate social responsibility is the creation of long-term shareholder value by balancing the Corporation's economic growth with environmental and social responsibility (the *Corporate Social Responsibility Objective*). The Board has established a Social Responsibility Committee (the *Committee*) to assist the Board in fulfilling its Corporate Social Responsibility Objective.

This mandate sets out the Committee's purpose, composition, member qualifications, member appointment and removal, responsibilities, operations, manner of reporting to the Board, annual evaluation of this mandate, the Committee, its compliance with this mandate, and certain other items. The Committee is responsible for meeting the requirements of this mandate and in so doing, will assist the Board to fulfill its Corporate Social Responsibility Objective.

1. Purpose of the Committee

The purpose of the Committee is to provide reasonable assurance to the Board that the Board is discharging its Corporate Social Responsibility Objective.

2. Composition of the Committee

- (a) The Committee shall be comprised of at least five Directors, excluding Directors who are officers of the Corporation and the Chairman of the Board.
- (b) One of the Committee members shall be designated by the Governance Committee as the Committee Chairman.

3. Member Qualifications

In addition to possessing the qualities required by the Director's position description, each member of the Committee shall have an understanding of corporate social responsibility issues or shall commit to understanding such issues in a timely manner.

4. Member Appointment and Removal

Committee members shall be appointed annually by the Governance Committee and from time to time thereafter to fill vacancies on the Committee. A Committee member may be removed or replaced at any time in the discretion of the Governance Committee.

5. Responsibilities of the Committee

The Committee shall provide guidance and oversight to the Corporation's management regarding the Corporate Social Responsibility Objective, and in so doing shall:

- (a) Approve a core statement of corporate social responsibility for the Corporation.
- (b) Assess annually the Corporation's core statement of corporate social responsibility and make revisions as considered appropriate concerning this statement.
- (c) Review, assess and approve regularly the Corporation's policies, procedures and practices which address the Corporation's corporate social and environmental responsibilities.
- (d) Approve the Corporation's corporate social responsibility activities and the standards and procedures used for monitoring and reporting thereon.
- (e) Assess the performance and effectiveness of the Corporation's activities which address its corporate social responsibilities.
- (f) Approve the Corporation's donations policy.
- (g) Approve any specific donations that fall outside the Corporation's donation policy.
- (h) Approve principles that govern the Corporation's relationship with Canadian Tire Jumpstart Charities and any other charitable organization to which the Corporation has made or proposed to make a significant donation.

- (i) Receive annual reporting information from Canadian Tire Jumpstart Charities including revenues raised and funds disbursed for the purposes of reporting to the Board of Directors in connection with the ongoing suitability of Canadian Tire Jumpstart Charities as a recipient of financial support of the Corporation and as a trade mark licensee of the Corporation.
- (j) Assess other issues brought to it by members of the Committee, the Board of Directors or management.

The Board of Directors may from time to time delegate any other responsibilities to the Committee.

6. Operations

- (a) The Committee shall meet at least two times annually and as many additional times as necessary to carry out its duties effectively. Committee meetings shall be held at the call of the Committee Chairman, or upon the request of two Committee members, and a majority of the members of the Committee shall form a quorum.
- (b) The powers of the Committee may be exercised at a meeting at which a quorum of the Committee is present in person or by telephone or other electronic means or by a resolution signed by all members entitled to vote on that resolution at a meeting of the Committee. Each Committee member (including the Chairman) is entitled to one vote in Committee proceedings. For greater certainty the Chairman does not have a second or casting vote.
- (c) The Committee Chairman shall develop the agenda for and conduct all meetings of the Committee at which he or she is present.
- (d) Unless the Committee otherwise specifies, the Secretary or Assistant Secretary of the Corporation shall act as secretary of the meetings of the Committee and minutes shall be kept for each Committee meeting.
- (e) In the absence of the Committee Chairman, the Committee members shall appoint an Acting Chairman.
- (f) A portion of each of the Committee's meetings shall be conducted with no members of management present.
- (g) Any Director is entitled to attend, and the Committee may invite any officer or employee of the Corporation or any other person to attend, any Committee meetings to participate in the discussion and review of the matters considered by the Committee.
- (h) A copy of the minutes of each meeting of the Committee shall be provided to each Director.

7. Reporting to the Board

- (a) The deliberations, decisions and recommendations of the Committee shall be reported to the Board in a timely manner.
- (b) The Committee shall review and approve annually the Committee's report for inclusion in the Corporation's management information circular.

8. Evaluation and assessment of this Mandate, the Committee and its Compliance with this Mandate

- (a) At least once every three years, or more frequently if necessary, or at the request of the Secretary or Assistant Secretary of the Corporation as a result of legislative or regulatory changes, the Committee shall review and assess the adequacy of this mandate taking into account all applicable legislative and regulatory requirements as well as any best practice guidelines recommended by regulators or stock exchanges with whom the Corporation has a reporting relationship and, if appropriate, recommend changes to the mandate to the Governance Committee for recommendation to the Board for its approval, except for minor technical amendments to this mandate, authority for which is delegated to the Secretary or Assistant Secretary of the Corporation, who will report any such amendments to the Board at its next regular meeting.
- (b) On a bi-annual basis, the Committee shall conduct a review and evaluation of the Committee's performance including its ability to meet the requirements of this mandate, in accordance with the evaluation process developed by the Committee and approved by the Governance Committee, and provide the results of the performance evaluation to the Governance Committee and the Board.

9. Miscellaneous

To assist the Committee in discharging its responsibilities set out in this mandate, the Committee may, as it deems necessary or advisable for its purposes conduct any investigation and access any officer, employee or agent of the Corporation, including any such officer, employee or agent seconded by the Corporation to Canadian Tire Jumpstart Charities, in connection with its mandate. In contributing to the Committee's discharge of its duties under this mandate, each member of the Committee shall be entitled to rely in good faith upon any report of a lawyer, accountant, engineer, appraiser or other person whose profession lends credibility to a statement made by any such person.

Appendix H

Canadian Tire's Corporate Governance Policies and Practices

Management and the Board of Directors are committed to strong corporate governance policies and practices. We regularly review the corporate governance policies and practices we have developed over the years to maintain reasonable assurance that they continue to be comprehensive, relevant and effective.

Our corporate governance policies and practices described below explain how we are meeting the guidelines adopted by securities regulators in Canada (*the CSA Rules*):

- National Policy 58-201 – *Corporate Governance Guidelines*
- National Instrument 58-101 – *Disclosure of Corporate Governance Practices*.

The CSA Rules

The CSA Rules provide that if management of the Company solicits proxies from its security holders for the purpose of electing directors to the Company's Board of Directors, the Company must include in its management information circular the following disclosure:

1. Disclose whether or not a majority of directors are “independent”, as that term is defined in the CSA Rules.

The Board of Directors is comprised of a majority of directors who are *independent*, as that term is defined in the CSA Rules.

2. Disclose for each director whether he or she is “independent” or “not independent” and the basis for that determination.

Mr. Wetmore is the President and CEO of the Company and Mr. Billes was an employee of the Company within the last three years. Therefore, Mr. Wetmore and Mr. Billes are *not independent* directors.

Mr. Domelle and Mr. Gostlin are Canadian Tire Dealers pursuant to contracts with the Company in the same form as other Canadian Tire Dealers' contracts and, therefore, are *not independent* directors. Mr. Billes is also a Canadian Tire Dealer and would be considered *not independent* even if he was not a former employee of the Company. In the view of the Board, although Mr. Domelle and Mr. Gostlin are *not independent* directors, the knowledge, experience and perspective they can bring to the Board as Canadian Tire Dealers can be critical to the effective governance of the Company.

All of the other nominated directors are *independent*. The basis for this determination is premised on:

- (i) responses to a questionnaire sent to each director requesting information concerning direct or indirect material relationships between the director and the Company in accordance with the independence criteria in Sections 1.4 and 1.5 of National Instrument 52-110 – *Audit Committees*
- (ii) management's review of the materiality of any relationships identified by a director in his or her responses to the questionnaire
- (iii) the Board's determination as to whether any relationships identified by the director in his or her responses to the questionnaire could reasonably be expected to interfere with the exercise of the director's independent judgement.

The following table describes the independence status of the nominated and current directors.

Independence Status of Nominated and Current Directors				
	Management	Independent	Not Independent	Reason for Non-Independent Status
Iain Aitchison		✓		
Martha G. Billes		✓		
Owen G. Billes			✓	Mr. Billes is a former employee of the Company and a Canadian Tire Dealer
Peter W. Currie		✓		
Brian G. Domelle			✓	Mr. Domelle is a Canadian Tire Dealer
H. Garfield Emerson		✓		
Daniel E. Fournier		✓		
Robert M. Franklin		✓		
Keith E. Gostlin			✓	Mr. Gostlin is a Canadian Tire Dealer
Frank Potter		✓		
Timothy R. Price		✓		
James A. Riley		✓		

Independence Status of Nominated and Current Directors				
	Management	Independent	Not Independent	Reason for Non-Independent Status
Maureen J. Sabia		✓		
Peter B. Saunders		✓		
Graham W. Savage		✓		
Stephen G. Wetmore			✓	Mr. Wetmore is President and CEO of the Company

3. (i) Disclose the process by which the board identifies new candidates for board nomination.

The Governance Committee has the mandate to:

- (a) consult with such persons as it determines appropriate, including current directors, the controlling shareholder and C.T.C. Dealer Holdings Limited in respect of possible nominees for election to the Board and individuals who might be appointed to fill a vacancy if any elected nominee ceases to be a director; and
- (b) recommend to the Board qualified individuals as nominees for election to the Board by the shareholders of the Corporation at a meeting of shareholders of the Corporation and for appointment by the Board to fill any vacancies on the Board if a director elected by the shareholders ceased to be a director.

The Governance Committee reviews prospective nominees' qualifications under applicable laws, regulations and rules as well as the needs of the Company and the talents already represented on the Board. Based on its assessment of the existing strengths of the Board and the changing needs of the Company, the Governance Committee determines the competencies, skills and personal qualities it should seek in new Board members.

Nominees are selected for qualities such as integrity and ethics, business judgment, independence, business or professional expertise, board experience and residency. The Governance Committee reviews each candidate's biographical information, assesses each candidate's suitability against criteria that have been developed by the Governance Committee and considers the results of due diligence reviews, both internal and external. This selection process allows the Board to gain reasonable assurance that the requisite breadth of finance, legal, business and other relevant experience is represented on the Board and meets our skills matrix requirements.

The Governance Committee uses the same process for evaluating all potential candidates. In so doing, the Governance Committee considers whether:

- (a) in personal and professional dealings, the candidate has demonstrated integrity, high ethical standards and commitment to the values expressed in the Company's Code of Business Conduct;
- (b) the candidate has sufficient time and energy to devote to the performance of his or her duties as a member of the Board of Directors, having regard to positions the candidate holds in other organizations and other business and personal commitments;
- (c) the candidate has a history of achievements that demonstrates the ability to perform at the highest level and that reflects high standards for himself or herself and others;
- (d) the candidate's background includes business, governmental, professional, non-profit or other experience that is indicative of sound judgment and the ability to provide thoughtful advice;
- (e) the candidate is likely to take an independent approach and to provide a balanced perspective;
- (f) the candidate is financially literate and able to read financial statements and other indices for evaluating corporate performance;
- (g) the candidate has specific skills, expertise or experience that would complement those already represented on the Board; and
- (h) the candidate possesses knowledge and appreciation of public issues and exhibits familiarity with international, as well as national and local affairs.

On this basis, the Governance Committee makes recommendations to the Board regarding potential director candidates, and maintains a list of qualified candidates for Board membership.

The Board of Directors has adopted a majority voting policy for the election of directors by the holders of Class A Non-Voting Shares of the Company. This policy is described on page 3 of this management information circular.

- (ii) *Disclose whether or not the board has a nominating committee composed entirely of independent directors. If the board does not have a nominating committee composed entirely of independent directors, describe what steps the board takes to encourage an objective nomination process.***

The Governance Committee acts as the nominating committee of the Board. All of the directors on the Governance Committee are *independent* directors.

- (iii) *If the board has a nominating committee, disclose the responsibilities, powers and operation of the nominating committee.***

See *Report of the Governance Committee* on page 24 of this management information circular and Appendix F – Governance Committee Mandate for a description of the powers, responsibilities and operation of the Governance Committee.

4. *Disclose whether or not the board, its committees and individual directors are regularly assessed with respect to their effectiveness and contribution. If assessments are regularly conducted, describe the process used for the assessments.*

The Board, the Committees, the Chairman of the Board and individual directors (including in their capacity as Committee members) are regularly assessed with respect to their performance and effectiveness under the direction of the Governance Committee. The Board, the Committees and individual directors are assessed every second year, while the Chairman of the Board is evaluated on an annual basis.

The performance assessments of the Board and the individual directors are conducted using enhanced and improved online assessment tools that were developed in 2007. Each director assesses the Board's performance using quantitative ratings and qualitative commentary in respect of a lengthy list of criteria including, the Board's composition, practices and relationship with management and its oversight of strategy and performance, financial information, internal controls, identification and management of risks, corporate governance, corporate social responsibility and CEO and officer succession, performance and compensation. The results are consolidated into a composite report and reviewed by the Chairman of the Governance Committee, the Chairman of the Board, the President and CEO and the Corporation's controlling shareholder and reported to the full Board. The Board and the Governance Committee use the composite report to identify and remediate any aspects of the Board's performance which do not meet its rigorous standards.

The director assessment tool has similar functionality to that used to assess the Board, and assesses criteria expected of an effective director (other than in relation to the President and CEO and the Chairman of the Board who are assessed separately). The results of the individual director performance assessments are reviewed by the Chairman of the Governance Committee and the Chairman of the Board privately with the individual directors.

The performance of each Committee Chairman is evaluated through the Board and individual director assessment tools, and the results of these performance evaluations are discussed by the Chairman of the Governance Committee and the Chairman of the Board with each Committee Chairman.

The last performance assessments of the Board and the individual directors were conducted in 2008. An appraisal of the Board and the individual directors is planned for 2010 using the evaluation tools discussed earlier.

The performance of the Committees and the individual Committee members is assessed on a bi-annual basis under the direction of the Governance Committee. Committee members are asked to assign a numerical ranking and provide written comments to questions developed and approved by the Governance Committee. The questions assess each Committee's composition, practices, relationship with the Board, performance and fulfillment of its responsibilities under its mandate. The results of the Committee assessments are reviewed by the Chairman of the Board, the President and CEO, the Chairman of the Governance Committee and the respective Committees and are discussed by the Governance Committee and reported to the full Board. The results of the individual Committee member assessments are reviewed by the Chairmen of the Committees privately with their Committee members. Performance evaluations for each of the Committees and individual Committee members were conducted in 2009. The next bi-annual performance appraisals are scheduled for 2011.

The performance of the Chairman of the Board is assessed using an evaluation form developed by the Governance Committee; which contains a combination of quantitative and qualitative measures, including both a numerical rating system and a request for comments. The last assessment was completed at the end of 2009 and the results were discussed with the Chairman of the Board and the Governance Committee and reported to the full Board in the first quarter of 2010.

The questions included in each of the foregoing tools will remain unchanged for the next round of assessments in order to compare the results against the last evaluations. Responses to the questions for each assessment are anonymous and confidential to encourage candid and constructive commentary.

5. (i) Describe the measures the board takes to orient new directors regarding

(a) the role of the board, its committees and its directors, and

(b) the nature and operation of the Company's business.

(ii) Describe the measures, if any, the board takes to provide continuing education for its directors.

For the purpose of maintaining reasonable assurance that each new director engages in a comprehensive orientation process and that all directors are provided with continuing education opportunities, the Board or the Governance Committee:

- (a) ensures that each new director is provided with a comprehensive manual containing information on the Company and the Board, including but not limited to:
 - (i) the articles and by-laws of the Company
 - (ii) the Mandate of the Board and the Mandate and Charter of each Board Committee
 - (iii) the position descriptions for the Chairman of the Board, the directors and the Chairman of each Board Committee
 - (iv) the delegation of Board duties to its Committees
 - (v) a summary of the Company's corporate structure
 - (vi) the Company's current strategic plan
 - (vii) the Company's Annual Reports, MD&A and Management Information Circulars for the most recent financial year of the Company preceding such new director's election or appointment to the Board
 - (viii) the Company's current Annual Information Form
 - (ix) each of the Company's Codes of Business Conduct
 - (x) each of the Company's Board policies
 - (xi) a description of (1) the amount, form and timing of remuneration payments made to each director by the Company including the Deferred Share Unit Plan for Directors, and (2) the Company's equity ownership guidelines for directors
 - (xii) the directors' and officers' indemnification agreement
 - (xiii) the Company's most recent investor presentation
 - (xiv) the Company's directors' and officers' insurance coverage
- (b) provides at the request of a new director, written materials covering the following topics:
 - (i) the agendas and minutes for all Board and Board Committee meetings held in the 12-month period immediately preceding such new director's election or appointment to the Board
 - (ii) the Company's interim financial statements and related MD&As for the two financial years of the Company immediately preceding such new director's election or appointment to the Board
 - (iii) the Dealer Contract and a summary of the Company's relationship with the Dealers
 - (iv) the Company's loyalty programs
- (c) requires the Chairman of the Board to meet with each proposed new director and to explain to such proposed new director the culture of the Board and the commitment of time and energy expected of every director
- (d) makes available to every director the opportunity, at the expense of the Company,
 - (i) to attend any conference, seminar, course or other educational experience (1) which is intended to expand corporate directors' knowledge and skills, and (2) which is approved by the Chairman of the Governance Committee and, where the expense could be significant, the Chairman of the Board
 - (ii) to visit key competitors of the Company and any of the Company's principal operating locations and to discuss the operation of those locations with the managers of those locations
 - (iii) to meet with the President and CEO, the officers of all of the Company's business units and other corporate officers for the purpose of discussing the nature and operation of the Company's business and affairs.

During 2009, the directors were provided with opportunities to visit the Company's business units and the facilities associated with these units. Moreover, both new and incumbent directors were offered opportunities to participate in learning sessions with management. All directors also received educational information at Board and Committee meetings about new store formats and other new initiatives, competitive activity, major contracts and relationships and developments and best practices in corporate governance. At virtually all Board meetings, the directors receive economic and capital market updates from both management and external advisors.

Moreover, during 2009, the Audit Committee members and the members of the Board received regular updates from management and the Company's external auditors on the issues associated with the introduction of international financial reporting standards in 2011 and the work that management has undertaken to prepare the Company to adopt the new accounting standards.

The directors continued their practice of attending working dinners on the evening before each Board meeting. During these dinners, directors participated in various educational sessions with respect to the Company's operations and other general business matters and also spent time reviewing and discussing key issues arising from the Board's agendas. In 2009, directors continued to meet with the key decision makers at Canadian Tire in order to get to know them better and to enhance their understanding of the businesses carried on by the Company and the issues facing it. The Board and management continue to seek ways to provide the directors with educational opportunities focused on the business of the Company and the issues facing it.

6. *Disclose the process by which the board determines the compensation for the company's directors and officers.*

The Governance Committee reviews and recommends to the Board of Directors for approval the remuneration of directors. The Board considers the time commitment, risks, responsibilities and other factors in determining compensation. It also considers comparative compensation information.

The Company's executive compensation program is overseen on behalf of the Board of Directors by the MRC Committee. The MRC Committee has responsibility for reviewing and making recommendations to the Board of Directors regarding the compensation of officers including the NEOs named in the *Summary Compensation Table* on page 42.

The MRC Committee conducts an annual review of the Company's executive compensation program. The review is conducted with the assistance of independent professional compensation consultants reporting directly to the MRC Committee. The MRC Committee also reviews and recommends to the Board the base salaries of officers, including the President and CEO and Other Persons, grants pursuant to the Company's short-term and long-term incentive plans and payouts thereunder, and any discretionary bonuses for officers.

The MRC Committee is responsible for reviewing and recommending to the Board for approval the design of short-term, long-term and other incentive plans for senior management, a process for appraising annually the performance of the President and CEO against agreed upon short-term and long-term quantitative and qualitative performance objectives, periodic changes to compensation guidelines and benefit plans, and significant changes to employee benefit plans.

The MRC Committee annually reviews the compensation philosophy of the Company, conducts a review of the performance of the President and CEO and reports thereon to the Board and, with the President and CEO, reviews the performance evaluations of the Company's other officers. The MRC Committee also reviews the execution of the Company's compensation and benefit plans and reviews and recommends to the Board individual employment arrangements when officers are appointed.

The Governance Committee and the Board consider shareholder initiatives raised from time to time, such as the initiative by some Canadian issuers to provide their shareholders with the opportunity to provide feedback on the issuer's executive compensation programs through an advisory vote. The Governance Committee and the Board believe that all initiatives of this kind should be considered together to promote consistency and effectiveness of approach. The Governance Committee and the Board intend to study the initiatives and develop a policy that both works for the Company and is responsive to the Company's shareholders. Any policy that is developed will be published and will include the Company's reasons for adopting, or not, these initiatives.

7. *Disclose whether or not the board has a compensation committee composed entirely of independent directors. If the board does not have a compensation committee composed entirely of independent directors, describe what steps the board takes to ensure an objective process for determining such compensation.*

The MRC Committee is composed entirely of *independent* directors.

8. Disclose the responsibilities, powers and operation of the compensation committee.

See *Report of the Management Resources and Compensation Committee* on page 22 of this management information circular and Appendix E – Management Resources and Compensation Committee Mandate for a description of the responsibilities, powers and operation of the MRC Committee.

9. If any compensation consultant or advisor has, at any time since the beginning of the most recently completed financial year, been retained to assist in determining compensation for any of the issuer's directors and officers

- (i) summarize the mandate for which they have been retained, and**
- (ii) disclose whether or not the consultant or advisor has been retained to perform any other work for the Company, and describe the nature of the work.**

The MRC Committee has the authority to retain consulting firms to assist in carrying out the MRC Committee's responsibilities, including determining the compensation of the President and CEO and other executives. See *Role of Independent Advisor in Compensation Decisions* on page 32 for information relating to the consultants retained by the MRC Committee and management of the Company to assist in determining executive compensation, including a brief description of the mandates for which they have been retained.

10. Disclose whether or not the board and the President and CEO have developed a written position description for the President and CEO.

A written position description is in place for the President and CEO, whose objectives are approved annually by the Board of Directors and form part of the President and CEO's mandate on a year-to-year basis.

11. Disclose the text of the board's written mandate.

The text of the Board's written mandate is attached as *Appendix C* to this management information circular.

12. Disclose the attendance record of each director for all board meetings held since the beginning of the Company's most recently completed financial year.

See page 18 of this management information circular for the directors' attendance at Board and Committee meetings since the beginning of the most recently completed financial year.

13. Disclose whether or not the independent directors hold regularly scheduled meetings at which members of management are not in attendance. If the independent directors hold such meetings, disclose the number of meetings held during the preceding 12 months.

The Board (including the Canadian Tire Dealers, none of whom is *independent*) enhances independence by conducting 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 Chairmen of the Committees respectively. In 2009, the Board held ten regularly scheduled meetings, each of which included a session without management present. On occasion, special purpose Board and Committee meetings are convened, at which sessions without management present may be held.

14. Disclose each director who is a director of any other reporting issuer in a jurisdiction or a foreign jurisdiction.

See the directors' biographies under *Nominated Directors* beginning on page 9 of this management information circular for directorships of other reporting issuers for each of the nominated directors.

15. Disclose whether or not the chair of the board is an independent director. If the board has a chair or lead director who is an independent director, disclose the identity of the independent chair or lead director, and describe his or her role and responsibilities.

Maureen J. Sabia is Chairman of the Board and is an *independent* director. Miss Sabia is responsible for facilitating highly effective performance of the Board. Her duties include, among other things:

- (i) setting the agenda for Board meetings
- (ii) using her best efforts to provide directors with the information they need to do their job
- (iii) chairing Board meetings
- (iv) acting as a key liaison between the Board and management.

16. Disclose whether or not the board has developed written position descriptions for the chair and the chair of the each board committee.

The Board has written position descriptions for the Chairman of the Board and the Chairman of each Board Committee, which are available on the Company's website at www.corp.canadiantire.ca. Click on "Governance" under the "Investors" tab.

17. (i) Disclose whether or not the board has adopted a written ethical business conduct code for its directors, officers and employees, and

(a) how an interested party may obtain a copy of the written code

(b) how the board monitors compliance with its code, or if the board does not monitor compliance, explain whether and how the board ensures compliance with its code

(c) provide a cross-reference to any material change report(s) filed within the preceding 12 months that pertains to any conduct of a director or executive officer that constitutes a departure from the code.

(ii) Disclose any steps the board takes to ensure directors exercise independent judgment in considering transactions and agreements in respect of which a director or executive officer has a material interest.

(iii) Disclose any other steps the board takes to encourage and promote a culture of ethical business conduct.

The Board has approved the Company's Code of Business Conduct and the Code of Business Conduct for Suppliers, copies of which may be obtained without charge by contacting Palma Barbieri, Vice-President, Risk Management Services at Canadian Tire Corporation, Limited, 2180 Yonge Street, P.O. Box 770, Station K, Toronto, Ontario M4P 2V8. The Codes are also available at www.corp.canadiantire.ca and on SEDAR.

Each director, officer and employee must acknowledge that they have read, understood and will commit to abide by the standards and expectations set out within the Company's Code of Business Conduct.

Each officer of the Company is accountable for ensuring that the Codes are implemented in his or her business unit or functional area and that all violations are reported in a manner consistent with the requirements of the Codes.

The Board has established a business conduct compliance program, which provides a compliance mechanism for the Codes including:

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

With the approval of the Board, management has established a Business Conduct Compliance Office which is responsible for managing the business conduct compliance program, including:

- (i) overseeing the receipt, retention, investigation and resolution of complaints and concerns related to breaches of the Codes
- (ii) managing a business conduct hotline and web reporting service
- (iii) reporting to the Audit Committee on all reported violations of the Codes and their disposition, on a quarterly basis.

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

18. Identify standing committees of the board other than audit, compensation and nominating committees and describe their function.

The Social Responsibility Committee is the only standing Committee of the Board other than the Audit Committee, the MRC Committee and the Governance Committee. See page 26 of this management information circular for the Report of the Social Responsibility Committee and Appendix G – Social Responsibility Committee Mandate.



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