

## **CANADIAN TIRE CORPORATION, LIMITED GOVERNANCE COMMITTEE MANDATE**

### **1. Purpose of the Committee**

The Board of Directors (the “Board”) of Canadian Tire Corporation, Limited (the “Corporation”) has established the Governance Committee (the “Committee”) to assist the Board with its oversight responsibilities with respect to:

- (a) the Board’s approach to corporate governance;
- (b) the selection and nomination of qualified and suitable Directors;
- (c) the evaluation of the effectiveness of the Board, its committees and individual Directors;
- (d) Director education and orientation; and
- (e) compensation for Board and committee service.

### **2. Responsibilities of the Committee**

#### **(a) Approach to Corporate Governance**

The Committee shall be responsible for:

- (i) developing, updating and monitoring on a periodic basis the Board’s approach to corporate governance and the Corporation’s corporate governance standards, as reflected in the Corporation’s policies and practices, having regard for the Corporation’s Brand Purpose and Core Values, regulatory requirements, and best practices, with a view to continuously improving such standards;
- (ii) receiving updates from management on a periodic basis regarding the latest regulatory requirements, as well as best practices in corporate governance, and updating the Board on corporate governance issues as necessary; and
- (iii) reviewing and recommending to the Board for approval the disclosure of the Board’s approach to corporate governance contained in the Corporation’s management information circular (“MIC”).

#### **(b) Board Renewal and Committee Composition**

The Committee shall be responsible for overseeing Board renewal, and in connection therewith:

- (i) regularly evaluating the current composition of the Board in light of the Corporation’s strategies and risks, current and anticipated priorities, and plans for succession;
- (ii) identifying and recommending to the Board qualified individuals as nominees for election to the Board by the holders of Common Shares and Class A Non-Voting Shares of the Corporation at a meeting of shareholders of the Corporation, or for appointment by the Board to fill any vacancies on the Board, after having considered the skills matrix, the Board Diversity Policy, the results of Director performance

assessments, Director tenure, succession planning for Board leadership positions, independence considerations and other legal requirements, the Corporation's overboarding policy, interlocking directorships, as well as the results of due diligence reviews.

The Committee shall consult with such persons as it determines appropriate, including current Directors and the Chief Executive Officer as well as the controlling shareholders and C.T.C. Dealer Holdings Limited in respect of their proposed nominees;

- (iii) maintaining an evergreen list of candidates qualified to become new Directors, having regard for the foregoing considerations;
- (iv) annually reviewing and, as required, approving changes to the Director skills matrix to ensure that the highest priority skills for effectively overseeing the management of the Corporation are represented on the Board;
- (v) reviewing and, if appropriate, recommending to the Board for approval changes to the Board Diversity Policy, and assessing the effectiveness of the policy in promoting a diverse Board;
- (vi) evaluating the independence of individual Directors in accordance with the applicable requirements of the securities regulatory authorities as adopted or amended and in force from time to time, and such other criteria established by the Committee, for the purposes of:
  - (A) determining those Directors to be identified as independent or not independent in the MIC;
  - (B) gaining and maintaining reasonable assurance that a majority of Directors, the Chairman of the Board and every member of the Audit Committee, the Management Resources and Compensation Committee (the "MRCC") and the Governance Committee are independent; and
  - (C) determining whether any relationship which a Director has with the Corporation could reasonably be expected to interfere with the exercise of such Director's independent judgment, and addressing any applicable changes to Board and committee composition as a result thereof;
- (vii) approving the appointment or removal of the members and Chairs of the Audit Committee, the MRCC and the Brand and Corporate Responsibility Committee, and special committees of the Board, having regard for the appropriate composition, size and required competencies of each such committee; and
- (viii) recommending to the Board the appointment or removal of the members and Chair of the Governance Committee, having regard for the appropriate composition, size and required competencies of the Governance Committee.

**(c) Proposed Nominees to the Board of Trustees of CT Real Estate Investment Trust and the Board of Directors of CTFS Holdings Limited and Canadian Tire Bank**

The Committee shall review the Corporation's nominees for election or appointment to the board of trustees of CT Real Estate Investment Trust and the boards of directors of CTFS Holdings Limited and Canadian Tire Bank and provide input to management with respect to those nominees. The Committee shall also review the Corporation's proposed candidate for appointment as Chairman of the Board of Canadian Tire Bank. Where a meeting of the Committee is not practicable, the Committee Chair and the Chairman of the Board shall attend to the foregoing matters and report thereon to the Committee at its next meeting.

**(d) Evaluation of the Board, Committees of the Board and Individual Directors**

The Committee shall be responsible for:

- (i) developing a process for, and conducting every two years, an evaluation of the effectiveness of the Board and the committees of the Board, and reporting on the results of such evaluations to each committee, as applicable, and the Board;
- (ii) developing a process for, and conducting every two years, a performance evaluation of individual Directors (including in their capacity as members or Chairs of committees), with feedback to be provided to each Director;
- (iii) developing a process for, and conducting every two years, a performance evaluation of the Chairman of the Board and reporting thereon to the Board;
- (iv) in connection with assessing Board effectiveness, evaluating the Board's relationship with management, management's relationship with the Board, and the culture of the Board, and reporting thereon to the Board;
- (v) reviewing, at least every three years, the adequacy of the mandate of the Board and recommending any required changes to the Board; and
- (vi) reviewing, at least every three years, the adequacy of the position descriptions for the Chairman of the Board, the committee Chairs, the Directors and the Secretary of the Corporation and, where required, approving changes thereto.

**(e) Director Education and Orientation**

The Committee shall ensure that Directors receive appropriate orientation and education and, in so doing, the Committee shall ensure that:

- (i) each new Director participates in an orientation process in relation to his or her Board responsibilities, the role of the Board and its committees, and the contributions and commitment of time and attention that the Corporation expects each individual Director will make;
- (ii) the Chairman of the Board meets with each proposed new Director and explains to such proposed new Director the culture of the Board as well as the Board's expectations of its Directors;

- (iii) the committee Chairs meet with each proposed new Director to review the responsibilities and mandate of the committee to which such Director has been appointed;
- (iv) each Director is provided with written orientation materials regarding the Board and the Corporation and its business, including, without limitation, the Corporation's current business plan, recent annual and financial disclosures, Board policies and mandates, and key Board presentations;
- (v) relevant orientation and continuing education is made available to all Directors to enable the Directors to maintain or enhance their skills and capabilities as Directors and to maintain the currency of their knowledge and comprehension of the Corporation's business, including the opportunity, at the expense of the Corporation, to:
  - (A) attend any conference, seminar, course or other educational experience which is intended to expand corporate directors' knowledge and skills, with expense reimbursement pursuant to the Director Expense Reimbursement, Benefit and Travel Policy;
  - (B) visit the Corporation's principal operating locations and such other premises as may be appropriate and reasonable; and
  - (C) meet with the President and Chief Executive Officer and other senior executives, as appropriate, for the purpose of discussing the nature and operation of the Corporation's business and affairs.

**(f) Director Compensation**

The Committee shall be responsible for:

- (i) reviewing every two years the form and amount of the Directors' compensation for Board and committee service, including service as Chairman of the Board or committee Chair, to ensure that it is commensurate with the responsibilities of the Directors, and is competitive with the Corporation's peers, and recommending any changes to the Board for approval;
- (ii) reviewing every two years the Director Expense Reimbursement, Benefit and Travel Policy and recommending any changes to the Board for approval; and
- (iii) periodically reviewing and, if appropriate, recommending to the Board for approval changes to the Director Share Ownership Guidelines.

**(g) Other Key Responsibilities**

The Committee shall be responsible for:

- (i) receiving regular updates from Investor Relations, including with respect to shareholder engagement activities and key investor trends and developments;
- (ii) overseeing and approving plans for Board and shareholder engagement;

- (iii) periodically reviewing and, if appropriate, approving changes to the Overboarding Policy for Directors;
- (iv) periodically reviewing and, if appropriate, recommending to the Board for approval changes to the Majority Voting Policy for Directors;
- (v) preparing for succession, emergency or otherwise, for the Chairman of the Board position;
- (vi) recommending to the Board the appointment of the Chairman of the Board, the removal of the Chairman of the Board for any reason the Committee sees fit, and, upon a vacancy in this position, recommending to the Board an individual to replace the Chairman of the Board;
- (vii) at the request of the MRCC or the Board, facilitating certain emergency CEO succession matters;
- (viii) reviewing the Corporation's articles and by-laws from time to time as appropriate, and recommending any proposed amendments to the Board for its review and approval;
- (ix) reviewing and approving annually a report of the Committee's activities for inclusion in the MIC; and
- (x) performing such other responsibilities and duties that are delegated by the Board to the Committee.

### **3. Composition of the Committee**

- (a) The Committee shall be comprised of at least four Directors, each of whom shall be an independent Director, as defined under the applicable requirements of the securities regulatory authorities. Directors who are employees of the Corporation may not serve as members of the Committee.
- (b) One of the Committee members shall be designated by the Board as the Committee Chair.

### **4. Member Qualifications**

Each member of the Committee shall have or develop an understanding of corporate governance issues.

### **5. Member Appointment and Removal**

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

### **6. Operating Procedures**

- (a) The Committee shall meet three times annually and as many additional times as necessary to carry out its duties effectively. Unscheduled Committee meetings shall be held at the call of the Committee Chair, or upon the request of two Committee members,

and a majority of the members of the Committee shall form a quorum. Notice of the meetings of the Committee shall be provided in accordance with the Corporation's By-Laws.

- (b) The powers of the Committee may be exercised at a meeting at which a quorum of the Committee is present in person or by telephone or other electronic means or by a resolution signed by all members entitled to vote on that resolution at a meeting of the Committee. Each Committee member (including the Chair) is entitled to one vote in Committee proceedings. For greater certainty, the Chair does not have a second or casting vote.
- (c) The Committee Chair and the Corporate Secretary shall develop the agenda for all meetings of the Committee as well as an annual work plan that are responsive to the Committee's responsibilities as set out in this Mandate, as well as the Committee's areas of focus, all in consultation with Committee members and management, as appropriate.
- (d) Unless the Committee otherwise specifies, the Corporate Secretary of the Corporation (or his or her designate) shall act as secretary of the meetings of the Committee, and minutes shall be kept for each Committee meeting.
- (e) The Committee Chair shall conduct all meetings of the Committee at which he or she is present. In the absence of the Committee Chair, the Committee members shall appoint an acting Chair of the applicable meeting(s).
- (f) A portion of each of the Committee's regularly scheduled meetings shall be conducted with no members of management present.
- (g) The Committee Chair may invite any officer or employee of the Corporation or any other person to attend any Committee meetings to participate in the discussion and review of the matters considered by the Committee.
- (h) A copy of the minutes of each meeting of the Committee shall be provided to each Director.

#### **7. Reporting to the Board**

The deliberations, decisions and recommendations of the Committee, including with respect to the most significant matters discussed by the Committee, shall be reported to the Board at the Board's next regular meeting.

#### **8. Evaluation and Assessment of this Mandate and the Committee's Compliance with this Mandate**

At least every three years, the Committee shall review and assess the appropriateness of this Mandate taking into account all applicable legislative and regulatory requirements as well as any best practice guidelines recommended by regulators or stock exchanges with whom the Corporation has a reporting relationship and, if appropriate, recommend changes to the Mandate to the Board for its approval, except for minor technical amendments to this Mandate, authority for which is delegated to the Corporate Secretary or Assistant Corporate Secretary of the Corporation, who will report any such amendments to the Committee and the Board at their next regular meetings.

**9. Advisors**

The Committee may, at the expense of the Corporation, retain and terminate external advisors having particular expertise for the purposes of fulfilling its Mandate, and shall be entitled to rely in good faith upon any report by any advisor. The Committee shall also have the authority to approve the proposed fees of these external advisors and any other terms of engagement.