



Canadian Tire Corporation

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS
AND MANAGEMENT INFORMATION CIRCULAR

ANNUAL MEETING
MAY 12, 2022



MESSAGE FROM THE CHAIRMAN OF THE BOARD



MAUREEN J. SABIA

Happy Birthday, Canadian Tire! This year, 2022, the Company reached its 100th birthday, an age few public companies in Canada attain. During the year, our shareholders and our customers will see many different and innovative ways in which the Company will celebrate its birthday – ways that celebrate our distinguished past and provide a glimpse of how we will chart our future.

Striving always to make things better, Canadian Tire has worked hard and innovatively to be there for Canadians – to meet their needs – as they navigate their way through their lives. Congratulations to the many committed managements over the years that have ensured our place in the hearts and minds of Canadians.

I am sure that the Billes brothers would be very proud that their innovative and entrepreneurial vision for the Tire, and their focus on helping communities, are still guiding us. I know that Martha and Owen Billes are very proud that the values of our founders are still to be found deeply embedded in the culture of Canadian Tire.

Today, Canadian Tire is a company transformed. It is meeting the omnichannel demands of our customers and is putting in place the initiatives that will secure our future. Enhancement of our brand, support for our many communities, investment in more sophisticated technologies, growing market share, a focus on risk in its many forms, a renewed focus on acquiring and developing world-class talent, a commitment to an even better customer experience and continuing to reward our shareholders for their commitment and loyalty, are priorities. I believe that the leadership being given by Greg Hicks will influence greatly the Canadian Tire of tomorrow. We are already seeing the effect of his leadership in the resilience and innovation of the Tire during COVID-19 and how quickly we ramped up our eCommerce business, though retaining our belief in bricks and mortar.

While I want to celebrate our many accomplishments of the past year, I also want to look forward into the future. This will be my last Letter and I want to leave you with some of the thoughts I have developed over the years I have had the privilege of serving as your Chairman and some thoughts I have for the future.

I will miss my role at the Tire, but I firmly believe that the time is now for new leadership of the Board. I know that Mike Owens will serve the Company as Chairman with distinction, energy and commitment. I have known Mike for many years and the time I have spent with him during the past few months, ensuring a smooth transition, has confirmed my opinion. Mike will continue my focus on board renewal and has worked with me over the last few months to ensure that. As a result, with the approval of the shareholders, we will welcome Sowmyanarayan Sampath to our Board at our Annual Meeting of Shareholders. Sampath's track record of accomplishments in technology, strategy, transformation, digital transformation, managing huge complexity and improving the customer experience will add huge value to the Tire.

Over the years that I have had the good fortune to be Chairman of the Board, we have had many directors who have contributed much to the Tire during their time on the Board. I think most especially of Claude L'Heureux, Pierre Boivin, Tim Price, Jim Goodfellow, George Vallance, John Furlong, Pat Connolly, Austin Curtin, Daniel Fournier, and Iain Aitchison, all of whom we continue to miss.

Growth is our mantra for the future. To that end we have embarked on a series of significant investments. We are investing over \$3 billion in our Owned Brands, Loyalty program, Helly Hansen's Canadian sales, our Operational Efficiency program, IT infrastructure modernization, Canadian Tire store expansion and supply chain. These investments, plus investments in innovation, together with our powerful assets, will shape our future and result in a Canadian Tire equipped even better to meet the challenges presented to it in the next three to five years. Remarkable retail will be synonymous with Canadian Tire.

I have been reflecting on my time at the Tire and over the many years I have been on the Board, I was privileged to witness many significant moments in our history. To mention just a very few: Martha Billes bought out her brothers and became the majority controlling shareholder, Canadian Tire became the first

non-bank to issue a Mastercard, we bought the Forzani Group (SportChek) and Mark's, we acquired Party City and Helly Hansen, we created CT REIT and Canadian Tire Bank, we celebrated our 90th birthday by producing a history of Canadian Tire, entitled "Living the Canadian Dream" which told the story of how a set of tires moved a nation.

Since becoming Chairman in 2007, I have seen the Company's revenues grow from \$8 billion to over \$16 billion, the result of some bold and innovative initiatives.

The future for the Tire is secure, but the task of ensuring that future will depend on our ability to be extremely agile. How business will be conducted in the short and longer term is changing very quickly and we will have to evolve in order to be responsive to those changes. This will require an even greater focus on acquiring world-class talent. Moreover, we will have to be ever more mindful of our competition and we will need to make decisions, and implement them, quickly. Progress over perfection.

As I think about the future, I have some worries about what it will mean for corporate Canada. I worry about some of the implications of stakeholder capitalism replacing shareholder capitalism. I worry about quotas in the boardroom with their potential to be discriminatory. I worry that entitlement is replacing personal responsibility and accountability.

To the business leaders, managements and corporate directors of today and for those who will follow them, my advice to you is:

- Strive always to do what is right for the company
- Take responsibility to support the communities in which you operate. Emulate Canadian Tire, which, from its inception, has supported its communities and through its Jumpstart Charities is widely recognized as giving nearly 3 million children the opportunity to engage in sports.
- Hire the best talent you can and strive for world-class talent
- Have the courage to be a minority of one
- Reject the idea that Boards of Directors merely provide oversight. Management and the directors need to become partners in the leadership of the company so that transparency and joint purpose can flourish, information can be shared more freely and a critical dynamic between management and the Board can be nurtured.
- Demand accountability in your corporate culture
- Partner with political leaders in shaping public policy
- Pivot ESG to include energy, security and an expanded concept of governance

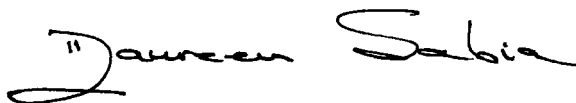
I have had the opportunity to develop these perspectives through my work at a great corporation, working with incredible peers on the Board and with many skilled managements.

I especially want to thank Martha and Owen Billes for the support they have given me over the years. In placing their confidence in me, they gave me a great gift.

I also want to thank today's management for the support and guidance they have given me. They taught me so much.

To Canadian Tire I say, don't just think big, think huge.

Canadian Tire is iconic, a part of the fabric of Canada, part of the Canadian dream. It has been a privilege for me to have been part of its story.

A handwritten signature in black ink that reads "Maureen Sabia". The signature is written in a cursive, flowing style.

Maureen J. Sabia
Chairman of the Board



NOTICE OF ANNUAL MEETING OF SHAREHOLDERS

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



Date and Location

Thursday, May 12, 2022 at 10:00 a.m. (Eastern time)

Four Seasons Hotel Toronto
Aria Room, 3rd Floor
60 Yorkville Avenue, Toronto, Ontario

Shareholders and guests will also be able to watch a live webcast of the Meeting or listen to the Meeting via teleconference. See www.ctcagm.com for further details.



Attending the Meeting

Persons attending the Meeting must adhere to all public health measures that are in place at the time of the Meeting and any Four Seasons Hotel and CTC policies or protocols related to COVID-19. Attendance at the Meeting will be subject to any capacity restrictions in place at the time of the Meeting.

In the event that it is not possible or advisable to hold the Meeting in person, CTC will announce alternative arrangements for the Meeting by press release and via www.ctcagm.com as soon as practicable, which may include holding a virtual meeting. Whether or not you plan to attend the Meeting in person, you are encouraged to vote in advance of the Meeting.



Who can Vote

You have the right to vote at our Meeting if you are a CTC shareholder as of the close of business on March 24, 2022. You have different voting rights depending on whether you own Common Shares or Class A Non-Voting Shares of CTC. See *Who can Vote* on page 3 of the Circular.



How to Vote

You can vote in advance of the Meeting by proxy, or you can vote at the Meeting. You can also appoint a proxyholder to vote at the Meeting on your behalf. The manner in which you can vote your CTC shares depends on how you hold your shares. Proxies must be received by CTC's transfer agent, Computershare Trust Company of Canada, before 5:00 p.m. (Eastern Time) on May 10, 2022. See *How to Vote* on page 4 of the Circular.



Business of the Meeting

We will address the following items at the Meeting:

- 1 Receiving CTC's Annual Consolidated Financial Statements for the financial year ended January 1, 2022, 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 other business as may properly come before the Meeting or any adjournment thereof.

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

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

Please visit www.ctcagm.com for further information and updates on the Meeting.

By order of the Board of Directors,

Eleni Damianakis

Vice-President, Associate General Counsel and Corporate Secretary

Dated at Toronto, Ontario
March 17, 2022



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BUSINESS OF THE MEETING

This Management Information Circular (the *Circular*) is provided in connection with our Annual Meeting of Shareholders to be held on May 12, 2022 (the *Meeting*). In this Circular, *we, us, our, CTC* and *the Company* refer to Canadian Tire Corporation, Limited and all entities controlled by it, unless the context otherwise requires. *You* and *your* refer to CTC shareholders. All information in this Circular is provided as of March 17, 2022 and all references to "\$" are to Canadian dollars, unless otherwise indicated.

Receiving the Annual Consolidated Financial Statements

Our Annual Consolidated Financial Statements for the financial year ended January 1, 2022, including the external auditor's report (the *2021 Financial Statements*), and accompanying Management's Discussion and Analysis for the fourth quarter and full-year ended January 1, 2022 (the *2021 MD&A*) have been sent to shareholders who requested these materials. They are also available on the System for Electronic Document Analysis and Retrieval (*SEDAR*) at www.sedar.com and CTC's website at www.corp.canadiantire.ca.

Electing Directors

The Board of Directors (the *Board* or the *Board of Directors*) has determined that 16 directors will be elected at the Meeting, 13 of whom will be elected by the holders of Common Shares and three of whom will be elected by the holders of Class A Non-Voting Shares. Directors will hold office until the next Annual Meeting of Shareholders or until their successors are elected or appointed. See *About the Proposed Directors* on page 7 for more information.

Proposed Directors for Election By Holders of Common Shares			Proposed Directors for Election By Holders of Class A Non-Voting Shares	
Eric Anderson	David Court	Donald Murray	Norman Jaskolka	
R. Jamie Anderson	Mark Derbyshire	J. Michael Owens	Nadir Patel	
Martha Billes	Steve Frazier	Sowmyanarayan Sampath	Cynthia Trudell	
Owen Billes	Greg Hicks			
Diana Chant	Sylvain Leroux			

All of the proposed directors are current directors of CTC and were elected to the Board at our Annual Meeting of Shareholders held on May 13, 2021, except Nadir Patel and R. Jamie Anderson who were appointed to the Board effective October 1, 2021 and October 7, 2021, respectively, and Sowmyanarayan Sampath who is a new director nominee proposed for election by the holders of Common Shares at the Meeting.

Maureen Sabia is not standing for re-election. On February 1, 2022, the Company announced the retirement of Miss Sabia as Chairman of the Board and a director, and the appointment of J. Michael Owens as Chairman-elect to succeed Miss Sabia, following the completion of the Meeting.



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



Appointing the External Auditor

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



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

Considering Other Business

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





VOTING INFORMATION

Who can Vote

The Company has two classes of shares. The items you can vote on depend on the class of shares you own. Each share you own as of the close of business on March 24, 2022 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 the following items at the Meeting:

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

As at March 17, 2022, CTC had 3,423,366 Common Shares issued and outstanding. The directors and officers of the Company are not aware of any person or company that beneficially owns, or controls or directs, directly or indirectly, more than 10% of the total outstanding Common Shares, other than those listed below:

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

Notes

- (1) Tire 'N' Me Pty. Ltd. (*Tire 'N' Me*) owns 1,400,767 Common Shares. Martha Billes controls Tire 'N' Me and, with the exception of a small number of non-voting common shares of Tire 'N' Me owned by Owen Billes, is the beneficial owner of all of the issued shares of Tire 'N' Me. The Common Shares owned by Tire 'N' Me are included in the shareholdings of Martha Billes as shown in her director profile on page 9.
- (2) Albikin Management Inc. (*Albikin*) owns 700,383 Common Shares of CTC and 741,176 Class A Non-Voting Shares of CTC. Owen Billes is the beneficial owner of all of the common shares of Albikin. Martha Billes owns all of the other shares of, and controls, Albikin. Albikin, with the agreement of Martha Billes and Owen Billes, has granted to Owen Billes, effective as of March 12, 2021, a continuing proxy and irrevocable power of attorney to vote the Common Shares and Class A Non-Voting Shares of CTC owned by Albikin. The Common Shares and Class A Non-Voting Shares of CTC owned by Albikin are included in the shareholdings of Owen Billes as shown in his director profile on page 9.
- (3) Sun Life Assurance Company of Canada (*Sun Life*) is the beneficial owner of the 419,280 Common Shares held in relation to CTC's Deferred Profit Sharing Plan (the *DPSP*). Sun Life has issued a group annuity policy to Sun Life Financial Trust Inc., the trustee of the DPSP (the *Trustee*), which provides benefits to the Trustee and, indirectly, to the participants in the DPSP that are substantially the same as those to which they would have been entitled had the shares been held directly by the Trustee. For more information on the DPSP, see *Retirement and Savings Plans* on page 61.

CLASS A NON-VOTING SHARES

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



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

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

The Common Shares and Class A Non-Voting Shares are each generally voted separately as a class. As a result, aggregating the voting rights attached to the Common Shares and Class A Non-Voting Shares is not relevant to any corporate action currently contemplated. If an occasion should arise in which the holders of the Common Shares and the holders of the Class A Non-Voting Shares are entitled to vote together (rather than as a separate class) then, based on the number of Common Shares and Class A Non-Voting Shares outstanding as at March 17, 2022, the Class A Non-Voting Shares would represent approximately 94.3% of the aggregate voting rights attached to the Common Shares and the Class A Non-Voting Shares. For a full statement of the conditions attached to the Common Shares and Class A Non-Voting Shares, including with respect to voting rights, reference should be made to CTC’s articles of amendment dated December 15, 1983, which are available on SEDAR at www.sedar.com.

As at March 17, 2022, CTC had 56,197,757 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.

Attending the Meeting

Persons attending the Meeting must adhere to all public health measures that are in place at the time of the Meeting and any Four Seasons Hotel and CTC policies or protocols related to COVID-19. Attendance at the Meeting will be subject to any capacity restrictions in place at the time of the Meeting.

In the event that it is not possible or advisable to hold the Meeting in person, CTC will announce alternative arrangements for the Meeting by press release as soon as practicable, which may include holding a virtual meeting. Shareholders and guests will be able to watch a live webcast of the Meeting or listen to the Meeting via teleconference. Whether or not you plan to attend the Meeting in person, you are encouraged to vote in advance of the Meeting.

Please visit www.ctcagm.com for further information and updates on the Meeting.

How to Vote

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

The manner in which you can vote your CTC shares depends on whether:

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

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

	Registered Shareholders	Beneficial Shareholders
Delivery of proxy materials	We have sent you a proxy form with this Circular.	Your intermediary has sent you a voting instruction form with this Circular.
Attending and voting at the Meeting	<p>You may attend and vote at the Meeting without taking any further steps. You do not need to complete the enclosed proxy form.</p> <p>If your shares are registered in the name of a corporation or other legal entity, you should appoint yourself as proxyholder to attend and vote at the Meeting. See also <i>Voting shares registered in the name of a corporation</i>.</p>	You will need to complete the voting instruction form and appoint yourself as proxyholder. You should not fill in your votes on the voting instruction form as you will be unable to change those votes at the Meeting. See <i>Appointing your own proxyholder</i> .
Voting by proxy	You may vote by proxy by appointing Maureen Sabia, Greg Hicks or Cynthia Trudell (the <i>Company Proxyholders</i>), or appointing your own proxyholder, to vote on your behalf at the Meeting. Complete the enclosed proxy form or voting instruction form and return it in accordance with the instructions contained in the form.	
Appointing the Company Proxyholders	Signing the enclosed proxy form or voting instruction form gives authority to the Company Proxyholders, each of whom is a director of the Company, to vote your shares at the Meeting, unless you give such authority to someone else.	
Appointing your own proxyholder	You may appoint someone other than the Company Proxyholders to attend and vote your shares at the Meeting by writing the name of this person, who need not be a CTC shareholder, in the blank space provided on the proxy form.	You may appoint someone other than the Company Proxyholders, including yourself, to attend and vote your shares at the Meeting by writing the name of this person, who need not be a CTC shareholder, in the blank space provided on the voting instruction form.
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 proxy form. This person may have to provide proof that he or she is authorized to sign the proxy form on behalf of the corporation or other legal entity.	To vote shares registered in the name of a corporation or other legal entity, insert the full legal name of the legal entity, the name and position of the person giving voting instructions on behalf of the legal entity and the address for service of the legal entity on the voting instruction form.
How your proxyholder will vote	The persons named on your proxy form or voting instruction form, including the Company Proxyholders, must vote for or withhold from voting your shares in accordance with your directions, unless you let your proxyholder decide how to vote your shares. If you do not specify how you want your proxyholder to vote, proxies that grant the Company Proxyholders the authority to vote your shares will be voted in favour of the election of each of the proposed directors and the reappointment of the external auditor.	
Returning your proxy/voting instruction form	<p>Unless you wish to vote at the Meeting, return your completed proxy form to Computershare. You may also vote online or by telephone by following the instructions set out in your proxy form.</p> <p>Computershare must receive your proxy form, including any amendments, no later than 5:00 p.m. (Eastern time) on Tuesday, May 10, 2022 (the <i>Proxy Deadline</i>), or if the Meeting is postponed or adjourned, no later than 48 hours (not including Saturdays, Sundays or statutory holidays in Ontario) before the postponed or adjourned meeting convenes.</p>	<p>Return your completed voting instruction form using one of the methods set out in the voting instruction form provided by your intermediary.</p> <p>Your intermediary must receive your voting instructions in sufficient time to act on them, generally no later than one day prior to the Proxy Deadline, or if the Meeting is postponed or adjourned, no later than 72 hours (not including Saturdays, Sundays or statutory holidays in Ontario) before the postponed or adjourned meeting convenes.</p>



	Registered Shareholders	Beneficial Shareholders
Changing your vote and revoking your proxy	If you have returned your proxy form and change your mind about how you voted before the Meeting and you wish to revoke your proxy, you will need to send amended instructions to Computershare by the Proxy Deadline, or you may vote at the Meeting or in any other manner permitted by law.	<p>If you have returned your voting instruction form and change your mind about how you voted before the Meeting, or you decide to vote at the Meeting, contact your intermediary to find out what to do.</p> <p>If your intermediary gives you the option of using the internet to provide your voting instructions, you can also change your instructions online, as long as your intermediary receives the new instructions in sufficient time to act on them before the Proxy Deadline. Contact your intermediary to confirm the deadline.</p>

AMENDMENTS OR OTHER BUSINESS

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

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




Solicitation of Proxies and Delivery of Materials

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

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

Transfer Agent

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

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



ABOUT THE PROPOSED DIRECTORS

Composition of the Board

16 directors are being proposed for election to our Board.

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

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

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

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

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

Director Nominees

The director profiles that follow provide a summary of each nominee's background and experience, as well as their ownership of Common Shares, Class A Non-Voting Shares and/or deferred share units (*DSUs*) acquired under the Company's Deferred Share Unit Plan for Directors (the *DSU Plan for Directors*) and, in the case of the President and CEO, under the Company's Deferred Share Unit Plan for Executives. The aggregate market value of all Common Shares, Class A Non-Voting Shares and *DSUs* held by each proposed director nominee is set out in the tables below. The profiles also provide each proposed nominee's membership on other public boards during the last five years, voting results from the 2021 Annual Meeting of Shareholders and information concerning each director's progress towards meeting the Company's share ownership guidelines for directors (the *Director Share Ownership Guidelines*) or, in the case of the President and CEO, the Company's share ownership guidelines for executives. Directors' attendance at meetings of the Board as well as meetings of the Audit Committee, Management Resources and Compensation Committee (the *MRC Committee*), Governance Committee and Brand and Corporate Responsibility Committee (the *Brand Committee*) (collectively, the *Committees*) held during 2021 are set out in the profiles below. Except where noted, directors' shareholdings and share ownership guideline information is provided as at January 1, 2022, the Company's fiscal year end.



ERIC ANDERSON

Chicago, Illinois, U.S.A.

- Common Shareholder Nominee
- Independent
- Director since: 2016
- 2021 Voting Results: 99.97% in favour



Dr. Anderson is the Polk Bros. Chair in Retailing, Professor of Marketing and former Chair of the Marketing Department at Northwestern University, Kellogg School of Management and Director of the Kellogg-McCormick MBAi Program. He also serves as the Managing Director of Leadership Analytics Advisors, LLC and is an advisor of Lift Lab. Dr. Anderson's research interests include analytics, retailing, pricing strategy, innovation, new products and channel management. His recent research has been conducted with various companies around the world and has influenced both management practice and academic theory. His articles have appeared in scholarly journals such as the *Journal of Marketing Research*, *Marketing Science*, *Management Science*, *Journal of Economic Theory*, and *Quarterly Journal of Economics*. He has also published articles in the *Harvard Business Review* and *Sloan Management Review*.

Dr. Anderson holds a Ph.D. in Management Science from the MIT Sloan School of Management and previously held appointments at the University of Chicago Booth School of Business and the W.E. Simon Graduate School of Business at the University of Rochester.

R. JAMIE ANDERSON

Toronto, Ontario, Canada

- Common Shareholder Nominee
- Independent
- Director since: 2021
- 2021 Voting Results: N/A



Mr. Anderson is a Corporate Director. A seasoned finance executive, Mr. Anderson spent the majority of his career at RBC Financial Group, having served as Senior Advisor, RBC Capital Markets, Head of Corporate Strategy and Development for RBC, and Managing Director and Co-Head Merger and Acquisition Group and Deputy Chair, for RBC Capital Markets. Mr. Anderson serves on numerous private and not-for-profit boards, including Outward Bound Global, Rotman Dean's Advisory Board, the Centre for Addiction and Mental Health (CAMH) Foundation, Mancal Corporation, the BlackNorth Initiative, the Loran Scholars Foundation and the Duke of Edinburgh Awards Canada. He is also Chair of Outward Bound Global and the Rotman Dean's Advisory Board and serves as an advisor to UrbanCool Labs. Mr. Anderson previously served as Chair of CAMH and the CAMH Foundation.

Board/Committee Meeting Attendance

Board of Directors	10 of 10
MRC Committee	6 of 6

Public Board Memberships During Last Five Years

Canadian Tire Corporation, Limited	2016-Present
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Securities Beneficially Owned, Controlled or Directed⁽¹⁾

Common Shares	–
Class A Non-Voting Shares	–
Deferred Share Units ⁽²⁾	4,764
Total Securities	4,764

Share Ownership Guidelines

Market Value of Securities ⁽³⁾	\$864,455
Guideline Status ⁽⁴⁾	Met

Board/Committee Meeting Attendance

Board of Directors	3 of 3
Audit Committee	1 of 1

Public Board Memberships During Last Five Years

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

Securities Beneficially Owned, Controlled or Directed⁽¹⁾

Common Shares	–
Class A Non-Voting Shares	2,800
Deferred Share Units ⁽²⁾	–
Total Securities	2,800

Share Ownership Guidelines

Market Value of Securities ⁽³⁾	\$508,032
Guideline Status ⁽⁴⁾	Met ⁽⁶⁾



MARTHA BILLES

Calgary, Alberta, Canada

- **Common Shareholder Nominee**
- **Independent**
- **Director since:** 1980
- **2021 Voting Results:** 99.92% in favour



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

OWEN BILLES

St. Catharines, Ontario, Canada

- **Common Shareholder Nominee**
- **Not Independent** (Canadian Tire Dealer)
- **Director since:** 2004
- **2021 Voting Results:** 99.97% in favour



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

Board/Committee Meeting Attendance

Board of Directors	10 of 10
Audit Committee (invitee)	5 of 5
MRC Committee (invitee)	6 of 6
Governance Committee	5 of 5
Brand Committee (invitee)	3 of 3

Public Board Memberships During Last Five Years

Canadian Tire Corporation, Limited	1980-Present
------------------------------------	--------------

Securities Beneficially Owned, Controlled or Directed⁽¹⁾

Common Shares	1,400,767
Class A Non-Voting Shares	5,706
Deferred Share Units ⁽²⁾	–
Total Securities	1,406,473

Share Ownership Guidelines

Market Value of Securities ⁽³⁾	See Note 5
Guideline Status ⁽⁴⁾	Met

Board/Committee Meeting Attendance

Board of Directors	10 of 10
Audit Committee (invitee)	5 of 5
MRC Committee (invitee)	6 of 6
Governance Committee (invitee)	5 of 5
Brand Committee	3 of 3

Public Board Memberships During Last Five Years

Canadian Tire Corporation, Limited	2004-Present
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Securities Beneficially Owned, Controlled or Directed⁽¹⁾

Common Shares	700,383
Class A Non-Voting Shares	754,765
Deferred Share Units ⁽²⁾	–
Total Securities	1,455,148

Share Ownership Guidelines

Market Value of Securities ⁽³⁾	See Note 5
Guideline Status ⁽⁴⁾	Met



DIANA CHANT

Toronto, Ontario, Canada

- **Common Shareholder Nominee**
- **Independent**
- **Director since:** 2015
- **2021 Voting Results:** 92.80% in favour



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

DAVID COURT

Toronto, Ontario, Canada

- **Common Shareholder Nominee**
- **Independent**
- **Director since:** 2015
- **2021 Voting Results:** 99.96% in favour



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

Board/Committee Meeting Attendance

Board of Directors	10 of 10
Audit Committee (Chair)	5 of 5
Governance Committee	5 of 5

Public Board Memberships During Last Five Years

Canadian Tire Corporation, Limited	2015-Present
------------------------------------	--------------

Securities Beneficially Owned, Controlled or Directed⁽¹⁾

Common Shares	–
Class A Non-Voting Shares	2,470
Deferred Share Units ⁽²⁾	1,676
Total Securities	4,146

Share Ownership Guidelines

Market Value of Securities ⁽³⁾	\$752,369
Guideline Status ⁽⁴⁾	Met

Board/Committee Meeting Attendance

Board of Directors	10 of 10
Audit Committee	5 of 5
MRC Committee	6 of 6

Public Board Memberships During Last Five Years

Brookfield Business Partners L.P.	2018-Present
Canadian Tire Corporation, Limited	2015-Present

Securities Beneficially Owned, Controlled or Directed⁽¹⁾

Common Shares	–
Class A Non-Voting Shares	2,165
Deferred Share Units ⁽²⁾	5,183
Total Securities	7,348

Share Ownership Guidelines

Market Value of Securities ⁽³⁾	\$1,333,265
Guideline Status ⁽⁴⁾	Met

MARK DERBYSHIRE

Kingston, Ontario, Canada

- Common Shareholder Nominee
- Independent
- Director since: 2016
- 2021 Voting Results: 99.97% in favour



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

STEVE FRAZIER

Mercer Island, Washington, U.S.A.

- Common Shareholder Nominee
- Independent
- Director since: 2021
- 2021 Voting Results: 99.95% in favour



Mr. Frazier is a Corporate Director and Senior Consultant. A seasoned retail and e-commerce executive, Mr. Frazier spent more than 20 years at Amazon.com, Inc. prior to his retirement in 2020, where he built and managed new categories and international businesses. Mr. Frazier served in various senior positions at Amazon, including as Vice President, International Consumer Programs, where he was responsible for several high-growth businesses outside the U.S., and as Vice President, China Country Manager, Vice President, U.S. Retail Hardlines, and Vice-President United Kingdom Country Manager. Prior to joining Amazon, Mr. Frazier served as Senior Vice-President, Corporate Development of Payless ShoeSource and as a consultant for McKinsey & Company, where he specialized in retail and channel management. Mr. Frazier currently serves as a Senior Advisor to McKinsey, advises several start-ups and not-for-profit organizations and is a director of Pacifiko.com. He also serves on the board of the William Allen White Foundation and the advisory board of the College of Liberal Arts and Sciences at the University of Kansas.

Board/Committee Meeting Attendance

Board of Directors	10 of 10
MRC Committee	6 of 6
Brand Committee	3 of 3

Public Board Memberships During Last Five Years

Canadian Tire Corporation, Limited	2016-Present
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Securities Beneficially Owned, Controlled or Directed⁽¹⁾

Common Shares	25
Class A Non-Voting Shares	–
Deferred Share Units ⁽²⁾	5,542
Total Securities	5,567

Share Ownership Guidelines

Market Value of Securities ⁽³⁾	\$1,014,254
Guideline Status ⁽⁴⁾	Met

Board/Committee Meeting Attendance

Board of Directors	6 of 6
Audit Committee	2 of 2
Brand Committee	3 of 3

Public Board Memberships During Last Five Years

Canadian Tire Corporation, Limited	2021-Present
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Securities Beneficially Owned, Controlled or Directed⁽¹⁾

Common Shares	–
Class A Non-Voting Shares	1,825
Deferred Share Units ⁽²⁾	–
Total Securities	1,825

Share Ownership Guidelines

Market Value of Securities ⁽³⁾	\$331,128
Guideline Status ⁽⁴⁾	In progress ⁽⁶⁾

GREG HICKS

Markham, Ontario, Canada

- **Common Shareholder Nominee**
- **Not Independent** (President and CEO)
- **Director since:** 2020
- **2021 Voting Results:** 99.97% in favour



Mr. Hicks is the Company's President and CEO. Prior to his appointment in March 2020, Mr. Hicks was President, Canadian Tire Retail (CTR), CTC's largest banner, with more than 500 Canadian Tire stores. In addition to overseeing all aspects of CTR's business, he was accountable for its global operations, eCommerce initiatives and its valued relationship with Canadian Tire Dealers. Prior to that, Mr. Hicks served as Group Senior Vice-President, Consumer Products & Retail Experience, where he oversaw the General Merchandise and Automotive businesses, and was also responsible for managing store experience, store operations, product sourcing and quality, including the management of the Company's Pacific Rim offices in Asia. Before joining CTC, he was the Chief Operating Officer at TSC Stores where he supervised all of TSC's business operations. With more than 20 years of retail experience in senior leadership positions, Mr. Hicks has also advised and worked with large multi-national retailers on the development of Canadian strategies. He previously served as the Chair and a director of the Retail Council of Canada and as trustee of CT Real Estate Investment Trust, a publicly-traded trust that is controlled by CTC.

NORMAN JASKOLKA

Montreal, Quebec, Canada

- **Class A Non-Voting Shareholder Nominee**
- **Independent**
- **Director since:** 2018
- **2021 Voting Results:** 90.11% in favour



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

Board/Committee Meeting Attendance

Board of Directors	10 of 10
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Public Board Memberships During Last Five Years

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

Securities Beneficially Owned, Controlled or Directed⁽¹⁾

Common Shares	–
Class A Non-Voting Shares	6,749
Deferred Share Units ⁽²⁾	1,806
Total Securities	8,555

Share Ownership Guidelines

Market Value of Securities ⁽³⁾	\$1,552,372 ⁽⁷⁾
Guideline Status	In Progress ⁽⁸⁾

Board/Committee Meeting Attendance

Board of Directors	10 of 10
Audit Committee	5 of 5
Governance Committee (Chair)	5 of 5

Public Board Memberships During Last Five Years

Canadian Tire Corporation, Limited	2018-Present
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Securities Beneficially Owned, Controlled or Directed⁽¹⁾

Common Shares	–
Class A Non-Voting Shares	–
Deferred Share Units ⁽²⁾	5,289
Total Securities	5,289

Share Ownership Guidelines

Market Value of Securities ⁽³⁾	\$959,799
Guideline Status ⁽⁴⁾	Met

SYLVAIN LEROUX

Montreal, Quebec, Canada

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



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

DONALD MURRAY

Red Deer, Alberta, Canada

- **Common Shareholder Nominee**
- **Not Independent** (Canadian Tire Dealer)
- **Director since:** 2017
- **2021 Voting Results:** 99.96% in favour



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

Board/Committee Meeting Attendance

Board of Directors	6 of 6
Brand Committee	1 of 1

Public Board Memberships During Last Five Years

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

Securities Beneficially Owned, Controlled or Directed⁽¹⁾

Common Shares	–
Class A Non-Voting Shares	3,506
Deferred Share Units ⁽²⁾	587
Total Securities	4,093

Share Ownership Guidelines

Market Value of Securities ⁽³⁾	\$742,647
Guideline Status ⁽⁴⁾	Met

Board/Committee Meeting Attendance

Board of Directors	10 of 10
Brand Committee	3 of 3

Public Board Memberships During Last Five Years

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

Securities Beneficially Owned, Controlled or Directed⁽¹⁾

Common Shares	–
Class A Non-Voting Shares	1,212
Deferred Share Units ⁽²⁾	6,791
Total Securities	8,003

Share Ownership Guidelines

Market Value of Securities ⁽³⁾	\$1,452,133
Guideline Status ⁽⁴⁾	Met

J. MICHAEL OWENS

Toronto, Ontario, Canada

- **Common Shareholder Nominee**
- **Independent**
- **Director since:** 2020
- **2021 Voting Results:** 99.96% in favour



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

NADIR PATEL

Ottawa, Ontario, Canada

- **Class A Non-Voting Shareholder Nominee**
- **Independent**
- **Director since:** 2021
- **2021 Voting Results:** N/A



Mr. Patel is a Management Consultant and Corporate Director. He currently serves as Managing Director of Fairfax Consulting Services, and Senior Strategic Advisor at Norton Rose Fulbright Canada LLP. He also serves as Strategic Advisor to the President of Huron University, and is on the board of Canadian Tire Jumpstart Charities. Mr. Patel previously served as Canada's High Commissioner for the Republic of India, with concurrent accreditation as Canada's Ambassador to Nepal and Ambassador to the Kingdom of Bhutan. Prior to that, he served as Assistant Deputy Minister and Chief Financial Officer for Canada's Department of Foreign Affairs, Trade and Development, Canada's Consul General in Shanghai, and also held a series of high-level government positions over a distinguished career in public service where his achievements have resulted in numerous forms of recognition. Mr. Patel brings a wealth of experience in strategic planning, finance, human resources, risk management, information technology, procurement, and international relations, and has served on several crown corporation and not-for-profit boards. He holds a joint Master's of Business Administration from New York University's Stern School of Business, London School of Economics and Political Science, and HEC (Paris) School of Management.

Board/Committee Meeting Attendance

Board of Directors	10 of 10
Audit Committee (invitee)	5 of 5
MRC Committee (invitee)	6 of 6
Governance Committee (invitee)	5 of 5
Brand Committee (Chair)	3 of 3

Public Board Memberships During Last Five Years

Canadian Tire Corporation, Limited	2020-Present
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Securities Beneficially Owned, Controlled or Directed⁽¹⁾

Common Shares	–
Class A Non-Voting Shares	1,540
Deferred Share Units ⁽²⁾	625
Total Securities	2,165

Share Ownership Guidelines

Market Value of Securities ⁽³⁾	\$392,896
Guideline Status ⁽⁴⁾	In Progress ⁽⁶⁾

Board/Committee Meeting Attendance

Board of Directors	3 of 3
Audit Committee	1 of 1
MRC Committee	1 of 1

Public Board Memberships During Last Five Years

Canadian Tire Corporation, Limited	2021-Present
Cellular Biomedicine Group	2014-2019

Securities Beneficially Owned, Controlled or Directed⁽¹⁾

Common Shares	–
Class A Non-Voting Shares	–
Deferred Share Units ⁽²⁾	–
Total Securities	–

Share Ownership Guidelines

Market Value of Securities ⁽³⁾	–
Guideline Status ⁽⁴⁾	In Progress ⁽⁶⁾

SOWMYANARAYAN SAMPATH

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

- Common Shareholder Nominee
- Independent
- Director since: N/A
- 2021 Voting Results: N/A



Mr. Sampath is the Chief Revenue Officer at Verizon Communications Inc. In his current role, he is responsible for all of Verizon Business Group's revenues, go to market, business development, and client satisfaction worldwide across all business units. Mr. Sampath has served in other senior positions at Verizon, including as President, Global Enterprise, Chief Product Officer, and Head of Business Transformation, as well as Chief Financial Officer at the Verizon Media Group. Prior to joining Verizon in 2014, Mr. Sampath was a Partner and Managing Director, Global Practice Leader at Boston Consulting Group where he served global technology companies across strategic and operational topics. Mr. Sampath has developed deep industry knowledge of technology, digital transformation, change management and scaled, global operations. He is a Chartered Accountant and holds a Master's of Business Administration from Boston University. He serves on the board of the New Jersey Technology Council and is a member of the Impact Council at FastCompany.

Board/Committee Meeting Attendance	
New Director Nominee	N/A
Public Board Memberships During Last Five Years	
No Public Board Memberships	–
Securities Beneficially Owned, Controlled or Directed ⁽¹⁾	
Common Shares	–
Class A Non-Voting Shares	–
Deferred Share Units ⁽²⁾	–
Total Securities	–
Share Ownership Guidelines	
Market Value of Securities ⁽³⁾	–
Guideline Status ⁽⁴⁾	N/A ⁽⁶⁾

CYNTHIA TRUDELL

Bonita Springs, Florida, U.S.A.

- Class A Non-Voting Shareholder Nominee
- Independent
- Director since: 2019
- 2021 Voting Results: 90.74% in favour



Ms. Trudell is a Corporate Director. She serves on the boards of ISS A/S (International Service System), a global facility service provider, and RenaissanceRe, a global reinsurance provider. Ms. Trudell most recently served as Executive Vice President and Chief Human Resources Officer of PepsiCo, Inc., and previously held a number of executive operating and general management positions with General Motors Corporation and Brunswick Corporation, including as President of IBC Vehicles, Chair and President of Saturn Corporation and President of Sea Ray Group. She has also served on the boards of PepsiCo, Canadian Imperial Bank of Commerce and Pepsi Bottling Group. She holds a PhD in Physical Chemistry from the University of Windsor as well as an Honourary Doctor of Laws from the University of Windsor and Honourary Doctor of Science degrees from Acadia University, Ryerson University and the University of New Brunswick.

Board/Committee Meeting Attendance	
Board of Directors	10 of 10
Audit Committee	4 of 4
MRC Committee (Chair)	6 of 6
Governance Committee	5 of 5
Public Board Memberships During Last Five Years	
Canadian Tire Corporation, Limited	2019-Present
ISS A/S (International Service System)	2015-Present
RenaissanceRe	2019-Present
Securities Beneficially Owned, Controlled or Directed ⁽¹⁾	
Common Shares	–
Class A Non-Voting Shares	–
Deferred Share Units ⁽²⁾	6,392
Total Securities	6,392
Share Ownership Guidelines	
Market Value of Securities ⁽³⁾	\$1,159,853
Guideline Status ⁽⁴⁾	Met

Notes

- (1) As at the date of this Circular, all of the director nominees continue to hold the number of Common Shares and/or Class A Non-Voting Shares noted in the tables above, with the exception of R. Jamie Anderson who holds 4,000 Class A Non-Voting Shares, Steve Frazier who holds 2,500 Class A Non-Voting Shares and Greg Hicks who holds 7,069 Class A Non-Voting Shares.
- (2) The number of DSUs held by each director, if any, including DSU dividend equivalents, has been rounded down to the nearest whole number.
- (3) The market value of Common Shares and the market value of Class A Non-Voting Shares and, accordingly, the value of DSUs, was calculated using the closing prices on the TSX on the last business day of the Company's fiscal year for Common Shares (\$342.23) and Class A Non-Voting Shares (\$181.44).
- (4) The value of Common Shares, Class A Non-Voting Shares and/or DSUs required to meet the Director Share Ownership Guidelines is calculated as the greater of their acquisition cost and market value. The Director Share Ownership Guideline amount is \$510,000, which equates to three times the Company's annual director retainer. For more information see *Director Share Ownership Guidelines* on page 42.
- (5) The value of the Common Shares and Class A Non-Voting Shares held by Ms. Billes and Mr. Billes exceeds the value required by the Director Share Ownership Guidelines.
- (6) The following directors have time remaining prior to their guideline achievement date under the Director Share Ownership Guidelines: Mr. Frazier (May 13, 2026), Mr. Owens (May 7, 2025) and Mr. Patel (October 1, 2026). Mr. Patel has elected to participate in the DSU Plan for Directors beginning with his 2022 director compensation. Mr. Anderson has met the Director Share Ownership Guidelines on the basis of the acquisition cost of his Class A Non-Voting Shares. As a new director nominee, Mr. Sampath, if elected, will have until May 12, 2027 to satisfy the Director Share Ownership Guidelines.
- (7) Mr. Hicks also owns units in the CTC Share Fund of CTC's Deferred Profit Sharing Plan, which consists of Common Shares and Class A Non-Voting Shares. As at January 1, 2022, the market value of Mr. Hicks' CTC Share Fund units was \$147,695. For a description of CTC's Deferred Profit Sharing Plan, see *CT Profit Sharing* on page 61.
- (8) Mr. Hicks is subject to the share ownership guidelines applicable to executives of CTC. His share ownership guideline is three times his annual salary, to be achieved by March 12, 2025. For more information on CTC's share ownership guidelines applicable to executives, see *Executive Share Ownership Guidelines* on page 49.

Additional Information

CEASE TRADE ORDERS AND BANKRUPTCIES

Except as described below, no proposed director nominee:

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

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

INDEBTEDNESS

As at January 1, 2022, other than “routine indebtedness” (as defined under Canadian securities laws), no current or former directors, officers, or employees of CTC, or any of its subsidiaries, had any outstanding indebtedness to CTC or any of its subsidiaries or had any indebtedness that was the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by CTC or any of its subsidiaries. Messrs. Billes, Leroux and Murray are Canadian Tire Dealers and, as such, may from time to time, participate in a Company supported program that provides financing to Canadian Tire Dealers for their purchases of inventory and fixed assets. The terms and conditions of the financing support provided by CTC under this program are the same for all participating Canadian Tire Dealers. See Note 9 of the 2021 Financial Statements for further information, which are available on the Company’s website at www.corp.canadiantire.ca and on SEDAR at www.sedar.com.

ADDITIONAL INTERESTS IN THE COMPANY AND COMPANY SUBSIDIARIES

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

As at March 17, 2022, the following directors beneficially own, or control or direct, Units of CT Real Estate Investment Trust (*CT REIT*), a publicly traded entity in which the Company owns a majority interest: Ms. Billes (10,000 Units), Mr. Billes (15,000 Units), Mr. Court (7,300 Units), Mr. Leroux (8,800 Units) and Miss Sabia (9,000 Units).

Meeting Attendance

The table below lists the attendance of the directors at Board meetings, as well as meetings of the Committees of which they are members, held during 2021.

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

Directors	Board	Audit Committee	MRC Committee	Governance Committee	Brand Committee	Total
Eric Anderson	10 of 10		6 of 6			16 of 16
R. Jamie Anderson ⁽¹⁾	3 of 3	1 of 1				4 of 4
Martha Billes	10 of 10	5 of 5 (invitee)	6 of 6 (invitee)	5 of 5	3 of 3 (invitee)	29 of 29
Owen Billes	10 of 10	5 of 5 (invitee)	6 of 6 (invitee)	5 of 5 (invitee)	3 of 3	29 of 29
Diana Chant	10 of 10	5 of 5		5 of 5		20 of 20
Patrick Connolly ⁽²⁾	7 of 7			2 of 2	1 of 1	10 of 10
David Court	10 of 10	5 of 5	6 of 6			21 of 21
Mark Derbyshire	10 of 10		6 of 6		3 of 3	19 of 19
Steve Frazier ⁽³⁾	6 of 6	2 of 2			3 of 3	11 of 11
John Furlong ⁽⁴⁾	7 of 7		2 of 2		1 of 1	10 of 10
James Goodfellow ⁽⁵⁾	4 of 4	3 of 3	3 of 3			10 of 10
Greg Hicks ⁽⁶⁾	10 of 10					10 of 10
Norman Jaskolka	10 of 10	5 of 5		5 of 5		20 of 20
Sylvain Leroux ⁽⁷⁾	6 of 6				1 of 1	7 of 7
Claude L'Heureux ⁽⁸⁾	4 of 4					4 of 4
Donald Murray	10 of 10				3 of 3	13 of 13
J. Michael Owens	10 of 10	5 of 5 (invitee)	6 of 6 (invitee)	5 of 5 (invitee)	3 of 3	29 of 29
Maureen Sabia	10 of 10	5 of 5 (invitee)	6 of 6 (invitee)	5 of 5	3 of 3 (invitee)	29 of 29
Nadir Patel ⁽⁹⁾	3 of 3	1 of 1	1 of 1			5 of 5
Cynthia Trudell ⁽¹⁰⁾	10 of 10	4 of 4	6 of 6	5 of 5		25 of 25

Notes

- (1) Mr. Anderson was appointed to the Board and Audit Committee on October 7, 2021.
- (2) Mr. Connolly ceased to be a member of the Governance Committee on May 13, 2021 and served as a director of CTC until August 12, 2021.
- (3) Mr. Frazier was elected to the Board and appointed to the Audit Committee and Brand Committee on May 13, 2021.
- (4) Mr. Furlong was appointed to the MRC Committee on May 13, 2021. He served as a director of CTC until August 13, 2021.
- (5) Mr. Goodfellow served as a director of CTC until May 13, 2021.
- (6) In 2021, Mr. Hicks attended four Audit Committee meetings, five MRC Committee meetings, one Governance Committee meeting and all Brand Committee meetings.
- (7) Mr. Leroux was elected to the Board on May 13, 2021 and appointed to the Brand Committee on October 7, 2021.
- (8) Mr. L'Heureux served as a director of CTC until May 13, 2021.
- (9) Mr. Patel was appointed to the Board on October 1, 2021 and the Audit Committee and MRC Committee on October 7, 2021.
- (10) Ms. Trudell ceased to be a member of the Audit Committee on October 7, 2021.



OUR APPROACH TO CORPORATE GOVERNANCE

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

Governance Snapshot

- | | |
|---|--|
| ✓ 12 of the 16 nominated directors are independent | ✓ We have director and executive share ownership guidelines and monitor and disclose progress towards the achievement of such guidelines |
| ✓ We have an independent Chairman of the Board | ✓ Our directors are not overboarded; we limit the number of other public company boards on which our directors can serve |
| ✓ We have separated the offices of the Chairman of the Board and the President and CEO of the Company | ✓ Independent directors meet <i>in camera</i> during every regularly scheduled Board and Committee meeting |
| ✓ The Governance Committee, Management Resources and Compensation Committee and Audit Committee are all independent | ✓ We have formal Board, Committee, Chairman of the Board and director assessment procedures |
| ✓ Our President and CEO does not sit on any of the Committees | ✓ The Board and Committees have full authority to retain independent external advisors |
| ✓ We have individual (not slate) voting for directors | ✓ We have a director orientation program and provide ongoing education opportunities for directors |
| ✓ We do not have a staggered board; all of our directors are elected annually | ✓ We have a Code of Conduct that applies to all directors, officers and employees and a Code of Business Conduct for Suppliers |
| ✓ We have a majority voting policy for directors who are elected by the holders of Class A Non-Voting Shares | |
| ✓ We have no public company interlocking directorships | |

The Role of the Board

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

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

Within that context, our Board oversees significant corporate actions and makes decisions relating to, among other things, strategic planning, financial objectives, capital allocation, the relationship with Canadian Tire Dealers, succession planning, talent management and development, growth opportunities, financial reporting and disclosure, fundamental policies and systems, the control environment, the management of enterprise risk, the safeguarding and enhancement of our brand and corporate responsibility, including with respect to environmental, social and governance (ESG) topics.

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.

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

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

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

For the full text of the Board of Directors' Mandate, see page A-1.

THE BOARD IN 2021

The Board and Management devoted significant time in 2021 to the Company's business strategy and framework, including defining the Company's brand purpose – "We are here to make life in Canada better" – as well as developing a strategic direction and underlying strategic pillars and initiatives that will enable the Company to compete more effectively and drive its long-term growth. The Board continued to oversee the impacts of COVID-19 on the Company's business, the actions undertaken by Management to address and mitigate the effects of such impacts, and the implementation of numerous strategies and initiatives that have enabled the business to evolve and successfully operate in the new normal. In addition to working with management on strategy development, the Board oversaw management's plans and disclosures for Investor Day which was held recently on March 10, 2022, advising management on key messages for Investor Day, as well as the development and disclosure of new financial aspirations.

With respect to its other focus areas, the Board oversaw the performance of the Company's business units and operating subsidiaries, the execution of major strategic initiatives and corporate actions, changes to the Company's contractual arrangements with its Dealers aimed at evolving the Dealer operating model, and the progress of management's talent strategy, including the recruitment and appointment of senior executives in key strategic and business roles. The Board adopted a new Mandate for the Brand and Corporate Responsibility Committee, reflecting the Committee's oversight of the Company's management of corporate responsibility, including ESG topics and ESG strategy development, in addition to its oversight of the Company's brand. Another focus area for the Board was the management of key and emerging risk exposures, including cyber risk. The Board participated in cybersecurity education sessions hosted by its external advisors and held numerous discussions with management throughout the year on its strategy and priorities for effectively addressing cyber risk.

With its continual focus on Board renewal, the Board welcomed R. Jamie Anderson, Steve Frazier, Sylvain Leroux and Nadir Patel as new directors in 2021, whose collective knowledge and experience across a variety of industries and disciplines has further enhanced the role of the Board in effectively overseeing the management of the Company and supporting the execution of its long-term growth strategy.

Chairman of the Board

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

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

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

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

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

Expectations of Directors

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

Board Committees

The Board has four Committees:

- Audit Committee;
- Management Resources and Compensation Committee;
- Governance Committee; and
- Brand and Corporate Responsibility Committee.

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

Each Committee has provided a report summarizing its purpose and responsibilities under its Mandate and setting out highlights from its activities during 2021. See pages 34 to 40.

Mandates and Position Descriptions

The Board has approved Mandates for the Board and the Committees. The Board and the Committees review their Mandates and work plans, at least annually, to ensure that they are fulfilling their respective responsibilities and other strategic priorities. The Mandates are also kept under constant review to ensure they remain current and appropriate, taking into consideration changes in the Company's business as well as applicable regulatory requirements and best practices. Any changes proposed to the Mandates are recommended to the Board for approval.

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

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

Independence of the Board

The Board of Directors is comprised of a majority of directors who are independent (12 of 16, or 75%) within the meaning of applicable Canadian securities laws. The Board is led by an independent, non-executive Chairman. Having an independent board is one of the ways we ensure that the Board is able to operate independently of management and make decisions in the best interests of the Company.

CRITERIA FOR ASSESSING INDEPENDENCE

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

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

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

DETERMINATIONS OF INDEPENDENCE

When assessed against the above criteria, the Governance Committee has determined that all of the current and proposed directors are independent within the meaning of applicable Canadian securities laws, except for Greg Hicks, Owen Billes, Sylvain Leroux and Donald Murray:

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

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

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

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

INDEPENDENCE OF COMMITTEES

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

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

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

ADDITIONAL INDEPENDENCE MECHANISMS

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

The independent directors are also afforded the opportunity to meet without the non-independent directors who are Canadian Tire Dealers at each regularly scheduled Board meeting. The Chairman of the Board exercises judgment (depending on the circumstances) as to whether Mr. Billes is present at *in camera* meetings that do not include Canadian Tire Dealers. In 2021, the Board held nine regularly scheduled meetings and *in camera* sessions were held at these meetings by the independent directors.

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

Board Renewal

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

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

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

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

Board Diversity

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

The Board embraces all forms of diversity and is represented by individuals who are diverse in their gender, age, experience, race and ethnicity. Although the Board is conscious of its diversity, and considers this factor when recruiting new directors, this factor alone is not determinative in the Board's director selection process. The Board has not adopted a written policy relating to the identification and nomination of female directors or a target regarding the representation of women on its Board because it believes that a less formulaic approach to board composition, together with a rigorous search for qualified candidates, best serves the Company. There are currently four women on the Board, or 25% of the 16 directors on the Board, comprising the Chairman of the Board, Maureen Sabia, the Chairman of the Audit Committee, Diana Chant, the Chairman of the Management Resources and Compensation Committee, Cynthia Trudell, and Martha Billes. Mses. Billes, Chant and Trudell are standing for re-election, while Miss Sabia is retiring from the Board. As a result, three women are proposed for election at the Meeting, representing 19% of the proposed directors.

Executive Diversity

CTC's senior leadership team is comprised of individuals at the level of Senior Vice-President and above and CTC employs eight women in these positions. With respect to women in executive officer positions, there are four female executive officers of the Company and its major subsidiaries, representing approximately 31% of the total executive officers. The terms executive officers and major subsidiaries have the meanings ascribed thereto under applicable securities laws.

The Company embraces all forms of diversity and its senior leadership and executive officers are represented by individuals who are diverse in their gender, age, experience, race and ethnicity. Although the Company is conscious of its diversity, and considers this factor when selecting executives within the organization, this factor alone is not determinative in the selection process. The Company has not adopted a written policy with specific targets regarding the representation of women in executive officer positions.

Term Limits

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

The experience of long-serving directors can be valuable to shareholders as directors navigate complex and critical issues when serving on the Board. The combination of longer serving directors who have an extensive history and understanding of the Company's business and newer directors allows the Board to have the benefit of experience while also being exposed to fresh perspectives and ideas. CTC believes that the continual evaluation of the changing skills and experience that are required on the Board, together with the Board's rigorous performance assessment process, facilitate appropriate Board renewal. The tenure of the proposed directors (excluding Mr. Sampath who is a new director nominee) is as follows: nine directors have served for five years or less, four directors have served for six to ten years, and two directors (Martha Billes and Owen Billes, the controlling shareholders) have served for greater than ten years. Over the last three years, seven new directors have been elected or appointed to our Board (one in 2019, two in 2020 and four in 2021). In our view, a more fluid, needs-focused and less formulaic approach to Board renewal is far more effective than the application of rigid and prescriptive rules relating to term limits.

Majority Voting

The Company's majority voting policy provides that any nominee who receives a greater number of votes "withheld" than votes "for" his or her election by the holders of Class A Non-Voting Shares in an uncontested election of directors will tender his or her resignation to the Board promptly following the annual meeting of shareholders. A resignation pursuant to the majority voting policy is to be considered by the Governance Committee which, if it determines appropriate, will recommend that the Board accept the resignation. Under the policy, the Board is to make its decision (taking into consideration the recommendation of the Governance Committee and whether there exist exceptional circumstances that warrant not accepting the

resignation) within 90 days following the annual meeting of shareholders. The Board will announce its acceptance of the resignation, or its reasons for rejecting it, in a news release promptly following its decision. The Company will provide a copy of such news release in the manner required by applicable laws as soon as practicable thereafter to the TSX. A director who tenders his or her resignation pursuant to the policy will not attend the portion of any meeting of the Board or the Governance Committee at which the resignation is considered. Subject to the requirements of the *Business Corporations Act* (Ontario), the Board may leave any resulting vacancy unfilled until the next annual meeting of shareholders, fill the vacancy through the appointment of a new director or call a special meeting of holders of Class A Non-Voting Shares to elect a new director to fill the vacant position. If the vacancy is filled at a meeting of shareholders, holders of Class A Non-Voting Shares will have the ability to vote in favour of or withhold from voting for, the new director proposed for election.

The Company has not adopted a majority voting policy with respect to the election of directors by the holders of Common Shares. The Company relies on an exemption from the TSX's majority voting requirements available to listed issuers that are controlled by a security holder that beneficially owns, or controls or directs, directly or indirectly, voting securities carrying 50% or more of the voting rights for the election of directors as of the applicable record date. The Billes family beneficially owns, controls and directs the votes attached to more than 60% of the Company's outstanding Common Shares and, as such, a majority voting policy would not have any effect on the election of directors by the holders of Common Shares as the Billes family can effect the election of such directors with their votes alone. Furthermore, C.T.C. Dealer Holdings Limited, which beneficially owns more than 20% of the outstanding Common Shares, has agreed to vote for the election of the directors proposed by the Billes family and C.T.C. Dealer Holdings Limited pursuant to the Shareholders' Agreement, as more particularly described above under *Composition of the Board* on page 7. As such, since more than 80% of the votes associated with the Common Shares are required to be cast for directors nominated pursuant to the Shareholders' Agreement, a majority voting policy would have no meaningful effect on the election of directors by the holders of Common Shares. The full text of the Company's majority voting policy is available on the Company's website at www.corp.canadiantire.ca. Click on *Corporate Governance* under the *Investors* tab.

Interlocking Directorships

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

Service on Other Public Company Boards

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

Director Orientation and Continuing Education

DIRECTOR ORIENTATION

The Chairman of the Board works with each new director to develop an individualized orientation program that is designed to enhance the director's understanding of the Company and its business. The Chairman of the Board meets with each proposed new director and explains the culture of the Board as well as the Board's expectations of its directors. Arrangements are made for new directors to meet with the President and CEO and other executives. New directors are also provided with the opportunity to visit the Company's principal operating locations, including stores, distribution centres and call centres. Detailed information concerning the Company, the Board and the Committees is also provided to new directors.

CONTINUING EDUCATION

The Chairman of the Board initiates educational opportunities and responds to requests for director education from the Board members on an ongoing basis to ensure that directors are continually made aware of the issues facing the Company. The Chairman arranges for the provision of educational presentations and materials by management and external parties, as well as visits to stores and the Company's facilities. Directors receive a substantial amount of background information and in-depth reviews in the context of Board and Committee meetings on important aspects of the Company's business that not only assists them in discussing the issues to be addressed and the decisions to be made at such meetings, but also educates them on matters relevant to the Company and its business. In 2021, the Board and its Committees received in-depth presentations on supply chain, the Canadian Tire Dealer operating model, Canadian Tire Bank, the Triangle Rewards program, CT REIT's structure and strategy, investor perceptions, ESG strategy and initiatives, foreign exchange matters, the Operational Efficiency program and corporate governance developments. The Board also receives educational and informational briefings on industry topics and the external environment. In 2021, the Board received presentations from its external advisors on cybersecurity and the Canadian and global economic outlook. The Board maintains a library on its director portal comprised of articles and publications on a broad range of topics, including governance, risk management, strategy development, ESG topics, talent management and development, and privacy as well as general industry trends. Directors may also attend conferences, seminars and courses to expand their knowledge and skills.

Performance Assessments

ASSESSMENT OF THE BOARD, COMMITTEES AND DIRECTORS

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

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

Following completion of the interviews, the Chairman of the Governance Committee reports to the Governance Committee and the Board on the assessment results of the Board and the Committees, as well as the overall results of the director peer reviews. The Chairman of the Governance Committee provides each

director with feedback on their individual performance based on input received pursuant to the director peer reviews. The Chairman of the Governance Committee reports to each Committee on the results of that Committee's assessment.

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

ASSESSMENT OF THE CHAIRMAN OF THE BOARD

The performance of the Chairman of the Board is assessed annually through personal interviews conducted by the Chairman of the Governance Committee. Directors are asked to assess the Chairman of the Board's performance over the prior year, taking into account how well the Chairman has led the Board. Directors are also asked to consider the Chairman's duties as set out in the Chairman's position description. The Chairman of the Governance Committee reviews the results of the evaluation with the Chairman of the Board and provides a report to both the Governance Committee and the Board.

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

Our Approach to Shareholder Engagement

STATEMENT OF PRINCIPLES

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

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

- We believe in developing and adhering to strong corporate governance practices and are committed to continually enhancing those practices. We are mindful, however, that a "one size fits all" approach to corporate governance is often inappropriate for the unique circumstances of individual corporations. In addition, we are of the view that good governance alone is not sufficient to enhance our Company's performance. Rather, capable and dedicated directors, together with talented management, are the drivers of performance.
- The governance of a large public corporation is a complicated task, requiring a grasp of complex information about the corporation and its businesses. We believe that this task is best understood and managed by our Board, the members of which have been given the legal responsibility for stewardship of the Company and acting in its best interests.
- We are committed to maintaining rigorous selection and assessment criteria that require directors to be knowledgeable about our businesses and to employ a disciplined approach to compensation, succession, risk management and the many other factors that affect long-term performance.
- We also believe that maintaining open lines of communication with our shareholders on key matters is of critical importance. Our Board and management are always interested in the views of shareholders and we have worked to develop a trusted relationship with the investment community. We are committed to comprehensive and transparent reporting on matters of importance to our shareholders.

- We believe that it is difficult for shareholders and other external constituents to be effectively involved in the day-to-day structural and governance decisions affecting the Company. In order to perform this decision-making function properly, one needs to be continually involved with the Company, its operations, its personnel and its corporate strategy – all matters which fall to the directors and management. Our directors and management are committed to employing their time, energy, experience and expertise to understanding shareholder views in the context of the complexities of the Company and to protecting and advancing in good faith the best interests of the Company.

SHAREHOLDER ENGAGEMENT PROCESS

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

- Shareholders are requested to direct their inquiries and proposals to the Head of Investor Relations.
- In the ordinary course, shareholder inquiries and proposals are addressed by management in accordance with the Company's disclosure policy and, to the extent applicable, the Company's process for addressing special situations, including shareholder proposals.
- In the event a shareholder requests to speak to an independent director, and provided that the subject of the request relates to certain matters listed below, the Chairman of the Board may be asked to represent the Company in responding to the inquiry in accordance with the Company's procedures. Directors do not engage directly with shareholders unless they are specifically asked to do so by the President and CEO or the Chairman of the Board.
- Those matters that may be directed to the Chairman of the Board for response include Board governance practices, executive performance, executive compensation, director evaluations and Board and Committee composition and qualifications as well as any other matter that the President and CEO and the Chairman of the Board believe may be perceived as more credibly answered by the Board than by management.

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

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

2021 SHAREHOLDER INITIATIVES

In 2021, our shareholder outreach initiatives included in-person meetings between the President and CEO and significant institutional investors to address priority topics. In addition, the Company engaged in other year-round investor and shareholder engagements, including four virtual industry conferences and over 111 institutional investor meetings held with management and the Head of Investor Relations.

On March 10, 2022, the Company hosted an Investor Day to unveil its strategic priorities and new financial aspirations.

Subsidiary Boards

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

The board of trustees of CT REIT, a publicly traded entity in which the Company owns a majority interest, is currently comprised of eight trustees. Serving on the board are Ken Silver, the Chief Executive Officer of CT REIT, Gregory Craig, Executive Vice-President and Chief Financial Officer of CTC, Dean McCann, the former Executive Vice-President and Chief Financial Officer of CTC, and five independent trustees who collectively have significant management expertise in the real estate and retail industries as well as financial and governance expertise. Kevin Salsberg, the President and Chief Operating Officer of CT REIT, will assume the role of President and CEO of CT REIT on June 1, 2022, succeeding Ken Silver, and is a proposed trustee at the upcoming CT REIT Annual Meeting of Unitholders on May 10, 2022.

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

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

Enterprise Risk Management

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

While the Board is ultimately responsible for the oversight of risk, the Audit Committee assists the Board with its oversight of the Company's enterprise risk management processes. The Audit Committee reports to the Board on management's assessment of key and emerging risks, including mitigation plans and risk ratings, and recommends to the Board changes to the Enterprise Risk Management Policy and Framework, Risk Appetite Statement, and other policies that govern the risks of the Company. As required, the Board augments reporting by the Audit Committee on key and emerging risks through direct reporting by, and discussions with, management and, as appropriate, the Board's external advisors. The Board, assisted by the review of the Audit Committee, approves the Company's risk disclosures.

Additional information on the Company's Enterprise Risk Management Framework is included in section 2.6 of the Company's Annual Information Form for the year ended January 1, 2022 (2021 AIF). Additional information on the Company's key risks is included in Section 10.0 of the 2021 MD&A and all subsections thereunder. The 2021 AIF and 2021 MD&A are available on the Company's website at www.corp.canadiantire.ca and on SEDAR at www.sedar.com.

The risks associated with the Company's Financial Services and CT REIT reportable operating segments are overseen by the CTB Audit and Risk Management Committee and CT REIT Audit Committee, respectively, and are addressed in the reports provided to the Company's Audit Committee by such Committees and through management's enterprise risk reporting. CTB is a Schedule I chartered bank that is regulated by the Office of

the Superintendent of Financial Institutions (OSFI) and, as such, is subject to all of the risk management reporting and other related requirements of OSFI. Further information on CT REIT's enterprise risk management program and the risks associated with CT REIT are included in section 12.0 of CT REIT's Management's Discussion and Analysis and section 4 of CT REIT's Annual Information Form for the year ended December 31, 2021, and all subsections thereunder, which are available on CT REIT's website at www.ctreit.com and on SEDAR at www.sedar.com, and are not incorporated herein by reference.

Corporate Responsibility

CTC prides itself on being a trusted Canadian brand and an integral part of Canadian communities, with a strong commitment to improving environmental and social outcomes for Canadians, communities and the planet. The Company's brand purpose, "We are here to make life in Canada better", is an articulation of the meaningful role the Company plays with customers, employees and society. This brand purpose serves as a north star guiding all actions related to the Company's business strategy, including CTC's position and strategy in relation to ESG topics that matter most to its stakeholders. The Company's ESG strategy aims to manage risk and build reputation with respect to a wide variety of ESG topics, while seeking to differentiate itself on a number of signature initiatives further reinforcing its brand purpose.

CTC is recognized for its strong commitment, as reflected by its inclusion in various sustainable indices and its receipt of sustainability awards. The Company continues to participate in or be rated by CDP, the Dow Jones Sustainability Index, MSCI, FTSE4Good, Sustainalytics and Corporate Knights. In 2021, CTC was named one of the world's 100 most sustainable corporations by Corporate Knights, recognized as one of only two companies in the grocery and diversified stores category and the only North American retailer. Additionally, in 2021, Canadian Tire was ranked in the top ten of the Gustavson Brand Trust Index for Most Trusted Brands.

BOARD OVERSIGHT

The Board oversees the Company's strategies and risk management holistically, including the strategic drivers of brand trust and the importance of managing risks to the Company's most valuable asset, its brand. The Board has delegated oversight of the Company's development of brand purpose, ESG strategies and risks, and related matters to its Brand and Corporate Responsibility Committee, which coordinates oversight as needed with the Governance, Management Resources and Compensation, and Audit Committees. In 2021, the Company established an Executive ESG Council to approve, monitor and measure standalone ESG strategies that will serve as enablers and proof points of the Company's brand purpose. For further information on the Brand and Corporate Responsibility Committee's Mandate, see the *Brand and Corporate Responsibility Committee Report* on page 39.

The Company's management of risks to its brand, including with respect to environmental and social matters, is supported by its policy framework and its crisis communication capabilities. The Company has in place policies and operating directives to address issues of importance to its stakeholders, including with respect to ethical conduct, health and safety, the environment, product safety, privacy, cybersecurity and other matters. Each such policy sets out accountabilities for managing compliance as well as escalation and other procedures.

ENVIRONMENTAL

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

CTC has been working to understand and mitigate the effects of climate change on its operations for almost a decade. In connection therewith, it has conducted two climate change risk and opportunity assessments, the most recent in 2021. CTC's crisis management and business continuity programs continue to evolve in

addressing the effects of climate change and other risks, threats and hazards that could affect CTC's operations and the communities in which it operates.

DIVERSITY AND INCLUSION

CTC is committed to an equitable and inclusive culture that represents our people, customers and communities across the country. CTC's Diversity, Inclusion and Belonging (*DIB*) strategy serves to foster an environment where belonging thrives, and inclusive and equitable practices are infused into all aspects of organizational functions and actions. This DIB strategy is guided by the Company's DIB Council, which is co-chaired by the Chief Human Resources Officer and the Chief Brand and Customer Officer, to ensure consistency in approach both internally and externally. The DIB Council provides oversight, monitors outcomes and ensures alignment to the Company's strategy and brand purpose of all DIB policies, practices, programs and initiatives. The DIB strategy is overseen at the Board level principally through the Management Resources and Compensation Committee but also through the Brand and Corporate Responsibility Committee.

COMMUNITY

For 100 years, CTC has been helping our communities grow and thrive. We support communities in need and a variety of social causes, with the largest beneficiary being Canadian Tire Jumpstart Charities (*Jumpstart*), an independent organization which has been assisting Canadian families overcome the financial and accessibility barriers to sport and play for their kids since 2005.

CTC stores also invest heavily in local programs that help Canadian communities thrive, and are dedicated to initiatives that promote healthy, active living, including encouraging participation in physical activity, sports, and outdoor living. Furthermore, as a company with strong roots in communities across Canada, CTC is committed to helping get necessary products to locations impacted by emergencies. By working closely with Dealers, the Red Cross, government officials and emergency task forces, CTC supports response and relief activities nationally and internationally.

Further information on CTC's approach to corporate responsibility and related initiatives are included in the 2021 AIF under the heading *Corporate Responsibility* on page 31.

ETHICAL CONDUCT

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

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

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

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

Individuals at the level of Associate Vice-President and above are accountable for supporting and endorsing compliance with the Codes, promoting an environment of open communication about employee ethical conduct obligations and ensuring that violations are reported in a manner consistent with the requirements

of the Codes. The Board has established a business conduct compliance program, which provides a compliance mechanism for the Codes, including:

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

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

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

Conflicts of Interest and Related Party Transactions

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

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



COMMITTEE REPORTS

The following Committee reports present an overview of key responsibilities and provide highlights of each Committee's activities in 2021.

Audit Committee Report

MEMBERS



DIANA
CHANT
(Chair)



R. JAMIE
ANDERSON



DAVID
COURT



STEVE
FRAZIER



NORMAN
JASKOLKA



NADIR
PATEL

PURPOSE AND RESPONSIBILITIES

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

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

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

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

The Audit Committee plays a key role in supporting the Board's oversight of risk. The Committee reviews and recommends to the Board the Company's Enterprise Risk Management Policy, including the Enterprise Risk Management Framework and Risk Appetite Statement. Quarterly management reports inform the Committee of the steps management has taken to monitor, control and mitigate key enterprise risk exposures. The Committee reports to the Board on management's assessment of key and emerging risks and reviews the Company's risk disclosures. It also receives additional reporting on financial, credit, cyber, and legal risk exposures and ethical business conduct matters.

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

2021 HIGHLIGHTS

The Audit Committee met five times during 2021. Highlights of the work which the Committee performed during 2021, as part of or in addition to its responsibilities under its Mandate, include:

- receiving from the CFO quarterly financial performance reports on the Company, including its reporting segments, and discussing key drivers of, and impacts to, performance;
- considering and reviewing disclosures in connection with the Company's Operational Efficiency program, dividend increase and share buyback intention;
- discussing with management the implementation of accounting changes and new disclosure requirements with respect to non-GAAP and other financial measures and the implications thereof;
- receiving reports on CEO and CFO certification to ensure the process is kept current and operating effectively;
- receiving other management reports and discussing with the external auditor key areas of focus impacting the Company's financial statements and related disclosures and recommending such disclosures to the Board for approval;
- supporting the Board in its oversight of risk management, which included reviewing and discussing with management its assessment of key enterprise risk exposures;
- overseeing management's strategy and priorities for addressing cyber risk, initiating enhancements to Committee reporting and governance, and supporting robust oversight of cyber risk by the Board through regular reporting and coordinating education by external advisors;
- receiving reports on the management of the Company's financial risks, including compliance with the Financial Risk Management Board Policy, and education concerning the Company's foreign exchange management program and its implications to the Company's financial reporting;
- reviewing and recommending to the Board amendments to the Ethical Business Conduct Board Policy and Financial Risk Management Board Policy;
- overseeing and participating in an annual review of the external auditor's performance; and
- considering the results of the Committee's performance assessment, including appropriate action plans to address key findings.

AUDITOR'S FEES

The following table sets forth the aggregate fees billed for professional services rendered by Deloitte to the Company and its subsidiaries for the fiscal years ended January 1, 2022 and January 2, 2021, respectively:

Auditor's Fees	Fiscal Years Ended	
	January 1, 2022 (2021)	January 2, 2021 (2020)
	(\$)	(\$)
Audit Fees ⁽¹⁾	4,688,000	4,859,000
Audit-Related Fees ⁽²⁾	65,000	250,000
Tax Fees ⁽³⁾	65,000	117,000
All Other Fees ⁽⁴⁾	624,000	—
Total	5,442,000	5,226,000

Notes

- (1) "Audit Fees" are the aggregate fees of Deloitte for audit services, including translation fees.
- (2) "Audit-Related Fees" are the aggregate fees of Deloitte for assurance and related services that were reasonably related to the performance of the audit or review of CTC's financial statements and were not reported under "Audit Fees" in the table above. These services are related to accounting advisory and due diligence on various projects.
- (3) "Tax Fees" include the aggregate fees of Deloitte for professional services related to tax compliance, tax advice and tax planning. These services related primarily to tax advice in connection with foreign operations and the Canadian tax implications thereof, transfer pricing, tax compliance, and tax planning.
- (4) "All Other Fees" are aggregate fees of Deloitte for services, other than the services reported under "Audit Fees", "Audit-Related Fees" and "Tax Fees" in the table above. In the 2021 fiscal year, these services related to various consulting projects.

ADDITIONAL INFORMATION

Additional information about our Audit Committee as required by NI 52-110 is contained in Section 8 of the 2021 AIF, which is available on the Company's website at www.corp.canadiantire.ca and on SEDAR at www.sedar.com. A copy of the Audit Committee Mandate is also included in the 2021 AIF.

Management Resources and Compensation Committee Report**MEMBERS**

**CYNTHIA
TRUDELL**
(Chair)



**ERIC
ANDERSON**



**DAVID
COURT**



**MARK
DERBYSHIRE**



**NADIR
PATEL**

PURPOSE AND RESPONSIBILITIES

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

The Management Resources and Compensation Committee assists the Board in its oversight of the Company's human resources strategies, plans, policies and procedures, including in the areas of talent management, succession planning and compensation for senior management and executives.

The Management Resources and Compensation Committee annually reviews and reports to the Board on management's practices and programs relating to the development, assessment and advancement of executives whose roles are critical to the execution of the Company's strategy (*Top Roles*), as well as succession planning (both planned and emergency) for such Top Roles.

The Management Resources and Compensation Committee reviews and approves the principal employment terms of executives in Top Roles (except in the case of the President and CEO, whose employment terms it reviews and recommends to the Board for approval), and reports to the Board on the compensation arrangements of the Company's Named Executive Officers (*NEOs*). The MRC Committee recommends the President and CEO's annual performance objectives to the Board and, in consultation with the Chairman of the Board and other Board members, conducts an annual assessment of the President and CEO's performance

in accordance with the evaluation process approved by the Board. The MRC Committee also reviews the annual performance objectives of executives in Top Roles and receives a report from the President and CEO on his assessment of how such executives are performing against their objectives.

Regarding executive compensation generally, the Management Resources and Compensation Committee annually reviews and recommends to the Board the design and make-up of the Company's compensation plans and programs for senior management and executives, including with respect to base salary, variable compensation, benefits, perquisites, and share ownership guidelines. As part of this review, it assesses the linkage of CTC's executive compensation philosophy and incentive plans to CTC's performance and business strategy. The Committee also reviews and approves grants and payouts under the Company's incentive plans and the adjudication of matters impacting the payouts under those plans. In carrying out its responsibilities, the Committee consults with its compensation advisors, as appropriate. The MRC Committee is also responsible for overseeing the Company's workforce diversity and inclusion initiatives. It recommends to the Board significant changes to employee benefit, retirement and savings programs, approves awards under the CT Profit Sharing program, and reviews any proposed major organizational design changes of the Company or its subsidiaries. The Committee reviews the share ownership of executives relative to their share ownership guidelines. It also monitors employee culture, experience and engagement across the Company through management reports and the results of employee opinion surveys.

2021 HIGHLIGHTS

The Management Resources and Compensation Committee met six times in 2021. Highlights of the work which the Committee performed during 2021, as part of or in addition to its responsibilities under its Mandate, include:

- recommending to the Board the Company's 2021 executive compensation programs, including the adoption of new peer groups for assessing the Company's compensation programs and relative total shareholder return, and the introduction of Restricted Share Units as part of the Long-Term Incentive Plan (LTIP) mix for certain senior management levels;
- overseeing management's review and assessment of the Short-Term Incentive Plan (STIP) and LTIP designs to ensure their continued alignment with the Company's compensation philosophy and business strategy, considering options for changes to the STIP and LTIP, and recommending to the Board new long-term financial and customer-related performance metrics under the Performance Share Unit Plan for awards commencing in 2022;
- approving the Company's redesigned performance management framework aimed at strengthening the objective setting and performance assessment processes to better support the Company's strategic priorities;
- reviewing organizational changes and approving the appointment and compensation terms of new executives in Top Roles;
- evaluating the progress of management's talent strategy, including with respect to talent acquisition and development, diversity, inclusion and belonging, and hybrid workplace model implementation, and reviewing the 2022 talent strategy priorities;
- recommending to the Board the Company's 2022 executive compensation programs, including changes to base salary levels and STIP and LTIP targets to better align with the market, as well as recognize the significance of key senior executive roles;
- considering the results of the Committee's performance assessment, including appropriate action plans to address key findings; and
- receiving an update on the rollout of the Company's harmonized health benefits plan, including the selection of a new service provider.

For additional information regarding the role of the Management Resources and Compensation Committee in executive compensation, see *Role of the MRC Committee in Executive Compensation* on page 46.

Governance Committee Report

MEMBERS



**NORMAN
JASKOLKA**
(Chair)



**MARTHA
BILLES**



**DIANA
CHANT**



**MAUREEN
SABIA**



**CYNTHIA
TRUDELL**

PURPOSE AND RESPONSIBILITIES

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

Pursuant to its Mandate, the Governance Committee focuses on the Company's approach to corporate governance through its monitoring of regulatory developments and best practices with a view to continually improving the Company's corporate governance standards. The Committee identifies and recommends to the Board the director nominees for election at the Company's annual meeting of shareholders or for appointment to fill vacancies on the Board between shareholder meetings, having regard for the Company's strategies, risks, current and anticipated priorities and succession planning for key Board positions and in consultation with the controlling shareholder and C.T.C. Dealer Holdings Limited in connection with their respective nominees. The Committee maintains a list of qualified candidates for Board membership, recommends to the Board the appointment of the Chairman of the Board and appoints the Chairmen and members of the Committees, except for the Chairman and members of the Governance Committee, which it recommends to the Board for approval. The Committee also reviews the individuals proposed by the Company for appointment to the board of trustees of CT REIT and the boards of directors of CTB and CTFS Holdings and reviews the Company's proposed candidate for appointment as Chairman of the Board of CTB.

The Governance Committee assesses the independence of directors under applicable securities laws and such other criteria determined by the Governance Committee, establishes the processes for assessing the performance of the Board, the Committees, individual directors and the Chairman of the Board, and reviews and recommends changes to the form and amount of Board remuneration for approval by the Board.

The Governance Committee keeps its Mandate and the position descriptions of the Chairman of the Board, Committee Chairmen and directors under continual review, assesses the Board's processes for director orientation and education activities, and reviews the health of the relationship between the Board and management. The Committee also recommends to the Board the governance portions of the Circular.

2021 HIGHLIGHTS

The Governance Committee met five times in 2021. Highlights of the work which the Committee performed during 2021, as part of or in addition to its responsibilities under its Mandate, include:

- reviewing and updating the list of skills and expertise required for the Board, as a whole, to possess, and identifying and interviewing prospective director candidates having regard for the skills and expertise that would complement those already represented on the Board;

- as part of the Board's continuous renewal process, recommending to the Board the nominations of Steve Frazier and Sylvain Leroux for election at the Company's 2021 Annual Meeting of Shareholders, the appointments of Nadir Patel and R. Jamie Anderson to fill director vacancies during the year and the nomination of Sowmyanarayan Sampath as a new director nominee for election at the Meeting;
- overseeing the performance assessments of the Board, the Committees, individual directors and the Chairman of the Board, including the development of appropriate action plans to address key findings;
- recommending revisions to the Brand and Corporate Responsibility Committee Mandate to the Board for approval, reflecting the Brand and Corporate Responsibility Committee's oversight of the Company's management of corporate responsibility, including ESG topics and ESG strategy development, in addition to its oversight of the Company's brand;
- receiving reports from the Corporate Secretary on corporate governance developments and overseeing the Company's response to such developments; and
- receiving reports on key Investor Relations topics and activities, including management and Board engagement.

2022 UPDATE

On the recommendation of the Governance Committee, on February 1, 2022, the Board approved the appointment of J. Michael Owens as Chairman of the Board, following his re-election at the Meeting, succeeding Maureen Sabia who will retire as Chairman of the Board and a director following the Meeting.

Brand and Corporate Responsibility Committee Report

MEMBERS



J. MICHAEL
OWENS
(Chair)



OWEN
BILLES



MARK
DERBYSHIRE



STEVE
FRAZIER



SYLVAIN
LEROUX



DONALD
MURRAY

PURPOSE AND RESPONSIBILITIES

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

In March 2021, the Board reconstituted the Brand and Community Committee, which included revising its Mandate and renaming the Committee the Brand and Corporate Responsibility Committee. These changes reflect the Committee's oversight of the Company's management of corporate responsibility, including ESG topics and ESG strategy development, in addition to its oversight of the Company's brand.

The purpose of the Committee is to assist the Board in ensuring the Company's brand remains trusted and relevant to Canadians, monitoring the development and fulfilment of the Company's brand purpose, overseeing the impact of the Company's management of ESG topics on the Company's brand and reputation, approving the Company's ESG reporting, and approving the Company's approach to the management of risks that could have a significant adverse impact on the Company's brand and reputation.

The Brand and Corporate Responsibility Committee's responsibilities include monitoring assessments and studies of the Company's corporate brand and reputation as well as monitoring the development and fulfilment of the Company's brand purpose and its integration with corporate strategy. Through reporting from management, the Committee is also responsible for monitoring emerging trends, risks, issues and regulations in relation to environmental, social and ethical matters and reviewing all material risks that could have a significant adverse impact on the Company's brand and reputation. A key area of focus for the Committee is to review and approve management's ESG objectives and strategies and monitor the Company's progress towards achieving its ESG targets, goals and commitments. The Company's ESG reporting is subject to approval by the Committee. In addition, the Brand and Corporate Responsibility Committee is responsible for reviewing the brand health of the Company's charity of choice, Jumpstart, and receiving reports on the audits of Jumpstart's activities.

2021 HIGHLIGHTS

The Brand and Corporate Responsibility Committee met three times in 2021. Highlights of the work which the Committee performed during 2021, as part of or in addition to its responsibilities under its Mandate, include:

- overseeing the development of the Company's brand purpose and the role that ESG topics play in that purpose;
 - evaluating a strategic framework articulating the integration of purpose and ESG strategies within the Company's overall business strategy;
 - assessing the emerging signature ESG strategic initiatives through which the Company aims to differentiate itself, reinforce its brand purpose and build trust and affinity to its brand, as well as plans to further develop and measure these initiatives;
 - aligning with management on the ESG topics material to the Company, having regard for a materiality assessment conducted through consultation with the Company's stakeholders;
 - reviewing plans and aligning on timelines for increased integration of ESG topics into the Company's governance, strategies, operations, risk management and reporting;
 - evaluating the Company's progress against its 2022 targets for reducing greenhouse gas emissions;
 - approving plans for a future integrated ESG report by the Company; and
 - receiving a report from Jumpstart's management on the brand health of Jumpstart, including with respect to Jumpstart's governance and annual internal audit reviews of Jumpstart's activities.
-



DIRECTOR COMPENSATION

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

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

Director Fees

Directors, other than the President and CEO, are compensated for their service through a combination of retainers, meeting fees and a travel fee. The Chairman of the Board receives an all-inclusive retainer and does not receive any additional retainers or fees for serving on the Board or on any Committee. For information on the compensation of the President and CEO for the year ended January 1, 2022, see *Executive Compensation* on page 45.

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

The following table lists the fees our directors were entitled to receive for 2021 service:

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

Notes

- (1) With the exception of U.S. directors, fees are earned and paid in Canadian dollars. U.S. directors are paid in U.S. dollars on the basis of a one-for-one exchange rate of Canadian dollars to U.S. dollars.
- (2) Directors who attend meetings of Committees of which they are not members may also be eligible to receive meeting fees.

Deferred Share Unit Plan for Directors

Each director, who is not an employee or officer of CTC or any of its subsidiaries, is eligible to participate in the DSU Plan for Directors, pursuant to which the director may elect to receive all or part of his or her annual retainers, meeting fees and travel fee (if applicable), which are paid quarterly, in DSUs, based on the ten-day volume weighted average price of Class A Non-Voting Shares on the TSX prior to and including the last business day before the end of the applicable quarter. Additional DSUs are credited to a director's DSU account with respect to his or her DSUs when the Company pays a dividend or other cash distribution on its Class A Non-Voting Shares.

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

Director Share Ownership Guidelines

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

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

If the annual director retainer is increased, directors who previously met the guideline amount but would not meet the new guideline amount are required to satisfy it within two years following the increase in the retainer.

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

DIRECTORS' HEDGING POLICY

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

Compensation of Directors on Subsidiary Boards

During 2021, Maureen Sabia and James Goodfellow, who retired from the Board in 2021, also served as directors of CTB. Directors of CTB receive an annual retainer and meeting fees. They are also reimbursed for travel and other expenses incurred to attend CTB Board and Committee meetings. Retainer and meeting fees earned by CTB's directors cannot be received in DSUs.

2021 Director Compensation Table

The following table sets out the compensation that was paid to CTC's directors, other than the President and CEO, for the year ended January 1, 2022, and the allocation of fees between cash and DSUs:

Director Name	Fees Earned ⁽¹⁾⁽²⁾ (\$)	All Other Compensation ⁽³⁾ (\$)	Total (\$)	Allocation of Fees Earned	
				Cash (%)	DSUs (%)
Eric Anderson ⁽⁴⁾	206,500	–	206,500	84%	16%
R. Jamie Anderson ⁽⁵⁾	49,647	–	49,647	100%	–
Martha Billes	233,591	5,727	239,317	100%	–
Owen Billes	199,000	960	199,960	100%	–
Diana Chant	244,750	–	244,750	100%	–
Patrick Connolly ^{(4) (6)}	129,895	–	129,895	59%	41%
David Court	222,750	–	222,750	–	100%
Mark Derbyshire	217,500	–	217,500	100%	–
Steve Frazier ⁽⁴⁾	140,231	–	140,231	100%	–
John Furlong ⁽⁶⁾	127,695	–	127,695	63%	37%
James Goodfellow ⁽⁷⁾	87,514	77,600	165,114	100%	–
Norman Jaskolka	229,523	–	229,523	–	100%
Sylvain Leroux	123,053	–	123,053	11%	89%
Claude L'Heureux ⁽⁷⁾	72,423	–	72,423	100%	–
Donald Murray	201,500	–	201,500	–	100%
J. Michael Owens	202,567	–	202,567	70%	30%
Nadir Patel ⁽⁵⁾	55,587	–	55,587	100%	–
Maureen Sabia	500,000	81,960	581,960	100%	–
Cynthia Trudell ⁽⁴⁾	249,332	–	249,332	–	100%
Total			3,659,304		

Notes

- (1) Fees Earned include the aggregate of annual retainers, meeting fees and travel fee (if applicable) which directors elected to receive in cash and/or DSUs. All director compensation is earned and paid in Canadian dollars, with the exception of U.S. directors.
- (2) As a result of travel restrictions due to COVID-19, directors entitled to receive the travel fee attended meetings virtually in the first, second and third quarters. Accordingly, the travel fee was pro-rated.
- (3) All Other Compensation Earned includes: (i) annual retainer and meeting fees paid to Miss Sabia (\$77,600) and Mr. Goodfellow (\$77,600) for serving as directors of CTB; and (ii) perquisites for Ms. Billes in respect of head office parking (\$108) and personal security (\$5,619), Mr. Billes in respect of personal security (\$960), and Miss Sabia in respect of head office parking (\$12) and executive medical services (\$4,348). All directors were also eligible to participate in CTC's roadside assistance program, which program carries a notional value of approximately \$67.
- (4) Ms. Trudell and Messrs. Anderson, Connolly and Frazier were paid their director fees in U.S. dollars, on the basis of a one-for-one exchange rate of Canadian dollars to U.S. dollars. On December 31, 2021, the daily exchange rate posted by the Bank of Canada for conversion of Canadian dollars to U.S. dollars was \$1.00 equals US\$0.7888.

- (5) Messrs. Patel and Anderson were appointed directors of CTC on October 1, 2021 and October 7, 2021, respectively, and their annual director and Committee retainers were pro-rated accordingly.
- (6) Messrs. Connolly and Furlong retired from the Board effective August 12, 2021 and August 13, 2021, respectively, and their annual director and Committee retainers were pro-rated accordingly.
- (7) Messrs. Goodfellow and L'Heureux retired from the Board on May 13, 2021 and their annual director and Committee retainers were pro-rated accordingly.

Director Share-Based Awards

The following table provides information regarding the DSUs held by the Company's directors, other than the President and CEO, as at January 1, 2022.

Director Name	Total Number of DSUs (as at January 1, 2022) ⁽¹⁾ (#)	Market or Payout Value of Share-Based Awards (DSUs) Not Paid Out or Distributed ⁽²⁾ (\$)	DSUs Granted During the Fiscal Year (January 3, 2021 to January 1, 2022) ⁽¹⁾ (#)	Share-Based Awards (DSUs) – Value Vested During the Year ⁽³⁾ (\$)
Eric Anderson	4,764	864,455	346	64,198
R. Jamie Anderson	–	–	–	–
Martha Billes	–	–	–	–
Owen Billes	–	–	–	–
Diana Chant	1,676	304,213	42	7,756
Patrick Connolly	3,834	695,786	446	82,985
David Court	5,183	940,447	1,314	243,296
Mark Derbyshire	5,542	1,005,698	139	25,640
Steve Frazier	–	–	–	–
John Furlong ⁽⁴⁾	–	–	414	77,726
James Goodfellow	–	–	–	–
Norman Jaskolka	5,289	959,799	1,352	250,408
Sylvain Leroux	587	106,518	587	109,594
Claude L'Heureux	14,100	2,558,346	353	65,225
Donald Murray	6,791	1,232,228	1,241	229,700
J. Michael Owens	625	113,478	338	62,690
Nadir Patel	–	–	–	–
Maureen Sabia	2,610	473,631	65	12,075
Cynthia Trudell	6,392	1,159,853	1,830	338,780

Notes

- (1) Under the DSU Plan for Directors, DSUs received in lieu of cash fees and accrued DSU dividend equivalents are vested at the time of issuance and are settled in cash after the director completes his or her service with the Company. The number of DSUs that each director holds, which includes DSU dividend equivalents, has been rounded down to the nearest whole number.
- (2) The value of the total number of DSUs held by each director as at the Company's fiscal year end has been calculated by reference to the closing price of Class A Non-Voting Shares on the TSX on the last business day prior to such date (\$181.44).
- (3) The value of DSUs that vested in 2021 was determined by multiplying the number of DSUs issued to each director in the year by the ten-day volume weighted average price of Class A Non-Voting Shares on the TSX prior to and including the last business day before the applicable date of issuance.
- (4) Mr. Furlong retired from the Board on August 13, 2021. He settled his DSU account following his retirement and, as such, held no DSUs at the end of the fiscal year.



EXECUTIVE COMPENSATION

EXECUTIVE COMPENSATION TABLE OF CONTENTS

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Compensation Discussion and Analysis

INTRODUCTION

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

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

CTC delivered record earnings in 2021, driven by a second consecutive year of outstanding sales growth, with Comparable Sales growing 8.2% in 2021 after growth of 9.5% in 2020. CTC welcomed 2.4 million new Triangle Rewards members in 2021, many of whom joined through SportChek and Mark's and subsequently shopped at Canadian Tire for the first time. CTC's exceptional 2021 performance was driven by management growing market share and capitalizing on strengths in areas such as supply chain management, customer engagement and eCommerce capabilities. CTC finished the year with a diluted EPS of \$18.38, an increase of almost 50% compared to 2020. These achievements resulted in a maximum Corporate Pool Funding of 200% for the 2021 Short-term Incentive Plan (STIP) award.

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 2021 financial year. For the purposes of this CD&A, we discuss the compensation programs applicable to CTC executives at the level of Senior Vice-President and above (*Executives or Senior Executives*), which include the NEOs.

The NEOs during fiscal 2021 were as follows:

NAMED EXECUTIVE OFFICERS



GREG HICKS,
President and CEO



GREGORY CRAIG,
Executive Vice-
President and
Chief Financial Officer
(CFO)



JAMES CHRISTIE,
Executive Vice-
President, CTC,
Strategic Advisor
and General Counsel



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



AAYAZ PIRA,
President,
Canadian Tire
Financial Services

COMPENSATION GOVERNANCE

Role of the MRC Committee in Executive Compensation

At CTC, the MRC Committee's approach to compensation is a rigorous one and is based on our Board's desire to build and retain a skilled leadership team that acts in the best interests of the Company and its shareholders. To that end, we are just as focused on attracting and retaining highly skilled management at every level, identifying high performers and developing top talent, as we are in designing a compensation structure that rewards employees for their contributions to the success of the Company. The MRC Committee carefully considers qualitative as well as quantitative measures in the compensation decisions it makes. We pay significant attention to structuring, refining and evaluating compensation practices that attract, develop and retain outstanding talent in a manner that, while not exposing CTC to undue risk, motivate our management to create long-term sustainable value. The MRC Committee is forward looking and has high expectations of management, and it continually assesses performance against these expectations. We are confident that our management resources and compensation strategies have productively contributed to our success in 2021.

For further information about the MRC Committee's responsibilities and activities in 2021 see *Management Resources and Compensation Committee Report* on page 36 of this Circular.

Composition of the MRC Committee

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



Cynthia Trudell (Chair) – Ms. Trudell's experience that is relevant to her responsibilities in compensation matters includes her former role as Executive Vice-President and Chief Human Resources Officer of PepsiCo, Inc., where she was responsible for PepsiCo's global human resources function and human capital management strategy, as well as her current roles as Chair of the remuneration committee of the board of directors of ISS A/S (International Service System) and a member of the compensation and corporate governance committee of the board of directors of RenaissanceRe. In addition, in her prior executive operating and general management positions with General Motors Corporation and Brunswick Corporation, and her roles on the boards of PepsiCo, the Canadian Imperial Bank of Commerce and the Pepsi-Cola Bottling Group, Ms. Trudell had the opportunity to oversee the development and application of compensation plans to executives and other employees.



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



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



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



Nadir Patel – Mr. Patel's experience that is relevant to his responsibilities in compensation matters includes his role as Managing Director of Fairfax Consulting Services and his former roles as Assistant Deputy Minister and Chief Financial Officer for Canada's Department of Foreign Affairs, Trade and Development, where he concurrently served as Chief Human Resources Officer, his former role as President of the Association of Professional Executives of the Public Service, the organization which provides advice to the federal government on compensation for executives, as well as his role on the board of the International Development Research Centre, a crown corporation. In these roles, Mr. Patel had the opportunity to oversee the development of advice and application of compensation plans for executives and other employees, as well as manage labour relations, collective bargaining, talent management, and diversity and inclusion strategies.

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

Role of Management in Compensation Decisions

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

Role of Independent Advisor in Executive Compensation

In conducting its work, the MRC Committee consults with external advisors, as appropriate. Since 2006, Hugessen Consulting Inc. (*Hugessen*) has served as the MRC Committee's advisor, providing independent advice, compensation analysis and other information to support the MRC Committee in evaluating compensation recommendations and making decisions pertaining to executive compensation. Hugessen attends and contributes to MRC Committee meetings and reports directly to the MRC Committee. All work performed by Hugessen is at the direction of, and must be pre-approved by, the MRC Committee, including occasional work performed on behalf of the MRC Committee in conjunction with management. Services provided by Hugessen in 2021 related to their review and input on various matters, including with respect to compensation program designs and targets, Executive salaries and incentive grants and payouts, and CTC's 2021 proxy disclosure. Hugessen has no other mandates with CTC.

Hugessen, based on its experience and expertise, has confirmed to the MRC Committee that, to the best of its knowledge, the MRC Committee has undertaken appropriate analysis to properly inform itself of relevant information to assist in its decisions. The decisions taken by the MRC Committee remain its responsibility and may reflect factors and considerations in addition to the information and recommendations provided by Hugessen. Fees paid to Hugessen in 2020 and 2021 are provided in the table below.

Fees	2021 (\$)	2020 (\$)
Executive compensation related fees	258,414	248,141
All other fees	—	—
Total	258,414	248,141

Relationship of Executive Compensation to Risk

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

MRC Committee Review	The MRC Committee's review includes an evaluation of the amount of total incentives relative to base salaries, the mix of short and long-term incentives, performance metrics and whether the goals are realistic or encourage excessive risk taking, and the use of other policies designed to mitigate risk such as vesting requirements, deferral periods and share ownership guidelines. Recognizing that many compensation matters are directly tied to the financial results of the Company, the MRC Committee interacts with the Audit Committee in relation to risks associated with the accuracy and quality of financial data.
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Internal Audit Review	<p>When significant changes to executive compensation programs are introduced, the MRC Committee requests CTC's Internal Audit Services (IAS) to conduct a formal review to assess the nature and extent of the risks associated with those programs. Based on its last review in 2016, IAS concluded that:</p> <ol style="list-style-type: none"> (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 was satisfactory, indicating a positive outcome; (2) the methods used to identify and mitigate compensation policies and practices that could potentially encourage Executives to take excessive risks were satisfactory; and (3) there were no risks identified in the Company's compensation policies and practices that would be reasonably likely to have a material adverse effect on the Company.
Incentive Clawback Provisions	<p>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, Performance Share Unit (PSU) plan and Restricted Share Unit (RSU) 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.</p>
Executive Share Ownership Guidelines	<p>CTC has established share ownership guidelines (SOGs) that set out minimum levels of share ownership for its Executives. The SOGs are designed to align the interests of Executives with the interests of shareholders, demonstrate that Executives are financially committed to CTC through personal share ownership and promote the Company's long-standing commitment to sound corporate governance. Executives are required to meet the ownership guidelines within five years of their appointment.</p>
Executives' Hedging Policy	<p>Under the SOGs, Executives are prohibited from purchasing financial instruments, including prepaid variable forward contracts, equity swaps, collars, or units of exchange funds that are designed to hedge or offset a decrease in market value of equity securities granted as compensation or held, directly or indirectly, by Executives.</p>

Executive Share Ownership Guidelines

Pursuant to CTC's SOGs, Executives are expected to accumulate equity in CTC equal to a multiple of their annual salary within five years of appointment. The Company periodically assesses the appropriateness of the level of share ownership required and balances the need for Executives to manage the diversification in their personal investment portfolios. The required multiple for each NEO as at the end of the 2021 fiscal year is shown in the table below:

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

Achievement of the SOGs is calculated as the greater of the acquisition cost and the market value of Common Shares, Class A Non-Voting Shares, units in the CTC Share Fund under the DPSP (see *CT Profit Sharing* on page 61) and Deferred Share Units (DSUs).

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

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

PHILOSOPHY AND COMPETITIVE BENCHMARKING

Executive Compensation Philosophy

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

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

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

Competitive Benchmarking

In order to attract and retain the leadership talent required to achieve its goals, CTC needs to ensure that its executive compensation programs are market competitive. Market practices, in addition to other factors such as business strategy, inform the MRC Committee's determination of the total pay mix, incentive design and the range of pay opportunities for our Executives. In order to assess the market competitiveness of CTC's 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 groups are used as reference points only and are not determinative. Decisions on an Executive's compensation are also made with reference to the factors listed below:

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

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

CTC has two peer groups that were created in 2021, replacing its former peer groups, using the following selection criteria:

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

Canadian Peer Group

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

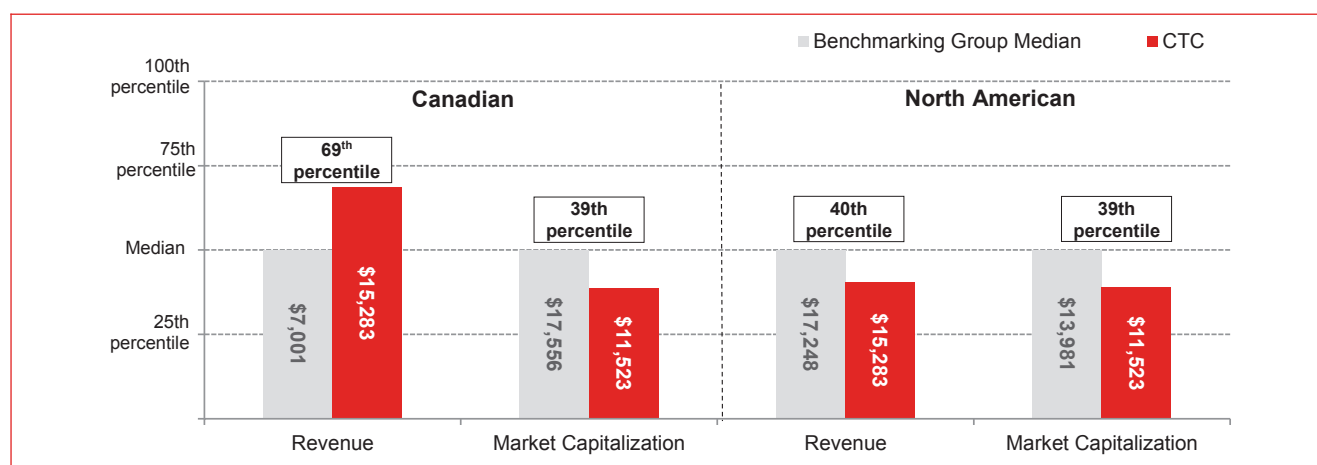
Canadian Peer Group		
Air Canada Inc.	Gildan Activewear Inc.	Rogers Communications Inc.
BCE Inc.	Linamar Corporation	Saputo Inc.
BRP Inc.	Loblaw Companies Limited	Shaw Communications Inc.
Dollarama Inc.	Lululemon Athletica Inc.	Telus Corporation
Empire Company Limited	Metro Inc.	
Finning International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

North American Retail Peer Group

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

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

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



Notes

- (1) Amounts are denoted in millions. Data sourced from Standard & Poor's Capital IQ using their standard reporting methodologies. Revenue pertains to the most recently reported fiscal year and market capitalization is as of December 31, 2021.
- (2) U.S. data converted from USD to CAD based on an exchange rate of 1.254.

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

2021 EXECUTIVE COMPENSATION PROGRAM AND DECISIONS

Components of CTC's 2021 Executive Compensation Program

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

	Compensation Component	Objectives	Form	For Details, See Page
FIXED	Base Salary	<ul style="list-style-type: none"> Provide fixed compensation that reflects the strategic importance of the role and the Executive's experience and performance contributions. 	Cash	53
	Short-Term Incentive Plan	<ul style="list-style-type: none"> Reward Executives for their contribution to the achievement of annual operating and financial performance aligned with CTC's strategy. CTC maintains a Deferred Share Unit Plan for its Executives (<i>the Executives' DSU Plan</i>) pursuant to which Executives may elect to receive all or part of their STIP awards in DSUs. 	Cash DSUs	54
VARIABLE	Long-Term Incentive Plan (LTIP)	<ul style="list-style-type: none"> Align the interests of Executives with the achievement of CTC's strategy and long-term business objectives and the interests of shareholders. 	PSUs and Stock Options with a right to surrender for cash feature	57
OTHER PROGRAMS	Retirement and Savings Plans	<ul style="list-style-type: none"> Assist Executives and other employees in achieving long-term retirement savings in the absence of a pension plan. 	CT Profit Sharing and CT Savings Plan	61
	Benefits	<ul style="list-style-type: none"> Provide health and dental coverage and other ancillary benefits to support employees and their families. 	Health and dental coverage; group life and accidental death and dismemberment insurance; short-term disability coverage; and employee-paid long-term disability insurance	62
	Perquisites ⁽¹⁾	<ul style="list-style-type: none"> Provide market competitive perquisites to Executives. Reinforce Company affiliation. Reinforce individual accountability for personal financial planning as CTC does not offer a pension plan. 	Car allowance; membership in roadside assistance program; Company-paid parking; annual medical services; employee store discount; and annual financial planning allowance	62

Note

- (1) In lieu of the annual car allowance, Mr. Hicks receives a car service paid for by the Company to be used for business-related purposes.

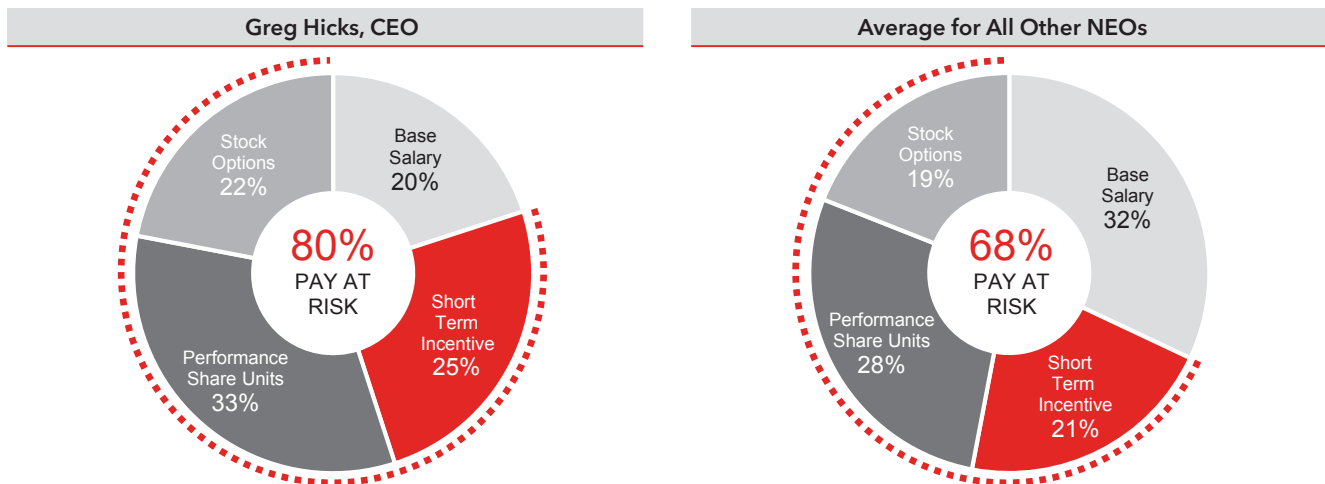
Fixed Versus Variable Compensation

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

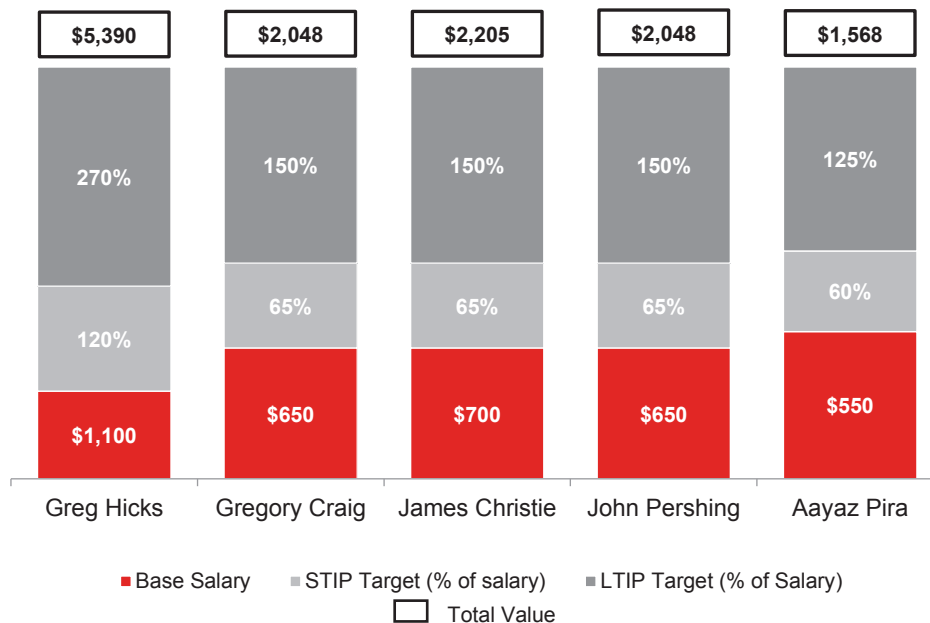
A significant portion (i.e., between 69% and 78%) of the total compensation paid to the NEOs at target is tied to STIP and LTIP and, accordingly, is contingent upon financial performance and, in the case of LTIP, share price appreciation.

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

The target pay mix and pay at risk for the primary compensation components of total direct compensation for the President and CEO and the average for all other NEOs in the 2021 fiscal year are shown below:



The overall design framework of CTC's total direct compensation program and value is summarized below, based on each NEO's position held during the 2021 fiscal year.



Base Salary

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

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

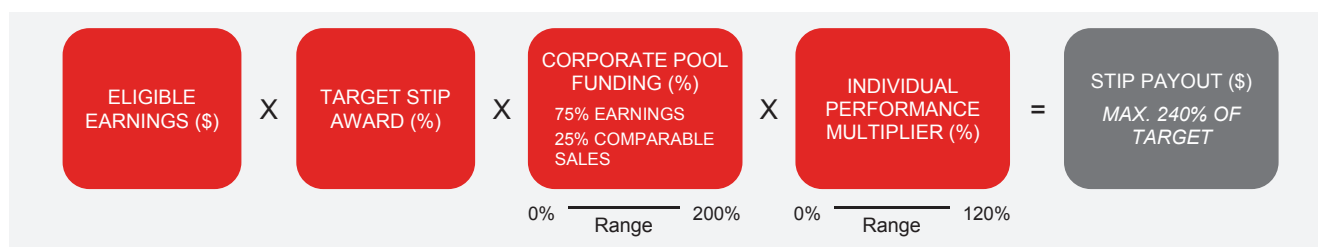
In connection with the Executive annual base salary review process in early 2021, Mr. Hicks' base salary increased from \$1,000,000 to \$1,100,000 and Mr. Craig's base salary increased from \$600,000 to \$650,000. There were no other base salary increases for NEOs during 2021.

Short-Term Incentive Plan

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

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

2021 STIP Design



Target STIP Award

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

Corporate Pool Funding

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



After the fiscal year is completed, management reviews the Company's financial results and, where appropriate, presents to the MRC Committee matters affecting earnings and comparable sales that were not

part of the business plan and that may require adjustment. In accordance with the underlying principles of the STIP program, earnings are also adjusted for real estate gains.

Subject to any adjustments approved by the MRC Committee, actual earnings (*Actual STIP Earnings*) and actual comparable sales results (*Actual STIP Comparable Sales*) are compared to the Target STIP Earnings and Target STIP Comparable Sales, respectively, and the Corporate Pool Funding is calculated as set out below. No payout will occur if Actual STIP Earnings is below threshold performance.

As previously stated, CTC delivered record earnings in 2021, driven by a second consecutive year of outstanding sales growth, with Comparable Sales growing 8.2% in 2021 after growth of 9.5% in 2020. CTC welcomed 2.4 million new Triangle Rewards members in 2021, many of whom joined through SportChek and Mark's and subsequently shopped at Canadian Tire for the first time. CTC's exceptional 2021 performance was driven by management growing market share and capitalizing on strengths in areas such as supply chain management, customer engagement and eCommerce capabilities. The Company delivered Actual STIP Earnings of \$1,060.5 million, representing 152% of Target STIP Earnings, and Actual STIP Comparable Sales of 8.15%, representing growth of 729 bps over the Target STIP Comparable Sales. These results exceeded the maximum level of performance for both Target STIP Earnings and Target Comparable Sales resulting in a maximum Corporate Pool Funding of 200%. For further information regarding the Company's 2021 performance refer to the 2021 MD&A.

The following table summarizes the calculation of the Corporate Pool Funding for 2021:

Payout	Performance ⁽²⁾			Payout % ⁽³⁾	Weight	Corporate Pool Funding
	Threshold (35%)	Target (100%)	Maximum (200%)			
STIP Earnings ⁽¹⁾	\$628.0	\$697.8	\$767.6	200.0%	75%	200.0%
			\$1,060.5			
STIP Comparable Sales ⁽¹⁾	-2.14%	0.86%	3.86%	200.0%	25%	
			8.15%			

Notes

- (1) Target STIP Earnings and Actual STIP Earnings are net earnings after income taxes as calculated for STIP purposes. Target STIP Comparable Sales and Actual STIP Comparable Sales were calculated for purposes of the 2021 STIP design in accordance with the Company's standard methodology, on a 52 week basis and inclusive of stores that were temporarily closed during the year due to COVID-19 related guidelines and restrictions. For further disclosure concerning how we calculate Comparable Sales please refer to the 2021 MD&A. Amounts are denoted in millions.
- (2) ▲ reflects actual results.
- (3) The payout percentage for each of STIP Earnings and STIP Comparable Sales was the maximum payout of 200% as Actual STIP Earnings and Actual STIP Comparable Sales exceeded their maximum performance.

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

(C\$ in millions)	2021
Net income attributable to shareholders of Canadian Tire Corporation	1,127.6
Less:	
Real estate gains	13.1
Adjustments for matters affecting earnings that were not part of the business plan	54.0
Actual STIP Earnings	1,060.5

Individual Performance Multiplier

The evaluation of individual performance is based on the achievement of established individual objectives that are aligned to key areas of strategic focus and are critical to the achievement of CTC's business strategy.

Performance is assessed against 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, a formulaic approach is not used to evaluate individual objectives and performance measures. The MRC Committee, for the purpose of evaluating the performance of the President and CEO, and the President and CEO, for the purpose of evaluating the performance of other Executives, apply their informed judgment as to the relative importance of these objectives and measures for the NEOs at year-end 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 table below provides details on each NEO's 2021 individual objectives and individual performance multiplier assigned in respect of the achievement of such objectives.

Individual Performance Objectives	Individual Performance Multiplier
GREG HICKS, President and CEO <ul style="list-style-type: none"> • Guide the execution of the 2021 Business Plan to achieve financial results and strategic initiatives. • Lead and enable the execution of strategic plans to achieve long-term aspirations, including the development of brand purpose and ESG strategy. • Lead multi-channel Customer Experience strategy. • Lead global Owned Brands distribution, product and market strategy. • Head the Operational Efficiency program. • Head the talent and culture strategy across all levels of the organization. 	100%
GREGORY CRAIG, Executive Vice-President and CFO <ul style="list-style-type: none"> • Drive CTC's financial performance and support the achievement of the Company's strategic goals and objectives. • Continue to identify and deliver initiatives that increase CTC's financial flexibility and grow shareholder value. • Continue to control capital allocation to improve return on invested capital and balance sheet metrics. • Lead and oversee the Operational Efficiency program within Finance and improvement of business intelligence support. • Lead talent and culture initiatives for the Finance function. 	100%
JAMES CHRISTIE, Executive Vice-President, CTC, Strategic Advisor and General Counsel <ul style="list-style-type: none"> • Drive CTC's financial performance and support the achievement of the Company's strategic goals and objectives. • Provide strong corporate support to Dealers and stores to enhance overall network performance. • Provide oversight and leadership to the CTC Legal team as General Counsel. • Serve as advisor to CTC's executive team in advancing strategic initiatives. • Oversee governance and strategic direction of CTB as Chairman of its board of directors. • Lead and oversee the Operational Efficiency program within Legal and Dealer Relations. • Lead talent and culture initiatives for the Legal and Dealer Relations function. 	100%

Individual Performance Objectives	Individual Performance Multiplier
JOHN PERSHING, Executive Vice-President and CHRO <ul style="list-style-type: none"> • Drive CTC's financial performance and support the achievement of the Company's strategic goals and objectives. • Lead the development and execution of the talent and culture strategy across all levels of the organization. • Oversee COVID-19 Employee Health & Safety strategies and initiatives for all employee segments. • Lead Diversity, Inclusion and Belonging vision, strategy, and execution. • Oversee human capital transformation initiatives across the organization. • Lead and oversee the Operational Efficiency program within Human Resources. • Lead talent and culture initiatives within the Human Resources function. 	100%
AAYAZ PIRA, President, Canadian Tire Financial Services <ul style="list-style-type: none"> • Drive CTC's financial performance and support the achievement of the Company's strategic goals and objectives. • Lead strategic initiatives and deliver on business plan for Canadian Tire Financial Services (CTFS). • Lead and oversee the Operational Efficiency program within CTFS. • Lead talent and culture initiatives for CTFS. 	100%

CTC adheres to an extensive and rigorous process on an annual basis to assess the performance of all Executives, including the NEOs. In determining the individual multiplier for each NEO, the MRC Committee considered:

- each NEO's contribution to the Company's 2021 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.

2021 STIP Awards

The table below provides details on the calculation of each NEO's actual 2021 STIP award, as outlined above, as a percentage of salary and as a percentage of target.

NEO	Components of STIP			STIP Award		
	Target Award as a % of Salary	Corporate Pool Funding	Individual Performance Multiplier	Amount ⁽¹⁾ (\$)	As a % of Salary	As a % of Target
Greg Hicks	120%	200%	100%	2,636,308	240%	200%
Gregory Craig	65%		100%	844,000	130%	200%
James Christie	65%		100%	910,000	130%	200%
John Pershing	65%		100%	845,000	130%	200%
Aayaz Pira	60%		100%	378,231	120%	200%

Note

- (1) The 2021 STIP award amount was calculated based on eligible earnings from salary paid during the fiscal year.

Long-Term Incentive Plan

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

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

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

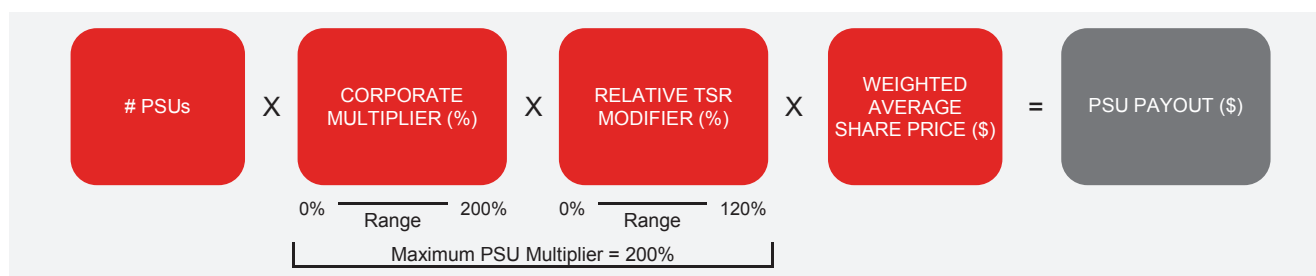
- current compensation trends;
- current and new LTIP vehicles and designs;
- aspects of the plan design or features that could incent or mitigate risk;
- tax and accounting requirements;
- program costs at payout;
- expected value to be delivered to participants;
- shareholder dilution; and
- participant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

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

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

The 2021 LTIP design for Executives was comprised of 60% PSUs and 40% stock options.

2021 Performance Share Units



The 2021 PSUs are intended to reward Executives for achieving consolidated earnings comparable sales and relative total shareholder return (*TSR*) results over a three-year performance period. They vest following the end of the performance period. Each PSU entitles the participant to receive a cash payment equal to the weighted average share price of Class A Non-Voting Shares during the ten-calendar day period commencing on the first trading day following the release of the Company's annual financial statements with respect to the fiscal year in which the performance period ends, multiplied by the PSU multiplier (*PSU Multiplier*), which comprises the Corporate Multiplier and Relative TSR Modifier, each as defined below.

Corporate Multiplier

The 2021 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 under the STIP (described on page 54) and calculated on a linear basis by reference to the following table:

	Below Threshold	Threshold	Target	Maximum
Three-year average Corporate Pool Funding (2021-2023)	<50%	50%	100%	≥175%
Corporate Multiplier	0.0	0.35	1.0	2.0

Relative TSR Modifier

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

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

The relative TSR peer group, updated in 2021, consists of the following 21 Canadian and U.S. companies listed below.

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

Stock Options

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

Each option grant provides the optionee with the right to subscribe for one Class A Non-Voting Share at the weighted average price at which Class A Non-Voting Shares trade on the TSX during the ten-calendar day period ending on the date immediately preceding the date that the option was granted (*the strike price*). All of the Company's currently outstanding stock options, including the 2021 options, incorporate a right to surrender for cash feature whereby an optionee can elect to surrender his or her options, instead of exercising them, in exchange for a cash payment equal to the difference between the market price on the date of surrender and the strike price. For more information on the Company's Stock Option Plan, see *Description of CTC's Stock Option Plan* on page B-1.

2021 LTIP Grants

Management recommends the annual Executive LTIP grants to the MRC Committee for approval. Previous Executive LTIP grants are not taken into consideration in determining current year grants. Additional special

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

The annual 2021 LTIP grants awarded to the NEOs are shown in the table below.

NEO	Salary ⁽¹⁾ (\$)	Target Award as a % of Salary	Long-Term Incentive Award (\$)	Form of Award Allocation			
				PSUs		Stock Options	
				Value (\$)	Units ⁽²⁾ (#)	Value (\$)	Units ⁽³⁾ (#)
Greg Hicks	1,100,000	270%	2,970,000	1,781,905	10,292	1,187,975	33,471
Gregory Craig	650,000	150%	975,000	584,850	3,378	389,994	10,988
James Christie	700,000	150%	1,050,000	629,865	3,638	419,985	11,833
John Pershing	650,000	150%	975,000	584,850	3,378	389,994	10,988
Aayaz Pira ⁽⁴⁾	550,000	125%	687,500	412,310	1,991	274,967	6,477

Notes

- (1) LTIP awards were calculated based on base salary at the time of grant.
- (2) The number of PSUs were determined based on the weighted average share price of Class A Non-Voting Shares for the ten-calendar days ending on the business day immediately preceding the date on which the grants were made of \$173.135.
- (3) The number of stock options was determined based on the weighted average share price of Class A Non-Voting Shares for the ten-calendar days ending on the business day immediately preceding the date on which the grants were made of \$173.135 and a Black-Scholes factor of 20.5%.
- (4) For Mr. Pira, the values in the table reflect the LTIP grant awarded to Mr. Pira following the commencement of his employment with the Company in June, based on the weighted average share price of Class A Non-Voting Shares for the ten-calendar days ending on the business day immediately preceding the date on which the grants were made of \$207.087.

2018 PSU Payout (Vested in 2021)

The PSU awards that were granted to NEOs in 2018 vested and were paid out in 2021 at 86% of the grant date value due to the difference in the Company's share price between 2018 and 2021 and the overall PSU Multiplier of 0.90 that was applied to these awards. The PSU Multiplier was based on the Corporate Multiplier and Relative TSR Modifier for performance from 2018 to 2020. As a result of the Company's performance during this time, the three-year average Corporate STIP payout percentage was 104.9%, which resulted in a Corporate Multiplier of 1.07, and the Relative TSR Modifier was 0.84. For more information regarding the 2018 PSU Plan design, see page 54 of the Company's Management Information Circular dated March 14, 2019 which is available on SEDAR at www.sedar.com.

The 2018 PSU payouts, including as a percentage of their grant value, are shown in the table below.

NEO	Number of PSUs Granted (#)	PSU Multiplier	Weighted Average Share Price ⁽¹⁾ (\$)	Payout ⁽²⁾ (\$)	Grant Value ⁽³⁾ (\$)	Payout as a % of Grant Value
Greg Hicks	2,011	0.90	169.030	305,927	356,136	86%
Gregory Craig	1,694	0.90	169.030	257,703	299,997	86%
James Christie	2,972	0.90	169.030	452,121	526,323	86%
John Pershing ⁽⁴⁾	—	—	—	—	—	—
Aayaz Pira ⁽⁴⁾	—	—	—	—	—	—

Notes

- (1) This column reflects the weighted average share price of Class A Non-Voting Shares during the ten-calendar day period commencing on the first trading day following the release of the 2021 financial results.

- (2) This column reflects the value of the 2018 PSUs at the time of payout in 2021, based on the number of PSUs granted, multiplied by the weighted average share price of \$169.030 and the PSU Multiplier of 0.90.
- (3) This column reflects the value of the PSUs on the grant date, based on the number of PSUs granted, multiplied by the weighted average share price of Class A Non-Voting Shares during the ten-calendar day period ending on the day immediately preceding the grant date.
- (4) Mr. Pershing and Mr. Pira did not hold 2018 PSUs at time of payout.

Deferred Share Units

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

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

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

Restricted Share Units

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

Retirement and Savings Plans

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

CT Profit Sharing

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

The DPSP was established under a trust deed dated January 1, 1968, as amended from time to time thereafter. Sun Life Financial Trust Inc. (*Sun Life Financial*) is the trustee of the DPSP but is subject to the direction of the DPSP Capital Accumulation Plan Committee (*the DPSP CAP Committee*) in relation to the manner in which the DPSP is administered. This direction includes a right of the DPSP CAP Committee to direct the trustee as to the manner in which the Common Shares and Class A Non-Voting Shares comprising the CTC Share Fund are voted at any meeting of the shareholders of the Company. Sun Life is the beneficial owner of, and the DPSP CAP Committee has control and direction over, 419,280 Common Shares, representing approximately 12.2% of the issued and outstanding Common Shares, and 425,554 Class A Non-Voting Shares, representing approximately 0.8% of the issued and outstanding Class A Non-Voting Shares, which form part of the CTC Share Fund.

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

Benefits

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

Perquisites

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

How Our Shares Have Performed and Relationship with Executive Compensation

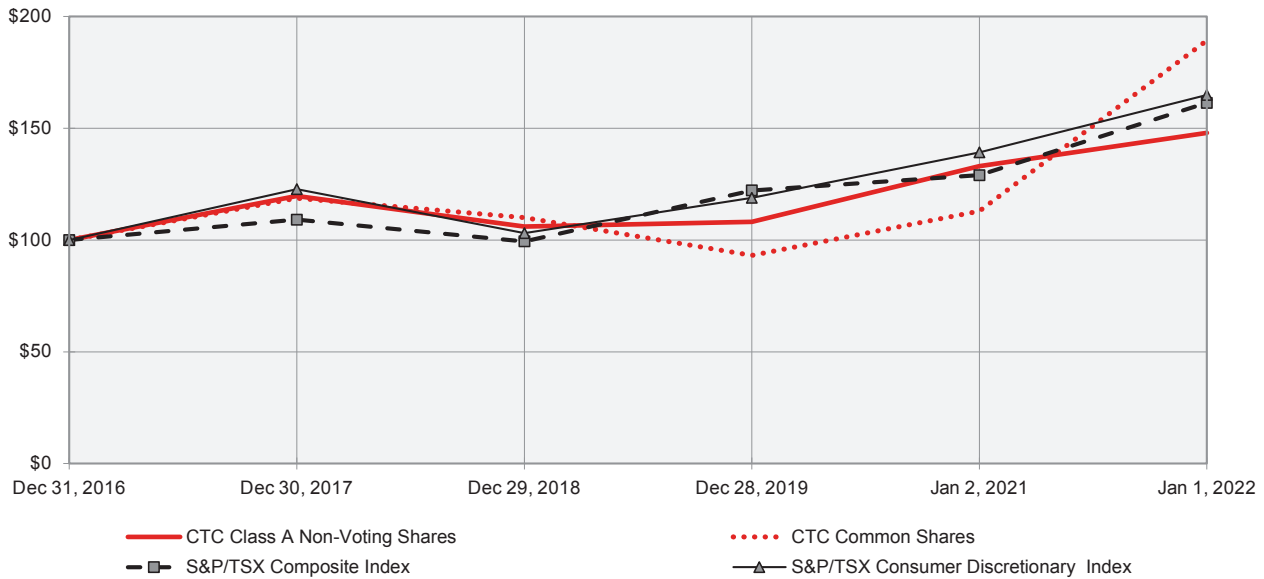
The following chart and table compare the cumulative TSR on CTC’s Class A Non-Voting Shares and Common Shares to the S&P TSX Composite Index and the S&P TSX Consumer Discretionary Index assuming \$100 was invested on December 31, 2016 and dividends were reinvested.

For the purpose of this section, “NEO Compensation” is defined as aggregate annual compensation (i.e., the sum of base salary, annual incentive payouts and grant date fair value of share-based and option-based awards, but excluding “All other compensation” as set out in the *Summary Compensation Table* on page 64). The executive compensation values have been calculated for the NEOs based on the same methodology as disclosed in the *Summary Compensation Table*. In years where the Company has disclosed more than five NEOs, the CEO and CFO and the three other highest paid NEOs serving at the end of the fiscal year have been included in this calculation. This is a methodology adopted by CTC solely for the purposes of this comparison. It is not a recognized or prescribed methodology for this purpose and may not be comparable to any other methodologies used by other issuers for this purpose.

Over this five-year fiscal period, CTC’s NEO Compensation has generally reflected the trend in cumulative TSR of the Company’s Class A Non-Voting Shares. All securities-based compensation is tied to the value of Class A Non-Voting Shares. The cumulative TSR of CTC’s Common Shares is included for information purposes to comply with applicable disclosure requirements. In 2017, the Company’s cumulative TSR was 20%, while

NEO Compensation increased by 5%. In 2018, the Company's cumulative TSR was -11%, while NEO Compensation increased by 33% (the increase in NEO compensation was as a result of an increase to the CEO's compensation, which included a special retention award). In 2019, the Company's cumulative TSR was 2%, while NEO Compensation increased by 3%. In 2020, the Company's cumulative TSR was 23%, while NEO Compensation for the NEOs decreased by 36% (the decrease in NEO compensation was as a result of the CEO transition). In 2021, the Company's cumulative TSR was 11%, while NEO Compensation for the NEOs increased by 27%.

Cumulative Total Shareholder Return – December 31, 2016 through January 1, 2022



Fiscal Year	Fiscal Year End Date ⁽¹⁾	CTC Class A Non-Voting Shares (\$)	CTC Common Shares (\$)	S&P/TSX Composite Index (\$)	S&P/TSX Consumer Discretionary Index (\$)
2016	December 31, 2016	100.00	100.00	100.00	100.00
2017	December 30, 2017	119.68	118.72	109.10	122.76
2018	December 29, 2018	106.07	110.03	99.40	103.11
2019	December 28, 2019	108.09	93.12	122.14	118.88
2020	January 2, 2021	132.98	112.95	128.98	139.15
2021	January 1, 2022	147.97	189.27	161.34	164.82

Note

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

2021 Compensation

SUMMARY COMPENSATION TABLE

The table below shows the compensation paid to the NEOs with respect to CTC's most recently completed financial year, which ended on January 1, 2022, as well as financial years 2019 and 2020.

Name and Principal Position	Year	Salary ⁽¹⁾ (\$)	Share-Based Awards ⁽²⁾ (\$)	Option-Based Awards ⁽³⁾ (\$)	Non-Equity Annual Incentive Plans ⁽⁴⁾ (\$)	All Other Compensation ⁽⁵⁾ (\$)	Total Compensation ⁽⁶⁾ (\$)
Greg Hicks President and CEO	2021	1,100,000	1,781,905	1,187,975	2,636,308	218,007	6,924,695
	2020	932,596	1,499,956	999,999	949,224	105,172	4,486,947
	2019	574,904	776,159	517,479	618,205	83,821	2,570,568
Gregory Craig Executive Vice-President and CFO	2021	650,000	584,850	389,994	844,000	94,601	2,563,445
	2020	585,577	539,987	359,999	409,636	170,577	2,065,776
	2019	465,192	337,486	224,982	442,223	114,211	1,584,094
James Christie Executive Vice-President, CTC, Strategic Advisor and General Counsel	2021	700,000	629,865	419,985	910,000	361,085	3,020,935
	2020	713,077	629,972	419,996	508,209	101,673	2,372,927
	2019	649,750	884,853	589,963	755,263	92,743	2,972,572
John Pershing Executive Vice-President and CHRO	2021	650,000	584,850	389,994	845,000	103,375	2,573,219
	2020	662,500	584,980	389,998	473,411	47,220	2,158,109
	2019	322,500	584,920	389,991	318,218	535,968	2,151,597
Aayaz Pira⁽⁷⁾ President, Canadian Tire Financial Services	2021	325,769	912,218	274,967	378,231	502,433	2,393,618
	2020	—	—	—	—	—	—
	2019	—	—	—	—	—	—

Notes

- (1) 2020 salary is reflective of all salary earned during the 2020 financial year which consisted of 53 weeks.
- (2) The values in this column includes PSUs for all NEOs. In 2021, in connection with his hire, Mr. Pira was awarded RSUs valued at \$499,908, which vests equally on the first and second anniversary of the grant date. The grant date fair value of PSUs and RSUs is based on the number of units granted, multiplied by the weighted average share price of Class A Non-Voting Shares for the ten-calendar days ending on the business day immediately preceding the date on which the grants were made.
- (3) The 2021 values in this column are based on the weighted average share price of Class A Non-Voting Shares for the ten-calendar days ending on the business day immediately preceding the date on which the grants were made, multiplied by a Black-Scholes factor of 20.5%, which is then multiplied by the number of options granted. The Black-Scholes value ratio was determined using the following assumptions: estimated volatility of 34.8% (based on the daily historical share price for the three-year period ending on December 31, 2020); estimated dividend yield of 3.7%; interest rate of 0.39%; and an expected life of five years of the seven-year option term. For accounting purposes, the fair value of option-based awards at the time of grant is not calculated due to the right to surrender for cash feature. CTC has chosen to use Black-Scholes as the methodology for determining the number of options granted as it is an appropriate and commonly used methodology to value stock options.
- (4) The values in this column disclose the amount earned under the STIP in respect of the applicable financial year.
- (5) The values in this column include:
 - (i) awards under the CT Profit Sharing program and Company match payments under the CT Savings Plan for all NEOs;
 - (ii) in 2021, for Mr. Hicks, perquisites in the amount of \$64,763, inclusive of home security in the amount of \$60,431;
 - (iii) in 2021, for Mr. Christie, a retention bonus of \$250,000; and
 - (iv) in 2021, for Mr. Pira, a signing bonus of \$500,000.
 Perquisites that do not exceed \$50,000 in aggregate, or 10% of the NEO's annual salary, in any given year, are not included in this column.
- (6) As CTC does not have any long-term non-equity incentive plans or a pension plan, such information is not included in this column.
- (7) Mr. Pira joined the Company in June 2021 and, therefore, only one year of compensation has been disclosed.

OUTSTANDING SHARE-BASED AWARDS AND OPTION-BASED AWARDS

The table below shows the total vested and unvested outstanding long-term incentive awards for each NEO as at January 1, 2022.

Name	Option-Based Awards				Share-Based Awards		
	Number of Securities Underlying Unexercised Options (#)	Option Exercise Price ⁽¹⁾ (\$)	Option Expiration Date ⁽²⁾	Value of Unexercised In-The-Money Options ⁽³⁾ (\$)	Number of Shares or Units of Shares that Have Not Vested ⁽⁴⁾ (#)	Market or Payout Value of Share-Based Awards that Have Not Vested ⁽⁵⁾ (\$)	Market or Payout Value of Vested Share-Based Awards Not Paid Out or Distributed ⁽⁶⁾ (\$)
Greg Hicks	8,127	177.094	February 26, 2025	7,457,024	34,305	6,224,299	302,302
	7,811	144.348	February 25, 2026				
	67,893	80.487	March 23, 2027				
	33,471	173.135	March 17, 2028				
Gregory Craig	7,834	156.293	February 27, 2024	4,396,996	12,425	2,254,392	–
	6,844	177.094	February 26, 2025				
	10,187	144.348	February 25, 2026				
	36,662	80.487	March 23, 2027				
	10,988	173.135	March 17, 2028				
James Christie	8,905	144.348	February 25, 2026	3,307,252	17,595	3,192,437	–
	28,515	80.487	March 23, 2027				
	11,833	173.135	March 17, 2028				
John Pershing	12,667	134.156	August 19, 2026	3,363,235	15,006	2,722,689	97,912
	26,478	80.487	March 23, 2027				
	10,988	173.135	March 17, 2028				
Aayaz Pira	6,477	207.087	May 31, 2028	–	4,405	799,243	–

Notes

- (1) CTC's current policy for determining the exercise price for options with a right to surrender for cash feature is the weighted average share price of Class A Non-Voting Shares for the ten-calendar days ending on the business day immediately preceding the date on which option grants are made.
- (2) All outstanding options have a seven-year term.
- (3) This column contains the aggregate dollar value of in-the-money vested and unvested unexercised options for all NEOs, as at January 1, 2022, using the December 31, 2021 closing share price of Class A Non-Voting Shares on the TSX of \$181.44.
- (4) This column contains the number of unvested PSUs held by all NEOs and RSUs held by Mr. Pira on January 1, 2022.
- (5) This column contains the value of unvested PSUs and RSUs as at January 1, 2022, using the December 31, 2021 closing share price of Class A Non-Voting Shares on the TSX of \$181.44 and assuming a performance multiplier of 1.0 for PSUs. The actual multiplier for PSUs is determined upon vesting and may range from 0 to 2.0.
- (6) This column contains the values of vested DSUs held by the NEOs, as applicable. The value of the awards in this column is as at January 1, 2022, using the December 31, 2021 closing share price of Class A Non-Voting Shares on the TSX of \$181.44.

INCENTIVE PLAN AWARDS

The table below shows the incentive awards that vested or were earned by each NEO during the financial year ended January 1, 2022.

Name	Option-Based Awards – Value Vested During the Year ⁽¹⁾ (\$)	Share-Based Awards – Value Vested During the Year ⁽²⁾ (\$)	Non-Equity Incentive Plan Compensation – Value Earned During the Year ⁽³⁾ (\$)
Greg Hicks	3,376,798	408,535	2,636,308
Gregory Craig	1,227,336	257,703	844,000
James Christie	1,531,218	452,121	910,000
John Pershing	1,624,681	96,719	845,000
Aayaz Pira	–	–	378,231

Notes

- (1) This column includes the aggregate dollar value that would have been realized if stock options that vested in 2021 were exercised on the applicable vesting dates.
- (2) This column includes the values of: (i) PSUs granted in 2018 that were paid in 2021, excluding Mr. Pershing who joined the Company in 2019 and Mr. Pira who joined the Company in 2021 (see *2018 PSU Payout (Vested in 2021)* on page 60); (ii) DSUs credited to Mr. Hicks and Mr. Pershing related to their 2020 STIP award; and (iii) DSU dividend equivalents credited in respect of STIP related DSUs held by the NEOs, as applicable, throughout the year.
- (3) This column includes the values of the 2021 STIP payouts for the NEOs, which is also included in the *Summary Compensation Table* on page 64.

Post-Employment Benefits and Change of Control Provisions

Each NEO is a party to an employment agreement with the Company which provides for certain entitlements under various post-employment scenarios. None of the NEO employment agreements provide for change of control benefits; however, certain of the Company's compensation plans have termination and change of control provisions. Pursuant to their employment agreements and the Company's plans, the NEOs are entitled to the following post-employment payments and benefits, in addition to their respective salaries, awards and benefits due and owing to the end of their employment.

POST-EMPLOYMENT BENEFITS

Termination of Employment Without Cause

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

- payment of their base salaries for the following periods (in each case, *the Notice Period*):
 - 24 months in the case of Messrs. Hicks and Christie; and
 - a minimum of 12 months to a maximum of 24 months based on years of service in the case of Messrs. Craig, Pershing and Pira,
 payable as salary continuance and subject to certain mitigation provisions in the event alternative employment is secured (*the Mitigation Provisions*);
- during the Notice Period, payment in lieu of awards under CTC's STIP, calculated based on each NEO's STIP target percentage and base salary earnings during the Notice Period, subject to the Mitigation Provisions;
- in the case of Mr. Hicks, continued vesting and payment of his outstanding PSU awards during the Notice Period and the right to exercise his outstanding stock options until the earlier of the end of the Notice Period and the expiry of the options, with any unvested options continuing to vest during such period, subject to the Mitigation Provisions;

- in the case of Mr. Christie continued vesting and payment of his outstanding PSU awards as if he had continued to be employed by CTC during the entire performance period, and the right to exercise his outstanding stock options until the earlier of the third anniversary of his termination date and the expiry of the options, with any unvested options continuing to vest during such period;
- in the case of Messrs. Craig, Pershing and Pira, a pro-rated payment of their outstanding PSU awards, based on the period of active employment with the Company during the applicable performance period, subject to a multiplier (which cannot exceed 1.0), and the right to exercise any vested options until the earlier of the expiry of the options and 30 days following their termination date;
- in the case of Mr. Pira, a pro-rated payment of his outstanding RSUs, based on the period of active employment with the Company during the applicable vesting period;
- during the Notice Period, payment in lieu of CT Profit Sharing awards, calculated based on the average payout rate for CT Profit Sharing awards during the three fiscal years immediately prior to the end of active employment and base salary earnings during the Notice Period, subject to the Mitigation Provisions;
- payment in lieu of Company match contributions under the CT Savings Plan during the applicable Notice Period, calculated based on the average annual corporate match percentage of each NEO's CT Savings Plan contributions during the three fiscal years immediately prior to the end of active employment and base salary earnings during the Notice Period, subject to the Mitigation Provisions;
- continued participation in CTC's employee health and other group insurance plans (subject to certain exceptions), the CTC store discount and roadside assistance programs and continued entitlement to executive medical services and financial planning benefits, until the end of the applicable Notice Period or until alternative employment is secured, whichever occurs first; and
- payment of the CTC automobile allowance during the applicable Notice Period, subject to the Mitigation Provisions.

Other Termination of Employment

In the event Messrs. Hicks, Craig, Pershing and Pira resign or are terminated without cause and, at the time of such resignation or termination, are at least 60 years of age and have at least 10 years of service with the Company, in accordance with the Stock Option Plan and PSU plan, they would be entitled to continued vesting and payment of their outstanding PSU awards as if they had continued to be employed by CTC during the entire performance period, and the right to exercise their outstanding stock options until the earlier of the third anniversary of their resignation or termination date and the expiry of the options, with any unvested options continuing to vest during such period.

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

Non-Compete and Non-Solicit Obligations

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

CHANGE OF CONTROL PROVISIONS

The terms of the Company's Stock Option Plan, PSU plan and RSU plan stipulate that certain awards may be accelerated in the event of a "Change of Control," which is defined in each plan, but generally means a disposition of shares of the Company or any other transaction or occurrence where another person (together with such person's affiliates and associates) becomes the holder of more than 50% of the voting shares of

the Company (*Change of Control*). The Company's Stock Option, PSU plan and RSU plan are subject to a "double trigger" which means that outstanding equity incentive awards are accelerated only on a termination without cause within 24 months of the Change of Control. In such circumstances, unless otherwise provided in an NEO's employment agreement, awards are accelerated as follows:

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

ESTIMATED INCREMENTAL PAYMENTS

The following table presents the potential incremental payments to each of Messrs. Hicks, Christie, Craig, Pershing and Pira as if their employment had been terminated without cause, including in the event of a Change of Control, on December 31, 2021, the last business day prior to the 2021 fiscal year end.

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

NEO	Compensation Component	Estimated Incremental Payments as at December 31, 2021	
		Without a Change of Control (\$)	With a Change of Control ⁽¹⁾ (\$)
Greg Hicks President and CEO	Base Salary	2,200,000	2,200,000
	Payment in lieu of STIP ⁽²⁾	2,640,000	2,640,000
	LTIP ⁽³⁾	–	7,421,704
	Payment in lieu of CT Profit Sharing Award ⁽⁴⁾	220,000	220,000
	Payment in lieu of CT Savings Plan entitlement ⁽⁵⁾	110,000	110,000
	Perquisites ⁽⁶⁾	–	–
	Total	5,170,000	12,591,704
Gregory Craig Executive Vice-President and CFO	Base Salary	1,300,000	1,300,000
	Payment in lieu of STIP ⁽²⁾	845,000	845,000
	LTIP ⁽³⁾	202,199	2,886,912
	Payment in lieu of CT Profit Sharing Award ⁽⁴⁾	130,000	130,000
	Payment in lieu of CT Savings Plan entitlement ⁽⁵⁾	65,000	65,000
	Perquisites ⁽⁶⁾	56,840	56,840
	Total	2,599,039	5,283,752
James Christie Executive Vice-President, CTC, Strategic Advisor and General Counsel	Base Salary	1,400,000	1,400,000
	Payment in lieu of STIP ⁽²⁾	910,000	910,000
	LTIP ⁽³⁾	–	3,307,252
	Retention Bonus ⁽⁷⁾	250,000	250,000
	Payment in lieu of CT Profit Sharing Award ⁽⁴⁾	140,000	140,000
	Payment in lieu of CT Savings Plan entitlement ⁽⁵⁾	70,000	70,000
	Perquisites ⁽⁶⁾	56,840	56,840
	Total	2,826,840	6,134,092

NEO	Compensation Component	Estimated Incremental Payments as at December 31, 2021	
		Without a Change of Control (\$)	With a Change of Control ⁽¹⁾ (\$)
John Pershing Executive Vice-President and CHRO	Base Salary	650,000	650,000
	Payment in lieu of STIP ⁽²⁾	422,500	422,500
	LTIP ⁽³⁾	236,069	3,299,855
	Payment in lieu of CT Profit Sharing Award ⁽⁴⁾	65,000	65,000
	Payment in lieu of CT Savings Plan entitlement ⁽⁵⁾	32,500	32,500
	Perquisites ⁽⁶⁾	—	—
	Total	1,406,069	4,469,855
Aayaz Pira President, Canadian Tire Financial Services	Base Salary	550,000	550,000
	Payment in lieu of STIP ⁽²⁾	330,000	330,000
	LTIP ⁽³⁾	—	—
	Payment in lieu of CT Profit Sharing Award ⁽⁴⁾	55,000	55,000
	Payment in lieu of CT Savings Plan entitlement ⁽⁵⁾	27,500	27,500
	Perquisites ⁽⁶⁾	—	—
	Total	962,500	962,500

Notes

- (1) For Change of Control provisions applicable to the NEOs, see *Change of Control Provisions* on page 66.
- (2) Assumes payout at target.
- (3) The LTIP payment shown is comprised of stock options and PSUs for all NEOs and RSUs for Mr. Pira. The stock option portion of the LTIP payment reflects the in-the-money value of any stock options that would vest as a result of termination and is based on the closing share price of Class A Non-Voting Shares on the TSX on December 31, 2021 (\$181.44). No value is reflected in the table where the strike price for stock options is greater than the closing share price of Class A Non-Voting Shares on the TSX on December 31, 2021 (\$181.44). The PSU and RSU portions of the LTIP payment reflect the incremental value of PSUs and RSUs, if any, pro-rated and payable to the date of termination, less the value of any forfeited PSUs and RSUs. PSUs have been valued assuming a performance multiplier of 1.0 and using the closing share price of Class A Non-Voting Shares on the TSX on December 31, 2021 (\$181.44). No value is reflected in the table where the forfeited value of PSUs and RSUs exceeds the pro-rated payment. In circumstances where PSUs and RSUs continue to vest following a termination, no incremental payment or benefit is realized.
- (4) Assumes that CT Profit Sharing awards are 10% of salary during the applicable Notice Periods.
- (5) Assumes that CT Savings Plan awards are 5% of salary during the applicable Notice Periods.
- (6) All NEOs are entitled to the continuation of perquisites and other benefits during their Notice Periods; however, as the value of such perquisites and other benefits for Messrs. Hicks, Pershing and Pira would not exceed \$50,000 in aggregate during their Notice Periods, they are not included in this table.
- (7) Represents the balance of the retention bonus payable to Mr. Christie in 2022.



ADDITIONAL INFORMATION

Securities Authorized for Issuance under Equity Compensation Plan

The table below sets out information regarding the Class A Non-Voting Shares authorized for issuance under CTC's Stock Option Plan as at January 1, 2022. Other than the Stock Option Plan, CTC does not have any compensation plans under which securities of CTC are authorized for issuance.

Equity Compensation Plans Approved by Securityholders	Number of Securities to Be Issued upon Exercise of Outstanding Options (#)	Weighted-Average Exercise Price of Outstanding Options (\$)	Number of Securities Remaining Available for Future Issuance under Equity Compensation Plans (#)
Stock Option Plan	1,323,987	118.91	2,063,770

The aggregate maximum number of Class A Non-Voting Shares that were authorized for issuance under the Stock Option Plan on May 13, 2010 by the Company's shareholders was 3,400,000, representing approximately 6.0% of the Class A Non-Voting Shares issued and outstanding as at January 1, 2022. As at January 1, 2022, the number of outstanding and unexercised options to purchase Class A Non-Voting Shares was 1,323,987, representing approximately 2.3% of the issued and outstanding Class A Non-Voting Shares. Also, as at January 1, 2022, an aggregate of 2,063,770 Class A Non-Voting Shares, representing approximately 3.6% of the issued and outstanding Class A Non-Voting Shares, were available for issuance under the Stock Option Plan.

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

Completed Fiscal Year	Annual Burn Rate
2019	0.72%
2020	1.68%
2021	0.37%

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

Liability Insurance for Directors and Officers

During the fiscal year ended January 1, 2022, CTC purchased directors' and officers' liability insurance coverage in the amount of \$125 million. This insurance is designed to protect against liabilities the directors and officers of the Company and its subsidiaries may face in such capacities.

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

We paid \$801,170 in policy premiums for the period April 4, 2021 to April 4, 2022, none of which were paid by individual directors and officers. The insurance policy does not differentiate between coverage for directors and coverage for officers, and we cannot estimate the amount of the premium that relates to the directors or the officers.

Other Information

The 2021 Financial Statements, 2021 MD&A, 2021 AIF, Code of Conduct and Supplier Code of Conduct are available on SEDAR at www.sedar.com and on our website at www.corp.canadiantire.ca. The Prescribed DPSP Disclosure is available on SEDAR at www.sedar.com.

You can also request copies of these documents by emailing CorporateSecretary@cantire.com or writing to:



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

Additional information relating to the Company is available on SEDAR at www.sedar.com and on our website at www.corp.canadiantire.ca.

Information contained in or otherwise accessible through the websites referenced in this Circular does not form part of this Circular and is not incorporated by reference into this Circular. All references to such websites are inactive textual references and are for information only.

Board Approval

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

Toronto, Ontario
March 17, 2022

By order of the Board of Directors,

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



BOARD OF DIRECTORS' MANDATE

1. ROLE OF THE BOARD

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

2. RESPONSIBILITIES OF THE BOARD

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

The Board’s duties include:

(a) Strategic Planning

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

(b) Financial Information and Internal Controls

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

(c) Company's Relationship with Dealers

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

(d) Identification and Management of Risks

- (i) Overseeing the development and implementation by management of a comprehensive enterprise risk management policy and framework.
- (ii) Considering and assessing the Company's key and emerging risk exposures and approving the Company's risk appetite statement.
- (iii) Monitoring the Company's processes for identifying, assessing, mitigating and reporting on the Company's key and emerging risks and management's reports relating to the operation and effectiveness of these processes.

(e) Human Resource Management and Executive Compensation

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

(f) Integrity, Ethics and Social Responsibility

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

(g) Corporate Communications and Public Disclosure

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

(h) Governance

- (i) Developing, revising and monitoring the Company's approach to corporate governance.
- (ii) Evaluating the structures and procedures established by the Board which allow the Board to function independently of management.
- (iii) Establishing Board committees and defining their mandates to assist the Board in carrying out its roles and responsibilities.

- (iv) Setting expectations and responsibilities of directors, including attendance at, preparation for, and participation in Board and committee meetings.
- (v) Regularly assessing the effectiveness of the Board, the Chairman of the Board, the committees, each committee chairman and individual directors.
- (vi) Monitoring the composition of the Board with a view to the effectiveness and independence of the Board and its members.
- (vii) Identifying competencies and skills necessary for the Board as a whole and each individual director.
- (viii) Identifying individuals qualified to become new directors.
- (ix) Obtaining reasonable assurance that each new director engages in a comprehensive orientation process and that all directors are provided with continuing education opportunities.
- (x) Reviewing the Board's mandate at least once every three years to ensure it appropriately reflects the Board's stewardship responsibilities.
- (xi) Approving the form and amount of director remuneration for Board and committee service.

3. DELEGATION OF AUTHORITY

(a) Delegation to Management

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

(b) Delegation to Committees

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



DESCRIPTION OF CTC'S STOCK OPTION PLAN

Our Stock Option Plan was established for the purpose of attracting and retaining eligible employees of CTC and for the purpose of encouraging such employees to participate in the future growth, development and success of CTC's enterprises through ownership of shares of CTC. Non-employee directors of CTC are not eligible to receive options under the Stock Option Plan.

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

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

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

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

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

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

If an employee becomes disabled, dies, resigns, has his or her employment terminated with or without cause or ceases to be employed by CTC for any other reason, the 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 disability* – All options may be exercised and shall continue to vest until the earlier of the expiration of the options and three years following the date of disability, or such longer period as is determined by the Board of Directors;
- *in the event of death* – All options immediately vest and may be exercised until the earlier of the expiration of the options and three years following the date of death, or such longer period as is determined by the Board of Directors;
- *in the event of resignation after age 60* – All options may be exercised and shall continue to vest 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 or such longer period as is determined by the Board of Directors;
- *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, and any options which are not vested on the date of resignation are forfeited;

- *in the event of termination without cause after age 60 with 10 years continuous service* – Options may be exercised and shall continue to vest until the earlier of the expiration of the option and the date that is three years following the termination of employment or such longer period as is determined by the Board of Directors;
- *in the event of termination for cause* – Unexercised options are prohibited from being exercised from and after the date of termination of employment and all options are forfeited; 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, and any options which are not vested on the date of cessation of employment are forfeited.

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 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:

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

Additionally, the Stock Option Plan states that the Board of Directors may not make any amendments which materially prejudice the rights of optionees under existing option agreements without first obtaining the approval of the optionees who are parties to such option agreements.

The total number of issued and outstanding Class A Non-Voting Shares as at January 1, 2022 is equal to 56,723,758 Class A Non-Voting Shares. The "*Insider Participation Limit*" generally limits the maximum number of Class A Non-Voting Shares: (a) issued to insiders of CTC, within any one-year period; and (b) issuable to insiders of CTC at any time pursuant to the Stock Option Plan, in each case when combined with all other security based compensation arrangements of CTC, to 10% of the number of issued and outstanding Class A Non-Voting Shares. Each option is non-assignable and non-transferable other than for estate settlement purposes, including by will or the laws governing the devolution of property in the event of death of the optionee.

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

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

- certain provisions were moved from the form of stock option agreement to the Stock Option Plan, including (i) the terms and conditions applicable in the event of the cessation of the optionee's employment and in the event of a change of control, (ii) provisions for the adjustment of options in the event of a subdivision, consolidation, reclassification, amalgamation or merger and (iii) confirmation that no rights as a shareholder arise except to the extent options have been exercised and shares delivered;
 - optionees' entitlements upon cessation of employment with CTC were clarified, and the Stock Option Plan was amended to provide for accelerated vesting of options upon termination due to the death of an optionee;
 - the method of exercise and payment of exercise price provisions were amended to permit electronic notice of exercise and payment in the form of electronic and wire transfers;
 - codifying a prohibition on surrendering options for cash during a black-out period;
 - the Stock Option Plan was amended to reflect the MRC Committee's authority to grant options;
 - standard clauses for plans of this nature were added, including those respecting consent to use of electronic communications, clawback, severability, the fact that employee participation is voluntary, confirmation that participation in the Stock Option Plan does not result in other rights, confirmation that the provisions of the Stock Option Plan govern in the event of conflicts with other agreements and compliance with employment standards legislation; and
 - clarifying changes and as well as updates to defined terms were made.
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To change your address, eliminate multiple mailings, transfer shares of the Company, inquire about our Dividend Reinvestment Program or for other shareholder account inquiries, please contact the principal offices of Computershare Trust Company of Canada in Halifax, Montreal, Toronto, Calgary or Vancouver.

Annual Meeting

Thursday, May 12, 2022 at 10:00 a.m. (Eastern time)

Four Seasons Hotel Toronto
Aria Room, 3rd Floor
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Toronto, Ontario M4W 0A4

