Canadian Tire Corporation

Management Information Circular

Notice of Annual General Meeting of Shareholders
to be held on May 11, 2017

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS

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

When
Thursday, May 11, 2017
10:00 a.m. (Toronto time)

Where
Four Seasons Hotel Toronto
Vinci Room, 6th Floor
60 Yorkville Avenue
Toronto, Ontario
M4W 0A4

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

Business of the Annual Meeting

We will address the following items at the Annual Meeting:

1. receiving CTC's Annual Consolidated Financial Statements for the financial year ended December 31, 2016, including the external auditor's report;
2. the election of directors, who will serve until the next Annual Meeting of Shareholders;
3. the appointment of the external auditor, who will serve until the next Annual Meeting of Shareholders, and authorizing the directors to set the external auditor's compensation; and
4. the transaction of such further and other business as may properly come before the Annual Meeting or any adjournment thereof.

You Have the Right to Vote

You have the right to vote at our Annual Meeting as set out in the enclosed Management Information Circular if you are a CTC shareholder as of the close of business on March 23, 2017.

Your Vote is Important

As a CTC 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 of the Company.

You are entitled to vote at the Annual Meeting either in person or by proxy. If you are unable to attend the Annual 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 CTC's transfer agent, Computershare Trust Company of Canada, 100 University Avenue, 8th Floor, North Tower, Toronto, Ontario, Canada M5J 2Y1, by no later than 5:00 p.m. (Toronto time) on Wednesday, May 10, 2017.

If you are a non-registered shareholder, you should review the voting instruction form provided by your intermediary, which sets out the procedures to be followed for voting shares held through intermediaries.

By order of the Board of Directors,

Doug Nathanson
Secretary

Toronto, Ontario
March 9, 2017

MANAGEMENT INFORMATION CIRCULAR

All information in this Management Information Circular is provided as of March 9, 2017 and all references to "$" are to Canadian dollars, unless otherwise indicated.

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

This Management Information Circular is provided in connection with our Annual Meeting of Shareholders to be held on May 11, 2017 (*the Meeting*). Your proxy is being solicited by the management of CTC for the items described in the notice on the previous page. 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.

As a CTC shareholder, you have the right to attend and vote at the Meeting as set out in this Management Information Circular. Please read this Management Information Circular carefully as it provides you with the information that you need to know to cast your vote. We also encourage you to read CTC's Management's Discussion and Analysis and Annual Consolidated Financial Statements for the financial year ended December 31, 2016. A copy of CTC's Management's Discussion and Analysis and Annual Consolidated Financial Statements will be sent to those registered and beneficial shareholders who requested that these materials be sent to them. Each of these documents is available on the System for Electronic Document Analysis and Retrieval (*SEDAR*) at www.sedar.com and on CTC's website at www.corp.canadiantire.ca.

The Board of Directors *(the Board* or *the Board of Directors)* has approved the contents and the sending of this Management Information Circular.

Doug Nathanson

Toronto, Ontario
March 9, 2017

Doug Nathanson
Secretary

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BUSINESS OF THE MEETING

We will address the following items at the Meeting.

Receiving the Annual Consolidated Financial Statements

Our Annual Consolidated Financial Statements for the financial year ended December 31, 2016, including the external auditor's report, have been prepared and will be sent to registered and beneficial shareholders who have requested that these materials be sent to them. They are also available on SEDAR at www.sedar.com and CTC's website at www.corp.canadiantire.ca.

Electing Directors

The Board has determined that 16 directors will be elected at the Meeting, 13 whom will be elected by the holders of Common Shares and three of whom will be elected by the holders of Class A Non-Voting Shares. See *About the Proposed Directors* beginning on page 9 for more information.

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

Proposed Directors to be Elected

By holders of Common Shares		By holders of Class A Non-Voting Shares
Eric T. Anderson	John A.F. Furlong	Pierre Boivin
Martha G. Billes	Claude L'Heureux	James L. Goodfellow
Owen G. Billes	Donald A. Murray	Timothy R. Price
Diana L. Chant	Maureen J. Sabia	
Patrick J. Connolly	Anatol von Hahn	
David C. Court	Stephen G. Wetmore	
Mark E. Derbyshire		

All of the proposed directors are currently directors of CTC except for Mr. Murray, who is being proposed as a nominee for holders of Common Shares to replace Mr. George Vallance, who will not be standing for re-election at the Meeting. With the exception of Messrs. Anderson and Connolly, all of the current directors were elected as directors at our Annual Meeting of Shareholders held on May 12, 2016. Messrs. Anderson and Connolly were appointed as directors of the Company effective October 1, 2016 and September 15, 2016, respectively. Mr. Michael B. Medline and Dr. Ronald E. Goldsberry resigned as directors of the Board on July 12, 2016 and September 30, 2016, respectively.

Appointing the External Auditor

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

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

Considering Other Business

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

Who Can Vote

The Company has two classes of shares. The items you can vote on depend on the class of shares you own. Each share you own as of the close of business on March 23, 2017 entitles you to one vote on the matters on which you are entitled to vote at the Meeting.

Common Shares

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

- the election of 13 of the 16 directors (see *About the Proposed Directors* beginning on page 9 for more information);
- the appointment of the external auditor and authorizing the directors to set the external auditor's compensation; and
- the transaction of such further and other business as may properly come before the Meeting or any adjournment thereof.

As at March 9, 2017, CTC had 3,423,366 Common Shares issued and outstanding. The directors and officers of the Company are not aware of any person or company that beneficially owns, or controls or directs, directly or indirectly, more than 10% of the total outstanding Common Shares, other than those listed below:

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

Notes

(1) Tire 'N' Me Pty. Ltd. (*Tire 'N' Me*) owns 1,400,767 Common Shares. 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 Owen Billes, is the beneficial owner of all the issued shares of Tire 'N' Me. The Common Shares owned by Tire 'N' Me are included in the shareholdings of Ms. Billes as shown in her director profile on page 12.

(2) Albikin Management Inc. (*Albikin*) owns 700,383 Common Shares and 741,176 Class A Non-Voting Shares. With the exception of a small number of nominal value preferred shares of Albikin beneficially owned by Martha 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 owned by Albikin are included in the shareholdings of Mr. Billes as shown in his director profile on page 12.

(3) Sun Life Assurance Company of Canada *(Sun Life)* is the beneficial owner of the 419,280 Common Shares held in relation to CTC's Deferred Profit Sharing Plan (*the DPSP*). Sun Life has issued a group annuity policy to Sun Life Financial Trust Inc., the trustee of the DPSP (*the Trustee*), which provides benefits to the Trustee and, indirectly, to the participants in the DPSP that are substantially the same as those to which they would have been entitled had the shares been held directly by the Trustee. For more information on the DPSP, see *Retirement and Savings Plan* beginning on page 59.

Class A Non-Voting Shares

If you are a holder of Class A Non-Voting Shares, you can vote on the election of three of the 16 directors at the Meeting. See *About the Proposed Directors* beginning on page 9 for more information.

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

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

The Common Shares and Class A Non-Voting Shares are each generally voted separately as a class. As a result, aggregating the voting rights attached to the Common Shares and Class A Non-Voting Shares is not relevant to any corporate action currently contemplated. If an occasion should arise in which the holders of the Common Shares and the holders of the Class A Non-Voting Shares are entitled to vote together (rather than as a separate class), then based on the numbers of Common Shares and Class A Non-Voting Shares outstanding as at March 9, 2017, the Class A Non-Voting Shares would represent approximately 95.1% of the aggregate voting rights attached to the Common Shares and the Class A Non-Voting Shares. For a full statement of the conditions attached to the Common Shares and Class A Non-Voting Shares, including voting rights, reference should be made to CTC's articles of amendment dated December 15, 1983, which are available on SEDAR at www.sedar.com.

As at March 9, 2017, CTC had 66,712,893 Class A Non-Voting Shares issued and outstanding. The directors and officers of the Company are not aware of any person or company that beneficially owns, or controls or directs, directly or indirectly, more than 10% of the outstanding Class A Non-Voting Shares.

Solicitation of Proxy and Delivery of Proxy-Related Materials

Your proxy is being solicited by the management of CTC and the associated costs are being borne by CTC. The solicitation is being made primarily by mail but may also be made by telephone or in person. In the case of Beneficial Shareholders (defined below), proxy-related materials will be sent by CTC to the intermediaries and not directly to Beneficial Shareholders. CTC intends to pay for intermediaries to deliver proxy-related materials and Form 54-101F7 (request for voting instructions) to any "objecting beneficial owners".

How to Vote

Methods of Voting

The manner in which you can vote your CTC shares depends on whether you are: (i) a registered shareholder, which is if your shares are held in your name and you have a share certificate (*Registered Shareholder*); or (ii) a non-registered beneficial shareholder, which is if your shares are held in the name of an intermediary such as a bank, trust company, securities broker or other intermediary (*Beneficial Shareholder*).

You can vote in person or if you will not be attending the Meeting in person, you can authorize another person, called a proxyholder, to attend the meeting and vote on your behalf. See *Voting by Proxy* beginning on page 7 for details. Please read the following instructions carefully.

	Registered Shareholders	Beneficial Shareholders
Delivery of Proxy Materials	We have sent you a proxy form.	Your intermediary has sent you a voting instruction form. We may not have records of your shareholdings as a Beneficial Shareholder and you must follow the instructions from your intermediary to vote.
If you want to come to the meeting and vote in person	Do ***not*** complete the proxy form or return it to us. Simply bring it with you to the Meeting. When you arrive at the Meeting, please register with CTC's transfer agent, Computershare Trust Company of Canada (*Computershare*). Your vote will be taken and counted at the Meeting.	A Beneficial Shareholder who receives a voting instruction form from their intermediary cannot use that voting instruction form to vote shares directly at the Meeting. To vote your shares in person at the Meeting, your intermediary must appoint you as proxyholder. In order to be appointed as proxyholder, insert your name in the space provided on the voting instruction form and follow the return instructions provided by your intermediary. Do ***not*** fill in the voting directions as your vote will be taken at the Meeting. The voting instruction form must be returned to your intermediary well in advance of the Meeting in order to vote the shares in person at the Meeting. When you arrive at the Meeting, please register with Computershare. Your vote will be taken and counted at the Meeting.
If you do not plan to attend the Meeting	Complete the enclosed proxy form and return it to Computershare in the envelope provided. You can either mark your voting instructions on the proxy form or you can appoint another person to attend the Meeting and vote your shares for you. See *Voting by Proxy* beginning on page 7. Alternatively, Registered Shareholders may also vote online or by telephone by following the instructions shown on the proxy form.	Complete the enclosed voting instruction form and return it to your intermediary. You can either mark your voting instructions on the voting instruction form or you can appoint a proxyholder to attend the Meeting and vote your shares for you. See *Voting by Proxy* beginning on page 7. Alternatively, Beneficial Shareholders may also vote online or by telephone by following the instructions shown on the voting instruction form.
Returning the form	The enclosed proxy form tells you how to submit your voting instructions. Computershare must receive your proxy, including any amended proxy, by no later than 5:00 p.m. (Toronto time) on Wednesday, May 10, 2017 (the *Proxy Deadline*), or if the Meeting is postponed or adjourned, no later than 24 hours (not including Saturdays, Sundays or statutory holidays in Ontario) before the postponed or adjourned meeting convenes.	Return your voting instruction form using one of the methods noted on the voting instruction form provided by your intermediary. Remember that your intermediary must receive your voting instructions in sufficient time to act on them, generally one business day before the Proxy Deadline. For your votes to count, Computershare must receive your voting instructions from your intermediary by no later than the Proxy Deadline, or if the Meeting is postponed or adjourned, no later than 24 hours (not including Saturdays, Sundays or statutory holidays in Ontario) before the postponed or adjourned meeting convenes.

	Registered Shareholders	Beneficial Shareholders
Changing your vote/ revoking your proxy	If you change your mind about how you voted before the Meeting and you want to revoke your proxy, you must deliver a signed written statement specifying your instructions to one of the following: • the Secretary of the Company by the Proxy Deadline, or the business day immediately preceding any adjournment or postponement of the Meeting, at: c/o Canadian Tire Corporation, Limited 2180 Yonge Street P.O. Box 770, Station K Toronto, Ontario M4P 2V8 Attention: Doug Nathanson, Secretary Fax: (416) 480-2612 • the Chairman of the Board of the Company on the day of the Meeting, or, if the Meeting is adjourned, on the day the Meeting resumes. You can also change your voting instructions by sending amended instructions to Computershare by the Proxy Deadline, or by voting in person at the Meeting or in any other manner permitted by law.	If you have provided voting instructions to your intermediary and change your mind about your vote, or you decide to attend the Meeting and vote in person, contact your intermediary to find out what to do. If your intermediary gives you the option of using the internet to provide your voting instructions, you can also change your instructions online, as long as your intermediary receives the new instructions in enough time to act on them before the Proxy Deadline. Contact your intermediary to confirm the deadline.

Voting by Proxy

How to appoint a Proxyholder

Signing the enclosed form of proxy gives authority to Maureen J. Sabia, Stephen G. Wetmore or Timothy R. Price (*the Company proxyholders*), each of whom is a director of the Company, to vote your shares at the Meeting, unless you give such authority to someone else. **You may appoint someone other than the above-named directors to vote your shares** by writing the name of this person, who need not be a CTC shareholder, in the blank space provided on the 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 CTC's transfer agent, Computershare.

How your Proxyholder will Vote

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

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 Meeting of Shareholders of CTC and with respect to any new matters which may properly come before the Meeting.

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

Voting Shares Registered in the Name of a Corporation

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 form of proxy on behalf of the corporation or other legal entity. The completed proxy form must be returned to CTC's transfer agent, Computershare, in the envelope provided so that it arrives no later than 5:00 p.m. (Toronto time) on Wednesday, May 10, 2017. **Shares registered in the name of a corporation or other legal entity cannot be voted by telephone, online or in person.**

Additional Voting Information

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

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

Composition of the Board

16 directors are being proposed for election to our Board.

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

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

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

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 (*the Shareholders' Agreement*), of the 13 directors to be elected by the holders of Common Shares at the Meeting, Ms. Billes has proposed nine nominees and C.T.C. Dealer Holdings Limited has proposed three nominees. Ms. Billes and C.T.C. Dealer Holdings Limited have agreed to vote for the election of such proposed nominees, in addition to the President and Chief Executive Officer of CTC (*the President and CEO)*, as directors of CTC.

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

Position on Majority Voting

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

The Company has not adopted a majority voting policy with respect to the election of directors by the holders of Common Shares. The Company relies on an exemption from the TSX's majority voting requirements available to listed issuers that are controlled by a security holder that beneficially owns, or controls or directs, directly or indirectly, voting securities carrying 50% or more of the voting rights for the election of directors as of the applicable record date. Martha Billes beneficially owns, or controls and directs, the votes attached to more than 60% of the Company's outstanding Common Shares and, as such, a majority voting policy would not have any effect on the election of directors by the holders of Common Shares as Ms. Billes can effect the election of such directors with her votes alone. Furthermore, C.T.C. Dealer Holdings Limited, which beneficially owns more than 20% of the outstanding Common Shares, has agreed to vote for the election of the directors proposed by Ms. Billes and C.T.C. Dealer Holdings Limited pursuant to the Shareholders' Agreement, as more particularly described above under *Composition of the Board*.

As such, since more than 80% of the votes associated with the Common Shares are required to be cast for directors nominated pursuant to the Shareholders' Agreement, a majority voting policy would have no meaningful effect on the election of directors by the holders of Common Shares.

Independence

12 out of 16 (75%) of the nominated directors are independent. Having an independent board is one of the ways we ensure that the Board is able to operate independently of management and to make decisions in the best interests of the Company. Mr. Wetmore is not an independent director because of his role as the Company's President and CEO. Messrs. Billes, L'Heureux and Murray are not independent as they are Canadian Tire Dealers. For more information regarding the independence of the Board, see *Independence of the Board* beginning on page 26.

Board Tenure

Balancing the combination of longer serving directors who have a long history and understanding of the Company's business with newer directors allows the Board to have the benefit of experience while also being exposed to fresh perspectives and ideas. The Company values the experience and continuity provided by long term directors and has not adopted a policy requiring a director to retire after a fixed period of tenure. The average board tenure among the nominated directors (excluding Mr. Murray, who is not currently a director of the Company) is nine years. Over the last three years, seven new directors have been elected or appointed to our Board (one in 2013, three in 2015 and three in 2016). For more information regarding the tenure of the members of the Board, see *Term Limits* on page 29.

Share Ownership Guidelines

Each proposed director, other than the President and CEO (who is subject to executive share ownership guidelines), is required to accumulate at least three times the value of the annual director retainer, which currently equates to $465,000, in Common Shares, Class A Non-Voting Shares and/or deferred share units (*DSUs*) acquired under the Deferred Share Unit Plan for Directors (*the DSU Plan for Directors*) by the fifth anniversary of such director's initial election or appointment to the Board (*the Director Share Ownership Guidelines*). For more information, see *Director Share Ownership Guidelines* on page 41. For more information on CTC's share ownership guidelines applicable to the President and CEO, see *Executive Share Ownership Guidelines* on page 61.

Director Profiles

The following director profiles provide a description of the directors being proposed for election and each director's equity ownership of Common Shares, Class A Non-Voting Shares and DSUs acquired under the DSU Plan for Directors and, in the case of Mr. Wetmore, DSUs granted under the Company's Deferred Share Unit Plan for Executives. The profiles show the aggregate value of all Common Shares, Class A Non-Voting Shares and DSUs held by each proposed director, as well as whether or not each proposed director has met the Director Share Ownership Guidelines.

The value of Common Shares, Class A Non-Voting Shares and/or DSUs required to meet the Director Share Ownership Guidelines as at the date at which they are required to be met (currently $465,000) is calculated as the greater of: (i) the acquisition cost of the Common Shares, Class A Non-Voting Shares and DSUs; and (ii) the market value of such shares and DSUs based on the closing share prices on the TSX on the last day of the calendar quarter prior to each director's applicable guideline achievement date (or the next business day if the last day of the calendar quarter is not a business day). For purposes of the director profiles that follow, the market value of the Common Shares was calculated using the closing price of the Common Shares on the TSX on March 9, 2017 ($210.00) and the market value of the Class A Non-Voting Shares (and accordingly, the value of a DSU) was calculated using the closing price of the Class A Non-Voting Shares on the TSX on March 9, 2017 ($152.24).

ERIC T. ANDERSON

Common Shareholder Nominee | Independent

Chicago, Illinois, U.S.A.

Director since:
2016

2016 Voting Results:
N/A

Current Activities:
Dr. Anderson is the Hartmarx Professor and former Chair of the Marketing Department at Northwestern University, Kellogg School of Management and Director of the Center for Global Marketing Practice. Dr. Anderson's research interests include innovation, pricing strategy, new products, retailing and channel management. His recent research has been conducted with various companies around the world and has influenced management practice. His articles have appeared in scholarly journals such as *Journal of Marketing Research*, *Marketing Science*, *Management Science*, *Journal of Economic Theory*, and *Quarterly Journal of Economics*. He has also published in Harvard Business Review and Sloan Management Review. Dr. Anderson holds a Ph.D. in Management Science from MIT Sloan of Management.

Past Activities:
Prior to joining the Kellogg School of Management at Northwestern University in 2003, Dr. Anderson was Assistant Professor of Marketing at the University of Chicago Booth School of Business and the W.E. Simon Graduate School of Business at the University of Rochester.

Public Board Memberships:
Canadian Tire Corporation, Limited (2016 – Present)

NUMBER OF SHARES AND DSUs BENEFICIALLY OWNED, CONTROLLED OR DIRECTED (as at March 9, 2017)

COMMON SHARES	CLASS A NON-VOTING SHARES	DSUs[1]	TOTAL NUMBER OF SHARES AND DSUs	MARKET VALUE OF TOTAL NUMBER OF SHARES AND DSUs	DATE BY WHICH SHARE OWNERSHIP GUIDELINE IS TO BE MET	HAS SHARE OWNERSHIP GUIDELINE BEEN MET?
–	–	–	–	–	October 1, 2021	No

MARTHA G. BILLES

Common Shareholder Nominee | Independent

Calgary, Alberta, Canada

Director since:
1980

2016 Voting Results:
99.96% in favour

Current Activities:
Ms. Billes is President and a director of Albikin Management Inc., an investment holding company. Ms. Billes is the daughter of the Company's co-founder, A.J. Billes, and has beneficially owned or controlled a majority of the Common Shares of CTC since 1997. She is also the founder and Chairman Emeritus of Canadian Tire Jumpstart Charities, a director of Tire 'N' Me Pty. Ltd. and Honourary Consul Emeritus for the Republic of Chile, Southern Alberta Region.

Past Activities:
Ms. Billes has served on the boards of several public companies. She has also served as a member of the board of trustees of the Sunnybrook Medical Centre Foundation and the Calgary Women's Emergency Shelter – Endowment Fund Trust. She is a former member of the board of directors and the Human Resources and Governance Committees of the Toronto Organizing Committee for the 2015 Pan American and Parapan American Games and a former director of Canadian Tire Bank. Ms. Billes received an honorary Doctor of Laws degree from the University of Guelph in 2013 and an honorary Doctor of Commerce degree from Ryerson University in 2002.

Public Board Memberships During Last Five Years:
Canadian Tire Corporation, Limited (1980 – Present)

NUMBER OF SHARES AND DSUs BENEFICIALLY OWNED, CONTROLLED OR DIRECTED (as at March 9, 2017)

COMMON SHARES	CLASS A NON-VOTING SHARES	DSUs(1)	TOTAL NUMBER OF SHARES AND DSUs	MARKET VALUE OF TOTAL NUMBER OF SHARES AND DSUs	DATE BY WHICH SHARE OWNERSHIP GUIDELINE IS TO BE MET	HAS SHARE OWNERSHIP GUIDELINE BEEN MET?
1,400,767	5,706	–	1,406,473	*See Note 2*	February 9, 2008	Yes

OWEN G. BILLES

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

St. Catharines, Ontario, Canada

Director since:
2004

2016 Voting Results:
99.99% in favour

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 the Company's co-founder, A.J. Billes. Mr. Billes is also Chairman of Canadian Tire Jumpstart Charities and a director of Canadian Tire Bank.

Past Activities:
Mr. Billes joined the Company in 1992 as Changeover Consultant, Dealer Changeover. He subsequently worked at the Company in various divisions, including the Operations Planning Centre, Dealer Operations, Logistics, Automotive Marketing, New Business Development and Petroleum. He also worked in Customer Service Strategic Development at the Company's Financial Services division and at four Canadian Tire stores. In 2007, Mr. Billes entered the Canadian Tire Dealer-in-Training Program. Mr. Billes has also served as a member of the board of governors for Niagara College.

Public Board Memberships During Last Five Years:
Canadian Tire Corporation, Limited (2004 – Present)

NUMBER OF SHARES AND DSUs BENEFICIALLY OWNED, CONTROLLED OR DIRECTED (as at March 9, 2017)

COMMON SHARES	CLASS A NON-VOTING SHARES	DSUs(1)	TOTAL NUMBER OF SHARES AND DSUs	MARKET VALUE OF TOTAL NUMBER OF SHARES AND DSUs	DATE BY WHICH SHARE OWNERSHIP GUIDELINE IS TO BE MET	HAS SHARE OWNERSHIP GUIDELINE BEEN MET?
700,383	754,765	–	1,455,148	*See Note 2*	May 11, 2009	Yes

PIERRE BOIVIN

Class A Non-Voting Shareholder Nominee | Independent

Montreal, Quebec, Canada

Director since:
2013

2016 Voting Results:
98.22% in favour

Current Activities:
Mr. Boivin is President and Chief Executive Officer of Claridge Inc., a private investment firm in Montreal. Mr. Boivin serves on the boards of National Bank of Canada and CH Group, which owns the Montreal Canadiens. He is also Chairman of the board of the Montreal Canadiens Children's Foundation, which he founded in 2000, and Co-Chair of the Sainte-Justine UHC Foundation campaign.

Past Activities:
From 1999 to 2011, Mr. Boivin served as President and CEO of the Montreal Canadiens and evenko, an entertainment promotion and production company and a division of L'Aréna des Canadiens Inc. He has also served as President and CEO of a number of companies in the sporting goods industry, including Canstar Sports Inc., which later became Bauer-Nike Hockey Inc., Weider Sporting Goods Inc. and Norvinca Inc., a company which he also founded. Until June 2012, Mr. Boivin served as the Chairman of the board of Sainte-Justine UHC Foundation. He is a former director of Questerre Energy Corporation, Sirius XM Canada Holdings Inc. (formerly, Canadian Satellite Radio Holdings Inc.) and Lumenpulse Inc. He has served as Chairman of Quebec Special Olympics and is a former board member of Special Olympics Canada. In 2009, he was awarded a Ph.D. Honoris Causa from the Université de Montréal and appointed an Officer of the Order of Canada.

Public Board Memberships During Last Five Years:

Canadian Tire Corporation, Limited	(2013 – Present)
National Bank of Canada	(2013 – Present)
Sirius XM Canada Holdings Inc.	(2005 – 2013)
Questerre Energy Corporation	(2008 – 2012)

NUMBER OF SHARES AND DSUs BENEFICIALLY OWNED, CONTROLLED OR DIRECTED (as at March 9, 2017)

COMMON SHARES	CLASS A NON-VOTING SHARES	DSUs(1)	TOTAL NUMBER OF SHARES AND DSUs	MARKET VALUE OF TOTAL NUMBER OF SHARES AND DSUs	DATE BY WHICH SHARE OWNERSHIP GUIDELINE IS TO BE MET	HAS SHARE OWNERSHIP GUIDELINE BEEN MET?
–	4,100	4,193	8,293	$1,262,552	May 9, 2018	Yes

DIANA L. CHANT

Common Shareholder Nominee | Independent

Toronto, Ontario, Canada

Director since:
2015

2016 Voting Results:
99.99% in favour

Current Activities:
Ms. Chant is a Corporate Director and Fellow of the Chartered Professional Accountants of Ontario. She serves on the board and Audit Committee of Industrial and Commercial Bank of China (Canada) and the board of The Roy Thomson Hall and Massey Hall Foundation. She is also a member of the Investment Committee which oversees the investments of the PwC Income Security Program.

Past Activities:
Ms. Chant retired in 2012 as a partner of Pricewaterhouse Coopers LLP (*PwC*) where she was responsible for leading and growing PwC's financial services risk management consulting practice. Prior to that, she was responsible for PwC's financial services industry practice and was a member of the Canadian firm's management team. Ms. Chant has been a member of the PwC Canada Partnership Board and has served on the boards of the National Ballet of Canada, National Ballet Foundation and the Empire Club of Canada. She was also a Governor of The Corporation of Massey Hall and Roy Thomson Hall and Chair of its Audit and Finance Committee.

Public Board Memberships During Last Five Years:

Canadian Tire Corporation, Limited	(2015 – Present)

NUMBER OF SHARES AND DSUs BENEFICIALLY OWNED, CONTROLLED OR DIRECTED (as at March 9, 2017)

COMMON SHARES	CLASS A NON-VOTING SHARES	DSUs(1)	TOTAL NUMBER OF SHARES AND DSUs	MARKET VALUE OF TOTAL NUMBER OF SHARES AND DSUs	DATE BY WHICH SHARE OWNERSHIP GUIDELINE IS TO BE MET	HAS SHARE OWNERSHIP GUIDELINE BEEN MET?
–	1,000	1,483	2,483	$378,085	May 14, 2020	No

PATRICK J. CONNOLLY

Common Shareholder Nominee | Independent

Menlo Park, California, U.S.A.

Director since:
2016

2016 Voting Results:
N/A

Current Activities:

Mr. Connolly is a Corporate Director and seasoned retail executive. Mr Connolly served as a director of Williams-Sonoma, Inc. *(Williams-Sonoma)*, a specialty retailer of home furnishings and gourmet cookware, from 1983 until August 2016. He serves as Lead Director, Chairman of the Nominating & Corporate Governance Committee and Chairman of the Compensation Committee of CafePress Inc., an online retailer of stock and user customized gifts. He was elected to the board of directors of Total Wine & More, an American independent retailer of fine wine, in November 2016. Mr. Connolly is a frequent speaker on e-Commerce and multichannel retailing.

Past Activities:

Mr. Connolly held various positions in direct marketing and e-commerce at Williams-Sonoma from 1979 until his retirement in July 2016. He served as the company's Executive Vice President, Chief Strategy and Business Development Officer from 2014 until 2016 and Chief Marketing Officer from 2000 to 2014. Mr. Connolly also served on the board of directors of Williams-Sonoma since 1983 and has served on the board of directors for the Direct Marketing Association and on the management board of the Stanford Graduate School of Business.

Public Board Memberships During Last Five Years:

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

NUMBER OF SHARES AND DSUs BENEFICIALLY OWNED, CONTROLLED OR DIRECTED (as at March 9, 2017)

COMMON SHARES	CLASS A NON-VOTING SHARES	DSUs(1)	TOTAL NUMBER OF SHARES AND DSUs	MARKET VALUE OF TOTAL NUMBER OF SHARES AND DSUs	DATE BY WHICH SHARE OWNERSHIP GUIDELINE IS TO BE MET	HAS SHARE OWNERSHIP GUIDELINE BEEN MET?
–	–	–	–	–	September 15, 2021	No

DAVID C. COURT

Common Shareholder Nominee | Independent

Boca Grande, Florida, U.S.A.

Director since:
2015

2016 Voting Results:
99.97% in favour

Current Activities:

Mr. Court is a Corporate Director and, until November 2016, was a Director (Senior Partner) of the Dallas office of McKinsey & Company *(McKinsey)* where he led McKinsey's global publishing, communications and knowledge practice. Mr. Court is a director of Click Fox, Inc., National Geographic Ventures and serves on the Advisory Council for National Geographic and the advisory board for Queen's School of Business.

Past Activities:

Mr. Court joined McKinsey in 1983 and was elected a Principal in 1989 and a Director in 1994. While at McKinsey, Mr. Court also led McKinsey's functional practices and its sales and marketing practice globally. He served on McKinsey's board of directors and Global Operating Committee and was the Managing Director of McKinsey's Dallas office and a leader of its retail and consumer packaged goods practices. Mr. Court also worked in McKinsey's Chicago, London, Sydney and Toronto offices. Prior to his role at McKinsey, Mr. Court worked in brand management at Procter & Gamble in Toronto.

Public Board Memberships During Last Five Years:

Canadian Tire Corporation, Limited	(2015 – Present)

NUMBER OF SHARES AND DSUs BENEFICIALLY OWNED, CONTROLLED OR DIRECTED (as at March 9, 2017)

COMMON SHARES	CLASS A NON-VOTING SHARES	DSUs(1)	TOTAL NUMBER OF SHARES AND DSUs	MARKET VALUE OF TOTAL NUMBER OF SHARES AND DSUs	DATE BY WHICH SHARE OWNERSHIP GUIDELINE IS TO BE MET	HAS SHARE OWNERSHIP GUIDELINE BEEN MET?
–	2,150	–	2,150	$327,316	August 13, 2020	No

MARK E. DERBYSHIRE

Common Shareholder Nominee | Independent

Toronto, Ontario, Canada

Director since:
2016

2016 Voting Results:
99.99% in favour

Current Activities:
Mr. Derbyshire is a Corporate Director and seasoned retail executive. Mr. Derbyshire holds an M.B.A. in Marketing and Brand Strategy and a Ph.D. in Organizational Behaviour.

Past Activities:
From January 2010 until September 2016, Mr. Derbyshire served as President of Holt, Renfrew & Co., Limited *(Holt Renfrew)*, whose banners include Holt Renfrew, hr2 and La Maison Ogilvy. Under Mr. Derbyshire's leadership, Holt Renfrew was consistently recognized as one of Canada's 50 Best Managed Companies. Mr. Derbyshire has spent the last two decades in the retail industry in a number of other senior positions, including: Vice President and Chief Talent Officer of Selfridges Group Limited (which operates luxury retailers, Holt Renfrew, Selfridges (England), Brown Thomas (Ireland) and de Bijenkorf (the Netherlands)); Vice President, Human Resources, Holt Renfrew; Executive Director and Head of Retail & Consumer Practice, Canada at executive recruitment firm Russell Reynolds Associates; and Vice President & Managing Director, Competitive Store Operations, Canadian Tire Dealers' Association. In 2009, Mr. Derbyshire was named one of Canada's Top 40 Under 40™ for his outstanding contributions in the private, public and not-for-profit sectors and, in 2014 and 2015, he was recognized as one of the Top 500 Global Influencers by the Business of Fashion.

Public Board Memberships During Last Five Years:

Canadian Tire Corporation, Limited	(2016 – Present)

NUMBER OF SHARES AND DSUs BENEFICIALLY OWNED, CONTROLLED OR DIRECTED (as at March 9, 2017)

COMMON SHARES	CLASS A NON-VOTING SHARES	DSUs(1)	TOTAL NUMBER OF SHARES AND DSUs	MARKET VALUE OF TOTAL NUMBER OF SHARES AND DSUs	DATE BY WHICH SHARE OWNERSHIP GUIDELINE IS TO BE MET	HAS SHARE OWNERSHIP GUIDELINE BEEN MET?
25	–	936	961	$147,894	May 12, 2021	No

JOHN A.F. FURLONG

Common Shareholder Nominee | Independent

Victoria, British Columbia, Canada

Director since:
2011

2016 Voting Results:
99.97% in favour

Current Activities:
Mr. Furlong is a Corporate Director, senior sports executive and professional speaker represented by the Twentyten Group, a firm comprised of former members of the Vancouver Organizing Committee for the 2010 Vancouver Olympic and Paralympic Games *(VANOC)*. He is the Executive Chair of the Vancouver Whitecaps FC and, until October 2016, was a director of Whistler Blackcomb Holdings Inc. He is also Chairman of Rocky Mountaineer and Chairman of the "Own the Podium" program.

Past Activities:
Mr. Furlong served as the Chief Executive Officer of VANOC and led the team that organized and delivered the 2010 Vancouver Olympic and Paralympic Winter Games. Prior to his appointment to VANOC in 2004, Mr. Furlong was President and Chief Operating Officer for the Vancouver 2010 Bid Corporation. Mr. Furlong is also a former member of the Canadian Olympic Committee. In 2010, Mr. Furlong was named an Officer of the Order of Canada and became a Member of the Order of British Columbia. Mr. Furlong's service to sport and Canada has resulted in numerous additional forms of recognition, including Canadian of the Year, Canada's Sports Executive of Year and Marketer of the Year.

Public Board Memberships During Last Five Years:

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

NUMBER OF SHARES AND DSUs BENEFICIALLY OWNED, CONTROLLED OR DIRECTED (as at March 9, 2017)

COMMON SHARES	CLASS A NON-VOTING SHARES	DSUs(1)	TOTAL NUMBER OF SHARES AND DSUs	MARKET VALUE OF TOTAL NUMBER OF SHARES AND DSUs	DATE BY WHICH SHARE OWNERSHIP GUIDELINE IS TO BE MET	HAS SHARE OWNERSHIP GUIDELINE BEEN MET?
–	–	5,126	5,126	$780,525	May 12, 2016	Yes

JAMES L. GOODFELLOW

Class A Non-Voting Shareholder Nominee | Independent

Oakville, Ontario, Canada

Director since:
2010

2016 Voting Results:
98.21% in favour

Current Activities:
Mr. Goodfellow is a Corporate Director. He also serves on the board of Canadian Tire Bank and provides outside consulting services on corporate governance, risk governance and financial reporting matters.

Past Activities:
Mr. Goodfellow was a senior partner and Vice-Chairman of Deloitte & Touche LLP (now Deloitte) until his retirement in 2008. He has been an active contributor to the accounting profession. He is past Chairman of the Canadian Institute of Chartered Accountants' Accounting Standards Board and its Canadian Performance Reporting Board. He was made a Fellow of the Ontario Institute of Chartered Accountants in 1986 for his distinguished service to the profession and, in 2009, was awarded the Ontario Institute's Distinguished Order of Merit, the highest honour given by the Institute. Mr. Goodfellow was formerly a director of Discovery Air Inc. and a past member of the Audit Committee of the Department of Foreign Affairs and International Trade Canada.

Public Board Memberships During Last Five Years:

Canadian Tire Corporation, Limited	(2010 – Present)
Discovery Air Inc.	(2008 – 2014)

NUMBER OF SHARES AND DSUs BENEFICIALLY OWNED, CONTROLLED OR DIRECTED (as at March 9, 2017)

COMMON SHARES	CLASS A NON-VOTING SHARES	DSUs[1]	TOTAL NUMBER OF SHARES AND DSUs	MARKET VALUE OF TOTAL NUMBER OF SHARES AND DSUs	DATE BY WHICH SHARE OWNERSHIP GUIDELINE IS TO BE MET	HAS SHARE OWNERSHIP GUIDELINE BEEN MET?
–	6,000	–	6,000	$913,440	October 7, 2015	Yes

CLAUDE L'HEUREUX

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

Ottawa, Ontario, Canada

Director since:
2011

2016 Voting Results:
99.99% in favour

Current Activities:
Mr. L'Heureux is President of Gestion Claude L'Heureux Inc., which operates a Canadian Tire Store in Orléans (Ottawa), Ontario. Mr. L'Heureux is a member of the board of Prince Albert II of Monaco Foundation (Canada).

Past Activities:
Mr. L'Heureux has been a Canadian Tire Dealer since 1983 and has operated a number of Canadian Tire stores in Ontario and Quebec. He served as Vice-President of the Canadian Tire Dealers' Association from 1999 to 2001 and has been a director of the Canadian Tire Dealers' Association, Chairman of three regional Canadian Tire Dealer groups and a member of numerous Canadian Tire Dealers' Association committees. Mr. L'Heureux was the recipient of the Canadian Tire Award of Excellence in 2000. Mr. L'Heureux was formerly a member of the boards of The West Island Community Shares and The Snowsuit Fund of Ottawa.

Public Board Memberships During Last Five Years:

Canadian Tire Corporation, Limited	(2011 – Present)

NUMBER OF SHARES AND DSUs BENEFICIALLY OWNED, CONTROLLED OR DIRECTED (as at March 9, 2017)

COMMON SHARES	CLASS A NON-VOTING SHARES	DSUs[1]	TOTAL NUMBER OF SHARES AND DSUs	MARKET VALUE OF TOTAL NUMBER OF SHARES AND DSUs	DATE BY WHICH SHARE OWNERSHIP GUIDELINE IS TO BE MET	HAS SHARE OWNERSHIP GUIDELINE BEEN MET?
–	200	10,179	10,379	$1,580,124	May 12, 2016	Yes

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

Red Deer, Alberta, Canada

2016 Voting Results:
N/A

Current Activities:
Mr. Murray is President, Donald A. Murray Holdings Ltd., which operates a Canadian Tire store in Red Deer, Alberta.

Past Activities:
Mr. Murray has been a Canadian Tire Dealer since 1991 and has operated a number of Canadian Tire stores in Alberta and Saskatchewan. He was President of the Canadian Tire Dealers' Association from 2005 to 2007 and has also served on several Canadian Tire Dealers' Association committees. Mr. Murray was the recipient of the Canadian Tire Award of Excellence in 2015. He was also a member of the Camrose Rotary Club, the Camrose Golf Club board of directors and the Fort McMurray Rotary Club.

Public Board Memberships During Last Five Years:
N/A

NUMBER OF SHARES AND DSUs BENEFICIALLY OWNED, CONTROLLED OR DIRECTED (as at March 9, 2017)

COMMON SHARES	CLASS A NON-VOTING SHARES	DSUs(1)	TOTAL NUMBER OF SHARES AND DSUs	MARKET VALUE OF TOTAL NUMBER OF SHARES AND DSUs	DATE BY WHICH SHARE OWNERSHIP GUIDELINE IS TO BE MET	HAS SHARE OWNERSHIP GUIDELINE BEEN MET?
–	1,212	–	1,212	$184,515	May 11, 2022	No

TIMOTHY R. PRICE — Class A Non-Voting Shareholder Nominee | Independent

Toronto, Ontario, Canada

Director since:
2007

2016 Voting Results:
98.22% in favour

Current Activities:
Mr. Price is Chairman, Brookfield Funds, Brookfield Asset Management Inc., an asset management company. He is also a Director and Chairman of The Royal Conservatory of Music and a Director of Fairfax Financial Holdings Limited, St. Michael's Hospital Foundation and The Shaw Festival.

Past Activities:
Mr. Price was previously Chairman of The Edper Group Inc., Hees International Bancorp and Trilon Financial Corporation, all of which were merged into Brookfield Asset Management Inc. He was formerly Chairman of Q9 Networks Inc. and the York University Foundation, a trustee of Morguard REIT, a director of HSBC Bank Canada, Brookfield Homes Corporation Inc., Brookfield Residential Properties Inc. and Astral Media Inc. and a Governor of York University.

Public Board Memberships During Last Five Years:

Fairfax Financial Holdings Limited	(2010 – Present)
Canadian Tire Corporation, Limited	(2007 – Present)
Brookfield Residential Properties Inc.	(2011 – 2015)
HSBC Bank Canada	(2007 – 2015)
Astral Media Inc.	(2004 – 2012)

NUMBER OF SHARES AND DSUs BENEFICIALLY OWNED, CONTROLLED OR DIRECTED (as at March 9, 2017)

COMMON SHARES	CLASS A NON-VOTING SHARES	DSUs(1)	TOTAL NUMBER OF SHARES AND DSUs	MARKET VALUE OF TOTAL NUMBER OF SHARES AND DSUs	DATE BY WHICH SHARE OWNERSHIP GUIDELINE IS TO BE MET	HAS SHARE OWNERSHIP GUIDELINE BEEN MET?
–	1,800	16,809	18,609	$2,833,175	May 10, 2012	Yes

MAUREEN J. SABIA

Common Shareholder Nominee | Independent

Toronto, Ontario, Canada

Director since:
1985

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

2016 Voting Results:
99.99% in favour

Current Activities:
Maureen 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. She 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. She is also a member of the Leadership Council of the Perimeter Institute and of the board of governors of the Montreal Economic Institute. In May 2014 she was awarded an LL.D (honoris causa) from Dalhousie University and in October 2014 an LL.D (honoris causa) from Wilfrid Laurier University.

Past Activities:
Maureen Sabia, a lawyer, has had careers in the public and private sectors and served as Chairman of the Export Development Corporation. She has been Chairman of the Audit Committee of CTC, a director of Hydro One Inc. and member of its Audit, Finance & Investment Pension Committee and Business Transformation Committee, Vice-Chairman of the Public Accountants Council for the Province of Ontario and Chairman of the Foreign Affairs and International Trade Canada Audit Committee. She 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 and the board of trustees of Brock University where she was also Chairman of its Audit Committee, Chairman of the Sunnybrook Medical Centre Foundation and a member of the board of trustees for Sunnybrook Medical Centre. In 2011, Maureen Sabia was appointed an Officer of the Order of Canada and in 2012, she was awarded the Queen's Diamond Jubilee Medal.

Public Board Memberships During Last Five Years:

Canadian Tire Corporation, Limited	(1985 – Present)
Hydro One Inc.	(2014 – 2015)

NUMBER OF SHARES AND DSUs BENEFICIALLY OWNED, CONTROLLED OR DIRECTED (as at March 9, 2017)

COMMON SHARES	CLASS A NON-VOTING SHARES	DSUs(1)	TOTAL NUMBER OF SHARES AND DSUs	MARKET VALUE OF TOTAL NUMBER OF SHARES AND DSUs	DATE BY WHICH SHARE OWNERSHIP GUIDELINE IS TO BE MET	HAS SHARE OWNERSHIP GUIDELINE BEEN MET?
–	5,082	2,309	7,391	$1,125,303	February 9, 2008	Yes

ANATOL von HAHN

Common Shareholder Nominee | Independent

Toronto, Ontario, Canada

Director since:
2015

2016 Voting Results:
99.99% in favour

Current Activities:
Mr. von Hahn is a Corporate Director and an Advisor and Investor in early stage technology companies, specializing in the "Fintech" (financial technology) space. He is a former senior international banker with over 30 years of board, chief executive officer and executive management experience in North America, Latin America and Asia. He serves on the boards of Alma Children's Education Foundation, UNICEF Canada and Ronald McDonald House Toronto.

Past Activities:
Mr. von Hahn previously served as Group Head, Canadian Banking and Head of Retail Commercial and Small Business in Canada, The Bank of Nova Scotia *(Scotiabank)* (2009 to 2015). Mr. von Hahn joined Scotiabank in 1984 where he held progressively senior positions in both Canadian and International Banking, including roles as the Head of Latin America, Scotiabank (2007 to 2009), CEO, Scotiabank Mexico (2000 to 2007) and CEO, Banco Quilmes Argentina (1997 to 2000). In addition, Mr. von Hahn has served as Chairman and director of several Canadian and international banks and trust companies where he also served as a member of and/or chaired the Executive, Credit and Risk, Reputational, and Crisis Management Committees. Mr. von Hahn is a former Chairman of the Canadian Bankers Association and was also Co-Chair of the 2012 Grey Cup and the Toronto 2015 Pan Am Bid Committee.

Public Board Memberships During Last Five Years:

Canadian Tire Corporation, Limited	(2015 – Present)

NUMBER OF SHARES AND DSUs BENEFICIALLY OWNED, CONTROLLED OR DIRECTED (as at March 9, 2017)

COMMON SHARES	CLASS A NON-VOTING SHARES	DSUs(1)	TOTAL NUMBER OF SHARES AND DSUs	MARKET VALUE OF TOTAL NUMBER OF SHARES AND DSUs	DATE BY WHICH SHARE OWNERSHIP GUIDELINE IS TO BE MET	HAS SHARE OWNERSHIP GUIDELINE BEEN MET?
–	735	1,663	2,398	$365,181	November 12, 2020	No

STEPHEN G. WETMORE — Common Shareholder Nominee | Not Independent *(President and CEO)*

Oakville, Ontario, Canada

Director since:
2003

2016 Voting Results:
99.97%

Current Activities:
Mr. Wetmore is President and CEO of CTC. He is also a trustee of CT Real Estate Investment Trust, a publicly-traded trust that is controlled by CTC.

Past Activities:
Mr. Wetmore was first appointed as President and CEO of CTC in January 2009. He served as President until November 2013 and retired as CEO in December 2014, after which he was appointed as the Company's Non-Executive Deputy Chairman of the Board. Mr. Wetmore was re-appointed as President and CEO on July 13, 2016. Prior to joining the executive team at CTC, Mr. Wetmore was President and CEO of Bell Aliant Regional Communications Income Fund (now Bell Aliant, a subsidiary of BCE Inc.), Group President, Corporate Performance and National Markets of Bell Canada and Executive Vice-President of BCE Inc., President and CEO of Aliant Inc., President and CEO of NewTel Enterprises Ltd., President of Air Atlantic, and Managing Director of Scotia Holdings 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.

Public Board Memberships During Last Five Years:

Canadian Tire Corporation, Limited	(2003 – Present)
CT Real Estate Investment Trust	(2013 – Present)

NUMBER OF SHARES AND DSUs BENEFICIALLY OWNED, CONTROLLED OR DIRECTED (as at March 9, 2017)

COMMON SHARES	CLASS A NON-VOTING SHARES	DSUs(1)	TOTAL NUMBER OF SHARES AND DSUs	MARKET VALUE OF TOTAL NUMBER OF SHARES AND DSUs	DATE BY WHICH SHARE OWNERSHIP GUIDELINE IS TO BE MET	HAS SHARE OWNERSHIP GUIDELINE BEEN MET?
–	–	53,073(3)	53,073	$8,079,919	May 14, 2008	Yes(4)

Notes

(1) The number of DSUs that each director holds, which includes DSU dividend equivalents, has been rounded down to the nearest whole number. Unless stated otherwise, DSUs and related DSU dividend equivalents vest immediately at the time of grant but are settled in cash only after termination of service with the Company based on the fair market value of the DSUs on the settlement date.

(2) The value of Ms. Billes' and Mr. Billes' holdings of Common Shares and Class A Non-Voting Shares, based on the closing share prices for Common Shares and Class A Non-Voting Shares on the TSX on March 9, 2017, exceeds the value required by the Director Share Ownership Guidelines.

(3) The aggregate number and market value of Mr. Wetmore's total DSUs presented in this table are comprised of: (i) 23,027 deferred DSUs (market value as at March 9, 2017: $3,505,702) related to his short term incentive plan payments and directors' fees previously earned, which have vested; and (ii) 30,046 DSUs (market value as at March 9, 2017: $4,574,217) granted as part of his long-term incentive plan compensation, which have not yet vested. For more information regarding Mr. Wetmore's long-term incentive DSUs, see *Deferred Share Units* on page 59.

(4) Since July 13, 2016, the effective date of his appointment as the Company's President and CEO, Mr. Wetmore is not subject to the Director Share Ownership Guidelines, but is subject to the share ownership guidelines applicable to executives of CTC. As at March 9, 2017, based on the market value of Mr. Wetmore's vested DSUs, Mr. Wetmore has met his share ownership requirements. For more information on CTC's share ownership guidelines applicable to Mr. Wetmore as the President and CEO, see *Executive Share Ownership Guidelines* on page 61.

Additional Information

Cease Trade Orders and Bankruptcies

Except as described below, no director:

(a) is, or within the last 10 years has served as, a director or executive officer of any company that, during such service or within a year after the end of such service, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets;

(b) is, or within the last 10 years has served as, a director, chief executive officer or chief financial officer of any company that, during such service or as a result of an event that occurred during such service, was subject to an order (including a cease trade order or similar order or an order that denied access to any exemption under securities legislation) for a period of more than 30 consecutive days; or

(c) within the last 10 years has become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the director.

Mr. Boivin served on the board of directors of Toptent Inc. (*Toptent*) from August 2007 until November 2009. On April 30, 2010, Toptent filed a notice of intention to file a proposal with its creditors. On May 7, 2010, Toptent filed a commercial proposal under the *Bankruptcy and Insolvency Act* (Canada), which was subsequently accepted by Toptent's creditors on May 20, 2010. On August 3, 2010, Toptent was discharged from the proposal.

Indebtedness

As at December 31, 2016, other than "routine indebtedness", as defined under Canadian securities laws and described herein, no current or former directors, officers, or employees of CTC, or any of its subsidiaries had any outstanding indebtedness to CTC or any of its subsidiaries or had any indebtedness that was the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by CTC or any of its subsidiaries. Messrs. Billes, L'Heureux and Murray are Canadian Tire Dealers and, as such may, from time to time, participate in a Company supported program that provides financing to Canadian Tire Dealers for their purchases of inventory and fixed assets. The terms and conditions of the financing support provided by CTC under this program are the same for all participating Canadian Tire Dealers.

Additional Interests in the Company and Company Subsidiaries

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

As at March 9, 2017, each of the following proposed directors beneficially owns, or controls or directs, Units of CT Real Estate Investment Trust (*CT REIT*), a publicly traded entity in which the Company owns a majority interest: M. Billes (10,000 Units), O. Billes (15,000 Units), P. Boivin (10,000 Units), M. Sabia (9,000 Units) and S. Wetmore (20,000 Units).

Meeting Attendance

The table below lists the attendance of the proposed directors at Board and Committee meetings held during 2016:

- Maureen Sabia, Chairman of the Board and Chairman of the Governance Committee, is not a member of the Audit Committee, Management Resources and Compensation Committee or the Brand and Community Committee but attends all meetings of those Committees.
- Martha Billes is a permanent invited guest at all meetings of Committees of which she is not a member.
- Since his appointment as President and CEO on July 13, 2016, Mr. Wetmore is no longer a member of any Committee, but is invited to, and regularly attends, Committee meetings.

Directors	**Board**(1)	**Audit Committee**	**Management Resources and Compensation Committee**	**Governance Committee**	**Brand and Community Committee**	**Total**
Eric T. Anderson(2)	3 of 3		1 of 1			4 of 4
Martha G. Billes	11 of 11	5 of 5 (invitee)	4 of 4 (invitee)	4 of 4	3 of 3	27 of 27
Owen G. Billes	11 of 11				3 of 3	14 of 14
Pierre Boivin	10 of 11	4 of 5	3 of 4			17 of 20
Diana L. Chant	11 of 11	5 of 5 (Chairman)		4 of 4		20 of 20
Patrick J. Connolly(3)	3 of 3			1 of 1	2 of 2 (Chairman)	6 of 6
David C. Court	11 of 11	5 of 5	2 of 2			18 of 18
Mark E. Derbyshire(4)	9 of 9		2 of 2		2 of 2	13 of 13
John A.F. Furlong	11 of 11		4 of 4		3 of 3	18 of 18
James L. Goodfellow	11 of 11	5 of 5	4 of 4 (Chairman)	4 of 4		24 of 24
Claude L'Heureux	11 of 11				3 of 3	14 of 14
Timothy R. Price(5)	11 of 11	2 of 2	2 of 2	3 of 4	1 of 1	19 of 20
Maureen J. Sabia *Chairman of the Board*	11 of 11	5 of 5 (invitee)	4 of 4 (invitee)	4 of 4 (Chairman)	3 of 3 (invitee)	27 of 27
George A. Vallance(6)	11 of 11				3 of 3	14 of 14
Anatol von Hahn(7)	11 of 11	2 of 2	4 of 4			17 of 17
Stephen G. Wetmore(8)	11 of 11					11 of 11

Notes

(1) The Board held ten regular meetings and one special meeting in 2016.

(2) The attendance record reflects Dr. Anderson's attendance at meetings held since his appointment to the Board and the Management Resources and Compensation Committee on October 1, 2016.

(3) The attendance record reflects Mr. Connolly's attendance at meetings held since his appointment to the Board on September 15, 2016 and as the Chairman of the Brand and Community Committee on October 1, 2016.

(4) Mr. Derbyshire was elected to the Board at the Annual Meeting of Shareholders held on May 12, 2016 and was appointed a member of the Management Resources and Compensation Committee as of that date. Mr. Derbyshire was appointed to the Brand and Community Committee as of October 1, 2016.

(5) Mr. Price ceased to be a member of the Management Resources and Compensation Committee effective as of May 12, 2016. Mr. Price ceased to be a member of the Brand and Community Committee and became a member of the Audit Committee effective as of October 1, 2016.

(6) Mr. Vallance will not be standing for re-election at the upcoming Meeting.

(7) Mr. von Hahn was appointed to the Audit Committee effective as of October 1, 2016.

(8) Prior to July 13, 2016, the effective date of his appointment as President and CEO of the Company, Mr. Wetmore acted as Deputy Chairman of the Board and was the Chairman of the Brand and Community Committee. Following his appointment as President and CEO, Mr. Wetmore attended three Audit Committee meetings, two Management Resources and Compensation Committee meetings and two Brand and Community Committee meetings.

(9) *Directors who Retired or Resigned in 2016:* The following directors left the Board during 2016: (1) Mr. H. Garfield Emerson who did not stand for re-election at the Annual Meeting of Shareholders held on May 12, 2016. Prior to his departure, Mr. Emerson attended three Board meetings (3 of 3) and two Audit Committee meetings (2 of 2); (2) Dr. Ronald Goldsberry who resigned from the Board effective as of September 30, 2016. Prior to his departure, Dr. Goldsberry attended seven Board meetings (7 of 7), three Audit Committee meetings (3 of 3) and one Brand and Community Committee meeting (1 of 1); and (3) Mr. Michael Medline who resigned from the Board effective as of July 12, 2016. Prior to his departure, Mr. Medline attended five Board meetings (5 of 5).

Corporate Governance Highlights

We are committed to strong corporate governance practices. The Board regularly reviews and revises, as necessary or appropriate, the Company's governance practices in response to the Company's changing business environment as well as the evolving governance landscape.

Governance Highlights	
• 12 out of the 16 nominated directors are independent • The Governance Committee, Management Resources and Compensation Committee and Audit Committee are 100% independent • We have separated the office of Chairman of the Board and President and CEO of the Company • Our President and CEO does not sit on any Committee • We have an independent Chairman of the Board • We have individual (not slate) voting for directors • We do not have a staggered board; all of our directors are elected annually • We have a majority voting policy for directors who are elected by holders of Class A Non-Voting Shares	• We disclose directors' equity holdings • We have director equity ownership guidelines • The Board and its Committees have full authority to retain independent external advisors • Our directors are not overboarded; we limit the number of other public company boards on which our directors can serve • We have no public company interlocking directorships • We have a Code of Business Conduct and Code of Business Conduct for Suppliers • We have formal Board, Committee and director assessment procedures • We have a formal director orientation and ongoing education program

The Role of the Board

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

Within that context, our Board oversees significant corporate actions and makes decisions relating to, among other things, strategic planning, strategic objectives, capital allocation, succession planning, talent management and development, planning for growth, both organic and by acquisition, financial reporting, the development of fundamental polices and systems, the control environment, the management of enterprise risk, and the safeguarding and enhancement of our brand.

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

As set out in our Statement of Principles described under *Our Approach to Shareholder Engagement* beginning on page 31, the Board believes in developing and adhering to strong corporate governance practices and is committed to enhancing those practices over time. In doing so, our directors are mindful that a "one size fits all" approach to corporate governance is often inappropriate for the unique circumstances of individual corporations. In addition, the Board is of the view that good governance alone is not sufficient to enhance our Company's performance. Rather, the collective actions of capable and dedicated directors, together with talented management, are the drivers of performance.

Our Board constructively challenges management with a view to achieving the best possible decision-making, and uses reasonable efforts to ensure that all major issues affecting the Company are given appropriate consideration. It is informed of the Company's operations on an ongoing basis through Board and Committee meetings, reports from and discussions with management, and information sessions convened to further the education of directors on specific topics. Moreover, the Board holds working dinners before every Board meeting at which candid discussions with management take place with a view to engaging the Board informally on the issues of most concern to both the Board and management. This has the added advantage of enhancing management's knowledge of the Board's perspectives and contributes to a constructive dynamic between the Board and management.

One of the significant points of focus of the Board is the Company's strategy. Throughout the year, the Board is actively involved in developing, approving and overseeing the implementation of, the Company's strategic plan. The Board holds an annual two-day strategic planning session with senior executives at which there is in-depth discussion and analysis of the strategic issues facing the Company and its businesses, the economic environment, competitive developments and business opportunities. Moreover, the Board discusses the Company's corporate strategy, including any refinements to the strategy, and monitors progress of management's implementation of the strategy at every regularly scheduled Board meeting. To allow the Board to focus on strategy and indeed to make the Board's operations more efficient, it has delegated certain of its authorities to its Committees as more fully discussed beginning on page 25.

The full text of the Board of Directors' formal Mandate is attached to this Management Information Circular as *Appendix A*.

The Board in 2016

Consistent with its responsibility that it must take a long term view, the Board announced in July 2016 a change in the leadership of the Company and appointed Stephen Wetmore as President and CEO, succeeding Michael Medline. The Board was unanimous in its belief that a transformational leader was needed at this time of unprecedented change in the retail industry. Mr. Wetmore had transformed the Company during his previous tenure as President and CEO (2009 to 2014) and had laid the foundation for the Company's strong performance.

Mr. Wetmore is uniquely qualified to lead the Company through the increasing complexities of the new world of retail and the Board is confident in his ability to take CTC's iconic brand to the next level.

The Board devoted a significant part of its time in the second half of 2016 to working with management on refining and updating the Company's long term strategic vision. Together, the Board and management have begun an energetic journey towards creating at the Company a unique marketplace of innovative products to serve Canadians for "the jobs and joys of life in Canada" over their lifetime. We are also focused on achieving sustainable growth by strengthening the Company's brands, expanding its private brands and product offerings and enhancing the customer experience across all of the Company's retail channels.

During the year, the Board continued to enhance the way it operates, in a concerted effort to make it and its Committees more efficient and of more value to management. The Board and its Committees undertook a complete review of all Mandates and made changes to them in the interests of working more productively and efficiently and to ensure their appropriateness for the achievement of our strategic plan, aligned with our view of best practices in governance, and to ensure that they properly reflect the dynamic that must exist between the Board and its Committees.

At the Company, the Board works hard on its relationship with management and we continue to seek even better ways of making sure that the flow of information to the Board is as effective as possible to facilitate decision making. Our Board believes it is not enough for the Board to be at the leading edge of good governance, disclosure and oversight. We must be very good at working together with management to achieve our strategic goals, while at the same time challenging management constructively.

The Board also believes in educating itself on issues facing the Company, such as cyber risk, the use of data analytics, the digital world and e-commerce. We are also firm believers in continually strengthening the skill set of the Board. Since the last annual meeting of shareholders, we added two new directors whose experience and wisdom will add considerable value to our deliberations as we face the imperative of overcoming the challenges of the business and retail environment. They are: Mr. Patrick Connolly, a long time veteran (recently retired) of Williams-Sonoma and a leader in e-commerce, and Dr. Eric Anderson, a leading data analytics scientist at the Kellogg School of Management at Northwestern University.

In terms of business as usual, the Board received regular reports on the performance of the Company's business units, as well as on management's strategies for bolstering and transforming the core businesses in response to the continually evolving physical and digital competitive landscapes. The Board also continued its work in overseeing the Company's growth agenda, capital allocation process, disclosure obligations and shareholder value initiatives. The Board spent considerable time reviewing management's enterprise-wide initiatives to drive profitability, operational excellence and increased efficiencies. Cyber-risk mitigation strategies were another major focus for the Board in the context of its overall risk management mandate.

In addition, the Board worked with the Management Resources and Compensation Committee and management to oversee the implementation of a new executive compensation plan, which was designed to take a longer term view of performance and reward. The Board, the Management Resources and Compensation Committee and the President and CEO also worked together to strengthen the senior leadership team at the Company.

Throughout 2016, the Board reviewed the governance and performance of Canadian Tire Bank (*CT Bank*) and CT REIT and monitored the status of the Company's strategic partnership with The Bank of Nova Scotia (*Scotiabank*).

The Board held ten regular meetings and one special meeting in 2016, as well as a number of information sessions. The information sessions are more fully described under *Director Orientation and Continuing Education* beginning on page 29.

Developments in the Company's Corporate Governance

CTC is committed to strong corporate governance, as reflected in its policies and practices. Management and the Board of Directors regularly review the Company's corporate governance policies and practices developed over the years and evaluate them against developments in the Company's business and the external environment with the objective of ensuring that the Board's practices continue to be comprehensive, relevant, effective and transparent. Highlights of significant developments in the Company's corporate governance policies and practices over the last few years, including changes made with a view to improving Board productivity, are as follows:

- The Board updated its policy setting out the principles that guide the Company in responding to inquiries and proposals with respect to shareholder involvement in decision-making, in a manner that is both responsive to shareholder concerns and appropriate for the Company having regard to the circumstances. The revisions were intended to facilitate Board involvement in circumstances where an inquiry is related to a matter which the Board may be better suited to address. This policy and related procedures are described under *Our Approach to Shareholder Engagement* beginning on page 31.
- With the Company's focus on its brand equity, the strong ties between the Company's community, charitable and environmental investments and the Company's brand, and the importance of enhancing and protecting the Company's major brands, the Board refined the mandate of its former Brand and Values Committee and renamed it the Brand and Community Committee. For further information on the Brand and Community Committee, see pages 38 to 39.
- The Mandates of the Board and Committees are kept under constant review and, accordingly, have been revised on several occasions over the last few years, including most recently in February 2017, to ensure that they remain current and appropriate, taking into consideration changes in the Company's business as well as applicable regulatory requirements and best practices. In particular, Committee Mandates have been enhanced to delegate more authority to Committees to allow the Board to operate more efficiently and effectively and focus on strategic initiatives.
- The Board's Mandate includes a duty to oversee the state of the Company's relationship with its Dealers. The Board fulfills this duty through consideration of qualitative and quantitative measures to ensure that the relationship is operating in support of the long term strategy of the Company and that its contribution to the success of the CTC enterprise is being maximized. The Board's continued focus on this area has contributed to the Company's strong relationship with the Company's Dealers.
- The Governance Committee was reformed to comprise the Chairmen of Committees and the controlling shareholder, which facilitates information sharing and effective leadership of the Board.
- The Board adopted a policy limiting the number of public company boards on which its directors may serve to ensure that directors are able to devote the time, resources and energy that is required for effective participation on the Board.
- The Governance Committee amended the written position descriptions of the Chairman of the Board and Board members to better reflect the expectations and responsibilities of these roles.
- The Governance Committee has evolved its processes for assessing the performance of the Board, Committees and individual directors by utilizing written narrative assessments as well as in-person interviews with a view to facilitating assessments that provide open and constructive feedback and pinpoint critical issues to be further explored.

- The Board adopted and has continued its practice of holding dinners prior to Board meetings, which allows the Board more time for educational presentations and informal engagement with management. This practice helps to make the next day's Board meeting more productive and effective by enabling informal discussion of matters on the Board agenda and matters that may be of particular interest to Board members. These dinners have the added advantage of strengthening relationships among the directors and between the President and CEO and the Board, which improves the boardroom dynamic.

Chairman of the Board

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

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

The Chairman is responsible for forging a strong relationship with the President and CEO, so that they develop a shared context, agree on fundamental values and ethical standards, and understand the accountabilities and boundaries of their respective roles.

In addition, the Chairman is responsible for strengthening and managing relationships among her colleagues on the Board, between the Chairman and her colleagues, between management and the Board, between the President and CEO and the Board, and with the controlling shareholder with the expectation that strong relationships, coupled with knowledge of the issues, can lead to better decision-making. She aspires to facilitate a relationship between the Board and management that is constructive and collaborative, while at the same time maintaining a healthy tension between the two and, on the part of the Board, an attitude of healthy skepticism.

The Chairman, who is also the Chairman of the Governance Committee, works closely with members of the Governance Committee on Board renewal, matters related to Board and Committee composition and the effective discharge of the Governance Committee's mandate. She is involved in consideration of the Company's strategies, risks, current and anticipated priorities and succession planning for key Board positions as well as the recruitment of new directors, the assessment of current directors and in determining which skill sets are required on the Board at any given time. She encourages Board members to become knowledgeable about the business and provides opportunities for them to do so.

The Chairman's specific duties include setting the agenda for Board meetings in consultation with Committee Chairmen, the President and CEO and other members of management, as appropriate, and reviewing briefing materials in advance of them being sent to the Board and Committees. She consults regularly with the Committee Chairmen and with members of the Board, keeping them apprised of issues as they arise and of new developments between Board meetings. She also seeks their advice as issues arise between meetings.

Additional information about the duties of the Chairman of the Board is available on the Company's website at www.corp.canadiantire.ca. Click on *"Corporate Governance"* under the *"Investors"* tab.

Board Committees

The Board has established four standing Committees:

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

The Board has delegated a number of its approval responsibilities to its Committees, as permitted by law, in order to enable the Board to operate more efficiently and permit it to spend more time on strategic issues. The Board has approved a Mandate for each Committee which reflects this delegation of authority. Each Committee reviews its Mandate and work plan on a regular basis to ensure that it has fulfilled all of its responsibilities under its Mandate. Any proposed changes to Committee Mandates are reviewed by the Governance Committee and recommended to the Board for approval. 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. The Chairman of the Board meets regularly with the Committee Chairmen, including through her role as Chairman of the Governance Committee, which is comprised of the Chairmen of Committees and the controlling shareholder, and attends all Committee meetings by standing invitation. Every director may attend the meetings of a Committee either by invitation or at the discretion of the Chairman of such Committee. The President and CEO does not serve on any Committee as he is not independent; however, he is invited to, and regularly attends, Committee meetings.

The Board has approved a written Mandate for each Board Committee. These Mandates are available on the Company's website at www.corp.canadiantire.ca. Click on *"Corporate Governance"* under the *"Investors"* tab.

Each Committee has provided a report highlighting its duties under its Mandate and its significant achievements during 2016. See pages 34 to 39.

In addition, for information on the process by which the Governance Committee and the Board determine the compensation of the Company's directors, see *Director Compensation* beginning on page 40.

The Company's executive compensation program is overseen on behalf of the Board of Directors by the MRC Committee. For more information on the process by which the MRC Committee and the Board determine the compensation of the Company's executives, see *Executive Compensation* beginning on page 44.

Position Descriptions

The Board has approved written position descriptions for the Chairman of the Board, directors and the Chairmen of each Board Committee. These position descriptions are available on the Company's website at www.corp.canadiantire.ca. Click on *"Corporate Governance"* under the *"Investors"* tab. A written position description is also 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.

Independence of the Board

The Board of Directors is comprised of a majority of directors who are independent within the meaning of applicable Canadian securities laws. The Board is led by an independent, non-executive Chairman who also serves as Chairman of the Governance Committee. Each Committee is chaired by an independent Chairman.

Criteria for assessing independence

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

For example, any director who is also a member of management is not considered to be independent. Furthermore, the existence of any commercial, charitable, industrial, banking, consulting, legal, accounting or other business relationship between the Company and any director, including an entity on which such director serves as a director, executive officer, partner, managing director or similar position, is generally considered to be one that could reasonably be expected to interfere with the exercise of the director's independent judgment if the aggregate annual sales or billings from the entity to the Company, or from the Company to the entity, in the most recently completed financial year, exceeds a percentage of the entity's consolidated gross revenues, as determined by the Board. While this percentage is generally between one and two percent, the applicable threshold to be used in each case is a matter of judgment and other relevant factors may be taken into consideration in determining whether the relationship could reasonably be expected to interfere with the exercise of the director's independent judgment.

Determinations of Independence

When assessed against the above criteria, the Governance Committee has determined that all of the proposed directors are independent within the meaning of applicable Canadian securities laws, except for Stephen Wetmore, Owen Billes, Claude L'Heureux and Donald Murray:

- Mr. Wetmore was appointed the President and CEO of the Company effective as of July 13, 2016 and, as such, is not an independent director.

- Messrs. Billes, L'Heureux and Murray are Canadian Tire Dealers (pursuant to contracts with the Company in the same form as other Canadian Tire Dealers' contracts) and, therefore, are not independent directors. In the view of the Board, although Messrs. Billes, L'Heureux and Murray are not independent directors, the knowledge, experience and perspective they can bring to the Board as Canadian Tire Dealers contribute significantly to the effective governance of the Company.

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

- Ms. Billes is not a member of management and receives no compensation from the Company other than fees in relation to her services as a director;
- Other than her familial relationship with Owen Billes, who is the beneficial owner of a significant portion of the shares controlled by Ms. Billes and a Canadian Tire Dealer, there are no familial or commercial relationships between Ms. Billes and any other director, director nominee or executive of the Company;
- The contractual arrangements between the Company and individual Canadian Tire Dealers, including the arrangements with Owen Billes, are in a standard form across the Dealer network and, while the Dealer relationship as a whole is monitored by the Board, individual Dealer relationships are not the subject of review by the Board or its Committees; and
- Ms. Billes' investment in the Company is a fundamental portion of her equity holdings and she has demonstrated, since acquiring control of the Company in 1997, that she has a long term interest in the viability, growth and prosperity of the Company that her family founded and is committed to corporate governance practices that include the engagement and oversight of effective management, as well as the election of independent directors.

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

Independent Chairman of the Board

Maureen J. Sabia is the Non-Executive Chairman of the Board of Directors and is an independent director. She is responsible for leading highly effective performance by the Board.

Independence of Committees

All members of the Board's Committees, except for three directors who serve on the Brand and Community Committee, are independent within the meaning of applicable Canadian securities laws. The Brand and Community Committee is comprised of four independent directors and three directors who are not independent because they are Canadian Tire Dealers. The Canadian Tire Dealers operate stores under the Canadian Tire brand and contribute their perspectives to the Committee's oversight of the management and mitigation of risks to, and enhancement of, brand value.

None of the current members of any of the Committees, except for Owen Billes, is a current or former employee of the Company. Mr. Billes ceased to be an employee of the Company more than five years ago.

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

Director Meetings without Management or Canadian Tire Dealers

The Board (including the directors who are Canadian Tire Dealers, none of whom is independent) enhances independence by conducting *in camera* sessions without management present. These sessions take place at each regularly scheduled Board and Committee meeting and are conducted by the Chairman of the Board and the Chairmen of the Committees, respectively, as needed. On occasion, special purpose Board and Committee meetings are convened, at which sessions without management present are held, as appropriate. In 2016, the Board held 10 regularly scheduled meetings and *in camera* sessions were held at each of these meetings by the independent directors.

In addition, the independent directors are afforded the opportunity to meet without the non-independent directors who are Canadian Tire Dealers and do so at each regularly scheduled Board meeting. The Chairman of the Board exercises judgment (depending on the circumstances) as to whether the President and CEO or Owen Billes are present at *in camera* meetings that do not include Canadian Tire Dealers.

Board Renewal

In guiding its Board renewal process, the Governance Committee is engaged in an ongoing evaluation of the changing skills and experience required by the Company. It considers changes to the Company's strategies, risks, current and anticipated priorities, succession planning for key Board positions and the composition of the Board. In light of the changing needs of the Company, the Governance Committee periodically reviews the composition and existing strengths of the Board in relation to its assessment of the competencies and skills considered necessary for the Board, as a whole, to possess when determining the competencies, skills, and personal qualities it should seek in new Board members.

Led by the Chairman of the Board, who is also the Chairman of the Governance Committee, the Governance Committee proposes nominees for all directors, including the directors nominated by C.T.C. Dealer Holdings Limited following consultation with the Governance Committee. The Governance Committee and the Chairman of the Board consult with their fellow directors and with their collective extensive networks, including search firms where appropriate, to identify appropriate potential candidates for the Board.

The Governance Committee reviews prospective nominees' qualifications under applicable laws, regulations and rules. Nominees are selected on a merit basis and the Governance Committee makes recommendations after consideration of qualities such as integrity and ethics, business judgment, independence, business or professional expertise, knowledge and appreciation of public issues, board experience and specific skills, expertise or experience that would complement those already represented on the Board.

Members of the Governance Committee review each candidate's biographical information and relevant prior achievements, assess each candidate's suitability and sufficiency of time to devote to the Board, and consider 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 relevant experience is represented on the Board. As part of the selection process, the President and CEO is kept informed about potential candidates and, as appropriate, arrangements are made to have potential Board candidates meet with, amongst others, the President and CEO, the controlling shareholder, members of the Governance Committee and other members of the Board.

The Governance Committee follows the same process for evaluating all potential candidates. 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.

Company Diversity

The Company has not adopted a formal written policy relating to the identification and nomination of women directors or a target regarding the representation of women on its Board because it believes that a less formulaic approach to board composition, together with a rigorous search for qualified candidates, will best serve the Company. Although the Board is conscious of its diversity, including gender diversity, this factor alone is not determinative in the Board's director selection process. There are currently three women on the Board, or approximately 19% of the 16 directors on the Board, which includes the Chairman of the Board, the Chairman of the Audit Committee and the controlling shareholder.

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

Currently, the Chairman of our Board, Maureen Sabia and three other executive officers of CTC, are women. In addition, there are two women who hold an executive officer positions at CT Bank, one of whom also holds an executive officer position at CTFS Holdings Limited (*CTFS Holdings*). CT Bank and CTFS Holdings are major subsidiaries of the Company under applicable securities laws. The six female executive officers comprise 29% of the 21 executive officers at CTC, including all major subsidiaries. CTC also employs an additional four female senior executives at the senior vice president level.

Term Limits

The Company does not have a mandatory age for retirement of directors or a policy that would require a director to retire after a fixed period of tenure. The experience of long serving directors can be valuable to shareholders because directors navigate complex and critical issues when serving on the Board. The Company believes that continual evaluation of the changing skills and experience that are required, together with the Board's rigorous performance assessment process, facilitate appropriate Board renewal. In our view, the Company's more fluid, needs-focused and less formulaic approach to Board renewal is far more effective than the application of rigid and prescriptive rules relating to term limits.

Interlocking Directorships

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

Service on Additional Public Company Boards

The Company recognizes that the Board can benefit when a director also serves on the board of another company. However, as directors are expected to devote sufficient time and energy necessary to fulfill their duties as a member of the Board, a director's acceptance of additional positions as a corporate director of other public company boards is subject to the Board and Governance Committee's review. Each director who is a professional corporate director is expected to serve on no more than four public company boards (including the Board), each director who is a full-time employee or partner, or holds a similar full-time position, shall serve only on the Board and may not hold any other public company directorship and each director who is a part-time employee or partner, or holds a similar part-time position, shall serve on no more than two public company boards, including the Board (in each case, outside of any directorship that such director may hold with his or her company or firm).

Director Orientation and Continuing Education

To maintain reasonable assurance that every new director engages in a comprehensive orientation process and that all directors are provided with continuing education opportunities, the Governance Committee ensures that each new director is provided with a comprehensive manual containing information on the Company, the Board and its Committees and such other written materials about the Company as he or she may request. The Governance Committee also requires the Chairman of the Board to meet with each proposed new director and explain to such proposed new director the culture of the Board and the commitment of time and energy expected of every director.

The Chairman of the Board makes available to every director the opportunity, at the expense of the Company:

- 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;
- to visit the Company's principal operating locations and to discuss the operation of those locations with the managers of those locations; and
- to attend any conference, seminar, course or other educational experience which is intended to expand such corporate directors' knowledge and skills, and which is approved by the Chairman of the Board.

In addition, the Chairman of the Board works with each new director to develop an individualized orientation program that is designed to enhance the director's understanding of the Company. As such, the nature and content of the orientation sessions provided to new directors vary depending on individual needs and desires. The development of each individualized program is enhanced by the Chairman of the Board's extensive knowledge of and relationships within the Company.

With respect to directors' education generally, the Chairman of the Board both initiates educational opportunities and responds to requests for Board education from the Board members on an ongoing basis. She arranges for the provision of educational presentations and materials, as well as on-site store or facility visits, in response to those requests. In addition to the Board's process for orienting both new and incumbent directors, directors receive a substantial amount of background information in the context of Board and Committee meetings that not only assists them in discussing the issues to be addressed and decisions to be made at such meetings, but also educates them on matters relevant to the Company and its business. The Board also receives periodic updates as to significant economic and capital market developments.

In 2016, the Board held in-depth informational sessions, both as part of and in addition to the Board's regular and special meetings, which included presentations on the Company's proposed initiatives in support of its strategic vision to become the most innovative retailer in the world and opportunities for growth and cyber-risk management. During the year, the Board also received a "View from the Street" presentation led by one of Canada's top investment banks.

Performance Assessments

The performance and effectiveness of the Board and its Committees, the Chairman of the Board and individual directors (including in their capacity as Committee members) are regularly assessed under the Governance Committee's oversight through processes that are intended to encourage candid and constructive commentary.

Assessment of the Board, Committees and Directors

Assessments of the Board's performance as well as the performance of individual directors (held through peer reviews) are conducted concurrently every two years. Assessments of the Board's Committees are conducted every two years, alternating from the year in which the Board and individual director assessments are held.

The performance of the Board, Committees and directors are each evaluated through a combination of an online assessment tool and in-person interviews in order to enable and encourage assessments that provide more candid and constructive feedback.

Under this hybrid approach:

- *Online Survey*: For Board and individual director assessments, directors are asked to complete an online survey and rate the performance of their fellow Board members (including in their capacity as Committee members) based on criteria expected of an effective director and Committee member. The President and CEO and the Chairman of the Board are not evaluated as part of this assessment as they are evaluated under separate rigorous processes. Directors are also asked to rate the Board's performance based on criteria which address, among other things, the Board's composition and practices, relationship with management and oversight of the Company's strategy, financial reporting and CEO succession and performance. For Committee assessments, directors are asked to rate the performance of the Committees on which they serve against a set of criteria, including each Committee's composition, practices, relationship with the Board and management, and performance of its duties.
- *Personal Interviews*: The online questionnaire serves to solicit basic information from directors in a time-efficient manner. However, on its own, the structured questionnaire is not sufficient to obtain insight in a meaningful way since the questions are answered with a numeric score. As such, personal interviews with each director are held by the Chairman of the Governance Committee and a designated member of the Governance Committee to take the information gathered through the Board and individual director survey and develop a framework for the interviews that pinpoints critical issues to be further explored and addressed, including concerns raised with respect to individual director performance. While the interviews are structured around key substantive matters, they also allow enough latitude to accommodate open ended, in-the-moment conversation. Personal interviews are also conducted by each Committee Chairman with their Committee members to discuss the results of the Committee surveys.
- *Reports*: The Chairman of the Governance Committee reports to the Governance Committee and the Board on the assessment results of the Board and individual director survey and interviews. Each Committee Chairman report to their Committees as well as to the Governance Committee on the assessment results of their respective Committee surveys and interviews. The Chairman of the Governance Committee reports to the Board on the results of all Committee assessments.
- *Outcome*: The results of the Board and Committee assessments are used to identify and remediate any aspects of Board and/or Committee performance which do not meet the Board's rigorous standards. The results of the individual director performance appraisals are one of the factors taken into account by the Governance Committee and the Board when considering director candidates to be proposed for election or appointment to the Board (including sitting directors' candidacy for proposal for re-election to the Board), as well as determining the membership of Committees.

In 2016, Committee assessments were conducted using the combined online survey and interview approach. During the assessment, directors were asked to evaluate the effectiveness of the assessment approach, including the utility of the online questionnaire. The feedback received will be taken into consideration in refining the approach to be used for conducting Board and individual director assessments later in 2017.

Assessment of the Chairman of the Board

The performance of the Chairman of the Board is assessed annually. Directors are asked to provide a written narrative assessment of the Chairman of the Board's performance over the prior year, taking into account how well the Chairman has led the Board in fulfilling its Mandate. Directors are also asked to consider the Chairman's duties as set out in her position description. The written assessment, which is intended to solicit more direct and constructive feedback, has been positively received by directors. A designated member of the Governance Committee reviews the results of the evaluation with the Chairman of the Board, and provides reports to the Governance Committee and the Board.

Our Approach to Shareholder Engagement

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

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

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

- All shareholder inquiries and proposals should be directed to the Senior Vice-President, Investor Relations.
- In the ordinary course, shareholder inquiries and proposals will be addressed by management in accordance with the Company's disclosure policy and, to the extent applicable, the Company's process for addressing special situations, including shareholder proposals.
- In the event that a shareholder requests to speak to an independent director and, provided that their inquiry relates to certain matters listed below, the Chairman of the Board may be asked to represent the Company in responding to the inquiry in accordance with the Company's procedures. No other directors will engage directly with shareholders unless they are specifically asked to do so by the President and CEO or the Chairman of the Board.
- Those matters that may be directed to the Chairman of the Board for response include:
    - (a) Board governance practices;
    - (b) Executive performance;
    - (c) Executive compensation;
    - (d) Director evaluations;
    - (e) Board and Committee composition and qualifications; and
    - (f) Any other matter that the President and CEO and the Chairman of the Board believe may be perceived as more credibly answered by the Board of Directors than by management.

2016 Shareholder Initiatives

In 2016, our shareholder outreach initiatives included:

- meetings by the Chairman of the Board with significant shareholders to address governance matters;
- institutional investor and shareholder engagement through non-deal roadshows with management, including 18 meetings and two store tours in Montreal, Winnipeg and Western Canada;
- in-person meetings between the President and CEO and significant institutional investors (representing approximately 37% of the Company's institutional ownership base) to address priority topics; and
- other year-round investor and shareholder engagements at industry conferences and through in-person meetings and conference calls, including 54 institutional investor meetings held with management.

Enterprise Risk Management

The Board's duties with respect to risk include overseeing the development and implementation by management of a comprehensive enterprise risk management policy and enterprise risk management program that are designed to collectively appropriately identify, assess, monitor, manage and report on the Company's risks. The Board also annually identifies and approves the principal risks of the Company. The Board has identified thirteen principal risks. The Company defines a principal risk as one that, alone or in combination with other interrelated risks, could have a significant adverse impact on the Company's brand, financial position, and/or ability to achieve its strategic objectives. As such, the mitigation and management of principal risks is approached with a view to ensuring that all risk exposures associated with a principal risk are considered. The Board reviews reports from management on the principal risks, approves policies that govern the principal risks of the Company and reviews management's implementation of systems to manage these risks and any material deficiencies in the operation of these systems. The Audit Committee is responsible for recommending to the Board a comprehensive enterprise risk management policy, reporting to the Board on the enterprise risk management program established by management and recommending the Company's principal risks to the Board for its approval. More information on the Company's enterprise risk management program is included in the Company's Management's Discussion and Analysis and Annual Information Form for the year ended December 31, 2016 (*the 2016 AIF*), which are available on the Company's website at www.corp.canadiantire.ca and on SEDAR at www.sedar.com.

The risks associated with CT Bank are incorporated into the risk reporting provided to the Company's Audit Committee. CT Bank is a Schedule I chartered bank that is regulated by the Office of the Superintendent of Financial Institutions (*OSFI*) and, as such, is subject to all of the risk management reporting and other related requirements of OSFI. The CT Bank Board and its Committees meet quarterly or more frequently as circumstances warrant. The CT Bank Board approves policies that govern the principal risks of the Bank and the Audit and Risk Management Committee of CT Bank reviews reports from management on the principal risks associated with CT Bank's business and operations and assesses management's implementation of systems to manage these risks and any material deficiencies in the operation of these systems. The Chairman of the CT Bank Board, James Christie, reports to the Company's Board on a quarterly basis on the CT Bank Board's oversight of CT Bank. CT Bank's compliance with its risk management policies, among other matters overseen by the Audit and Risk Management Committee of CT Bank, is reported to the Company's Audit Committee by James Goodfellow who is both a member of the Company's Audit Committee as well as a member of CT Bank's Audit and Risk Management Committee.

The risks associated with CT REIT are considered in the reports provided to the Company's Audit Committee by CT REIT. CT REIT's Audit Committee oversees the enterprise risk management program of CT REIT. Further information on CT REIT's enterprise risk management program and the risks associated with CT REIT are included in CT REIT's Management's Discussion and Analysis and Annual Information Form for the year ended December 31, 2016, which are available on CT REIT's website at www.ctreit.com and on SEDAR at www.sedar.com, which are not incorporated herein by reference.

Code of Business Conduct

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

Copies of the Company's Code of Business Conduct and the Supplier Code of Business Conduct are available on the Company's website at www.corp.canadiantire.ca and on SEDAR at www.sedar.com. Copies are also available upon request, without charge, by contacting the Secretary of the Company as set out on page 71. Each Code contains an explanation of how the Company monitors compliance with such Code.

Each director, officer and employee must acknowledge that they have read, understood and will commit to abide by the standards and expectations set out in the Company's Code of 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:

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

With the approval of the Board, management of CTC has established a Business Conduct Compliance Office which is responsible for managing the business conduct compliance program, including:

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

Conflicts of Interest

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

COMMITTEE REPORTS

Each of our Board Committees has prepared a report that includes an overview of the work that the Committee conducts each year and provides highlights of their work in 2016. The responsibilities of our Committees are also set out in their Mandates which are available on CTC's website at www.corp.canadiantire.ca. Click on *"Corporate Governance"* under the *"Investors"* tab.

Additional information about our Audit Committee as required by NI 52-110 is contained in the 2016 AIF, which is available on the Company's website at www.corp.canadiantire.ca and on SEDAR at www.sedar.com.

Audit Committee Report

The following report has been approved by the current members of the Audit Committee: Diana L. Chant (*Chairman*), Pierre Boivin, David C. Court, James L. Goodfellow, Timothy R. Price and Anatol von Hahn.

D.L. Chant
Chairman

P. Boivin

D.C. Court

J.L. Goodfellow

T.R. Price

A. von Hahn

Responsibilities

The Audit Committee oversees the Company's quarterly and annual financial statements and other financial reporting obligations as required by applicable laws and regulations. As part of this process, the Committee reviews the appropriateness of the Company's accounting policies and principles, reviews the external auditor's audit plan and their performance, monitors the external auditor's independence, approves non-audit services where appropriate and reviews the results of the external audit, including any internal control issues identified during the course of the audit. It also reviews and approves the internal auditor's annual audit plan and reviews the reports issued by the internal auditor during the year, as well as the adequacy and appropriateness of management's actions in response to internal audit reports. The Audit Committee also annually reviews and recommends to the Board the Company's principal risks, recommends to the Board a comprehensive enterprise risk management policy and reports to the Board on the enterprise risk management program established by management.

2016 Highlights

Highlights of work that the Audit Committee performed during 2016, in addition to its statutory and regulatory responsibilities for financial reporting and disclosures, its monitoring of the external and internal auditors and its governance of CTC's risk management, include:

- as a result of the continued evolution of the impact of digital within the retail landscape, reviewing progress reports on the Company's cyber and information risk management program, which identifies inherent cyber risks and the control activities to manage such risks;
- receiving reports from the audit committees of CT REIT and CT Bank, and assessing any implications for CTC;
- reviewing reports on the development and enhancement of the Company's financial systems and process re-engineering programs (*the Finance Transformation Initiative*) which are designed to enhance the Company's control environment and the effectiveness of the Finance function;
- in connection with the Finance Transformation Initiative, reviewing reports and having discussions with management on the 2016 technical transitions and upgrades across the Company's enterprise performance management systems that were successfully implemented in 2016;
- overseeing and participating in discussions on key controls and measurement disciplines employed by management with respect to the Company's operational efficiency initiative;
- reviewing reports on and participating in discussions regarding the Company's foreign exchange exposures and risk mitigation strategies;
- overseeing and participating in an annual review of the external auditor's performance;

- reviewing reports on the CEO and CFO certification process to ensure it is kept current and operating effectively;
- reviewing reports on funding alternatives considered as part of the Company's funding plan for 2017;
- reviewing and recommending to the Board the continuation of the Company's share repurchase program;
- reviewing and recommending to the Board amendments to the Company's financial risk management board policies;
- undertaking a comprehensive review of its Mandate to ensure it adequately reflects the Committee's role and responsibilities and considering proposed changes for recommendation to the Board;
- conducting an assessment of its performance and identifying areas for continuous improvement;
- reviewing the Company's disaster recovery program and resiliency capabilities across the enterprise, with an emphasis on the implementation and testing of capabilities for the Company's supply chain facilities; and
- reviewing and recommending to the Board the Company's principal risks and reviewing management's plans for the 2017 enterprise risk management program.

Auditor's Fees

The following table sets forth the aggregate fees billed for professional services rendered by Deloitte for the fiscal years ended December 31, 2016 and January 2, 2016, respectively:

Auditor's Fees	**2016 (ended December 31, 2016)**	**2015 (ended January 2, 2016)**
Audit Fees(1)	$4,648,000	$4,354,000
Audit-Related Fees(2)	$596,000	$1,506,000
Tax Fees(3)	$236,000	$491,000
Other Fees(4)	$270,000	$314,000
Total	**$5,750,000**	**$6,665,000**

Notes

(1) "Audit Fees" are the aggregate fees billed by CTC's external auditors for audit. In the 2016 fiscal year, these fees include $279,000 related to the audit of CT REIT and $602,300 related to the audit of CTFS Holdings.

(2) "Audit-Related Fees" are the aggregate fees billed by CTC's external auditors for assurance and related services that were reasonably related to the performance of the audit or review of CTC's financial statements and were not reported under "Audit Fees" in the table above. In the 2016 fiscal year, these services related to translations, accounting advisory and due diligence on various projects.

(3) "Tax Fees" include the aggregate fees billed by CTC's external auditors for professional services related to tax compliance, tax advice and tax planning. In the 2016 fiscal year, these services related primarily to tax advice in connection with foreign operations and the Canadian tax implications thereof, transfer pricing, tax compliance, and tax planning

(4) "Other Fees" are aggregate fees billed by CTC's external auditors for services, other than the services reported under "Audit Fees", "Audit-Related Fees" and "Tax Fees" in the table above. In the 2016 fiscal year, these services related to various consulting projects.

Management Resources and Compensation Committee Report

The following report has been approved by the current members of the MRC Committee: James L. Goodfellow (*Chairman)*, Eric T. Anderson, Pierre Boivin, David C. Court, Mark E. Derbyshire, John A.F. Furlong and Anatol von Hahn.

J. L. Goodfellow
Chairman

E. Anderson

P. Boivin

D.C. Court

M.E. Derbyshire

J.A.F. Furlong

A. von Hahn

Responsibilities

The MRC Committee oversees the Company's assessment of executive talent including the development, acquisition and succession planning programs for senior management. In discharging these responsibilities, the MRC Committee reviews reports and presentations on the Company's strategies and programs for the development and advancement of high-potential individuals and the identification of potential replacements for key leadership roles.

The MRC Committee also reviews any proposed major changes in organizational structure or executive personnel of the Company with the President and CEO and reviews and recommends to the Board the appointment and principal employment terms of the President and CEO and officers of the Company, as well as other executives at the level of senior vice-president and above.

With respect to executive compensation, the MRC Committee annually reviews and recommends to the Board CTC's executive compensation philosophy and the design of its executive compensation programs, including the design of the incentive plan components for senior management and senior executives. As part of this review, it also discusses the alignment of CTC's executive compensation philosophy and incentive plans to CTC's performance and business strategy. The MRC Committee also reviews and approves grants and payouts made under the incentive components of the Company's compensation plans and the adjudication of matters impacting the payouts under those plans. The MRC Committee recommends the President and CEO's performance objectives to the Board, conducts an annual assessment of the performance of the President and CEO and recommends to the Board the annual compensation for the President and CEO. In conducting its work, the MRC Committee consults with its compensation advisors, as appropriate.

The MRC Committee recommends to the Board any significant changes to employee benefits, retirement and savings programs and approves awards under the CT Profit Sharing program. The MRC Committee also annually reviews and approves the share ownership guidelines for executives at the level of senior vice-president and above (including the President and CEO).

2016 Highlights

A major focus of the MRC Committee's activities in 2016 was supporting the Board in the effective transition of Mr. Wetmore to the role of President and CEO, succeeding Mr. Medline, including the related compensation arrangements. In addition, highlights of work that the MRC Committee performed in 2016 include:

- receiving reports on the Company's talent management, diversity and succession planning programs;
- receiving reports from management regarding the implementation of revisions to the Company's short-term and long-term incentive plans for 2016 and approving incentive plan targets for executives;
- reviewing with the Board the President and CEO's reorganization of the Company's senior leadership team;
- reviewing annual objectives for the President and CEO and his direct reports, reviewing the President and CEO's mid-year and annual assessment of the individual performance of his direct reports against their 2016 personal objectives and discussing succession planning issues;
- approving short-term incentive compensation payments and long-term incentive plan grants and payments to executives;
- reviewing and recommending to the Board changes to the Deferred Share Unit Plan for the Company's executives to permit the granting of discretionary DSUs, as well as other amendments;

- receiving reports on the Company's CT Profit Sharing program and CT Savings Plan and approving profit sharing distributions;
- reviewing and recommending to the Board the compensation discussion and analysis section of CTC's Management Information Circular;
- receiving regular briefings and reports from the MRC Committee's compensation advisors on executive compensation issues and incentive plan awards, among other matters;
- considering the adequacy of the Company's share ownership guidelines for executives and reviewing reports on executives' compliance with such guidelines;
- completing a review of its Mandate to ensure it is responsive to the Company's evolving business and governance needs; and
- conducting an assessment of its performance and identifying areas for ongoing improvement.

Governance Committee Report

The following report has been approved by the current members of the Governance Committee: Maureen J. Sabia (*Chairman*), Martha G. Billes, Diana L. Chant, Patrick J. Connolly, James L. Goodfellow, and Timothy R. Price.

M.J. Sabia
Chairman

M.G. Billes

D.L. Chant

P.J. Connolly

J.L. Goodfellow

T.R. Price

Responsibilities

The Governance Committee oversees the Company's approach to corporate governance in order to enable the Board to discharge its duties in a highly effective manner. The Committee recommends to the Board its criteria for selecting new directors and the competencies and skills required in directors and in the Board as a whole, recommends criteria for the composition and size of the Board and the Committees, maintains an evergreen list of prospective director nominees, recommends directors to the Board for approval as nominees, considers the individuals proposed by the Company for appointment to the board of trustees of CT REIT and the boards of directors of CFTS Holdings and CT Bank, considers the Company's proposed candidate for appointment as Chairman of the Board of CT Bank, recommends to the Board the appointment of the Chairman of the Board, and appoints the Chairmen and members of Committees other than the Chairman and members of the Governance Committee, which it recommends to the Board for approval. The Committee assesses the independence of directors under applicable securities laws and such other criteria established by the Governance Committee, recommends the process for assessing the performance of the Board, Committees, individual directors and the Chairman of the Board, and reviews and recommends for approval changes to the form and amount of the compensation for directors, the Chairman of the Board and Chairmen of the Committees. The Governance Committee evaluates the adequacy of the Board and Committee Mandates, reviews and evaluates processes for directors' orientation and education activities, and reviews the ongoing relationship between the Board and management. The Committee monitors developments and best practices in corporate governance and reviews the Board's governance practices with a view to continually improving the Board's corporate governance standards.

2016 Highlights

Highlights of work that the Committee performed during 2016, in addition to its continuous review and assessment of the Company's corporate governance policies and practices against the Company's business and external environment with the objective of ensuring that such policies and practices continue to be comprehensive, relevant, effective and transparent, include:

- evaluating the changing skills and experience required by the Company to guide its Board renewal process, considering changes to the Company's strategies, risks, current and anticipated priorities, succession planning for key Board positions and the composition of the Board, and interviewing potential candidates for election or appointment as directors in that context;

- as part of the Board's continuous renewal process, recommending the election and appointment of three highly qualified directors;
- undertaking a comprehensive review of Committee Mandates to ensure that they are current and adequately reflect the roles and responsibilities of Committees, and recommending to the Board changes to Committee Mandates in accordance with its delegated authority;
- in conjunction with the review and revisions of Committee Mandates, overseeing the development of new work plans, including annual strategic priorities, to allow the Committees to discharge their duties in a highly effective manner;
- recommending to the Board changes to the Company's policy with respect to the number of public company boards on which the Company's directors may serve on while also serving on the Board;
- developing and recommending refinements to the process for evaluating and assessing the performance of Committees in order to explore critical issues and generate more meaningful feedback;
- overseeing the assessment of each Committee's performance, receiving reports from Committee Chairmen with respect to their Committee's assessment results and discussing identified areas for continuous improvement;
- evaluating the findings of a market review of the Company's remuneration of directors, to ensure that the program is commensurate with the responsibilities and time commitment of directors and competitive to the market;
- recommending to the Board changes to the DSU Plan for Directors in order to enable the participation of non-Canadian resident directors in the plan, as well as other amendments;
- appointing the members and Chairmen of the Audit Committee, the MRC Committee and the Brand and Community Committee and recommending to the Board the appointment of the members and Chairman of the Governance Committee; and
- reviewing and recommending to the Board the governance portions of CTC's Management Information Circular.

Brand and Community Committee Report

The following report has been approved by the current members of the Brand and Community Committee: Patrick J. Connolly (*Chairman*), Martha G. Billes, Owen G. Billes, Mark E. Derbyshire, John A.F. Furlong, Claude L'Heureux and George A. Vallance.


P.J. Connolly Chairman


M.G. Billes


O.G. Billes


M.E. Derbyshire


J.A.F. Furlong


C. L'Heureux


G.A. Vallance

Responsibilities

The Brand and Community Committee was established by the Board in 2013, in recognition of the importance of the Company's brands, including the "Canadian Tire" master brand, in creating and maintaining long term value for the Company. The purpose of the Committee is to oversee management's efforts to grow and protect the Company's brands.

The Committee is tasked with overseeing the choice of metrics and targets that will enable the Company to achieve its brand aspirations, the Company's strategies to achieve those targets, the execution of brand-reinforcing strategies and the Company's brand risk management program. Given the Company's substantial support for Canadian Tire Jumpstart Charities (*Jumpstart*), an affiliated charity and trademark licensee of the Company, the Committee's role also includes overseeing how Jumpstart effectively uses the Company's brands and financial support in its delivery of community programs and its partnerships with community organizations. CTC is one of a few Canadian companies to establish a Committee of the Board dedicated to brand oversight. From time to time, the Committee assesses important brand issues that management and the Committee jointly identify, including the Company's sustainability efforts as a good corporate citizen. Additionally, the Committee is responsible for overseeing management's readiness to manage issues and crises across all of the Company's retail banners that could significantly harm the Company's brands.

2016 Highlights

Highlights of work that the Committee performed during 2016 include:

- reviewing quarterly consumer research reports which measure the Company's most important brand attributes with its customers and discussing with management the Company's strategies for addressing emerging trends;
- reviewing and discussing with management the findings of periodic consumer research reports which measure customer opinions of brand attributes that are unique to the Company's digital efforts and the performance of the Company's core retail banners in all key digital areas, including website, mobile, social and e-Commerce penetration against the Company's top competitors;
- reviewing reports on the brand positioning and brand strategy for Canadian Tire Retail (*CTR*) and discussing with management the development of a scorecard to monitor the effectiveness of CTR's brand strategy with respect to its key stakeholders;
- reviewing and discussing with management its strategy, plans of actions and performance metrics for the Company's new Consumer Brands division;
- reviewing reports on the impact and effectiveness of the Company's marketing efforts in connection with its sponsorship of the Canadian Olympic Committee during the Rio 2016 Summer Olympics, including with respect to customer perceptions of CTR and Sport Chek, employee engagement, strengthening the brand health of the Company's banners and generating positive media attention;
- reviewing management's crisis protocol for identifying, monitoring and responding to issues that threaten the Company's significant brands;
- reviewing Jumpstart's financial and operational condition in connection with the ongoing suitability of Jumpstart as a trademark licensee of the Company and as a recipient of financial support from the Company;
- in connection with the Committee's assessment of the Company's sustainability efforts as a good corporate citizen, reviewing audit reports relating to the Company's social responsibility process for its merchandise vendors;
- conducting an assessment of its performance and identifying areas for ongoing improvement; and
- under the direction of the Committee's new Chairman, initiating a comprehensive review of the Committee's Mandate.

DIRECTOR COMPENSATION

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

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

The Governance Committee conducted a market review of director compensation at the end of 2016, the results of which indicated that the Company's total director compensation was aligned with market practice. The results also indicated that the Company's total compensation for the Chairman of the Board was slightly below market. The Governance Committee determined that no changes to total director remuneration were warranted. However, following that review and in recognition of the significant time and effort devoted by the Chairman of the Board for her services, the Governance Committee recommended, and the Board approved, an increase to the annual retainer of the Chairman of the Board from $400,000 to $500,000, effective as of January 1, 2016.

Director Fees

A director who is not an employee or officer of CTC is compensated for his or her services through a combination of retainers and attendance fees. All director compensation is earned in Canadian dollars and is paid in cash or may be received in DSUs, at the option of each director. With the exception of U.S. resident directors, director fees are paid in Canadian dollars. Directors are also reimbursed for travel and other expenses they incur to attend shareholder meetings or Board and Committee meetings.

The table below lists the fees our directors (including the Chairman of the Board) were entitled to receive for 2016 service. Mr. Wetmore did not receive any remuneration for his role as a director of the Company from and after July 13, 2016, the date he was appointed President and CEO of the Company and stepped down as Deputy Chairman of the Board. Prior to his executive appointment, Mr. Wetmore was entitled to director fees for the period from January 1, 2016 to July 12, 2016.

Fees	Amount
Annual Retainer	
Chairman of the Board[1]	$500,000
Directors	$155,000
Audit Committee Chairman	$30,000
MRC Committee and Governance Committee Chairmen	$17,500
Brand and Community Committee Chairman	$11,000
Committee Member *(All Committees)*	$5,000
Meeting Fees[2][3][4]	
Board Meeting	$2,000
Audit Committee Meeting	$2,750
MRC Committee, Governance Committee and Brand and Community Committee Meeting	$2,000
Telephone meetings of less than 60 minutes	
• Board Meeting	$1,000
• Audit Committee Meeting	$1,375
• MRC Committee, Governance Committee and Brand and Community Committee Meeting	$1,000

Fees (cont'd)	Amount
Travel Fee	
When travel time for a round trip to attend meetings was more than four hours	$1,500

Notes
(1) As described above, in 2017, the Board approved an increase to the annual retainer of the Chairman of the Board from $400,000 to $500,000, effective as of January 1, 2016.
(2) The Chairman of the Board did not receive fees for attending meetings of the Board or Committees in 2016.
(3) Meeting fees are also payable to directors who attend meetings of Committees of which they are not members either by invitation or at the discretion of a Committee Chairman.
(4) With the exception of U.S. resident directors, fees are payable to all directors in Canadian dollars. Dr. Anderson and Mr. Connolly, two new U.S. resident directors who joined the Board during 2016, are paid in U.S. dollars, on the basis of a one-for-one exchange rate of Canadian dollars to U.S. dollars. Mr. Court is paid in U.S. dollars based on the noon spot rate at the time of such payment.

Deferred Share Unit Plan for Directors

Each director who is not an employee or officer of CTC or any of its subsidiaries is eligible to participate in the DSU Plan for Directors, pursuant to which a director may elect to receive all or part of his or her annual retainers, meeting fees and travel fees (if applicable), which are paid quarterly, in DSUs.

Under the DSU Plan for Directors, additional DSUs are credited to a director in respect of his or her DSUs when the Company pays a dividend or other cash distribution on its Class A Non-Voting Shares. All DSUs and related DSU dividend equivalents are vested at the time of grant but are settled in cash only after termination of service with the Company based on the fair market value of the DSUs on the settlement date.

Director Share Ownership Guidelines

To ensure that directors' interests are aligned with those of CTC's shareholders, demonstrate that directors are financially committed to CTC through personal share ownership and promote CTC's long-standing commitment to sound corporate governance, under our Director Share Ownership Guidelines, every director who is not an employee or officer of CTC is required to accumulate at least three times the value of the annual director retainer (which currently equates to $465,000) in Common Shares, Class A Non-Voting Shares and/or DSUs by the fifth anniversary of becoming a director. See *About the Proposed Directors* beginning on page 9 for information regarding the number of Common Shares, Class A Non-Voting Shares and DSUs held by each of the proposed directors and the market value thereof. If the annual director retainer is increased, directors who met the guideline on the fifth anniversary of becoming a director 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 difference between three times the new annual director retainer and the value of the director's holdings as at the fifth anniversary of becoming a director, which amount must be invested by the date that is two years after the effective date of the increase.

A director who does not meet the required investment under the Director Share Ownership Guidelines upon his or her election or appointment to the Board is required to receive at least 50% of the annual director retainer in DSUs or, at the option of the director, the entire annual director retainer in cash to acquire Common Shares and/or Class A Non-Voting Shares in the open market. The number of shares to be purchased and the timing of such purchases are at the director's discretion, provided the director demonstrates a commitment to accumulate shares by his or her fifth anniversary of becoming a director. If a director has accumulated the required investment under the Director Share Ownership Guidelines, he or she receives the entire annual director retainer in cash or DSUs, or any combination thereof, as specified by the director.

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

Directors' Hedging Policy

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

2016 Director Compensation Table

The following table sets out the compensation that was paid by CTC to CTC's non-employee directors (including compensation earned by directors who served on the boards of CT Bank and CT REIT, subsidiaries of the Company during the year ended December 31, 2016, under the compensation arrangements described above and under *Compensation of Directors on Subsidiary Boards* on page 43). Mr. Wetmore is not included in this table as his compensation for service as President and CEO and fees earned for his role as a director of the Company in 2016, prior to his executive appointment, is disclosed in the summary compensation table for executive officers. For information regarding compensation paid to Mr. Wetmore during 2016, see *Executive Compensation* beginning on page 44.

				Allocation of Fees Earned			
Directors	**Fees Earned[1] ($)**	**All Other Compensation[2] ($)**	**Total ($)**	**Amount of Fees paid in Cash ($)**	**Amount of Fees received in DSUs ($)**	**Amount of Fees paid in Cash (%)**	**Amount of Fees received in DSUs (%)**
Eric T. Anderson[3][4]	$52,500	–	$52,500	$52,500	–	100%	0%
Martha G. Billes	$226,750	$5,803	$232,553	$226,750	–	100%	0%
Owen G. Billes	$186,000	$71,344	$257,344	$186,000	–	100%	0%
Pierre Boivin	$200,000	–	$200,000	–	$200,000	0%	100%
Diana L. Chant	$231,750	–	$231,750	$115,875	$115,875	50%	50%
Patrick J. Connolly[3][5]	$65,989	–	$65,989	$65,989	–	100%	0%
David C. Court[6]	$205,437	–	$205,437	$205,437	–	100%	0%
Mark E. Derbyshire	$127,228	–	$127,228	–	$127,228	0%	100%
H. Garfield Emerson[7]	$69,962	–	$69,962	$69,962	–	100%	0%
John A.F. Furlong	$212,500	–	$212,500	$118,125	$94,375	56%	44%
Ronald E. Goldsberry[8]	$155,077	–	$155,077	$155,077	–	100%	0%
James L. Goodfellow	$232,250	$64,600	$296,850	$232,250	–	100%	0%
Claude L'Heureux	$186,000	–	$186,000	$46,000	$140,000	25%	75%
Timothy R. Price	$204,327	$1,625	$205,952	$84,327	$120,000	41%	59%
Maureen J. Sabia (Chairman)[9]	$500,000	$68,344	$568,344	$500,000	–	100%	0%
George A. Vallance[10]	$199,500	$5,000	$204,500	–	$199,500	0%	100%
Anatol von Hahn	$194,750	–	$194,750	–	$194,750	0%	100%
Total			**$3,466,736**				

Notes

(1) Fees Earned include the aggregate annual retainers, meeting fees and travel fees which directors elected to receive in cash and/or DSUs. All director fees are earned in Canadian dollars and, unless otherwise indicated, are paid to each director in Canadian dollars.

(2) All Other Compensation includes: (i) annual retainer and meeting fees paid to M. Sabia ($64,600), O. Billes ($62,600) and J. Goodfellow ($64,600) for serving as directors of CT Bank; (ii) amounts that were donated by CTC to various charities to match charitable donations made by O. Billes and G. Vallance pursuant to CTC's donations policy which were, in aggregate, $10,000; and (iii) perquisites for M. Billes ($5,803) in respect of head office parking and personal security, O. Billes ($3,744) in respect of head office parking, T. Price ($1,625) in respect of participation in executive medical services paid for by the Company and M. Sabia ($3,744) in respect of head office parking. All directors were also eligible to participate in CTC's roadside assistance program, which program carries a notional value of approximately $67.

(3) Messrs. Anderson and Connolly are paid their director fees in U.S. dollars, on the basis of a one-for-one exchange rate of Canadian dollars to U.S. dollars.

(4) Dr. Anderson was appointed to the Board and the Management Resources and Compensation Committee effective as of October 1, 2016 and his annual fees were pro-rated accordingly. Dr. Anderson has elected to change his director fee allocation to 100% DSUs, commencing in 2017.

(5) Mr. Connolly was appointed to the Board effective September 15, 2016 and as the Chairman of the Brand and Community Committee effective as of October 1, 2016 and his annual fees were pro-rated accordingly.

(6) Mr. Court is paid his director fees in U.S. dollars based on the noon spot rate at the time of such payment. On December 30, 2016, the noon rate of exchange posted by the Bank of Canada for conversion of Canadian dollars to U.S. dollars was $1.00 equals US$0.7448.

(7) Mr. Emerson did not stand for re-election at the Annual Meeting of Shareholders held on May 12, 2016.

(8) Dr. Goldsberry resigned from the Board effective as of September 30, 2016 and his annual fees were pro-rated accordingly.

(9) As described under *Director Fees* on page 40, in 2017, the Board approved an increase to the annual retainer of the Chairman of the Board from $400,000 to $500,000, effective as of January 1, 2016. As such, the $100,000 increased portion of the director fees for Miss Sabia shown in the table above will be paid in 2017.

(10) Mr. Vallance will not stand for re-election at the Meeting.

Director Incentive Plan Awards

The following table provides information regarding the DSUs held by the Company's directors, other than Mr. Wetmore, whose awards are disclosed in the compensation tables for executive officers, as at December 31, 2016. Non-executive directors are awarded DSUs which vest immediately upon grant and accrue dividends, but are only settled after termination of such director's service with the Company. See *Deferred Share Unit Plan for Directors* on page 41. Directors of the Company do not receive stock options.

Directors	Total number of DSUs (as at December 31, 2016)(1)	Market or payout value of vested share based awards (DSUs) not paid out or distributed(2)	DSUs granted during the fiscal year (January 3, 2016 to December 31, 2016)(1)	Share-based awards (DSUs) – Value vested during the year(3)
Eric T. Anderson	–	–	–	–
Martha G. Billes	–	–	–	–
Owen G. Billes	–	–	–	–
Pierre Boivin	4,175	$581,555	1,523	$207,419
Diana L. Chant	1,477	$205,745	878	$119,381
Patrick J. Connolly	–	–	–	–
David C. Court	–	–	–	–
Mark E. Derbyshire	933	$129,949	933	$127,659
John A.F. Furlong	5,105	$711,061	771	$105,008
Ronald E. Goldsberry	–	–	–	–
James L. Goodfellow	–	–	–	–
Claude L'Heureux	10,136	$1,411,760	1,176	$161,314
Timothy R. Price	16,740	$2,331,387	1,151	$156,855
Maureen J. Sabia (Chairman)	2,300	$320,326	38	$5,236
George A. Vallance	11,281	$1,571,188	1,638	$223,072
Anatol von Hahn	1,656	$230,743	1,444	$196,450

Notes

(1) Under the DSU Plan for Directors, all DSUs and related DSU dividend equivalents vest immediately at the time of grant but are settled in cash only after termination of service with the Company based on the fair market value of the DSUs on the settlement date. The number of DSUs that each director holds, which includes DSU dividend equivalents, has been rounded down to the nearest whole number.

(2) The value of the total number of DSUs held by each director as at December 31, 2016 is calculated by reference to the closing price of the Class A Non-Voting Shares on the TSX on such date ($139.27).

(3) The value of DSUs that vested in 2016 was determined by multiplying the number of DSUs issued to each director in the year by the 10-day volume weighted average closing price of the Class A Non-Voting Shares on the TSX prior to and including the last business day before the applicable date of issuance.

Compensation of Directors on Subsidiary Boards

During 2016, the following directors of CTC also served as directors of CT Bank: Owen Billes, James Goodfellow and Maureen Sabia. Directors of CT Bank are entitled to annual retainer and meeting fees. CT Bank directors are also reimbursed for travel and other expenses incurred to attend Board and Committee meetings or to perform other duties in their role as directors. Retainer and meeting fees earned by CT Bank's directors cannot be received in DSUs.

During 2016, Stephen Wetmore also served as a director of CT REIT and received fees until July 12, 2016 (the effective date of his appointment as President and CEO of CTC). For more information relating to the compensation paid to the trustees of CT REIT during 2016 is available in the Management Information Circular of CT REIT dated March 7, 2017, and filed on SEDAR at www.sedar.com, which is not incorporated herein by reference.

Compensation Discussion and Analysis

Introduction

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

As discussed in the 2016 Management Information Circular, management and the MRC Committee conducted a comprehensive review of all aspects of CTC's executive compensation programs in 2015. This resulted in changes to CTC's Short-term Incentive Plan (*STIP*) and Performance Share Unit Plan (*PSU Plan*) within the Long-term Incentive Plan (*LTIP*) that were implemented in 2016. The changes included:

- Enhancing the evaluation of corporate performance in STIP by adding a second performance metric, same-store sales growth (*SSS*), in addition to earnings. Earnings is weighted 75% and SSS is weighted 25% of the total STIP pool. This approach balances our assessment of annual performance and is aligned with our operational objectives which focus on growing both earnings and sustainable revenue.
- Strengthening the setting of individual objectives for executives and the alignment of these objectives with our long-term strategies.
- Changing the PSU Plan design such that performance share units (*PSUs*) also vest based on both earnings and SSS measured over three years. This aligns the PSU Plan with the increased emphasis on profitable growth that is reflected in the changes to the STIP.
- Adding a relative total shareholder return (*TSR*) modifier to PSUs. This modifier is based on CTC's performance relative to a select group of retailers and can increase or decrease the PSU payout level by 20%. TSR is measured at the end of the three-year performance period and provides a relative metric to the PSU Plan.

The new STIP and PSU Plans build on the existing strengths of CTC's compensation programs. They incorporate performance metrics which provide a balanced focus on profitable growth of the business, outperformance of the market, and the creation of long-term shareholder value. For more information on the STIP and PSU Plan, see *Short-term Incentive Plan* on page 52 and *2016 Performance Share Units* on page 57.

The MRC Committee is satisfied that CTC's executive compensation policies and practices used in 2016 support CTC's strategy and that these programs are effective in attracting, retaining and motivating a skilled team of executives.

Named Executive Officers

The following CD&A is intended to provide CTC's shareholders with a description of the processes and decisions involved in the design, oversight and payout of its compensation programs for the Named Executive Officers (*NEOs*) for the 2016 financial year. While the focus of the CD&A is on NEO participation in the compensation programs, all executives at the level of Senior Vice-President (*SVP*) and above participate in the programs. In this CD&A we refer to NEOs and SVPs collectively as *Executives*.

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The NEOs during fiscal 2016 were as follows:

- Stephen G. Wetmore, President and CEO (1)
- Michael B. Medline, Former President and CEO (2)
- Dean C. McCann, Executive Vice-President and Chief Financial Officer (*CFO*)
- Allan A. MacDonald, President, Canadian Tire Retail (*CTR*)
- James R. Christie, Executive Vice-President, CTC
- Mary L. Turner, Senior Vice-President, Finance Transformation (3)

Notes:

(1) Mr. Wetmore was appointed President and CEO of CTC effective July 13, 2016. Prior to his appointment, he served as Deputy Chairman of the Board of Directors. Mr. Wetmore was previously President and CEO of CTC from 2009 to 2014.

(2) Mr. Medline was President and CEO of CTC from December 1, 2014 to July 12, 2016.

(3) During 2016, Ms. Turner served as President and CEO, CT Bank and President, CTFS Holdings. She retired from these positions on December 31, 2016 and is currently leading CTC's Finance Transformation initiative in her role as Senior Vice-President, Finance Transformation. Ms. Turner will serve in this capacity until her retirement on March 31, 2017.

Mr. Wetmore's total direct compensation under his new employment agreement is largely unchanged from his compensation during his previous tenure as President and CEO. One notable change is Mr. Wetmore's LTIP which is comprised of 50% deferred share units (*DSUs*), in lieu of stock options, and 50% PSUs. In consideration of Mr. Wetmore's agreement to return to the President and CEO role, the Board approved a one-time LTIP grant of $5 million in 2016. In accordance with the terms of the Company's Deferred Share Unit Plan for Executives (*the Executive's DSU Plan)*, the DSUs can only be paid out to Mr. Wetmore following his departure from the Company.

Compensation Governance

Role of the MRC Committee in Executive Compensation

At CTC, the MRC Committee's approach to compensation is a rigorous one and is based on our Board's desire to build and retain a skilled leadership team that acts in the best interests of the Company and its shareholders. To that end, we are just as focused on attracting and retaining highly skilled management at every level, identifying high performers and developing top talent, as we are in designing a compensation structure that rewards employees for their contributions to the success of the Company. The MRC Committee carefully considers qualitative as well as quantitative measures in the compensation decisions it makes. We pay significant attention to structuring, refining and evaluating compensation practices that attract, develop and retain outstanding talent in a manner that, while not exposing CTC to undue risk, motivate our management to create long-term sustainable value. The MRC Committee is forward looking and has high expectations of management, and it continually assesses performance against these expectations. We are confident that our management resources and compensation strategies have contributed significantly to our success in 2016.

The MRC Committee oversees the Company's assessment of executive talent and reviews any proposed major changes in organizational structure or executive personnel of the Company with the President and CEO. This includes recommending the appointment and principal employment terms of the President and CEO and Officers of the Company, as well as other Executives.

The MRC Committee annually reviews and recommends to the Board CTC's executive compensation philosophy and the design of its executive compensation programs, including the design of the incentive plan components for senior management and senior executives. In addition, the MRC Committee recommends the President and CEO's performance objectives to the Board, conducts an annual assessment of the performance of the President and CEO and recommends to the Board the annual compensation for the President and CEO. The MRC Committee also reviews and approves grants and payouts made under the incentive components of the Company's compensation plans and the adjudication of matters impacting the payouts under those plans. The MRC Committee believes that this review process allows them to assess the alignment of the Company's executive compensation programs and incentive plans to CTC's performance and business strategy.

For further information about the MRC Committee's responsibilities and activities in 2016 see the *Management Resources and Compensation Committee Report* on page 36 of this Management Information Circular.

Composition of the MRC Committee

CTC'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 current members of the MRC Committee are set out below together with a description of the skills and experience of each member that are relevant to the performance of his or her responsibilities. The Board of Directors believes that the MRC Committee collectively has the knowledge, experience and background required to fulfill its mandate.

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

Eric T. Anderson
Dr. Anderson's experience that is relevant to his responsibilities in compensation matters includes his roles as a professor at the University of Chicago Booth School of Business, the W.E. Simon Graduate School of Business at the University of Rochester and the Kellogg School of Management at Northwestern University. In these roles, Dr. Anderson has interacted with companies and scholars to understand best practices in executive compensation.

Pierre Boivin
Mr. Boivin's experience that is relevant to his responsibilities in compensation matters includes his roles as President and Chief Executive Officer of Claridge Inc., a private investment firm, and as a member of the Human Resources Committee of the Board of National Bank of Canada, as well as his former roles as a member of the Compensation Committee of Sirius XM Canada Holdings Inc. and President and Chief Executive Officer of a number of companies, including the Montreal Canadiens and evenko, an entertainment promotion and production company and division of L'Aréna des Canadiens Inc. In these roles, Mr. Boivin has had the opportunity to oversee the development of various compensation plans and determine the application of these plans to executives and other employees.

David C. Court
Mr. Court's experience that is relevant to his responsibilities in compensation matters include his former roles as a director of McKinsey & Company and member of its Global Operating Committee for a number of years. While at McKinsey, Mr. Court also led McKinsey's functional practices on a global basis where he gained much experience addressing compensation and employment matters.

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

John A.F. Furlong
Mr. Furlong's experience that is relevant to his responsibilities in compensation matters includes his past role as a director of Whistler Blackcomb Holdings Inc. and member of its Compensation Committee. In that role, Mr. Furlong assisted the board in fulfilling its responsibilities relating to human resources and compensation issues as well as continuity issues for key employees and directors. Mr. Furlong's experience also includes his roles as Executive Chair of the Vancouver Whitecaps FC, Chairman of the "Own the Podium" program, Chairman of the Board of Rocky Mountaineer, a privately owned passenger rail service, former Chief Executive Officer of the 2010 Vancouver Olympic and Paralympic Games, and former President and Chief Operating Officer for the Vancouver 2010 Bid Corporation. In these positions, Mr. Furlong has had the opportunity to oversee the development of various compensation plans and determine the application of these plans to executives and other employees.

Anatol von Hahn
Mr. von Hahn is a Corporate Director and former senior international banker with over 30 years of Board, Chief Executive Officer and Executive Management experience in North America, Latin America and Asia. Mr. von Hahn's experience that is relevant to his responsibilities in compensation matters includes his former roles as Group Head, Canadian Banking, Scotiabank, Head of Latin America, Scotiabank and Chief Executive Officer of Scotiabank Mexico and Banco Quilmes Argentina, respectively. In addition, Mr. von Hahn has served as Chairman and director of several Canadian and international banks and trust companies where he also served as a member of or chaired the Executive, Credit and Risk, Reputational, and Crisis Management Committees. In these positions, Mr. von Hahn has had the opportunity to oversee the development of various compensation plans and determine the application of these plans to executives and other employees.

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

Role of Management in Compensation Decisions

The President and CEO in collaboration with the Senior Vice-President, Talent develop management's recommendations pertaining to the compensation of Executives that are presented to the MRC Committee. In addition, the Senior Vice-President, Talent works with the Chairman of the MRC Committee to plan the MRC Committee meeting agendas and review presentations for each meeting of the MRC Committee. From time to time, management retains external consultants to provide advice on executive compensation. The President and CEO is invited to attend all regular meetings of the MRC Committee. The MRC Committee holds *in camera* sessions during each regular MRC Committee meeting.

Role of Independent Advisor in Compensation Decisions

In conducting its work, the MRC Committee may consult with external advisors, as appropriate. Since 2006, the MRC Committee has retained Hugessen Consulting Inc. (*Hugessen*) to provide independent advice, compensation analysis and other information to support the MRC Committee in evaluating compensation recommendations and making decisions pertaining to executive compensation. Hugessen attends and contributes to MRC Committee meetings and reports directly to the MRC Committee. All work performed by Hugessen is at the direction of, and must be pre-approved by, the MRC Committee, including occasional work performed on behalf of the MRC Committee in conjunction with management. Services provided by Hugessen in 2016 included their review and input on various compensation matters including the annual review of Executive salaries, a review and commentary related to CTC's 2016 proxy disclosure, and assistance with documenting the CEO transition. Hugessen has no other mandates with CTC.

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

Compensation consultant fees paid to Hugessen in 2015 and 2016 are provided in the table below.

MRC Committee Advisor	Year	Executive Compensation-Related Fees(1)	All Other Fees
Hugessen Consulting Inc.	2016	$332,252	n/a
	2015	$367,216	n/a

Note

(1) Fees excluding taxes in 2016 were $285,179 and in 2015 were $324,970.

Relationship of Executive Compensation to Risk

As part of the MRC Committee's oversight of the design and administration of CTC's executive compensation programs, the MRC Committee reviews and reports to the Board design features and policies that may potentially induce inappropriate or excessive risk-taking by Executives and other senior leaders or permit inappropriate rewards. The MRC Committee's review includes an evaluation of the amount of total incentives relative to base salaries, the mix of short and long-term incentives, performance metrics and whether the goals are realistic or encourage excessive risk taking, and the use of other policies designed to mitigate risk such as vesting requirements, deferral periods and share ownership guidelines. Recognizing that many compensation matters are directly tied to the financial results of the Company, the MRC Committee interacts with the Audit Committee in relation to risks associated with the accuracy and quality of financial data. In addition, CTC has in place several policies and practices designed to mitigate risk that are described on page 60.

Periodically, CTC's Internal Audit Services team conducts a formal review of CTC's executive compensation practices and programs to assess the nature and extent of the risks associated with those programs. The last review, conducted in 2016, concluded that: (1) the extent and nature of the Board and the MRC Committee's role in the risk oversight of the Company's compensation policies and practices is satisfactory, indicating a positive outcome with minimal recommended changes; (2) the methods used to identify and mitigate compensation policies and practices that could potentially encourage Executives to take excessive risks are satisfactory; and (3) there were no risks identified in the Company's compensation policies and practices that would be reasonably likely to have a material adverse effect on the Company. The MRC Committee determined that the changes to CTC's executive compensation programs do not increase, and in some cases decrease, the level of risk associated with our executive compensation programs.

Philosophy and Competitive Benchmarking

Executive Compensation Philosophy and Statement of Values

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

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

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

CTC also has a Statement of Values which focuses on fundamental behaviours that every leader and employee needs to demonstrate and promotes high performance, an engaged culture and a strong brand.

Competitive Benchmarking

In order to attract and retain the leadership talent required to achieve its goals, CTC needs to ensure that its executive compensation programs are market competitive. Market practices, in addition to other factors such as business strategy, help to support the MRC Committee in determining the total compensation mix, incentive design and the range of pay opportunity for our Executives. The MRC Committee also considers the overall strategic importance of the role and the individual's experience and performance contributions. In order to assess the market competitiveness of its compensation programs, the MRC Committee uses peer groups that include the companies with which CTC competes for talent and business.

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

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

CTC's comparator group consists of both a Canadian and U.S. comparator group, the latter having been created recognizing that executive talent may also come from the U.S. In selecting CTC's comparator groups, the following selection criteria were used:

- publicly traded corporations which could comprise the Company's competition for talent;
- retail, consumer facing and diversified/multi-divisional companies in the consumer discretionary and staples sectors; and
- revenue and market capitalization generally between one third and three times the size of CTC in order to develop a robust enough group, positioning CTC close to the median in the group of companies, related to these two metrics.

CTC's comparator groups consist of:

- a primary benchmarking group of 20 Canadian companies in the retail and consumer staples/discretionary sectors and other broader industries (*the Canadian Benchmarking Group*); and
- a supplemental benchmarking group of U.S. retailers with which CTC may compete for talent and business (*the U.S. Benchmarking Group*). Where relevant, this group will be used to supplement benchmarking information for Executives and to review incentive plan design market practices.

By reviewing the comparable executive compensation programs and compensation levels at these companies, CTC is well positioned to make informed decisions about compensation practices and levels for its Executives, and attract and retain the leadership talent required to achieve its goals. CTC uses the executive compensation philosophy and information from the Canadian Benchmarking Group and the U.S. Benchmarking Group to guide decisions regarding pay practices and programs.

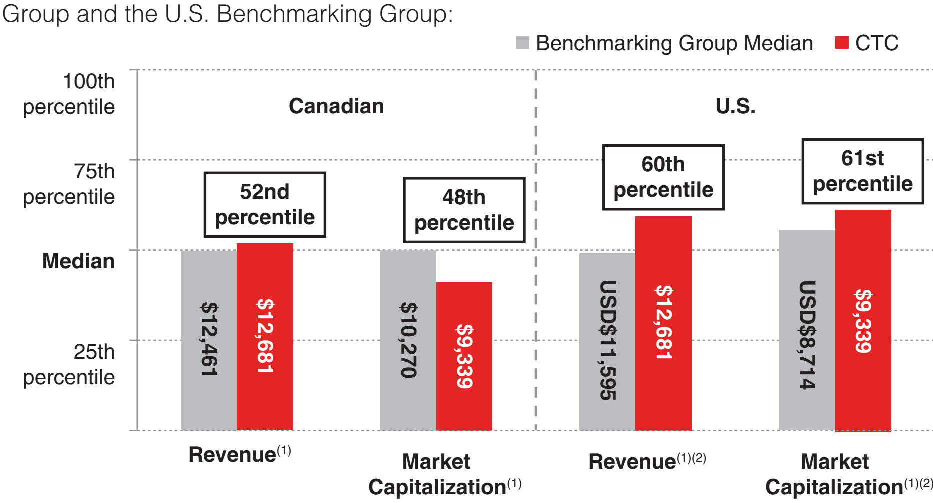
Canadian Benchmarking Group[1]	
Agrium Inc.	Finning International Inc.
Air Canada	Hudson's Bay Company
Alimentation Couche-Tard Inc.	The Jean Coutu Group (PJC) Inc.
BCE Inc.	Loblaw Companies Limited
Bombardier Inc.	Lululemon Athletica Inc.
Canadian National Railway Company	Metro Inc.
Cenovus Energy Inc.	Rogers Communications Inc.
Cineplex Inc.	TELUS Corporation
Dollarama Inc.	Thomson Reuters Corporation
Empire Company Limited	Westjet Airlines Ltd.

U.S. Benchmarking Group[1]	
Advance Auto Parts Inc.	Murphy USA Inc.
Autozone Inc.	O'Reilly Automotive Inc.
Dicks Sporting Goods Inc.	Staples Inc.
Dollar General Corp.	The Gap Inc.
JC Penney Co. Inc.	Williams-Sonoma Inc.
Kohl's Corp.	

Note

(1) Rona Inc. and Petsmart Inc. have been removed from the Canadian Benchmarking Group and the U.S. Benchmarking Group, respectively, as they are no longer publicly listed.

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



Notes

(1) Amounts are denoted in millions. Revenue information is sourced from the companies' most recently published annual financial statements as of the date of this Management Information Circular. Market Capitalization information is sourced from Standard and Poor's Compustat as at December 31, 2016.

(2) U.S. Benchmarking Group revenue and market capitalization are denoted in USD.

Components of CTC's 2016 Executive Compensation Program

The components of CTC's executive compensation program are described in the table below. Each of these components is described in more detail starting on page 52 of this Management Information Circular.

Compensation Component	Objectives	Form
Base Salary	• Provide fixed compensation that reflects the strategic importance of the role and the Executive's experience and performance contributions, as well as the market value of the role.	Cash
Short-term Incentive Plan	• Reward Executives for their contribution to the achievement of annual operating and financial performance aligned with CTC's strategy.	Cash
	• CTC maintains a Deferred Share Unit Plan for its Executives pursuant to which they may elect to receive all or part of their STIP awards in DSUs.	DSUs
Long-term Incentive Plans[(1)]	• Align the interests of Executives with the achievement of CTC's strategy, long-term business objectives and with the interests of shareholders.	
• Performance Share Unit Plan	• Reward Executives for achieving consolidated operating earnings and SSS targets over a three-year period.	PSUs
• Stock Option Plan	• Align the interests of Executives and shareholders by rewarding Executives for share price appreciation over a seven-year period.	Stock Options with a Tandem Share Appreciation Rights (*TSAR*) feature
Benefits	• Promote general wellness and preventative care.	Health and dental insurance; group life and accidental death and dismemberment insurance; short-term disability insurance; and employee-paid long-term disability insurance
Retirement & Savings Plans	• Assist Executives and other employees in achieving long-term retirement savings in the absence of a pension plan.	CT Profit Sharing and CT Savings Plan
Perquisites[(2)]	• Provide market competitive perquisites to Executives. • Reinforce Company affiliation. • Reinforce individual accountability for personal financial planning as CTC does not offer a pension plan.	Annual car allowance; membership in roadside assistance program; Company-paid parking; annual medical services; employee store discount; and annual financial planning allowance

Notes

(1) The Company's LTIP is comprised of PSUs and stock options which are granted to all Executives. However, as described on page 45, Mr. Wetmore receives DSUs in lieu of stock options as part of his annual LTIP grant.

(2) In lieu of the annual car allowance and membership in the roadside assistance program, Mr. Wetmore receives a car service paid for by the Company to be used for business related purposes.

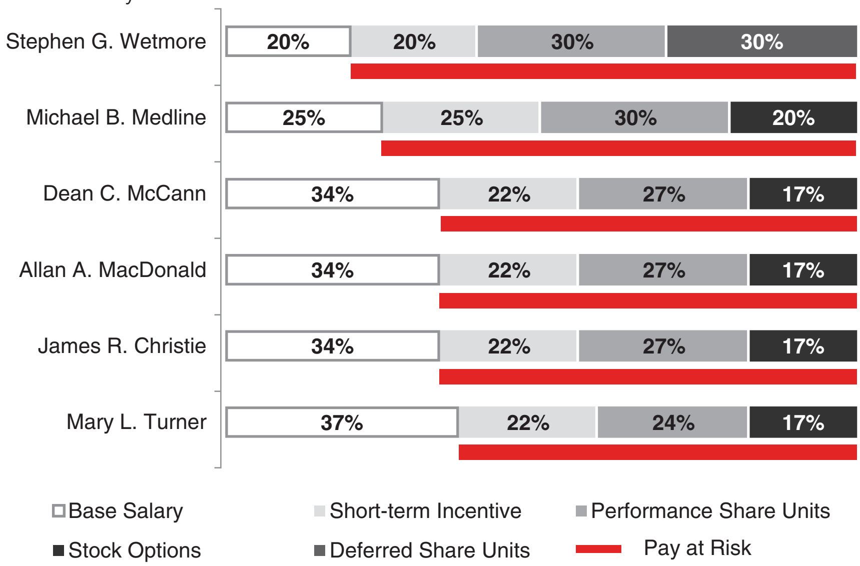
Fixed versus Variable Compensation

Total compensation is comprised of both fixed and variable elements. The fixed elements include base salary, benefits, perquisites and a savings plan (*CT Savings Plan*). CTC does not have a pension plan for any of its employees, including the NEOs.

The variable elements of total compensation consist of STIP, LTIP (which is comprised of PSUs and stock options), and a profit sharing program (*CT Profit Sharing*). A significant portion (i.e., between 65% and 80%) of the total compensation paid to NEOs at target is tied to STIP and LTIP and, accordingly, is contingent upon financial performance and, in the case of LTIP, share price appreciation. This percentage of performance-contingent compensation is generally consistent with that used by CTC's Canadian Benchmarking Group (which is described starting on page 48).

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

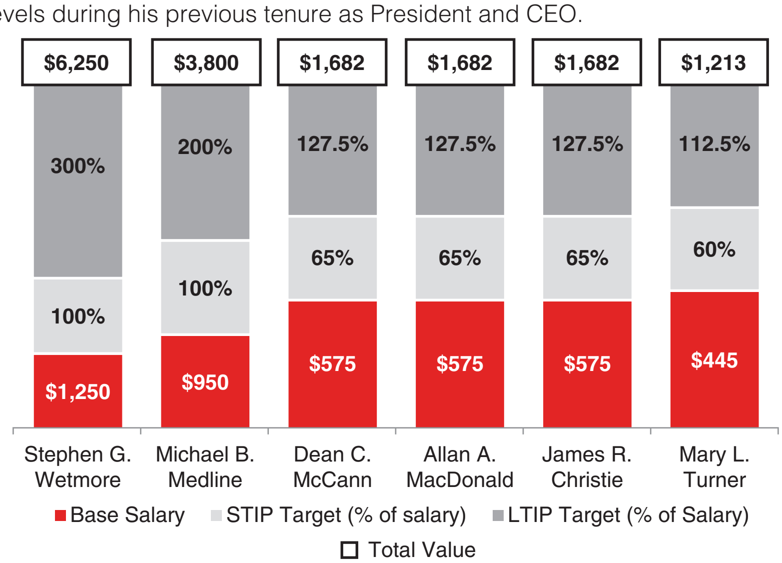
The target pay mix of the primary compensation components of each NEO's total direct compensation based on their position held in the 2016 fiscal year is shown below:



Note

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

The overall design framework of CTC's total direct compensation program and value is summarized below, based on each NEO's position held in the 2016 fiscal year. The compensation arrangement for Mr. Wetmore is aligned with the target compensation levels during his previous tenure as President and CEO.



Base Salary

The base salary paid to CTC's Executives provides fixed compensation which takes into consideration the market value of the role. CTC does not make annual adjustments to Executive base salaries to reflect merit or inflation. Executive salaries are reviewed on an annual basis to monitor alignment within the market competitive range. Adjustments will only be made to increase an Executive's base salary within the market competitive range as their skills and experience broaden, or if the strategic value of the role for CTC increases.

Where salary adjustments are considered, the MRC Committee recommends to the Board the annual salary changes for the President and CEO and all other Executives.

In 2016, the MRC Committee approved the base salary increases for the following NEOs that became effective on July 1, 2016:

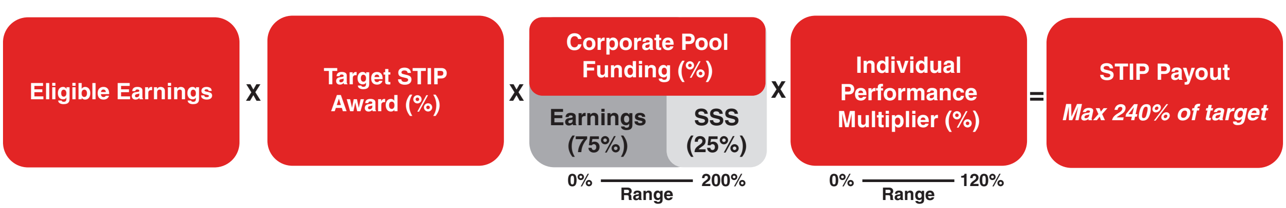
NEO	Base Salary Increase
Dean C. McCann	9.5%
Allan A. MacDonald	15.0%
James R. Christie	9.5%

Short-term Incentive Plan

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

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

2016 STIP Design



Target STIP Awards

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

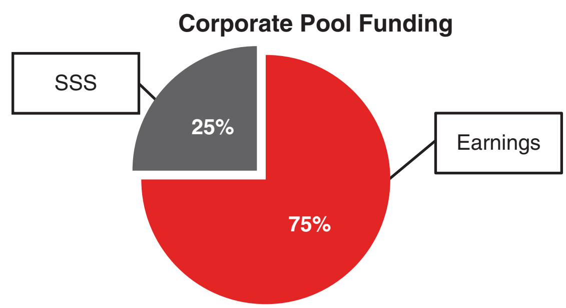
The 2016 STIP awards payable to the NEOs at minimum, threshold, target and maximum levels, reflecting both individual and corporate performance, are shown in the table below:

NEO	STIP Award (% of base salary)			
	Minimum	Threshold(1)	Target	Maximum
Stephen G. Wetmore	0%	13.1%	100.0%	240.0%
Michael B. Medline	0%	13.1%	100.0%	240.0%
Dean C. McCann	0%	8.5%	65.0%	156.0%
Allan A. MacDonald	0%	8.5%	65.0%	156.0%
James R. Christie	0%	8.5%	65.0%	156.0%
Mary L. Turner	0%	7.9%	60.0%	144.0%

Note

(1) Threshold performance is based on a corporate pool funding percentage of 26.25% and an individual performance multiplier of 50%.

Corporate Pool Funding



CTC's total STIP pool is based on earnings (weighted 75% of the overall pool) and SSS (weighted 25% of the overall pool). CTC's target STIP earnings (*Target STIP Earnings*) and target STIP SSS (*Target STIP SSS*) are established based on the Company's business plan, which is approved by the Board.

After the fiscal year is completed, management reviews the Company's financial results and presents to the MRC Committee matters affecting earnings and SSS that were not part of the business plan and that may require adjustment. After the MRC Committee decides on any appropriate adjustments, actual earnings (*Actual STIP Earnings)* and actual SSS results *(Actual STIP SSS*) are compared to the Target STIP Earnings and Target STIP SSS, respectively, and the Corporate Pool Funding (defined below) is calculated as set out below.

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

The following table summarizes the calculation of the Corporate Pool Funding for 2016:

Payout	Threshold *(35%)*	Target *(100%)*	Maximum *(200%)*	Payout %	Weight	2016 Corporate Pool Funding[(2)]
		Performance[(3)]				
STIP Earnings[(1)] *(as % of target)*	$584.6 *(92%)*	$635.4 *(100%)* $659.0	$686.2 *(108%)*	146.4%	75%	**159.8%**
STIP SSS[(1)] *(as % of target)*	2.17% *(70%)*	3.1% *(100%)*	4.03% *(130%)* 4.7%	200%	25%	

Notes

(1) Target STIP Earnings and Actual STIP Earnings are net earnings after income taxes as calculated for STIP purposes. Target STIP SSS and Actual STIP SSS are calculated consistent with CTC's financial statement calculation. For further disclosure concerning how we calculate SSS please refer to our most recent Management's Discussion and Analysis available on SEDAR at www.sedar.com. Amounts are denoted in millions.

(2) The Corporate Pool Funding of 159.8% is established based on the weighting of each measure and using a linear algebraic formula for Actual STIP Earnings as a percentage of Target STIP Earnings (103.7%) and the threshold payout of 35% and maximum payout of 200% and Actual STIP SSS as a percentage of Target STIP SSS (154.9%) and the threshold payout of 35% and maximum payout of 200%. No payout will occur if Actual STIP earnings are below threshold performance.

(3) ▲ reflects actual results.

In 2016, the Company experienced another year of strong earnings and business performance, reflecting solid underlying fundamentals and management's execution of its strategy. The Retail segment's earnings performance was driven by strong retail sales at the CTR, FGL Sports and Mark's banners as well as improved profitability at CTR from initiatives to make the operations of the business more efficient. The Financial Services segment's year-over-year revenue and gross margin growth largely reflected a higher number of accounts in their credit card portfolio, however it was more than offset by higher year-over-year operating expenses that included investments made to stimulate account growth, higher variable compensation costs and investments made to improve the operational efficiency of the business. As a result of the strong results, the Company achieved a 159.8% Corporate Pool Funding under the 2016 STIP award.

Individual Performance Multiplier

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

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

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

The table below provides details on each NEO's 2016 individual objectives and individual performance multiplier.

NEO	Individual Performance Objectives	Individual Performance Multiplier
Stephen G. Wetmore President and CEO	• Deliver 2016 Business Plan • Finalize strategies for: – CTC – Major operating assets – E-commerce development – Capital allocation • Facilitate Management Resources process to achieve corporate strategies • Build three-year roadmap for technology investments	120%
Dean C. McCann Executive Vice-President and CFO	• Drive CTC's financial performance and support the achievement of the Company's strategic goals and objectives • Continue to identify and deliver initiatives that increase CTC's financial flexibility and grow shareholder value • Continue to control capital allocation to improve return on invested capital and balance sheet metrics • Lead the process to identify and support the delivery of productivity enhancing initiatives • Advance the design and implementation of updated finance systems • Lead finance executive talent acquisition initiatives	95%
Allan A. MacDonald President, CTR	• Drive CTC's financial performance and support the achievement of the Company's strategic goals and objectives • Continue to strengthen the CTR brand • Continue to develop and rollout enhancements to the customer experience via digital channels • Drive CTR's Return on Invested Capital through leadership of productivity initiatives • Lead development of a high performing and engaged organization	120%
James R. Christie Executive Vice-President, CTC	• Drive CTC's financial performance and support the achievement of the Company's strategic goals and objectives • Provide strong corporate support to Dealers and stores to enhance overall network performance • Oversee implementation of the CTC/Scotiabank partnership • Oversee governance and strategic direction of CT Bank as Chairman of its board of directors • Serve as advisor to CTC's executive team in advancing strategic initiatives	100%
Mary L. Turner Senior Vice-President, Finance Transformation	• Drive CTC's financial performance and support the achievement of the Company's strategic goals and objectives • Advance CTFS integration with CTC banners • Lead the creation of multi-year customer centric roadmap focused on acquisition and customer experience via digital channels • Support the successful transition of the successor to the role of President and CEO, CTFS and CT Bank	100%

In determining the recommended individual multiplier for each Executive, the MRC Committee and the President and CEO, for NEOs other than himself, considered:

- each NEO's contribution to the Company's 2016 results;
- the individual performance of each NEO against their annual business and strategic objectives; and
- how each NEO fostered collaboration among business units and contributed to the overall success of CTC.

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

2016 STIP Awards

The table below provides details on the calculation of each NEO's actual 2016 STIP award, as described above, as a percentage of salary and as a percentage of target.

2016 STIP Award Paid in 2017						
	Components of STIP			Actual Award		
NEO(1)	**Target Award as a % of Salary**	**Corporate Pool Funding**	**Individual Performance Multiplier**	**($)**	**As a % of Salary**	**As a % of Target**
Stephen G. Wetmore	100%	159.8%	120%	$1,050,992	191.8%	191.8%
Dean C. McCann	65%	159.8%	95%	$541,013	98.7%	151.8%
Allan A. MacDonald(2)	62%	159.8%	120%	$631,543	118.1%	191.8%
James R. Christie	65%	159.8%	100%	$569,487	103.9%	159.8%
Mary L. Turner	60%	159.8%	100%	$426,666	95.9%	159.8%

Notes

(1) Mr. Medline received a prorated 2016 STIP award of $503,683 following his departure from the Company which is reflected in the *Summary Compensation Table* shown on page 63.

(2) In 2016, Mr. MacDonald's STIP target percentage was increased from 60% to 65% to align with the Executive Vice-President level target and, as a result, the target for his 2016 STIP award was prorated.

No additional discretionary adjustments were made in determining individual NEO awards.

Long-term Incentive Plan

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

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

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

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

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

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

2016 Performance Share Units

 # PSUs X **Corporate Multiplier (%)** X **Relative TSR Modifier (%)** X **Weighted Average Share Price** = **PSU Payout**

Corporate Multiplier Range: 0% – 200%
Relative TSR Modifier Range: 80% – 120%
Maximum PSU Multiplier = 200%

The 2016 PSUs are intended to reward Executives for achieving consolidated operating earnings, SSS and relative TSR results over a three-year performance period. They vest following the end of the performance period. Each PSU entitles the participant to receive a cash payment equal to the weighted average trading price of the Class A Non-Voting Shares during the 10 calendar day period following the release of the Company's annual financial statements in respect of the fiscal year in which the performance period ends, multiplied by the Corporate Multiplier and Relative TSR Modifier, each as defined below.

Corporate Multiplier

The 2016 PSUs are subject to a corporate multiplier (*Corporate Multiplier*) which is determined at the end of the three-year performance period based on the three-year average of the Corporate Pool Funding (described on page 53) and calculated on a linear basis by reference to the following table:

	Below Threshold	Threshold	Target	Maximum
Three-year average Corporate Pool Funding (2016-2018)	<50%	50%	100%	>=175%
Corporate Multiplier	0.0	0.35	1.0	2.0

No payout of the 2016 PSUs will be earned if the three-year average Corporate Pool Funding is below 50%.

Relative TSR Modifier

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

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

The relative TSR peer group consists of 10 Canadian retail companies with operations primarily based in Canada as listed below.

Relative TSR Peer Group	
Dollarama Inc.	Leon's Furniture Limited
Empire Company Limited	Loblaw Companies Limited
Hudson's Bay Company	Metro Inc.
Indigo Books & Music Inc.	Reitmans (Canada)
The Jean Coutu Group (PJC) Inc.	Sears Canada Inc.

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

Each option grant provides the optionee with the right to subscribe for one Class A Non-Voting Share at the weighted average price at which Class A Non-Voting Shares trade on the TSX during the 10-calendar day period ending on the date immediately preceding the date that the option was granted (*the strike price*). All of the Company's currently outstanding stock options, including the 2016 options, incorporate a TSAR feature whereby an optionee can elect to surrender his or her options, instead of exercising them, in exchange for a cash payment equal to the difference between the market price on the date of surrender and the strike price. For more information on the Company's Stock Option Plan, see *Appendix B* on page B1.

2016 LTIP Grant
Management recommends the annual Executive LTIP allocations based on 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, if appropriate, approved by the MRC Committee.

The 2016 LTIP design for Executives, other than Mr. Wetmore, was comprised of 60% PSUs and 40% stock options. The inclusion of stock options is common among CTC's comparator groups.

The annual 2016 LTIP grants awarded to the NEOs who were Executives at the time of the annual grant are shown in the table below.

	2016 LTIP Grant (% of base salary)(2)		
NEO(1)	**Total Award**	**Share Based Awards**	**Stock Options**
Michael B. Medline	200.0%	120.0%	80.0%
Dean C. McCann	127.5%	76.5%	51.0%
Allan A. MacDonald(3)(4)	112.5%	67.5%	45.0%
James R. Christie	127.5%	76.5%	51.0%
Mary L. Turner(4)	112.5%	67.5%	45.0%

Notes
(1) Mr. Wetmore received a one-time grant of $5 million comprised of PSUs and Discretionary DSUs (as defined below) upon his appointment as CEO which is reflected in the *Summary Compensation Table* shown on page 63.
(2) Actual LTIP grant as a percentage of salary is calculated using the base salary at time of allocation.
(3) Mr. MacDonald's 2016 LTIP grant was awarded to him based on his LTIP target at the time of grant. Mr. MacDonald's LTIP target percentage was increased in 2016 from 112.5% to 127.5% to align with the Executive Vice-President level target.
(4) Mr. MacDonald and Ms. Turner each received an additional interim grant of PSUs of $299,995 during 2016 which are also reflected in the *Summary Compensation Table* shown on page 63.

2013 PSU Payout (vested in 2016)
The PSU awards that were granted to NEOs in 2013 vested and were paid out in 2016 at 315% of the grant date value due to the significant increase in the Company's share price between 2013 and 2016 and the overall performance multiplier of 1.68 applied to these awards. The performance multiplier was based on the three-year average corporate STIP payout percentage from 2013 to 2015 of 145%. For more information regarding the 2013 PSU Plan design see pages 49 to 50 of the Company's Management Information Circular dated March 13, 2014 which is available on SEDAR at www.sedar.com.

The 2013 PSU payouts, including as a percentage of their grant value, are shown in the table below.

NEO	2013 PSU Payout					
	Number of PSUs Granted in 2013	Performance Multiplier	Weighted Average Share Price ($)(1)	2013 Payout ($)(2)	2013 Grant Value ($)(3)	2013 Payout as Percentage of Grant Value (%)
Stephen G. Wetmore(4)	27,170	1.68	$129.474	$5,909,918	$1,874,975	315%
Michael B. Medline	6,004	1.68	$129.474	$1,305,968	$414,330	315%
Dean C. McCann	4,618	1.68	$129.474	$1,004,490	$318,684	315%
Allan A. MacDonald(5)	5,595	1.68	$129.474	$1,217,004	$473,638	257%
James R. Christie(6)	–	–	–	–	–	–
Mary L. Turner	3,260	1.68	$129.474	$709,103	$224,969	315%

Notes

(1) This column reflects the weighted average share price of a Class A Non-Voting Share during the 10-calendar day period commencing on the first trading day following the release of the 2015 financial results.

(2) This column reflects the value of the 2013 PSUs at the time of payout in 2016, based on the number of PSUs granted multiplied by (a) the weighted average share price and (b) the performance multiplier of 1.68.

(3) The composition of the 2013 LTIP award for NEOs was 50% PSUs and 50% stock options. This column reflects the value of the PSUs at grant, based on the number of PSUs granted multiplied by the weighted average share price of a Class A Non-Voting Share during the 10-calendar day period ending on the day immediately preceding the MRC Committee meeting at which the grants were approved.

(4) Mr. Wetmore held 2013 PSUs which were granted to him during his previous tenure as CEO.

(5) Mr. MacDonald received additional PSU grants in 2013 outside of the regular cycle and, as such, the grant value of his PSU award is reflective of all grants.

(6) Mr. Christie did not hold 2013 PSUs at the time of payout.

Deferred Share Units

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

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

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

As described on page 45, Mr. Wetmore's LTIP is comprised of 50% PSUs and 50% Discretionary DSUs. In 2016, Mr. Wetmore received an LTIP grant of $5 million comprised equally of PSUs and Discretionary DSUs. Mr. Wetmore's 2016 Discretionary DSUs vest 33 1/3% over each of the three years following the date of grant.

Restricted Share Units

CTC may from time to time award Restricted Share Units (*RSUs*) to retain individuals in senior management positions of the Company or to provide additional rewards to senior management for exemplary services performed. The recipient is entitled to the number of RSUs awarded multiplied by the fair market value of Class A Non-Voting Shares, as set out in the applicable RSU agreement. Unless otherwise specified by the MRC Committee, RSUs vest approximately three years from the date of grant. No RSUs were granted in 2016.

Retirement and Savings Plan

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

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

The DPSP was established under a trust deed dated January 1, 1968, as amended from time to time thereafter. Sun Life Financial Trust Inc. (*Sun Life Financial*) is the trustee of the DPSP but is subject to the direction of the DPSP Capital Accumulation Plan Committee (the *DPSP CAP Committee*) in relation to the manner in which the DPSP is administered. This direction includes a right of the DPSP CAP Committee to direct the trustee as to the manner in which the Common Shares and Class A Non-Voting Shares comprising the CTC Share Fund are voted at any meeting of the shareholders of the Company. As at March 9, 2017, Sun Life was the beneficial owner of, and the DPSP CAP Committee had control and direction over, 419,280 Common Shares, representing approximately 12.2% of the issued and outstanding Common Shares, and 641,219 Class A Non-Voting Shares, representing approximately 1% of the issued and outstanding Class A Non-Voting Shares, which form part of the CTC Share Fund.

For more information regarding the CT Profit Sharing program and the DPSP, please see "Required SEDAR Disclosure by CTC's DPSP CAP Committee Members in relation to Exemptive Relief from the Insider Reporting Obligations" (*the Prescribed DPSP Disclosure*) filed by the Company under its profile on SEDAR at www.sedar.com. The Prescribed DPSP Disclosure, which was initially filed on SEDAR on May 6, 2014 and last updated on March 9, 2017, is incorporated by reference into this Management Information Circular. A copy of the Prescribed DPSP Disclosure is also available upon request, without charge, by contacting the Secretary of the Company as set out on page 71.

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

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

Executives are also entitled to receive health benefits available to other employees, generally on the same basis, which are designed to promote general wellness and preventative care. These benefits include 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.

Policies and Practices to Mitigate Risk
CTC has in place several policies and practices designed to mitigate risk which are applicable to Executives, including NEOs, and are described below.

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

Executive Share Ownership Guidelines
CTC has established share ownership guidelines *(SOGs)* that set out minimum levels of share ownership for its Executives. The SOGs are designed to align the interests of the Executives with the interests of shareholders, demonstrate that the Executives are financially committed to CTC through personal share ownership and promote the Company's long-standing commitment to sound corporate governance. The Company annually assesses the appropriateness of the level of share ownership required and balances the need for Executives to manage the diversification in their personal investment portfolios.

Within five years of appointment, Executives are expected to accumulate equity in CTC equal to a multiple of their annual salary. The multiple of annual salary for each NEOs as at the end of the 2016 fiscal year is shown in the table below:

NEO	Multiple of Annual Salary
Stephen G. Wetmore	3X
Dean C. McCann	2X
Allan A. MacDonald	2X
James R. Christie	2X
Mary L. Turner	2X

Class A Non-Voting Shares, Common Shares, DSUs and units held by the NEOs in the CTC Share Fund of CTC's Deferred Profit Sharing Plan are counted towards the minimum ownership requirement. Achievement of the SOGs is calculated using the greater of the closing share price as reported on the TSX on the last business day of the calendar quarter prior to the fifth anniversary of the Executive's appointment as an Executive and the acquisition cost of the Common Shares, Class A Non-Voting Shares or units in the CTC Share Fund of CTC's Deferred Profit Sharing Plan, or, in the case of DSUs, the value of the DSUs at the time the units were credited to the Executive's account.

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

Each year, management reviews and reports on each Executive's level of share ownership to the Executive and the MRC Committee. All of the Company's NEOs have currently either met their SOG requirement or have time remaining to do so. The SOG policy provides that if an Executive has not met the SOG target by the relevant date, the MRC Committee may recommend remedial action for such Executive's non-compliance, including conversion of the after-tax value of the Executive's future STIP awards into DSUs or withholding future LTIP allocations until the Executive has achieved his or her SOG target.

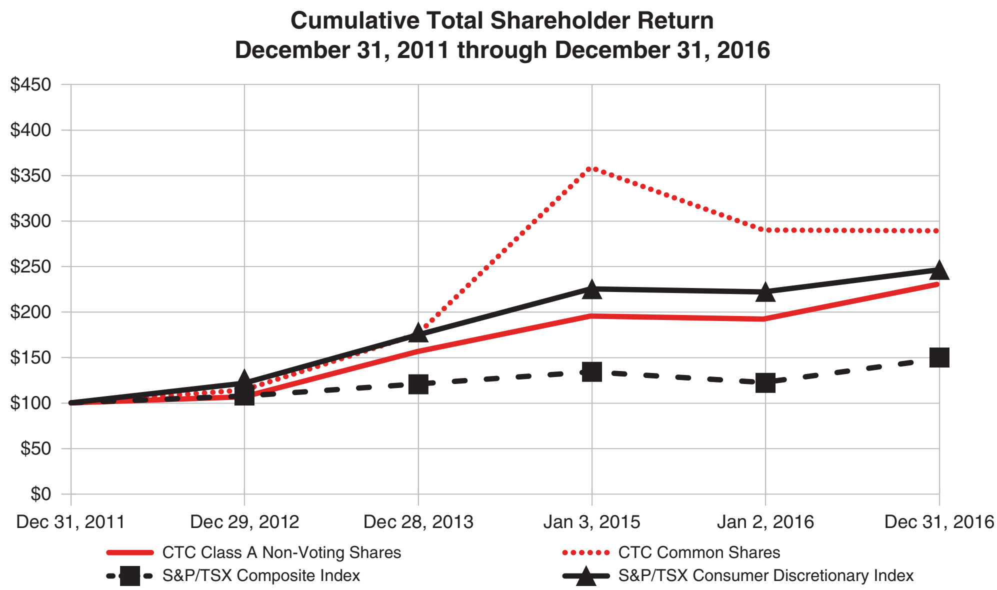
Executives' Hedging Policy
Under the Executive Share Ownership Guidelines, Executives are prohibited from purchasing financial instruments, including prepaid variable forward contracts, equity swaps, collars, or units of exchange funds that are designed to hedge or offset a decrease in market value of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

How Our Shares Have Performed and Relationship with Executive Compensation

The following chart compares the cumulative shareholder return on CTC's Class A Non-Voting Shares and Common Shares to the S&P TSX Composite Index and the S&P TSX Consumer Discretionary Index assuming $100 was invested on December 31, 2011 and dividends were reinvested.

For the purpose of the below 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" as set out in the *Summary Compensation Table* on page 63). The executive compensation values have been calculated for the NEOs based on the same methodology as disclosed in the *Summary Compensation Table*. This is a methodology adopted by CTC solely for the purposes of this comparison. It is not a recognized or prescribed methodology for this purpose, and may not be comparable to any other methodologies used by other issuers for this purpose.

Over this five-year fiscal period, CTC's total NEO Compensation (as previously defined) has generally reflected the trend in cumulative shareholder return of the Company's Class A Non-Voting Shares. In 2012, the Company's cumulative TSR was 7%, while total NEO Compensation increased by 16%. In 2013, the Company's cumulative TSR was 47%, while total NEO Compensation increased by 1%. In 2014, the Company's cumulative TSR was 24%, while total NEO Compensation decreased by 29% from 2013 levels (the decrease in total NEO Compensation in 2014 was as a result of the CEO transition from Mr. Wetmore to Mr. Medline). In 2015, the Company's cumulative TSR was -2%, while total NEO Compensation decreased by 4%. To enable a consistent year-over-year comparison, the 2016 NEO Compensation includes only the five NEOs who were actively employed at the fiscal year end and excludes Mr. Medline who left CTC in July 2016. In 2016, the Company's cumulative TSR was 20%, while total NEO Compensation increased by 46%. The increase in total NEO compensation in 2016 was as a result of the CEO transition and individual bonus awards being greater due to exceptional business results which merited higher STIP awards.



Five-year Total Shareholder Return on $100 investment:

Fiscal Year	Fiscal Year End Date(1)	Canadian Tire Corporation, Limited		S&P/TSX Composite Index	S&P/TSX Consumer Discretionary Index
		Class A Non-Voting Shares	Common Shares		
2011	December 31, 2011	$100.00	$100.00	$100.00	$100.00
2012	December 29, 2012	$106.77	$114.44	$107.19	$122.06
2013	December 28, 2013	$156.84	$175.46	$121.11	$174.58
2014	January 3, 2015	$195.27	$359.26	$133.90	$225.42
2015	January 2, 2016	$191.91	$290.10	$122.76	$222.02
2016	December 31, 2016	$230.02	$288.89	$148.64	$245.75

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

2016 Compensation Tables

Summary Compensation Table

The table below shows the compensation paid to the NEOs in respect of CTC's most recently completed financial year, which ended on December 31, 2016, as well as financial years 2014 and 2015.

Name and Principal Position (a)	Year (b)	Salary ($) (c)	Share based awards ($)[1] (d)	Option based awards ($)[2] (e)	Non-equity annual incentive plans ($)[3] (f)	All other compensation ($)[4] (g)	Total compensation ($) (h)
Stephen G. Wetmore[5] President and CEO	2016	$596,154	$4,999,782	–	$1,050,992	$171,384	$6,818,312
	2015	–	–	–	–	$240,175	$240,175
	2014	$1,250,000	$4,999,910	–	$2,271,634	$361,387	$8,882,931
Michael B. Medline[6] Former President and CEO	2016	$500,577	$1,139,953	$759,990	$503,683	$1,853,276	$4,757,479
	2015	$950,000	$1,139,875	$759,992	$896,325	$242,049	$3,988,241
	2014	$811,538	$815,984	$543,988	$1,136,827	$233,457	$3,541,794
Dean C. McCann Executive Vice-President and CFO	2016	$550,192	$401,595	$267,748	$541,013	$202,274	$1,962,822
	2015	$525,000	$401,610	$267,740	$321,969	$173,133	$1,689,452
	2014	$517,500	$515,085	$260,096	$610,969	$194,393	$2,098,043
Allan A. MacDonald President, CTR	2016	$537,788	$637,407	$224,988	$631,543	$88,825	$2,120,551
	2015	$500,000	$337,430	$224,992	$283,050	$80,877	$1,426,349
	2014	$475,000	$303,738	$202,496	$516,923	$84,860	$1,583,017
James R. Christie Executive Vice-President, CTC	2016	$550,192	$401,595	$267,748	$569,487	$92,543	$1,881,565
	2015	$525,000	$401,610	$267,740	$321,969	$88,130	$1,604,449
	2014	$525,000	$401,560	$267,747	$620,156	$39,379	$1,853,842
Mary L. Turner Senior Vice-President, Finance Transformation	2016	$445,000	$600,249	$200,233	$426,666	$152,288	$1,824,436
	2015	$445,000	$300,368	$200,243	$256,854	$142,050	$1,344,515
	2014	$426,442	$286,786	$191,238	$464,928	$134,476	$1,503,870

Notes

(1) The value in column (d) includes PSUs for NEOs and Discretionary DSUs granted to Mr. Wetmore in 2016. The grant date fair value of PSUs and Discretionary DSUs is based on the number of share-based awards granted, multiplied by the weighted average share price of a Class A Non-Voting Share for the 10-calendar days ending on the business day immediately preceding the date on which the grants were made.

(2) The value in column (e) is based on the weighted average share price of a Class A Non-Voting Share for the 10-calendar days ending on the business day immediately preceding the date on which the grants were made, multiplied by a Black-Scholes factor of 13.6%, which is then multiplied by the number of options granted. The Black-Scholes value ratio was determined using the following assumptions: estimated volatility of 18.9% (based on the daily historical share price for the three-year period ending on December 31, 2015); estimated dividend yield of 1.70%; interest rate of 0.73%; and an expected life of five years of the seven-year option term. For accounting purposes, the fair value of option-based awards at the time of grant is not calculated due to the TSAR feature. CTC has chosen to use Black-Scholes as the methodology for determining the number of options granted as it is an appropriate and commonly used methodology to value stock options.

(3) Column (f) discloses the amount earned under the STIP in respect of the 2016 financial year and includes any STIP cash amount that NEOs elected to receive in DSUs. For the 2016 financial year, Mr. MacDonald elected to receive 25% of his 2016 STIP award in DSUs.

(4) The values in this column (g) include awards for all NEOs, except for Mr. Wetmore in 2015 and 2016, under the CT Profit Sharing program and the Company match payments provided under the CT Savings Plan, as well as perquisites for Mr. McCann and Ms. Turner. Mr. McCann received perquisites in the amount of $109,731. Of this amount, $54,000 is related to a transitional housing benefit. Ms. Turner received perquisites in the amount of $73,835. Of this amount, $47,592 is related to housing accommodations provided by the Company. 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. In the case of Mr. Medline, for 2016, this column also includes payments attributed to his departure from the Company. See also footnote 6.

(5) Included in column (g) for Mr. Wetmore are fees earned while serving as a director of CTC and trustee of CT REIT in 2015 and a portion of 2016 prior to his appointment as President and CEO of CTC in 2016. For 2016, the amount in this column includes CTC director fees of $104,413, CT REIT trustee fees of $35,630 and perquisites of $31,341 in respect of head office parking and personal security. For 2015, Mr. Wetmore only received compensation related to his role as a director.

(6) In connection with his departure, Mr. Medline was entitled to a separation package, subject to certain mitigation set off if he entered into alternative employment arrangements. Upon his appointment to President & CEO of Empire Company Limited on January 12, 2017, after giving effect to the mitigation provisions, Mr. Medline's separation package totalled $2,214,288. The amount disclosed under column (g) includes a portion of this separation package. For more information regarding Mr. Medline's separation package, see *Post-Employment Benefits and Change of Control Provisions* on page 65.

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

Outstanding Share-Based Awards and Option-Based Awards

The table below shows the total vested and unvested outstanding long-term incentive awards for each NEO as at December 31, 2016.

	Option-based Awards				Share-based Awards		
Name (a)	**Number of securities underlying unexercised options (#) (b)**	**Option exercise price ($)(1) (c)**	**Option expiration date(2) (d)**	**Value of unexercised in-the-money options ($)(3) (e)**	**Number of shares or units of shares that have not vested (#)(4) (f)**	**Market or payout value of share-based awards that have not vested ($)(5) (g)**	**Market or payout value of vested share-based awards not paid out or distributed ($)(6) (h)**
Stephen G. Wetmore President and CEO	–	–	–	–	35,950	$5,006,757	$3,193,698
Michael B. Medline Former President and CEO	32,280	$99.717	September 6, 2019	$2,127,225	25,784	$3,590,938	–
	44,250	$129.135	September 6, 2019				
	43,011	$129.924	September 6, 2019				
Dean C. McCann Executive Vice-President and CFO	9,623	$69.009	March 11, 2020	$1,586,197	11,273	$1,569,991	$287,780
	15,434	$99.717	March 11, 2021				
	15,589	$129.135	March 10, 2022				
	15,153	$129.924	February 28, 2023				
Allan A. MacDonald President, CTR	12,016	$99.717	March 11, 2021	$727,040	10,565	$1,471,388	$895,833
	13,100	$129.135	March 10, 2022				
	12,733	$129.924	February 28, 2023				
James R. Christie Executive Vice-President, CTC	5,296	$99.717	March 11, 2021	$456,426	10,228	$1,424,454	–
	10,393	$129.135	March 10, 2022				
	15,153	$129.924	February 28, 2023				
Mary L. Turner Senior Vice-President, Finance Transformation	3,783	$99.717	March 11, 2021	$373,702	9,822	$1,367,910	–
	11,659	$129.135	March 10, 2022				
	11,332	$129.924	February 28, 2023				

Notes

(1) CTC's current policy for determining the exercise price for options with a TSAR feature is the 10-calendar day weighted average share price ending on the business day immediately preceding the date on which the grants are made.
(2) All outstanding options have a seven-year term.
(3) This column contains the aggregate dollar value of in-the-money vested and unvested unexercised options as at December 31, 2016 using the December 30, 2016 closing share price of the Class A Non-Voting Shares on the TSX of $139.27.
(4) This column contains the number of unvested PSUs and Discretionary DSUs held by the NEOs on December 31, 2016.
(5) This column contains the value of unvested PSUs and Discretionary DSUs held by the NEOs as at December 31, 2016 using the December 30, 2016 closing share price of the Class A Non-Voting Shares on the TSX of $139.27, assuming a performance multiplier equal to 1.0 for PSUs. Upon vesting, the multiplier for PSUs may range from 0 to 1.75 for grants made before 2016 and from 0 to 2.0 for grants made in 2016.
(6) This column contains the value of vested DSUs held by NEOs as at December 31, 2016, including DSU dividend equivalents received in respect of their DSUs, using the December 30, 2016 closing share price of the Class A Non-Voting Shares on the TSX of $139.27.

Incentive Plan Awards

The table below shows the incentive awards that vested or were earned by each NEO during the financial year ended December 31, 2016.

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	$3,760,893	$5,962,120	$1,050,992
Michael B. Medline	$1,308,810	$1,305,968	$503,683
Dean C. McCann	$856,021	$1,009,194	$541,013
Allan A. MacDonald	$469,068	$1,302,099	$631,543
James R. Christie	$222,055	$0	$569,487
Mary L. Turner	$611,052	$709,103	$426,666

Notes

(1) This column includes the aggregate dollar value that would have been realized if stock options that vested in 2016 were exercised on the vesting date.

(2) This column includes the value of the 2013 PSU Plan payout upon vesting, which is described in the *2013 PSU Payout (vested in 2016)* section on page 58, DSUs credited to Mr. MacDonald related to his 2015 STIP award which was paid in 2016 and DSU dividend equivalents credited to NEOs throughout the year. This column does not include any DSUs that will be credited in 2017 related to the 2016 STIP award which will be paid in 2017. DSUs vest at the time of grant and are settled in cash following the Executive's termination of service with the Company.

(3) This column includes the amount of the 2016 STIP payout, which is also included in the *Summary Compensation Table* on page 63.

Post-Employment Benefits and Change of Control Provisions

Each of the NEOs is a party to an agreement with the Company governing the terms of their employment. The terms of certain additional entitlements of the President and CEO and the NEOs of the Company under various post-employment scenarios, pursuant to their respective employment agreement and the Company's plans and policies, are described below. Unless otherwise indicated, payments of awards and other entitlements under CTC's STIP, CT Profit Sharing program, CT Savings Plan, Stock Option Plan and PSU plans are governed in accordance with the terms of such plans and Company policies.

The following summary is qualified in its entirety by reference to the underlying terms and conditions of each NEO's agreement and the terms and conditions of the STIP, Stock Option Plan, CT Profit Sharing program, CT Savings Plan, applicable PSU plans and Company policies.

Post-Employment Benefits

President and CEO

As described on page 45, Mr. Wetmore and the Company entered into a new employment agreement when he resumed his role as President and CEO of the Company. Pursuant to the terms of his employment agreement, Mr. Wetmore is entitled to receive the following payments and benefits detailed below, in addition to his base salary, benefits and expenses otherwise due and owing to the date of his departure.

Retirement

In the event of retirement, conditional upon the provision of six months' written notice to the Company (*the CEO Retirement Notice Period*), Mr. Wetmore is entitled to:

- payment in lieu of an award under CTC's STIP then in existence, prorated for the period of active employment in the year in which employment ends, calculated in accordance with the criteria applicable to individuals having attained a combined age and service period of 70 years (inclusive of at least 10 years of continuous service with the Company), which are currently based on Mr. Wetmore's STIP target percentage, his base salary in effect at the time of retirement and the average corporate pool funding percentages over the three years prior to the last day of active employment;

- continued vesting and payment of his outstanding PSU awards as if he had continued to be employed by CTC during the entire performance period provided for under the applicable PSU plans;
- immediate vesting of all unvested Discretionary DSUs; and
- continued participation in CTC's employee health and other group insurance plans for the first 10 years after retirement and in the CTC store discount program.

The CEO Retirement Notice Period may be waived or shortened at the discretion of the Company, but base salary, benefits and expenses due and owing to the date of Mr. Wetmore's departure would continue for the balance of the CEO Retirement Notice Period.

Termination Without Cause

In the event of termination without cause, conditional upon delivery of a full and final release and indemnity, Mr. Wetmore is entitled to:

- continuation of his base salary for six months (*the CEO Salary Continuance Period*);
- payment of an award under CTC's STIP, prorated for the period of active employment in the year in which termination of employment occurs and, during the CEO Salary Continuance Period, payment in lieu of awards under CTC's STIP then in existence, calculated based on Mr. Wetmore's STIP target percentage and his base salary earnings during the CEO Salary Continuance Period;
- continued vesting and payment of his outstanding PSU awards as if he had continued to be employed by CTC during the entire performance period provided for under the applicable PSU plans;
- immediate vesting of all unvested Discretionary DSUs; and
- continued participation in CTC's employee health and other group insurance plans (subject to certain exceptions), CTC store discount and roadside assistance programs and entitlement to executive medical services and financial planning benefits, until the end of the CEO Salary Continuance Period.

Benefits in the Event of Death or Disability

In the event that Mr. Wetmore's employment ceases with the Company by reason of death or disability, Mr. Wetmore or his estate, as applicable, will be entitled to:

- payment in lieu of an award under CTC's STIP, prorated for the period of active employment in the year in which employment ends, calculated by reference to the average of Mr. Wetmore's STIP target percentage and the average corporate pool funding percentages over the three years prior to the last day of active employment; and
- immediate vesting of all unvested Discretionary DSUs.

Non-Compete and Non-Solicit Obligations

The foregoing entitlements are conferred on Mr. Wetmore in part on the condition of his fulfillment of certain covenants regarding non-competition (12 months), non-solicitation (18 months) and agreement not to be employed or otherwise associated with the Canadian Tire Dealers' Association for 10 years following termination of his employment.

Other NEOs

The Company's employment agreements with each of Messrs. Christie, MacDonald and McCann provide for the following payments and benefits detailed below, in addition to their respective salaries, benefits and reimbursement of expenses otherwise due and owing to the date of their departure.

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

- payment of their base salaries for 24 months (in each case, *the Notice Period*), payable as salary continuance and subject to certain mitigation provisions in the event alternative employment is secured (*the Claw Back Conditions*);
- payment of an award under CTC's STIP, prorated for the period of active employment in the year in which termination of employment occurs and, during the Notice Period, payment in lieu of awards under CTC's STIP then in existence, calculated based on each NEO's STIP target percentage and base salary earnings during the Notice Period, subject to the Claw Back Conditions;
- in the case of Messrs. Christie and McCann, continued vesting and payment of their outstanding PSU awards as if they had continued to be employed by CTC during the entire performance period provided for under the Company's applicable PSU plans, and the right to exercise their outstanding stock options until the earlier of the third anniversary of their termination dates and the expiry of the options, with any unvested options continuing to vest during such period in accordance with the applicable option agreements;

- in the case of Mr. MacDonald, payment of his outstanding PSU awards on a pro rata basis, based on his period of active employment with the Company during the applicable performance period subject to a multiplier (such multiplier which cannot exceed 1.0);
- payment of the CT Profit Sharing award, prorated for the period of active employment for the year in which termination of employment occurs and, during the Notice Period, payment in lieu of CT Profit Sharing awards, subject to the Claw Back Conditions;
- payment in lieu of the Company match contributions under the CT Savings Plan during the applicable Notice Period, subject to the Claw Back Conditions;
- continued participation in CTC's employee health and other group insurance plans (subject to certain exceptions), CTC store discount and roadside assistance programs and entitlement to executive medical services and financial planning benefits, until the end of the applicable Notice Period or until alternative employment is secured, whichever occurs first; and
- payment of the CTC automobile allowance during the applicable Notice Period, subject to the Claw Back Conditions.

In the event of his termination of employment without cause, Mr. McCann is also entitled to the continuation of his monthly living allowance until the earlier of March 16, 2018 and the end of his Notice Period.

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

Non-Compete and Non-Solicit Obligations

The foregoing entitlements are conferred on each of the NEOs in part on the condition of each NEO continuing to fulfil certain covenants in their respective employment agreement regarding non-competition (12 months), non-solicitation (12 to 18 months) and agreement not to be employed or otherwise associated with the Canadian Tire Dealers' Association for 10 years following termination of his employment.

Mary Turner

As described on page 45, Ms. Turner served as President and CEO of CT Bank and President of CTFS Holdings during the 2016 financial year. She retired from these roles on December 31, 2016 and is currently leading CTC's Finance Transformation initiative in her role as Senior Vice President, Finance Transformation. Ms. Turner will serve in this capacity until her anticipated retirement from the Company on March 31, 2017.

Pursuant to the terms of her retirement letter, provided that she does not resign prior to March 31, 2017, Ms. Turner is entitled to the following benefits, in addition to her respective salary, benefits and reimbursement of expenses due and owing to the date of retirement:

- payment in lieu of an award under CTC's STIP, calculated based on Ms. Turner's STIP target percentage, her earnings for the period from January 1, 2017 to March 31, 2017 and the average corporate pool funding percentages over the three years prior to the last day of active employment;
- any unused vacation entitlements up to the end of her period of active employment;
- payment of the CT Profit Sharing award for 2016 and a prorated payment of the CT Profit Sharing award for 2017; and
- continued vesting and payment of her outstanding PSU awards as if she had continued to be employed by CTC during the entire performance period provided for under the applicable PSU plans, and the right to exercise previously granted stock options, until the earlier of the third anniversary of their termination dates and the expiry of the options, with any unvested options continuing to vest during such period in accordance with the applicable option agreements.

Upon retirement, Ms. Turner is also eligible to participate in retiree benefit plans offered by the Company.

Michael Medline

As described on page 45, Mr. Medline served as President and CEO of the Company for part of the 2016 financial year, until July 12, 2016. The Company entered into an agreement with Mr. Medline providing for a separation package upon his departure as President and CEO of the Company, subject to certain mitigation set off if Mr. Medline entered into alternative employment arrangements.

On January 12, 2017, Empire Company Limited announced the appointment of Mr. Medline as its new President & CEO effective immediately, triggering the mitigation provisions. Accordingly, in connection with his departure and after giving effect to the mitigation provisions, Mr. Medline was paid a separation package totalling $2,214,288 in aggregate. This amount included salary continuance and perquisite allowance payments from the date of his departure to January 12, 2017 (*the Continuance Period*), unused vacation entitlements up to the end of Mr. Medline's period of active employment with the Company, payments in lieu of awards under CTC's STIP and the CT Profit Sharing program for the period of active employment in the 2016 financial year and payments in lieu of his awards and entitlements under CTC's STIP, the CT Profit Sharing program and the CT Savings Plan during the Continuance Period.

In accordance with his separation agreement, Mr. Medline is also entitled to continued vesting and payment of his outstanding PSU awards as if he had continued to be employed by CTC during the entire performance period provided for under the applicable PSU plans, and the right to exercise outstanding stock options previously granted to him until the earlier of September 6, 2019 or the expiry of the options, with any unvested options continuing to vest during such period in accordance with the applicable option agreements.

Change of Control Provisions

The terms of the Company's Stock Option Plan and the applicable PSU plans stipulate that certain awards may be accelerated in the event of a "Change of Control", which is defined in each plan, but generally means a disposition of shares of the Company or any other transaction or occurrence where another person (together with such person's affiliates and associates) becomes the holder of more than 50% of the voting shares of the Company (*Change of Control*). The Company's plans are subject to a "double trigger" which means that any NEO's outstanding equity incentive awards are accelerated only if he or she is terminated without cause within 24 months of the Change of Control.

In such circumstances, unless otherwise indicated in an NEO's employment agreement, awards are accelerated as follows:

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

In addition, Mr. Wetmore was awarded Discretionary DSUs pursuant to the terms of his employment agreement. Under his award notice, in the event of a Change of Control followed by a termination of Mr. Wetmore's employment without cause within 24 months of such Change of Control, all unvested Discretionary DSUs held by Mr. Wetmore immediately vest on his date of termination.

Estimated Incremental Payments

The following table presents the potential incremental payments to each of Messrs. Wetmore, Christie, MacDonald and McCann as if their employment had been terminated without cause (including in the event of a Change of Control), in each case assuming employment was terminated or ceased on December 31, 2016.

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

The estimated amounts listed below are in addition to any other benefits and payments (including upon the vesting and/or exercise of awards under the Company's plans) that are generally available to the Company's salaried employees.

NEO	Compensation Component	Estimated Incremental Payments as at December 31, 2016 – Termination Without Cause ($)	
		Without a Change of Control	**With a Change in Control**(1)
Stephen G. Wetmore(2) President and CEO	Base Salary	$625,000	$625,000
	Payment in lieu of STIP(3)	$625,000	$625,000
	LTIP(4)	–	–
	Payment in lieu of CT Profit Sharing Award(5)	–	–
	Payment in lieu of CT Savings Plan entitlement(6)	–	–
	Perquisites(7)	–	–
	Total	**$1,250,000**	**$1,250,000**
Dean C. McCann Executive Vice-President and CFO	Base Salary	$1,150,000	$1,150,000
	Payment in lieu of STIP(3)	$747,500	$747,500
	LTIP(4)	–	$1,012,050
	Payment in lieu of CT Profit Sharing Award(5)	$115,000	$115,000
	Payment in lieu of CT Savings Plan entitlement(6)	$57,500	$57,500
	Perquisites	$121,773	$121,773
	Total	**$2,191,773**	**$3,203,823**
Allan A. MacDonald President, CTR	Base Salary	$1,150,000	$1,150,000
	Payment in lieu of STIP(3)	$747,500	$747,500
	LTIP(4)(8)	$217,686	$583,657
	Payment in lieu of CT Profit Sharing Award(5)	$115,000	$115,000
	Payment in lieu of CT Savings Plan entitlement(6)	$57,500	$57,500
	Perquisites	$56,450	$56,450
	Total	**$2,344,136**	**$2,710,107**
James R. Christie Executive Vice-President, CTC	Base Salary	$1,150,000	$1,150,000
	Payment in lieu of STIP(3)	$747,500	$747,500
	LTIP(4)	–	$891,324
	Payment in lieu of CT Profit Sharing Award(5)	$115,000	$115,000
	Payment in lieu of CT Savings Plan entitlement(6)	$57,500	$57,500
	Perquisites	$56,450	$56,450
	Total	**$2,126,450**	**$3,017,774**

Notes

(1) An NEO must be terminated without cause within 24 months of a Change of Control to receive any incremental payments indicated.

(2) There are no incremental payments expected to be payable to Mr. Wetmore in the event of his retirement from the Company. For more information, see *Post-Employment Benefits – President and CEO – Retirement* on page 65.

(3) Assumes payout at target.

(4) The LTIP payment shown is comprised of stock options and PSUs, as applicable. The stock option portion of the LTIP payment reflects the in-the-money value of any stock options that would vest as a result of termination and was calculated based on the closing price of the Class A Non-Voting Shares on the TSX on December 30, 2016 ($139.27). The PSU portion of the LTIP payment reflects the incremental value of any PSUs prorated and payable to the date of termination less the value of any forfeited PSUs. PSUs have been valued assuming a performance multiplier of 1.0 and were calculated based on the closing price of the Class A Non-Voting Shares on the TSX on December 30, 2016 ($139.27).

(5) Assumes that CT Profit Sharing awards are 10% of salary during the applicable Notice Periods.

(6) Assumes that CT Savings Plan awards are 5% of salary during the applicable Notice Periods.

(7) Mr. Wetmore is entitled to the continuation of perquisites and other benefits arising during the CEO Salary Continuance Period. However, as the value of such perquisites and benefits would not exceed $50,000 in aggregate during the CEO Salary Continuance Period, they are not included in this table.

(8) In the event of termination without cause, Mr. MacDonald receives his outstanding PSU awards on a pro rata basis in the year of termination.

Securities Authorized for Issuance under Equity Compensation Plan

The table below sets out information regarding the Class A Non-Voting Shares authorized for issuance under CTC's Stock Option Plan as at December 31, 2016. Other than the Stock Option Plan, CTC does not have any compensation plans under which securities of CTC are authorized for issuance.

Plan Category	Number of Securities to be Issued Upon Exercise of Outstanding Options, 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	961,349	$116.41	2,430,034

The aggregate maximum number of Class A Non-Voting Shares that were authorized for issuance on May 13, 2010 by the shareholders under the Stock Option Plan was 3,400,000, representing approximately 5.1% of the Class A Non-Voting Shares issued and outstanding as at March 9, 2017. As at March 9, 2017, the number of outstanding and unexercised options to purchase Class A Non-Voting Shares is 892,988, representing approximately 1.3% of the issued and outstanding Class A Non-Voting Shares. Also, as at March 9, 2017, an aggregate of 2,498,395 Class A Non-Voting Shares, representing approximately 3.7% of the issued and outstanding Class A Non-Voting Shares, are available for issuance under the Stock Option Plan.

A total of 404,439 stock options were awarded in 2016, which represented approximately 0.6% of the issued and outstanding Class A Non-Voting Shares (commonly referred to as the annual 'burn rate') as at December 31, 2016. The total number and terms of outstanding stock options, share 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 2016.

Liability Insurance for Directors and Officers

During the year ended December 31, 2016, CTC 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 the Company.

No deductible is applied to any loss for which a director or officer is not indemnified by the Company. Any loss for which the Company grants indemnification to a director or officer is subject to a deductible of $250,000. Loss resulting from a securities claim, brought by or on behalf of a shareholder of the Company, is subject to a deductible of $500,000. The directors' and officers' liability insurance does not cover losses arising from illegal conduct, fraud or bad faith.

We paid $476,680 in policy premiums for the period April 4, 2016 to April 4, 2017, 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.

Additional Information

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

- Management's Discussion and Analysis and Annual Consolidated Financial Statements for the financial year ended December 31, 2016. These documents contain CTC's financial information.
- The 2016 AIF and the documents incorporated by reference therein.
- Prescribed DPSP Disclosure, as referred to under *CT Profit Sharing* on page 60.
- Code of Business Conduct and Supplier Code of Business Conduct, as referred to under *Code of Business Conduct* beginning on page 32.

To request any of these documents, please write to Doug Nathanson, General Counsel and Secretary, at Canadian Tire Corporation, Limited, 2180 Yonge Street, P.O. Box 770, Station K, Toronto, Ontario M4P 2V8.

The Management's Discussion and Analysis, Annual Consolidated Financial Statements, 2016 AIF, Prescribed DPSP Disclosure and other information about CTC are also available on SEDAR at www.sedar.com and on our website at www.corp.canadiantire.com. Information contained in or otherwise accessible through the websites referenced in this Management Information Circular does not form part of this Management Information Circular and is not incorporated by reference into this Management Information Circular. All references to such websites are inactive textual references and are for information only.

APPENDIX A

BOARD OF DIRECTORS' MANDATE
CANADIAN TIRE CORPORATION, LIMITED

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

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

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

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.

- Obtaining reasonable assurance that due diligence processes and controls in connection with certification of the Company's annual and interim filings are in place, monitoring their continued effectiveness, and obtaining confirmation that such filings are in a form that permits their certification.
- 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. Company's Relationship with Dealers

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

4. Identification and Management of Risks

- Overseeing the development and implementation by management of a comprehensive enterprise risk management policy and enterprise risk management program that collectively are designed to appropriately identify, assess, monitor, manage and report on the Company's risks.
- Annually identifying and approving the principal risks of the Company.
- 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.

5. Human Resource Management and Executive Compensation

- Obtaining reasonable assurance that there are policies and practices in place to enable the Company to attract, develop and retain the human resources required by the Company to meet its business objectives.
- 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.

6. 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.

7. 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.

8. Governance

- Developing, approving and monitoring the Company's approach to corporate governance, including a set of prioritized corporate governance principles and guidelines.
- Disclosing the Company's approach to corporate governance in its Management Information Circular, including its guiding principle that corporate governance should serve the Company's business goals.
- 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.
- Obtaining reasonable assurance 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 B

DESCRIPTION OF CTC'S STOCK OPTION PLAN

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

The grant of each option provides an optionee with the right to subscribe for one Class A Non-Voting Share at the weighted average price at which the Class A Non-Voting Shares trade on the TSX during the 10 calendar day period ending on the business day immediately preceding the date the option is granted. The Stock Option Plan states that no option shall extend for a period of more than 10 years from the date of grant except in circumstances in which the exercise period may be extended in the event of a black out period.

Options granted between 2010 and 2011 vested three years after the date of grant. Options granted in 2012 and thereafter (*the 2012 and Later Options*) have either vested or continue to vest at the rate of 33 1/3% per year during the three years following the date of grant. Exceptions to the general vesting requirements are included in the Stock Option Plan or option agreements in relation to circumstances involving incapacity, death, resignation, becoming a Canadian Tire Dealer or upon the cessation of employment for any other reason. Unexercised 2012 and Later Options expire immediately on the termination of the employment of an optionee for cause.

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

Options have been granted under agreements which specify that they can be exercised for a period of up to seven years and outline the circumstances in which option rights will be terminated earlier. All outstanding option agreements provide that, at the election of the optionee, options can be exercised through payment of the option price or surrendered in exchange for a cash payment equal to the excess of the fair market value of the Class A Non-Voting Shares over the exercise price stipulated in the applicable stock option agreement, multiplied by the number of Class A Non-Voting Shares surrendered. The fair market value is the weighted average price at which the Class A Non-Voting Shares trade on the TSX on the trading day on which the surrender is made.

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

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

- *in the event of incapacity or death* – All options may be exercised until the earlier of the expiration of the options and three years following the date of incapacity or death, or such longer period as is determined by the Board of Directors;
- *in the event of resignation after age 60* – For option agreements entered into in connection with the 2012 and Later Options, the options may be exercised until the earlier of the expiration of the option and the date three years following the date of resignation if the optionee has at least 10 years of continuous service with CTC, with options vesting during such three year period. For option agreements entered into between 2010 and 2011, options may be exercised until either: (a) the earlier of the expiry date of the option and the date three years following the date of resignation if the optionee has at least 10 years of continuous service with CTC; or (b) the earlier of the expiry date of the option and the date that is one year following the date of such retirement in all other cases, with options vesting during such three or one year period, as the case may be;
- *in the event of resignation to become a Canadian Tire Dealer* – All options vested on the date of resignation may be exercised until the earlier of the expiration of the option and the date that is one year following the date of resignation or such longer period as is determined by the Board of Directors;

- *in the event of termination without cause after age 60 with 10 years continuous service* – 2012 and Later Options may be exercised until the earlier of the expiration of the option and the date that is three years following the termination of employment, with options vesting during such three year period;
- *in the event of termination for cause* – Unexercised 2012 and Later Options are prohibited from being exercised from and after the date of termination of employment; and
- *in the event of cessation of employment for any other reason* – All options vested on the date of cessation of employment may be exercised until the earlier of the expiration of the options and the date 30 days following the date on which the optionee ceases to be employed or such longer period as is determined by the Board of Directors.

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

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

The Stock Option Plan states that no one person can receive options to buy more than 5% of the total number of issued and outstanding Class A Non-Voting Shares, which as at March 9, 2017 is equal to 3,335,645 Class A Non-Voting Shares. The "*Insider Participation Limit*" generally limits the maximum number of Class A Non-Voting Shares: (a) issued to insiders of CTC, within any one year period; and (b) issuable to insiders of CTC at any time pursuant to the Stock Option Plan, in each case when combined with all other security based compensation arrangements of CTC, to 10% of the number of issued and outstanding Class A Non-Voting Shares. Each option is non-assignable and non-transferable other than for estate settlement purposes, including by will or the laws governing the devolution of property in the event of death of the optionee.

Stock option agreements entered into by CTC with executive officers generally reflect the same terms as are set out in the standard agreements described above. However, agreements with certain NEOs and other executive officers have been modified from the standard agreements, in certain cases in a substantive manner, to reflect the terms of their respective employment agreements with CTC. With respect to the NEOs, see *Post-Employment Benefits and Change of Control Provisions* on beginning page 65.

HOW TO CONTACT US

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Email: service@computershare.com

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

ANNUAL MEETING OF SHAREHOLDERS

Four Seasons Hotel Toronto
Vinci Room, 6th Floor
60 Yorkville Avenue
Toronto, Ontario
M4W 0A4
Thursday, May 11, 2017
10:00 a.m. (Toronto time)

Parking:
Parking is available at the hotel and public parking is also available at the "Green P" carpark located at 37 Yorkville Avenue.

Directions:
The hotel is conveniently located in downtown Toronto.

From Pearson International Airport:
- Take Highway 427 south.
- Take Gardiner Expressway east into Toronto.
- Exit onto Yonge/Bay/York Streets and follow the signs for Bay Street.
- Follow Bay Street north, past Bloor Street.
- The hotel is on the corner of Bay Street and Yorkville Avenue.

From Billy Bishop Airport:
- Exit airport ferry terminal and take Bathurst Street north.
- Turn right onto Bloor Street.
- Turn left onto Bay Street.
- The second street on your right will be Yorkville Avenue.
- The hotel is on the corner of Bay Street and Yorkville Avenue.

Canadian Tire Corporation, Limited
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Visit our website at
www.corp.canadiantire.ca

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