

CANADIAN TIRE CORPORATION, LIMITED GOVERNANCE COMMITTEE MANDATE

The Board of Directors (the “Board”) of Canadian Tire Corporation, Limited (the “Corporation”) is responsible for the stewardship of the Corporation. That role consists primarily of the duty to manage, or supervise the management of, the business and affairs of the Corporation. The Board also has a leadership responsibility. The Board believes that the development and maintenance of the Corporation’s approach to corporate governance is an essential aspect of both responsibilities.

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

This mandate (the “Mandate”) sets out the Committee’s purpose, composition, member qualifications, member appointment and removal, responsibilities, operations, manner of reporting to the Board, requirement for an evaluation of this Mandate and the Committee, and certain other items. The Committee is responsible for meeting the requirements of this Mandate and in so doing, will assist the Board to fulfill its Governance Objective.

1. Purpose of the Committee

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

2. Composition of the Committee

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

3. Member Qualifications

- (a) In addition to possessing the qualities required by the Director’s position description, each member of the Committee shall have an understanding of corporate governance issues or shall commit to understanding such issues in a timely manner.
- (b) Each member of the Committee shall be independent as defined under the applicable requirements of the securities regulatory authorities as adopted or amended and in force from time to time.

4. Member Appointment and Removal

Committee members shall be appointed by the Board:

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

5. Responsibilities of the Committee

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

The Committee shall be responsible for:

- (i) developing, reviewing and evaluating on a periodic basis the Board's approach to corporate governance and the Corporation's corporate governance practices and principles, and reporting and making recommendations thereon annually to the Board with a view to maintaining the Board's corporate governance standards for the Corporation;
- (ii) reviewing on a periodic basis the latest regulatory requirements, developments and best practices in corporate governance with a view to continuously improving the Board's corporate governance standards, recognizing that a "one size fits all" approach to corporate governance is often inappropriate for the unique circumstances of individual corporations, and updating the Board on corporate governance issues as necessary; and
- (iii) reviewing the disclosure of the Corporation's corporate governance practices and principles and the operation thereof required by applicable regulatory authorities or stock exchanges before such disclosure is submitted to the Board for its approval.

(b) Board Renewal and Director Selection

The Committee shall be responsible for:

- (i) annually identifying and recommending to the Board the appropriate criteria for selecting new Directors and the competencies and skills required to be possessed by the Board, as a whole, and individual Directors to enable the Board to discharge its duties;
- (ii) recommending to the Board criteria for the composition and size of the Board and committees of the Board;
- (iii) identifying and maintaining an evergreen list of candidates qualified to become new Directors;
- (iv) identifying and recommending to the Board qualified individuals as nominees for election to the Board by the holders of Common Shares and Class A Non-Voting Shares of the Corporation at a meeting of shareholders of the Corporation, or for appointment by the Board to fill any vacancies on the Board if a Director elected by the shareholders ceases to be a Director, having regard for:
 - (A) the competencies and skills that the Board considers to be necessary for the Board, as a whole, to possess;

- (B) the competencies and skills that the Board considers each existing Director to possess based on, among other things, the Board's Director performance assessment process;
- (C) the competencies and skills each new nominee will bring to the boardroom; and
- (D) whether or not each nominee can devote sufficient time and resources to his or her duties as a Board member;

following consultation with such persons as it determines appropriate, including current Directors, the Chief Executive Officer, the controlling shareholder, significant Class A Non-Voting shareholders (in respect of prospective nominees for election or appointment to the Board by the holders of Class A Non-Voting Shares) and C.T.C. Dealer Holdings Limited (in respect of prospective nominees for election or appointment to the Board by the holders of Common Shares);

- (v) appointing the persons, or removing the persons appointed, to serve or fill vacancies on the Audit Committee, the Management Resources and Compensation Committee (the "MRCC") and the Brand and Community Committee and special committees of the Board, including in the chairmanships thereof; and
- (vi) recommending to the Board the appointment of persons, or the removal of persons appointed, to serve or fill vacancies on the Governance Committee, including in the chairmanship thereof.

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

The Committee shall review the nominees proposed by the Corporation for election or appointment to the board of trustees of CT Real Estate Investment Trust and the boards of directors of CTFS Holdings Limited and Canadian Tire Bank and provide input to management with respect to those nominees. The Committee shall also review the Corporation's proposed candidate for appointment as Chairman of the Board of Canadian Tire Bank.

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

The Committee shall be responsible for:

- (i) developing and approving processes for evaluating every two years the Board as a whole and the committees of the Board and reviewing such processes with the Chairman of the Board and the committee Chairmen;
- (ii) conducting every two years an evaluation of the effectiveness of the Board, including an evaluation as to whether the Board has the appropriate composition and procedures to allow it to function independently from management, and reporting on the results of such evaluation to the Board;
- (iii) conducting every two years, in the alternate year from the year in which the performance assessment of the Board is conducted, an evaluation of the

effectiveness of the committees of the Board, including the composition and membership of each such Board committee and whether there is a need for cross appointments to promote greater committee effectiveness, and reporting on the results of such evaluations to the Board;

- (iv) reviewing every three years the adequacy of the mandates applicable to the Board of Directors and each Board committee, ensuring that each Board committee reviews its mandate every three years and, where required, recommending changes to the Board for its approval;
- (v) reviewing every three years the adequacy of the position descriptions for the Chairman of the Board, the committee Chairmen, the Directors and the Secretary of the Corporation and, where required, approving changes thereto;
- (vi) reviewing every three years the delegation of authority by the Board to the committees of the Board and, where appropriate, recommending changes to the Board for its approval;
- (vii) developing and approving a process for assessing every two years the contributions, effectiveness and qualifications of individual Directors (including in their capacity as members of committees of the Board) considering, among other things:
 - (A) the Directors' position description;
 - (B) the competencies and skills each individual Director is expected to bring to the Board and the committees of the Board on which they serve, including the financial literacy and expertise of each individual Director;
 - (C) each individual Director's continuing qualification under the *Business Corporations Act* (Ontario) and other applicable laws, rules and policies; and
 - (D) the continuing validity of the assumptions underlying the appointment of each individual Director;
- (viii) conducting every two years a performance evaluation of individual Directors (including in their capacity as members of committees of the Board), providing feedback to each Director on his or her effectiveness based on the results of the performance evaluation processes developed and approved by the Committee and during such other times as may be required, and reporting on the results of such evaluations to the Board;
- (ix) evaluating annually the independence of individual Directors in accordance with the terms of section 1.4 (and section 1.5 for Audit Committee members) of National Instrument 52-110 – Audit Committees adopted by the Canadian Securities Administrators, as amended or replaced from time to time ("NI-52-110"), and such other criteria established by the Committee and determining those Directors to be identified as independent or not independent in the Corporation's annual continuous disclosure documents in accordance with regulatory requirements;
- (x) gaining and maintaining reasonable assurance that a majority of Directors, the Chairman of the Board and every member of the Audit Committee, the MRCC and

the Governance Committee are “independent”, and in so doing the Committee shall:

- (A) obtain annually from each Director a written declaration (a “Declaration”) containing:
 - i. a description of every direct or indirect relationship (an “Actual Relationship”) which such Director has with the Corporation;
 - ii. a statement as to whether such Director is an individual who is considered to have a material relationship (a “Considered Relationship”) with the Corporation under the terms of section 1.4 (and section 1.5 for Audit Committee members) of NI 52-110;
 - iii. a statement as to whether each Director has a Considered Relationship or Considered Relationships with the Corporation, a description of each such Considered Relationship; and
 - iv. an undertaking by such Director to advise the Board or the Committee promptly of (1) any changes to any Actual Relationship or Considered Relationship described in the Declaration, and (2) any Actual Relationship or Considered Relationship which such Director has with the Corporation which comes into existence subsequent to the time the Declaration is obtained by the Board or the Committee from such Director;
- (B) evaluate whether any Actual Relationship which a Director has with the Corporation could reasonably be expected to interfere with the exercise of such Director’s independent judgment, and making recommendations thereon to the Board; and
- (C) address any changes to the composition of the Board or committees as a result of any Director having an Actual Relationship or a Considered Relationship with the Corporation, in order to maintain the independence of the Board or such committee within the meaning of all applicable laws;
- (xi) developing and approving a process for annually assessing the performance of the Chairman of the Board in that role;
- (xii) conducting an annual performance review of the Chairman of the Board and reporting thereon to the Board; and
- (xiii) carrying out any other evaluation processes adopted by the Board and delegated to the Committee.

(e) Director Education and Orientation

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

- (i) each new Director participates in a comprehensive orientation process in relation to his or her Board responsibilities, the role of the Board and its committees, and

the contributions and commitment of time and resources that the Corporation expects each individual Director will make;

- (ii) each Director is provided with written materials (which shall be updated by the Secretary of the Corporation from time to time as required), covering topics including, but not limited to:
 - (A) the Corporation's Directors' and Officers' insurance coverage;
 - (B) copies of the articles and by-laws of the Corporation;
 - (C) copies of the mandate of the Board and the mandate of each Board committee;
 - (D) copies of the position descriptions for the Chairman of the Board and the chairman of each Board committee;
 - (E) the Corporation's share structure and shareholdings;
 - (F) copies of the Corporation's Annual Reports, Management's Discussion & Analysis ("MD&A") and Management Information Circulars for the most recent financial year and financial quarter (as applicable) of the Corporation preceding such new director's election or appointment to the Board;
 - (G) a copy of the Corporation's current Annual Information Form;
 - (H) a copy of each of the Corporation's Codes of Business Conduct;
 - (I) a copy of each of the Corporation's Board policies;
 - (J) a description of (1) the amount, form and timing of remuneration payments made to each director by the Corporation including the Directors' Deferred Share Unit Plan, and (2) the Corporation's equity ownership guidelines for directors; and
 - (K) a copy of the Directors' and Officers' indemnification agreement;
- (iii) the Chairman of the Board meets with each proposed new Director and explains to such proposed new Director the culture of the Board, and the commitment of time and energy expected of every Director;
- (iv) the committee Chairmen meet with each proposed new Director to review the responsibilities and mandates of the committees of the Board for which such proposed new Director will serve; and
- (v) relevant orientation and continuing education is made available to all Directors to enable the Directors to maintain or enhance their skills and capabilities as Directors and to maintain the currency of their knowledge and comprehension of the Corporation's business, including, among other significant matters, the Associate Dealer model and the Corporation's capital structure, including the opportunity, at the expense of the Corporation to:

- (A) attend any conference, seminar, course or other educational experience (i) which is intended to expand corporate directors' knowledge and skills, and (ii) which is approved by the Chairman of the Governance Committee and, where the expense could be significant, the Chairman of the Board;
- (B) visit the Corporation's principal operating locations and such other premises as may be appropriate and reasonable; and
- (C) meet with the President and Chief Executive Officer, other corporate officers and the executives of all of the Corporation's business units for the purpose of discussing the nature and operation of the Corporation's business and affairs.

(f) Other Key Responsibilities

The Committee shall be responsible for:

- (i) reviewing every two years the form and amount of the Directors' remuneration for Board and committee service, including service as Chairman of the Board or Chairman of a committee of the Board, to ensure that it is both commensurate with the responsibilities and risks assumed and competitive with other companies which are comparable in terms of size and complexity to the Corporation's business, and recommending any changes to the Board for approval;
- (ii) preparing for succession, emergency or otherwise, for the Chairman of the Board position;
- (iii) recommending to the Board the appointment of the Chairman of the Board, the removal of the Chairman of the Board for any reason the Committee sees fit, and, upon a vacancy in this position, recommending to the Board an individual to replace the Chairman of the Board;
- (iv) reviewing with the President and Chief Executive Officer any management concerns about its relationship with the Board and reporting to the Board its findings therewith;
- (v) reviewing the Corporation's articles and by-laws from time to time as appropriate, and recommending any proposed amendments to the Board for its review;
- (vi) reviewing as necessary legal and regulatory developments and changes and referring such matters to other committees of the Board for their review as appropriate;
- (vii) reviewing and approving annually a report of the Committee's activities for inclusion in the Corporation's management information circular; and
- (viii) performing such other responsibilities and duties that are delegated by the Board to the Committee pursuant to the "Delegation of Board Duties to Committees".

6. Operating Procedures

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

7. Reporting to the Board

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

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

- (a) Every three years, the Committee shall review and assess the appropriateness of this Mandate taking into account all applicable legislative and regulatory requirements as well as any best practice guidelines recommended by regulators or stock exchanges with whom the Corporation has a reporting relationship and, if appropriate, recommend changes to the Mandate to the Board for its approval, except for minor technical

amendments to this Mandate, authority for which is delegated to the Secretary or Assistant Secretary of the Corporation, who will report any such amendments to the Committee and the Board at their next regular meetings.

- (b) Every two years, the Committee shall conduct a review and evaluation of the Committee's performance, including its ability to meet the requirements of this Mandate, in accordance with the evaluation process developed and approved by the Committee pursuant to this Mandate and report on the results of the performance evaluation to the Board.
- (c) The Committee shall develop a position description for the Chairman of the Committee. Every three years, the Committee shall review and update as necessary the Chairman's position description.

9. Advisors

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