ANNUAL MEETING MAY 14, 2009

CANADIAN TIRE CORPORATION, LIMITED

Notice of Annual Meeting of Shareholders

and Management Information Circular

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Notice of 2009 Annual Meeting of Shareholders

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

When
Thursday, May 14, 2009
10:00 a.m. (Toronto time)

Where
MaRS Collaboration Centre
101 College Street
Toronto, Ontario

Business of the Meeting
We will address three items at the meeting:

1. our consolidated annual financial statements for the financial year ended January 3, 2009, including the external auditor's report
2. the election of directors who will serve until the end of the next Annual Meeting of Shareholders
3. the appointment of the external auditor who will serve until the end of the next Annual Meeting of Shareholders, and authorizing the directors to set its compensation.

We will also consider other business that may properly come before the meeting.

You Have the Right to Vote
You have the right to vote at our Annual Meeting of Shareholders if you are a Canadian Tire shareholder as of the close of business on March 26, 2009.

Your Vote is Important
As a Canadian Tire shareholder, it is important that you read the accompanying Management Information Circular carefully. You have different voting rights depending on whether you own Common Shares or Class A Non-Voting Shares.

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

Registered shareholders should complete and sign the enclosed form of proxy and return it in the envelope provided. Proxies must be received by Canadian Tire's transfer agent, Computershare Trust Company of Canada, 100 University Avenue, 9th Floor, North Tower, Toronto, Ontario, Canada M5J 2Y1, by no later than 5:00 p.m. (Toronto Time) on Wednesday May 13, 2009.

Non-registered shareholders should follow the voting instruction form or other form of proxy provided by their intermediaries with respect to the procedures to be followed for voting.

By order of the Board,

Robyn A. Collver
Secretary

Toronto, Ontario
March 12, 2009

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Management Information Circular

All information in this management information circular is as of March 12, 2009, unless otherwise indicated.

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

This management information circular is provided in connection with our Annual Meeting of Shareholders to be held on May 14, 2009. Your proxy is solicited by management of Canadian Tire for the items described in the notice on the previous page.

As a shareholder, you have the right to attend and vote at this meeting. Please read this management information circular. It gives you information you need to know to cast your vote. We also encourage you to read our 2008 Annual Report, which includes the consolidated annual financial statements of Canadian Tire as of our financial year ended January 3, 2009. A copy of our 2008 Annual Report has been sent to registered and beneficial shareholders who requested it and is available on the System for Electronic Document Analysis and Retrieval (*SEDAR*) at www.sedar.com.

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

Robyn A. Collver
Secretary

Toronto, Ontario
March 12, 2009

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Who Can Vote

Canadian Tire has two classes of shares. The items you can vote on depend on the class of shares you own. Each share you own as of the close of business on March 26, 2009 entitles you to one vote.

Common Shares

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

- the election of 13 of the 16 directors
- the appointment of the external auditor, and authorizing the directors to set its compensation.

You can also vote on any other business that may properly come before the meeting.

As of March 12, 2009, Canadian Tire had 3,423,366 Common Shares outstanding. The directors and officers of Canadian Tire are not aware of any person or company that beneficially owns, directly or indirectly, or exercises control or direction over more than 10 percent of the total outstanding Common Shares, other than those listed below:

Name	Number of Common Shares Beneficially Owned, Controlled or Directed	Percentage of Outstanding Common Shares
Martha G. Billes(1)	1,400,767	40.9%
Owen G. Billes(2)	700,383	20.5%
C.T.C. Dealer Holdings Limited	700,384	20.5%
The Trustees of the Company's Deferred Profit Sharing Plan (established on January 1, 1968)	419,280	12.2%

Notes

(1) Tire 'N' Me Pty. Ltd. (*Tire 'N' Me*) owns 1,400,767 Common Shares of the Company. Ms. Billes controls Tire 'N' Me and is the beneficial owner of all the issued shares of Tire 'N' Me. The Common Shares of the Company owned by Tire 'N' Me are included in the shareholdings of Ms. Billes shown in this table.

(2) Albikin Management Inc. (*Albikin*) owns 700,383 Common Shares and 741,176 Class A Non-Voting Shares of the Company. With the exception of a small number of nominal value preferred shares of Albikin beneficially owned by Ms. Billes, Mr. Billes is the beneficial owner of all the issued shares of Albikin. By agreement between Ms. Billes and Mr. Billes, Ms. Billes controls Albikin.

Class A Non-Voting Shares

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

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

- if applicable laws give them that right, or
- if an offer to buy Common Shares is made to all or substantially all holders of Common Shares, and the majority of the Common Shares issued and outstanding are tendered to and taken up by the party making the offer. In this case, unless the offer to purchase is for both classes of shares at the same price and on the same terms and conditions, the holders of Class A Non-Voting Shares will be entitled to one vote per share at all shareholder meetings.

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

The Common Shares and Class A Non-Voting Shares are each generally voted separately as a class. As a result, aggregating the voting rights attached to the Common Shares and Class A Non-Voting Shares is not relevant to any corporate action currently contemplated. If an occasion should arise on which the holders of the Common Shares and the holders of the Class A Non-Voting Shares are entitled to vote together (rather than separately as a class), then based on the numbers of Common Shares and Class A Non-Voting Shares outstanding at March 12, 2009, the Class A Non-Voting Shares would represent approximately 95.8 percent of the aggregate voting rights attached to the Common Shares and the Class A Non-Voting Shares. See the Company's articles of amendment dated December 15, 1983, which are available on SEDAR at www.sedar.com for more information on the voting rights of the holders of Class A Non-Voting Shares.

As of March 12, 2009, Canadian Tire had 78,142,393 Class A Non-Voting Shares outstanding. The directors and officers are not aware of any person or company that beneficially owns, directly or indirectly, or exercises control or direction over more than 10 percent of the outstanding Class A Non-Voting Shares, other than Jarislowsky, Fraser Limited. According to a report filed by Jarislowsky, Fraser Limited on SEDAR in October 2007, it exercised control or direction over 11,887,061 Class A Non-Voting Shares, which represented approximately 15.2 percent of the total outstanding Class A Non-Voting Shares as at March 12, 2009. Jarislowsky, Fraser Limited has advised that there has been no material change to its share ownership since the filing of its report.

Q & A on Proxy Voting

Q: What am I voting on?

A: Holders of Common Shares are voting on the election of 13 directors to the Board of Canadian Tire, the appointment of the external auditor and authorizing the directors to set its compensation.

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

Q: Who is entitled to vote?

A: Holders of Common Shares and Class A Non-Voting Shares as at the close of business on March 26, 2009 are entitled to vote. Each Common Share and Class A Non-Voting Share is entitled to one vote on the items of business identified above.

Q: How do I vote?

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

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

A: If you are a registered shareholder, plan to attend the meeting on May 14, 2009 and wish to vote your shares in person at the meeting, you do not need to complete and return the form of proxy. Please register with the transfer agent, Computershare Trust Company of Canada, upon arrival at the meeting. Your vote will be taken and counted at the meeting. If your shares are held in the name of a nominee or intermediary, please see the box on page 5 for voting instructions.

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

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

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

A: To vote shares registered in the name of a corporation or other legal entity, an authorized officer or attorney of that corporation or legal entity must sign the enclosed form of proxy. This person may have to provide proof that he or she is authorized to sign. The completed proxy form must be returned to Canadian Tire's transfer agent, Computershare Trust Company of Canada, in the envelope provided. **These shares cannot be voted by telephone or through the Internet.**

Q: Can I vote by telephone?

A: If you are a registered shareholder, you can vote by telephone by calling 1-866-732-VOTE (8683). Follow the instructions provided. You will need your holder account number, proxy access number and control number (located on the front of the form of proxy) to identify yourself to the system. If you are voting by telephone, all required information must be entered by 5:00 p.m. (Toronto Time) on Wednesday, May 13, 2009.

Q: Can I vote through the Internet?

A: If you are a registered shareholder, go to www.investorvote.com and follow the instructions. You will need your holder account number, proxy access number and control number (located on the front of the form of proxy) to identify yourself to the system. If you are voting through the Internet, all required information must be entered by 5:00 p.m. (Toronto Time) on Wednesday, May 13, 2009.

Q: Who is soliciting my proxy?

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

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

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

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

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

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

Q: What do I do with my completed proxy?

A: Return it to Canadian Tire's transfer agent, Computershare Trust Company of Canada, in the envelope provided, so that it arrives no later than 5:00 p.m. (Toronto Time) on

Wednesday, May 13, 2009. This will ensure your vote is recorded.

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

A: Yes. If you are a registered shareholder and wish to revoke your proxy, prepare a written statement to this effect. The statement must be signed by you or your attorney as authorized in writing or by electronic signature to the extent permitted by applicable law or, if the shareholder is a corporation, under its corporate seal or by an officer or attorney of the corporation duly authorized. This statement must be delivered to the Secretary of Canadian Tire at the following address no later than 5:00 p.m. (Toronto Time) on Wednesday, May 13, 2009, or the business day immediately preceding any adjournment of the meeting, or to the Chairman of the Board of Canadian Tire on the day of the meeting, Thursday, May 14, 2009, or any adjournment of the meeting.

Canadian Tire Corporation, Limited
2180 Yonge Street, 3rd Floor
Toronto, Ontario M4S 2B9
Attention: Robyn A. Collver
Secretary
Fax: (416) 480-3500

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

A: The persons named on the form of proxy must vote for or withhold from voting your shares in accordance with your directions, or you can let your proxyholder decide for you. In the absence of such directions, proxies received by management will be voted **in favour of** the election of directors to the Board, the appointment of the external auditor and authorizing the directors to set its compensation.

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

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

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

Q: How many shares are entitled to be voted?

A: As of March 12, 2009, there were outstanding 3,423,366 Common Shares and 78,142,393 Class A Non-Voting Shares of Canadian Tire. Registered shareholders may exercise one vote for each Common Share and one vote for each Class A Non-Voting Share held by them at the close of business on March 26, 2009.

Q: Who counts the votes?

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

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

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

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

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

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

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

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

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

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

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

Q: What if I want to change my vote?

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

Business of the Meeting

We will address three items at the meeting:

1. our consolidated annual financial statements for the financial year ended January 3, 2009, including the external auditor's report
2. the election of directors who will serve until the end of the next Annual Meeting of Shareholders
3. the appointment of the external auditor who will serve until the end of the next Annual Meeting of Shareholders, and authorizing the directors to set its compensation.

We will also consider other business that may properly come before the meeting.

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

1. Receiving the Consolidated Annual Financial Statements

Our 2008 Annual Report has been prepared and sent to registered and beneficial shareholders who requested it and is also available on SEDAR at www.sedar.com. Management will review our consolidated financial results at the meeting and shareholders and proxyholders will be given an opportunity to discuss these results with management.

2. Electing Directors

This year the Board has determined that 16 directors will be elected at the Annual Meeting of Shareholders. Please see *About the Nominated Directors* on page 7 for more information.

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

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

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

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

All of the nominated directors are currently directors of Canadian Tire, and were elected as directors at our Annual Meeting of Shareholders on May 8, 2008, except for Iain C. Aitchison.

3. Appointing the External Auditor

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

4. Considering Other Business

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

About the Nominated Directors

The director biographies on pages 7 to 15 describe the nominated directors, along with how many Common Shares, Class A Non-Voting Shares and deferred share units *(DSUs)* under the Deferred Share Unit Plan for Directors they each own. The number of DSUs that each director holds has been rounded up to the nearest whole number. DSUs do not carry any voting rights.

The director biographies also indicate the value of the Common Shares, Class A Non-Voting Shares or DSUs that directors who have not yet met the Company's share ownership guidelines for directors need to accumulate. Each such director, other than Mr. Wetmore, is required to accumulate at least three times the value of the annual director retainer in Common Shares, Class A Non-Voting Shares or DSUs by the fifth anniversary of the director becoming a director. For more information on the directors' share ownership guidelines, see *Director Share Ownership Guidelines* on page 25. For more information on share ownership guidelines applicable to Mr. Wetmore, see *Executive Share Ownership Guidelines* on page 34.

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

Pursuant to a shareholders' agreement dated October 30, 1989 between Martha G. Billes (together with corporations and trusts she is associated with) and C.T.C. Dealer Holdings Limited, as amended, Ms. Billes has proposed nine and C.T.C. Dealer Holdings Limited has proposed three of the 13 directors to be elected by the holders of Common Shares at the meeting. These shareholders have agreed to vote for the election of such nominees, and the President and Chief Executive Officer *(President and CEO)*, as directors of Canadian Tire.

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

Board Size

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

The articles of amendment also state that:
- holders of Class A Non-Voting Shares are entitled to elect three directors. This number increases to four directors if the Board has more than 17 directors
- holders of Common Shares are entitled to elect all other directors.

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

Nominated Directors

Iain C. Aitchison
Howell, New Jersey,
U.S.A.
If elected, will be
independent[1]

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

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

Board/Committee Membership	Attendance	Total %	Public Board Membership During Last Five Years
N/A	N/A	N/A	N/A

Number of Shares and Deferred Share Units (DSUs) Beneficially Owned, Controlled or Directed (as at March 12, 2009)

Common Shares	Class A Non-Voting Shares	Number of DSUs	Total Number of Shares and DSUs	Date at which Share Ownership Guideline is to be Met	Has Share Ownership Guideline Been Met?	Value of Shares/DSUs Needed to Meet Share Ownership Guideline[2]
–	–	–	–	May 14, 2014	No	$360,000

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

Current Activities:
Ms. Billes is President and a director of Albikin Management Inc., an investment holding company. She is Chairman of the Canadian Tire Foundation for Families. Ms. Billes is the daughter of Canadian Tire co-founder A.J. Billes and has beneficially owned or controlled a majority of the Common Shares since 1997. She is also a director of Marlore Enterprises Ltd. and Tire 'N' Me Pty. Ltd.

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

Board/Committee Membership	Attendance		Total %	Public Board Membership During Last Five Years	
Board of Directors	15 of 15	100%	100%	Canadian Tire Corporation, Limited	1980 – Present
Governance Committee	5 of 5	100%			
Management Resources and Compensation Committee	6 of 6	100%			
Social Responsibility Committee	3 of 3	100%			

Number of Shares and Deferred Share Units (DSUs) Beneficially Owned, Controlled or Directed (as at March 12, 2009)

Common Shares	Class A Non-Voting Shares	Number of DSUs	Total Number of Shares and DSUs	Date at which Share Ownership Guideline is to be Met[5]	Has Share Ownership Guideline Been Met?	Value of Shares/DSUs Needed to Meet Share Ownership Guideline
1,400,767	5,706	–	1,406,473	February 9, 2008	Yes	–

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

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

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

Board/Committee Membership	Attendance		Total %	Public Board Membership During Last Five Years	
Board of Directors	13 of 15	87%	90%	Canadian Tire Corporation, Limited	2004 – Present
Social Responsibility Committee	5 of 5	100%			

Number of Shares and Deferred Share Units (DSUs) Beneficially Owned, Controlled or Directed (as at March 12, 2009)

Common Shares	Class A Non-Voting Shares	Number of DSUs	Total Number of Shares and DSUs	Date at which Share Ownership Guideline is to be Met	Has Share Ownership Guideline Been Met?	Value of Shares/DSUs Needed to Meet Share Ownership Guideline
700,383	754,765	–	1,455,148	May 11, 2009	Yes	–

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

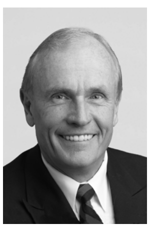
Current Activities:
Mr. Currie is a member of the Board of Governors and Chairman of the Finance and Audit Committee, York University. He is also a director of the York University Development Corporation, Affinion Group Inc., Atomic Energy of Canada Limited and ARISE Technologies Inc.. Mr. Currie is a member of the Board of Directors and Chairman of the Audit Committee for Intelius Inc.. He is a member of the Financial Executive Institute.

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

Board/Committee Membership	Attendance		Total %	Public Board Membership During Last Five Years	
Board of Directors	11 of 11	100%	100%	Canadian Tire Corporation, Limited	2008 – Present
Audit Committee	3 of 3	100%		ARISE Technologies Inc.	2008 – Present
Governance Committee	2 of 2	100%			

Number of Shares and Deferred Share Units (DSUs) Beneficially Owned, Controlled or Directed (as at March 12, 2009)

Common Shares	Class A Non-Voting Shares	Number of DSUs	Total Number of Shares and DSUs	Date at which Share Ownership Guideline is to be Met	Has Share Ownership Guideline Been Met?	Value of Shares/DSUs Needed to Meet Share Ownership Guideline(2)
–	2,000	996	2,996	May 8, 2013	No	$192,764



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

Current Activities:
Mr. Domelle is President, Brian Domelle Enterprises Limited, which operates a Canadian Tire store.

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

Board/Committee Membership	Attendance		Total %	Public Board Membership During Last Five Years	
Board of Directors	11 of 11	100%	100%	Canadian Tire Corporation, Limited	2008 – Present
Social Responsibility Committee	2 of 2	100%			

Number of Shares and Deferred Share Units (DSUs) Beneficially Owned, Controlled or Directed (as at March 12, 2009)

Common Shares	Class A Non-Voting Shares	Number of DSUs	Total Number of Shares and DSUs	Date at which Share Ownership Guideline is to be Met	Has Share Ownership Guideline Been Met?	Value of Shares/DSUs Needed to Meet Share Ownership Guideline(2)
–	–	1,672	1,672	May 8, 2013	No	$281,916

H. Garfield Emerson, Q.C.[6]
Toronto, Ontario, Canada
Director since: 2007
Independent[1]

Current Activities:
Mr. Emerson is Principal, Emerson Advisory, an independent business and financial advisory firm, and a Corporate Director. He is a director of CAE Inc., Open Text Corporation, Sentry Select Capital Corp. and Wittington Investments, Limited.

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

Board/Committee Membership	Attendance		Total %	Public Board Membership During Last Five Years	
Board of Directors	12 of 15	80%	90%	CAE Inc.	1992 – Present
Governance Committee	5 of 5	100%		Canadian Tire Corporation, Limited	2007 – Present
Management Resources & Compensation Committee	9 of 9	100%		Open Text Corporation	2008 – Present
				Rogers Communications Inc.	1989 – 2006
				Rogers Wireless Communications Inc.	1993 – 2006

Number of Shares and Deferred Share Units (DSUs) Beneficially Owned, Controlled or Directed (as at March 12, 2009)

Common Shares	Class A Non-Voting Shares	Number of DSUs	Total Number of Shares and DSUs	Date at which Share Ownership Guideline is to be Met	Has Share Ownership Guideline Been Met?	Value of Shares/DSUs Needed to Meet Share Ownership Guideline[2]
–	–	4,523	4,523	May 10, 2012	No	$102,702

Daniel E. Fournier
Outremont, Quebec, Canada
Director since: 2006
Independent[1]

Current Activities:
Mr. Fournier is Executive Vice-President and Chief Investment Officer of SITQ Inc., a real estate subsidiary of Caisse de dépôt et placement du Québec. He is the Chairman of the Genivar Income Fund. Mr. Fournier is the founding Chairman of NF (Neurofibromatosis) Canada.

Past Activities:
Mr. Fournier was formerly President, ACNG Capital Inc., a real estate value creation and strategic planning firm. He was formerly Chairman and the majority shareholder of Jas. A. Ogilvy Inc., and Chairman of Ritz-Carlton Canada. Mr. Fournier has served as a member of the Board of Directors of The Brick Warehouse Corporation, Standard Life Canada, Standard Life Trust Company, Hartco Corporation, Canadian Tire Bank, and as a trustee and member of the Independent Committee of Summit REIT.

Board/Committee Membership	Attendance		Total %	Public Board Membership During Last Five Years	
Board of Directors	15 of 15	100%	100%	Canadian Tire Corporation, Limited	2006 – Present
Audit Committee	3 of 3	100%		Genivar Income Fund	2006 – Present
Governance Committee	2 of 2	100%		Summit REIT	2003 – 2007
Management Resources & Compensation Committee	9 of 9	100%		The Brick Warehouse Corporation	2004 – 2005

Number of Shares and Deferred Share Units (DSUs) Beneficially Owned, Controlled or Directed (as at March 12, 2009)

Common Shares	Class A Non-Voting Shares	Number of DSUs	Total Number of Shares and DSUs	Date at which Share Ownership Guideline is to be Met	Has Share Ownership Guideline Been Met?	Value of Shares/DSUs Needed to Meet Share Ownership Guideline[2]
–	–	2,136	2,136	October 12, 2011	No	$228,916

Robert M. Franklin
Toronto, Ontario,
Canada
Director since: 2007
Independent[1]

Current Activities:
Mr. Franklin is President of Signalta Capital Corporation, a private investment holding company. He is a director of Barrick Gold Corporation, First Uranium Corporation, Resolve Business Outsourcing Income Fund and Toromont Industries Ltd. Mr. Franklin is also a trustee for Stratos Global Corporation.

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

Board/Committee Membership	Attendance		Total %	Public Board Membership During Last Five Years	
Board of Directors	11 of 15	73%	81%	Barrick Gold Corporation	2006 – Present
Audit Committee	5 of 6	83%		Call-Net Enterprises Inc.	2002 – 2005
Social Responsibility Committee	5 of 5	100%		Canadian Tire Corporation, Limited	2007 – Present
				ELI Eco Logic Inc.	1994 – 2004
				First Uranium Corporation	2006 – Present
				Great Lakes Carbon Income Trust	2003 – 2007
				Photowatt Technologies Inc.	2006 – 2007
				Placer Dome Inc.	1987 – 2006
				Resolve Business Outsourcing Income Fund	2006 – Present
				Royster-Clark Ltd.	2005 – 2006
				Serica Energy Corporation	2003 – 2004
				Toromont Industries Ltd.	1994 – Present

Number of Shares and Deferred Share Units (DSUs) Beneficially Owned, Controlled or Directed (as at March 12, 2009)

Common Shares	Class A Non-Voting Shares	Number of DSUs	Total Number of Shares and DSUs	Date at which Share Ownership Guideline is to be Met	Has Share Ownership Guideline Been Met?	Value of Shares/DSUs Needed to Meet Share Ownership Guideline
–	5,450	1,719	7,169	May 10, 2012	Yes	–

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

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

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

Board/Committee Membership	Attendance		Total %	Public Board Membership During Last Five Years	
Board of Directors	14 of 15	93%	95%	Canadian Tire Corporation, Limited	2006 – Present
Social Responsibility Committee	5 of 5	100%			

Number of Shares and Deferred Share Units (DSUs) Beneficially Owned, Controlled or Directed (as at March 12, 2009)

Common Shares	Class A Non-Voting Shares	Number of DSUs	Total Number of Shares and DSUs	Date at which Share Ownership Guideline is to be Met	Has Share Ownership Guideline Been Met?	Value of Shares/DSUs Needed to Meet Share Ownership Guideline
–	440	7,705	8,145	February 9, 2011	Yes	–

Suzanne R. Perles
Manhattan Beach,
California, U.S.A.
Director since: 2005
Independent[1]

Current Activities:
Ms. Perles is Managing Director, The Corporate Development Company, a corporate advisory firm specializing in mergers and acquisitions. She is also a director of the Canadian Tire Foundation for Families.

Past Activities:
Ms. Perles was previously Vice-President, Global Head Consumer Products Mergers and Acquisitions, Citicorp Mergers and Acquisitions and an engagement manager at the consulting firm of McKinsey and Company. She was elected to the Board of Trustees of Princeton University and served as Vice-President of the American Association of Rhodes Scholars. Ms. Perles was a member of the Board of Directors of Belae Brands, Inc., Chief Operating Officer of Anchor Audio, Senior Advisor to Enell, Inc., a founding member of the Women's Equity Fund Advisory Board and a member of the Board of Directors and Treasurer of America's Health Together. She was formerly Director, National Issues Program, University of Maryland, Academy of Leadership, Co-Chair of the Business Development Task Force, Rebuild Los Angeles and an economics instructor at St. Anne's College, Oxford University. Ms. Perles was an undergraduate at Princeton University, earned her MBA from the Harvard Business School and her Doctorate in economics from Oxford University where she was a Rhodes Scholar.

Board/Committee Membership	Attendance		Total %	Public Board Membership During Last Five Years	
Board of Directors	15 of 15	100%	100%	Canadian Tire Corporation, Limited	2005 – Present
Governance Committee	5 of 5	100%			
Social Responsibility Committee (Chairman)	5 of 5	100%			

Number of Shares and Deferred Share Units (DSUs) Beneficially Owned, Controlled or Directed (as at March 12, 2009)

Common Shares	Class A Non-Voting Shares	Number of DSUs	Total Number of Shares and DSUs	Date at which Share Ownership Guideline is to be Met	Has Share Ownership Guideline Been Met?	Value of Shares/DSUs Needed to Meet Share Ownership Guideline[2]
–	–	5,469	5,469	November 10, 2010	No	$19,779

Frank Potter[6]
Toronto, Ontario,
Canada
Director since: 1998
Independent[1]

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

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

Board/Committee Membership	Attendance		Total %	Public Board Membership During Last Five Years	
Board of Directors	15 of 15	100%	100%	Brascan Financial Corporation	2002 – 2004
Governance Committee	2 of 2	100%		C.A. Bancorp	2006 – Present
Management Resources and Compensation Committee (Chairman)	9 of 9	100%		Canadian Tire Corporation, Limited	1998 – Present
				Golden China Resources Corporation	2004 – 2007
				Penn West Energy Trust	2000 – Present
				Rockwater Capital Corp.	2001 – 2007
				Softchoice Corporation	2002 – Present
				Strategic Energy Corp.	2005 – 2008

Number of Shares and Deferred Share Units (DSUs) Beneficially Owned, Controlled or Directed (as at March 12, 2009)

Common Shares	Class A Non-Voting Shares	Number of DSUs	Total Number of Shares and DSUs	Date at which Share Ownership Guideline is to be Met[5]	Has Share Ownership Guideline Been Met?	Value of Shares/DSUs Needed to Meet Share Ownership Guideline
–	1,795	5,989	7,784	February 9, 2008	Yes	–

Timothy R. Price
Toronto, Ontario, Canada
Director since: 2007
Independent[1]

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

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

Board/Committee Membership	Attendance		Total %	Public Board Membership During Last Five Years	
Board of Directors	14 of 15	93%	96%	Astral Media Inc.	1978 – Present
Audit Committee	3 of 3	100%		Brookfield Homes Corporation	2004 – 2006 2009 – Present
Management Resources and Compensation Committee	6 of 6	100%		Canadian Tire Corporation, Limited	2007 – Present
				HSBC Bank Canada	2007 – Present
				Morguard Corporation	1999 – 2005
				Morguard REIT	2005 – 2008
				Q9 Networks Inc.	2004 – 2008

Number of Shares and Deferred Share Units (DSUs) Beneficially Owned, Controlled or Directed (as at March 12, 2009)

Common Shares	Class A Non-Voting Shares	Number of DSUs	Total Number of Shares and DSUs	Date at which Share Ownership Guideline is to be Met	Has Share Ownership Guideline Been Met?	Value of Shares/DSUs Needed to Meet Share Ownership Guideline[2]
–	1,800	2,908	4,708	May 10, 2012	No	$100,181

James A. Riley
Toronto, Ontario, Canada
Director since: 2006
Independent[1]

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

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

Board/Committee Membership	Attendance		Total %	Public Board Membership During Last Five Years	
Board of Directors	15 of 15	100%	100%	Canadian Tire Corporation, Limited	2006 – Present
Governance Committee (Chairman)	5 of 5	100%			
Management Resources and Compensation Committee	9 of 9	100%			

Number of Shares and Deferred Share Units (DSUs) Beneficially Owned, Controlled or Directed (as at March 12, 2009)

Common Shares	Class A Non-Voting Shares	Number of DSUs	Total Number of Shares and DSUs	Date at which Share Ownership Guideline is to be Met	Has Share Ownership Guideline Been Met?	Value of Shares/DSUs Needed to Meet Share Ownership Guideline
–	–	7,273	7,273	May 11, 2011	Yes	–

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

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

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

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

Board/Committee Membership	Attendance		Total %	Public Board Membership During Last Five Years	
Board of Directors	15 of 15	100%	100%	Canadian Tire Corporation, Limited O & Y FPT Inc. O & Y Properties Corporation	1985 – Present 1999 – 2005 1993 – 2005

Number of Shares and Deferred Share Units (DSUs) Beneficially Owned, Controlled or Directed (as at March 12, 2009)

Common Shares	Class A Non-Voting Shares	Number of DSUs	Total Number of Shares and DSUs	Date at which Share Ownership Guideline is to be Met(5)	Has Share Ownership Guideline Been Met?	Value of Shares/DSUs Needed to Meet Share Ownership Guideline
–	5,098	2,020	7,118	February 9, 2008	Yes	–

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

Current Activities:
Mr. Savage is Chairman of Callisto Capital LP, a merchant banking partnership. He is a director of Canadian Tire Bank, Cott Corporation and Sun Times Media Group, Inc.

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

Board/Committee Membership	Attendance		Total %	Public Board Membership During Last Five Years	
Board of Directors Audit Committee (Chairman) Governance Committee	14 of 15 6 of 6 5 of 5	93% 100% 100%	96%	Canadian Tire Corporation, Limited Cott Corporation Leitch Technology Corp. Royal Group Technologies Limited Sun Times Media Group, Inc. Vitran Corporation	1998 – Present 2008 – Present 2002 – 2005 2005 – 2006 2004 – Present 1987 – 2005

Number of Shares and Deferred Share Units (DSUs) Beneficially Owned, Controlled or Directed (as at March 12, 2009)

Common Shares	Class A Non-Voting Shares	Number of DSUs	Total Number of Shares and DSUs	Date at which Share Ownership Guideline is to be Met(5)	Has Share Ownership Guideline Been Met?	Value of Shares/DSUs Needed to Meet Share Ownership Guideline
–	3,033	2,911	5,944	February 9, 2008	Yes	–

Stephen G. Wetmore[(8)]
Mississauga, Ontario,
Canada
Director since: 2003
As President and CEO,
Mr. Wetmore is *not independent*[(1)]

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

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

Board/Committee Membership[(9)]	Attendance		Total %	Public Board Membership During Last Five Years	
Board of Directors	13 of 15	87%		Aliant Inc.	1999 – 2006
Audit Committee	6 of 6	100%	93%	Axia NetMedia Corporation	2005 – 2006
Management Resources and Compensation Committee	9 of 9	100%		Bell Aliant Regional Communications Inc.	2006 – 2008
				Canadian Tire Corporation, Limited	2003 – Present
				Manitoba Telecom Services Inc.	2004 – 2004
				Stratos Global Corporation	1998 – 2007

Number of Shares and Deferred Share Units (DSUs) Beneficially Owned, Controlled or Directed (as at March 12, 2009)

Common Shares	Class A Non-Voting Shares	Number of DSUs	Total Number of Shares and DSUs
–	500	8,246	8,746

Notes

(1) "*Independent*" refers to the Board's determination of whether a director is "*independent*" under Section 1.2 of the Canadian Securities Administrators' National Instrument 58-101 – *Disclosure of Corporate Governance Practices*.

(2) The estimated value of Common Shares, Class A Non-Voting Shares or DSUs that will be required to meet the share ownership guideline as at the date at which it is required to be met is calculated by subtracting from $360,000 (being three times the annual director retainer) the greater of (i) the acquisition cost of Common Shares, Class A Non-Voting Shares or DSUs, and (ii) the market value of such shares and DSUs based on the closing share prices on December 31, 2008. The closing price for Common Shares on December 30, 2008 was $45.00. The closing price for Class A Non-Voting Shares (and accordingly the value of a DSU) on December 31, 2008 was $43.45. For more information on the Company's share ownership guidelines for directors, see *Director Share Ownership Guidelines* on page 25.

(3) Tire 'N' Me Pty. Ltd. *(Tire 'N' Me)* owns 1,400,767 Common Shares of the Company. Ms. Billes controls Tire 'N' Me and is the beneficial owner of all the issued shares of Tire 'N' Me. The Common Shares of the Company owned by Tire 'N' Me are included in the shareholdings of Ms. Billes shown in this table.

(4) Albikin Management Inc. *(Albikin)* owns 700,383 Common Shares and 741,176 Class A Non-Voting Shares of the Company. With the exception of a small number of nominal value preferred shares of Albikin beneficially owned by Ms. Billes, Mr. Billes is the beneficial owner of all the issued shares of Albikin. By agreement between Ms. Billes and Mr. Billes, Ms. Billes controls Albikin. The Common Shares and Class A Non-Voting Shares of the Company owned by Albikin are included in the shareholdings of Mr. Billes shown in this table and are not included in the shareholdings of Ms. Billes shown in this table.

(5) Ms. Billes, Miss Sabia and Messrs. Potter and Savage were each required to and did hold an investment in Common Shares, Class A Non-Voting Shares or DSUs of at least $300,000 (based on the greater of acquisition cost and market value on December 31, 2007) on February 9, 2008. In 2008, the annual director retainer increased by $20,000, increasing the required investment by $60,000. Each of these directors either had an investment of over $360,000 on February 9, 2008 or subsequently increased the value of their investment by the difference between $360,000 and the value of their holdings on February 9, 2008. For more information on the Company's share ownership guidelines for directors, see *Director Share Ownership Guidelines* on page 25.

(6) Mr. Emerson and Mr. Potter serve together on the Board of Directors of Sentry Select Capital Corp. There are no other interlocking public company directorships among the director nominees.

(7) Mr. Savage was a director of Microcell Inc. when it filed for protection under the *Companies' Creditors Arrangement Act*. Mr. Savage is a director of Sun-Times Media Group, Inc., a successor entity of Hollinger International Inc. (*Hollinger*), and has been a director of that entity since July of 2003. On June 1, 2004, the Ontario Securities Commission issued a permanent management cease trade order (*the Ontario Cease Trade* Order) against the insiders of Hollinger for failing to file its interim financial statements and interim MD&A for the three-month period ended March 31, 2004 and its annual financial statements, MD&A and AIF for the year ended December 31, 2003. In addition, the British Columbia Securities Commission issued a cease trade order against insiders of Hollinger resident in British Columbia on May 21, 2004, as updated on May 31, 2004 (*the BC Cease Trade Order*). The Ontario Cease Trade Order was allowed to expire on January 9, 2006 and is no longer in effect. The BC Cease Trade Order was revoked on February 10, 2006 and is no longer in effect.

(8) Prior to becoming President and CEO, Mr. Wetmore served on the Audit Committee and the Management Resources and Compensation Committee.

All of the director nominees who have not previously been elected a director of the Company by a vote of shareholders at a meeting, the notice of which was accompanied by an information circular, have held the same principal occupation, business or employment during the past five years.

The average age of the nominated directors is 61.

Meeting Attendance

The table below lists the Board and Committee meetings held in fiscal 2008 and the number attended by each director. The shaded boxes below indicate Committee meeting attendance by a non-Committee member as an invited guest.

	Board (15 Meetings)		Audit Committee (6 Meetings)		Governance Committee (5 Meetings)		Management Resources & Compensation Committee (9 Meetings)		Social Responsibility Committee (5 Meetings)		Total[1]
	Number	%	Number	%	Number	%	Number	%	Number	%	%
Martha G. Billes	15 of 15	100%	6/6	100%	5 of 5	100%	6 of 6[2]	100%	3 of 3[3]	100%	100%
							3 of 3[2]	100%	2 of 2[3]	100%	
Owen G. Billes	13 of 15	87%[4]	5 of 6	83%	5 of 5	100%	8 of 9	89%	5 of 5	100%	90%
Peter W. Currie[5]	11 of 11	100%	3 of 3[6]	100%	2 of 2[7]	100%				100%	100%
			1 of 1[6]	100%	1 of 1[7]	100%					
Austin E. Curtin[8]	3 of 4	75%	3 of 3[9]	100%					3 of 3[10]	100%	90%
Brian G. Domelle[11]	11 of 11	100%	3 of 3	100%					2 of 2	100%	100%
H. Garfield Emerson	12 of 15	80%[4]			5 of 5	100%	9 of 9	100%			90%
Daniel E. Fournier	15 of 15	100%	3 of 3[12]	100%	2 of 2[13]	100%	9 of 9	100%			100%
Robert M. Franklin	11 of 15	73%[4]	5 of 6	83%					5 of 5	100%	81%
Thomas K. Gauld[14]	15 of 15	100%	6 of 6	100%	5 of 5	100%	9 of 9	100%	5 of 5	100%	100%
Keith E. Gostlin	14 of 15	93%[4]			5 of 5	100%			5 of 5	100%	95%
James R. Neale[15]	4 of 4	100%	3 of 3[16]	100%			3 of 3[17]	100%			100%
Suzanne R. Perles	15 of 15	100%			5 of 5	100%			5 of 5 (Chairman)	100%	100%
Frank Potter	15 of 15	100%			2 of 2[18]	100%	9 of 9 (Chairman)	100%			100%
					1 of 1[18]	100%					
Timothy R. Price	14 of 15	93%[4]	3 of 3	100%	1 of 1	100%	6 of 6	100%			96%
							2 of 2	100%			
James A. Riley	15 of 15	100%			5 of 5 (Chairman)	100%	9 of 9	100%			100%
Maureen J. Sabia[19]	15 of 15 (Chairman)	100%	6 of 6	100%	5 of 5	100%	9 of 9	100%	5 of 5	100%	100%
Graham W. Savage	14 of 15	93%[4]	6 of 6 (Chairman)	100%	5 of 5	100%					96%
Stephen G. Wetmore	13 of 15	87%[4]	6 of 6	100%			9 of 9	100%			93%

Notes

(1) Meeting attendance by a director as an invited guest is not included in this column.
(2) Ms. Billes was appointed to the Management Resources and Compensation Committee on May 8, 2008, but attended three meetings as an invited guest prior to her appointment.
(3) Ms. Billes served on the Social Responsibility Committee until May 8, 2008, but attended two meetings thereafter as an invited guest.
(4) Attended at least 90% of the 10 regularly scheduled meetings but was unable to attend certain of the five special meetings that were convened on short notice.
(5) Mr. Currie was elected as a director of the Company on May 8, 2008.
(6) Mr. Currie was appointed to the Audit Committee on May 8, 2008, but attended one meeting of the Audit Committee as an invited guest prior to his appointment.
(7) Mr. Currie was appointed to the Governance Committee on May 8, 2008, but attended one meeting of the Governance Committee as an invited guest prior to his appointment.
(8) Mr. Curtin served as a director of the Company until May 8, 2008.
(9) Mr. Curtin served on the Audit Committee until May 8, 2008.
(10) Mr. Curtin served on the Social Responsibility Committee until May 8, 2008.
(11) Mr. Domelle was elected as a director of the Company on May 8, 2008.
(12) Mr. Fournier served on the Audit Committee until May 8, 2008.
(13) Mr. Fournier was appointed to the Governance Committee on May 8, 2008.
(14) As President and CEO, Mr. Gauld was not a member of any Committee, but attended all meetings of the Committees.
(15) Mr. Neale served as a director of the Company until May 8, 2008.
(16) Mr. Neale served on the Audit Committee until May 8, 2008.
(17) Mr. Neale served on the Management Resources and Compensation Committee until May 8, 2008.
(18) Mr. Potter was appointed to the Governance Committee on May 8, 2008, but attended one meeting of the Governance Committee as an invited guest prior to his appointment.
(19) As Chairman of the Board, Miss Sabia is not a member of any Committee, but attends all meetings of the Committees.

About the Board of Directors

The Board of Directors is elected by the Company's shareholders. The Board has explicitly assumed responsibility for stewardship of the Company.

The Board is responsible for:

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

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

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

The Board:

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

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

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

The Chairman of the Board's position description is available at *http://corp.canadiantire.ca/EN/Investors/Governance/Pages/default.aspx*.

The Board of Directors has a written Mandate, which it reviews annually. Please see *Appendix A* on page A1 for a copy of the Board's Mandate. This document has been approved by the Board.

The Board meets at least nine times a year, and more often, if necessary. The Board met 15 times in 2008. It held 10 regularly scheduled meetings and five special meetings. Time is set aside at all regularly scheduled meetings to discuss issues without management present.

Board Committees

The Board has established four standing Committees:

- Audit Committee
- Management Resources and Compensation Committee *(the MRC Committee)*
- Governance Committee
- Social Responsibility Committee.

The Board does not have an executive committee.

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

All Committees meet regularly without management present. Every director who is not a member of a Committee is entitled to attend the meetings of such Committee. The Chairman of the Board meets at least quarterly with the Committee Chairmen.

The Board has approved a Mandate for each Committee and has delegated responsibilities to each Committee as set out in those Mandates. Every year, each Committee reviews its Mandate and its work plan to ensure that it has fulfilled all of its responsibilities under its Mandate. Any revisions to a Mandate are reviewed by the Governance Committee on an annual basis and as may be required throughout the year, and recommended to the Board for approval. The Board has delegated a number of its routine approval responsibilities to its Committees, as permitted by law, in order to enable the Board to spend more time on business and strategic issues. All Committee Mandates reflect this delegation of authority which results in improved efficiencies in decision-making. All matters approved by the Committees are reported to the Board and it is always within the prerogative of the Board to approve, veto, amend or change any approval made by a Committee.

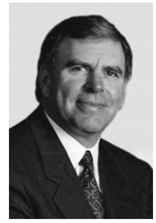
To enhance disclosure of the responsibilities and activities of the Board's Committees, each Committee has provided a report, highlighting its duties under its Mandate and significant achievements during 2008.

Report of the Audit Committee

Current Members:

Graham W. Savage, *Chairman*

Peter W. Currie



Robert M. Franklin

Timothy R. Price

MANDATE

The Audit Committee Mandate and Charter is available on the Company's website at http://corp.canadiantire.ca/EN/Investors/Governance/Pages/default.aspx

The Audit Committee Chairman's position description is available on the Company's website at http://corp.canadiantire.ca/EN/Investors/Governance/Pages/default.aspx

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

In 2008, the Audit Committee, in accordance with its Mandate and Charter, accomplished the following:

Financial Reporting

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

External Auditor

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

Internal Auditor

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

Risk Management

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

	✓ Reviewed management's reports on compliance with the Code of Business Conduct *(the Code)* ✓ Reviewed the process for monitoring compliance with and communication of the Code to directors and employees. **Compliance with Applicable Laws and Regulations** ✓ Reviewed reports from management on the Company's compliance with applicable legal and regulatory requirements and the effectiveness of the Company's policies, procedures and programs in relation to its compliance with such laws and regulations ✓ Reviewed the status of the Company's tax returns and those of its subsidiaries. **Financial Literacy of Audit Committee Members** ✓ Assessed the financial literacy of each Audit Committee member.
2008 KEY MILESTONES	✓ In connection with assuming responsibility for oversight of ERM, reviewed and recommended to the Board for approval the following risk management policies: • Economic Board Policy – requires the Company to monitor economic developments in Canada • Consumer Credit Board Policy – requires the Company to manage consumer credit risk within an appropriate tolerance and to maximize the overall return on its consumer lending products by employing a credit risk strategy that balances risk, revenue, receivables growth and earnings volatility • Effective Management Board Policy – requires the Company to employ human resources practices that enable the Company to attract, motivate, develop, return and maximize the productivity of its senior leaders in order to achieve its strategic objectives and mitigate employee-driven business risks ✓ Recommended changes to its Mandate and Charter as well as the Chairman's job description to, among other things, reflect the transfer of responsibility for oversight of ERM and legislative compliance from the Social Responsibility Committee to the Audit Committee ✓ Received regular updates from management on the conversion to international financial reporting standards (*IFRS*) and considered the implications of IFRS implementation on the Company ✓ Reviewed and recommended to the Board for approval the Business Continuity Board Policy which requires the Company to implement appropriate organization systems and processes to enable critical business operations to be maintained, recovered and resumed in a timely fashion in the event of a disruption ✓ Approved the appointment of the new head of Internal Audit.
FINANCIAL LITERACY	All members are "financially literate" as required by the Canadian Securities Administrators *(CSA)*.
100% INDEPENDENT	All members meet Board approved independence standards which are derived from the CSA corporate governance guidelines and are set out in *Appendix F* to this management information circular. Martha G. Billes, Owen G. Billes and Brian G. Domelle are invited to attend all Audit Committee meetings.

Please see *Appendix B* on page B1 for a copy of the Audit Committee's Mandate and Charter, which has been approved by the Board.

For more information about the Audit Committee as required by Part 5 of National Instrument 52-110, see pages 48 to 51 of our Annual Information Form for the year ended January 3, 2009 which is available on SEDAR at www.sedar.com.

Auditor's Fees
The table below shows the fees that D&T received for services for the financial years ended December 29, 2007 and January 3, 2009, respectively:

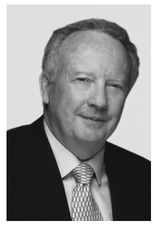
Auditor's Fees	2007	2008
Audit fees	$2,696,868	$2,819,382
Audit-related fees	$1,245,442	$1,206,595
Tax fees	$745,155	$491,637
All other fees	$0	$57,076
Total	$4,687,465	$4,574,690

The Audit Committee met 6 times in 2008. The Chairman of the Audit Committee is available to meet at any time and meets regularly with the external auditor and representatives of the Internal Audit Services department and management.

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

Report of the Management Resources and Compensation Committee






Current Members: Frank Potter, *Chairman* | Martha G. Billes | H. Garfield Emerson | Daniel E. Fournier | Timothy R. Price | James A. Riley

MANDATE

The MRC Committee Mandate is available on the Company's website at http://corp.canadiantire.ca/EN/Investors/Governance/Pages/default.aspx

The MRC Committee Chairman's position description is available on the Company's website at http://corp.canadiantire.ca/EN/Investors/Governance/Pages/default.aspx

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

In 2008, the MRC Committee, in accordance with its Mandate, accomplished the following:

Organizational Health
- Reviewed key organization initiatives.

Succession Planning
- Reviewed and assessed organization demographics
- Reviewed and assessed officer performance
- Assessed officer succession candidates and their development
- Assessed officer succession practices
- Determined replacements for the President and CEO and the Chief Financial Officer and the presidents of significant business units in the event of emergency
- Reviewed the systems and processes for evaluating senior management development and succession.

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

Appointment and Compensation of Officers other than the President and CEO
- Reviewed the appointment and terms of employment of the officers, and other persons proposed for appointment as the head of a business unit or significant corporate function *(Other Persons)*
- Reviewed remuneration changes for officers and Other Persons
- Reviewed with the President and CEO the performance and potential for advancement of each officer and their successors
- Reviewed changes to compensation guidelines and benefit plans and programs
- Reviewed annual (short-term incentive plan) and long-term incentive plan design for and payments to senior management
- Reviewed and approved share ownership guidelines for officers.

President and CEO Performance, Evaluation and Compensation
- Oversaw the process for evaluating the President and CEO
- Evaluated the President and CEO's performance
- Reviewed the process for appraising the performance of the President and CEO
- Reviewed the terms of employment of the President and CEO.

Disclosure
- Reviewed and recommended to the Board for approval the report on executive compensation to be included in the management information circular.

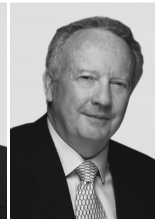
2008 KEY MILESTONES	✔ Established a process for determining the successor to the President and CEO and recommended the appointment of Stephen G. Wetmore to this position ✔ Considered the impact of the conversion to IFRS on the design of the Company's compensation plans ✔ Reviewed a re-design of the short-term and long-term incentive plan structures.
100% INDEPENDENT	The Board has restricted the criteria for membership in the MRC Committee by requiring that not more than one third of its members be chief executive officers of any publicly traded entity. All members meet Board approved independence standards which are derived from the CSA corporate governance guidelines and are set out in *Appendix F* to this management information circular. Owen G. Billes is invited to attend all MRC Committee meetings.

Please see *Appendix C* on page C1 for a copy of the MRC Committee's Mandate, which has been approved by the Board.

The MRC Committee met 9 times in 2008.

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

Report of the Governance Committee

Current Members: James A. Riley, *Chairman*; Martha G. Billes; Peter W. Currie; H. Garfield Emerson; Daniel E. Fournier; Suzanne R. Perles; Frank Potter; Graham W. Savage

MANDATE

The Governance Committee Mandate is available on the Company's website at http://corp.canadiantire.ca/EN/Investors/Governance/Pages/default.aspx

The Governance Committee Chairman's position description is available on the Company's website at http://corp.canadiantire.ca/EN/Investors/Governance/Pages/default.aspx

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

In 2008, the Governance Committee, in accordance with its Mandate, accomplished the following:

Composition and Performance of the Board and its Committees

(i) Director Nominations

- Reviewed criteria for selecting new directors
- Reviewed the competencies and skills required in directors and the Board as a whole
- Maintained an evergreen list of director nominees
- Recommended three Class A Non-Voting Share director nominees and 13 Common Share director nominees to the Board for approval
- Appointed the Chairmen of the Audit Committee, the MRC Committee and the Social Responsibility Committee and recommended the appointment of the Governance Committee Chairman to the Board for approval
- Appointed members of the Audit Committee, the MRC Committee and the Social Responsibility Committee
- Recommended the Governance Committee membership to the Board for approval.

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

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

Director Education and Orientation

- Reviewed and evaluated the director orientation and education processes.

Disclosure

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

Remuneration of the Chairman of the Board and the Directors

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

Other Duties and Responsibilities

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

2008 KEY MILESTONES	✔ Approved online assessment tools for evaluating the effectiveness of the Board, the Chairman of the Board and the individual directors, conducted these performance assessments and reported the results to the Board ✔ Reviewed and recommended to the Board for approval the Mandates of the Audit Committee, the Governance Committee, the MRC Committee and the Social Responsibility Committee to reflect the delegation of certain of the Board's duties to its Committees ✔ Approved changes to the job descriptions of the Audit Committee and the Social Responsibility Committee Chairmen to reflect the transfer of responsibility for oversight of risk management and legislative compliance from the Social Responsibility Committee to the Audit Committee ✔ Approved changes to the Mandates of the Audit Committee and the Social Responsibility Committee to reflect the transfer of responsibility for reviewing annually the financial statements of the Canadian Tire Foundation for Families from the Audit Committee to the Social Responsibility Committee ✔ Reviewed share ownership guidelines for directors.
100% INDEPENDENT	All members meet Board approved independence standards which are derived from the CSA corporate governance guidelines and are set out in *Appendix F* to this management information circular. Owen G. Billes and Keith E. Gostlin are invited to attend all Governance Committee meetings.

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

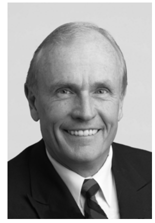
See *Appendix F* on page F1 for a description of our corporate governance policies and practices.

The Governance Committee met 5 times in 2008.

This report has been approved by the members of the Governance Committee: James A. Riley, *Chairman,* Martha G. Billes, Peter W. Currie, H. Garfield Emerson, Daniel E. Fournier, Suzanne R. Perles, Frank Potter and Graham W. Savage.

Report of the Social Responsibility Committee





Current Members: Suzanne R. Perles, *Chairman* — Owen G. Billes — Brian G. Domelle — Robert M. Franklin — Keith E. Gostlin

MANDATE *The Social Responsibility Committee Mandate is available on the Company's website at http://corp.canadiantire.ca/EN/Investors/Governance/Pages/default.aspx* *The Social Responsibility Committee Chairman's position description is available on the Company's website at http://corp.canadiantire.ca/EN/Investors/Governance/Pages/default.aspx*	The Social Responsibility Committee oversees Canadian Tire's policies, procedures and practices which address the Company's corporate social responsibilities, including balancing the Company's economic growth with environmental and social responsibility. In 2008, the Social Responsibility Committee, in accordance with its Mandate, accomplished the following: **Corporate Social Responsibility** ✓ Reviewed and assessed the Company's policies, procedures and practices and management's reports with respect to the Company's corporate social and environmental responsibilities and its philanthropic activities and investment in and development of the communities in which it operates ✓ Reviewed and assessed the Company's corporate social responsibility activities ✓ Reviewed the financial reports of and discussed key initiatives with the Canadian Tire Foundation for Families.
2008 KEY MILESTONES	✓ Approved the Company's donations policy ✓ Approved the Company's Corporate Social Responsibility Statement and Guiding Principles ✓ Recommended changes to its Mandate to reflect, among other things, the transfer of responsibility for reviewing annually the financial statements for the Canadian Tire Foundation for Families from the Audit Committee to the Social Responsibility Committee.
	Martha G. Billes is invited to attend all Social Responsibility Committee meetings.

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

The Social Responsibility Committee met 5 times in 2008.

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

Director Compensation

Fees and Expenses

In 2008, our non-employee directors received:

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

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

The table below lists the fees our directors (including the Chairman of the Board) were entitled to receive effective January 1, 2008. The President and CEO does not receive any of these fees.

Annual Retainer	**Fees**
Chairman of the Board	$320,000
• Class A Non-Voting Share Purchases or DSUs	$24,000
• Company Paid Parking	$2,400
• Club Dues[(1)]	$2,750
• Club Entrance Fee[(1)]	$5,200
Board Members	$120,000
Audit Committee Chairman	$25,000
Other Committee Chairmen	$11,000
Attendance Fees	
Board Meeting	$2,000
• Via conference call	$1,000
Committee Meeting[(2)(3)] (other than Audit Committee Meeting)	$2,000
• Via conference call	$1,000
Audit Committee Meeting[(2)(3)]	$2,750
• Via conference call	$1,375
Travel Fee	
When travel time for a round trip to attend meetings is more than four hours[(2)]	$1,500

Notes

(1) In addition to the annual retainer, the Chairman of the Board receives reimbursement for annual club dues and a one-time club entrance fee that was paid in two annual installments in 2007 and 2008.

(2) Not applicable to the Chairman of the Board.

(3) Applicable to directors who attend as invited guests.

Deferred Share Unit Plan for Directors

The Chairman of the Board and any other director who is neither a full nor a part-time employee or officer of the Company or any of its subsidiaries are eligible to participate in the Deferred Share Unit Plan for Directors (*the DSU Plan for Directors*) pursuant to which the director may elect to receive all or part of his or her quarterly retainer, meeting fees and additional compensation in DSUs.

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

When a director resigns from the Board, he or she must elect to receive payment of his or her DSU account by no later than the last business day in December of the first calendar year following the calendar year in which the resignation occurs on a business day (*the Settlement Date*) within such period to be determined by the director upon at least 10 days prior written notice to the Company. The director will receive an amount that is equal to the number of DSUs credited to his or her account, including any dividends or other distribution paid by the Company on the Class A Non-Voting Shares that have accrued in the form of DSUs, multiplied by the Fair Market Value on the Settlement Date. The retiring director receives his or her payment in cash, net of any applicable statutory source deductions (see *About the Nominated Directors* on pages 7 to 15 for information concerning the individual DSU holdings of the nominated directors).

Director Share Ownership Guidelines

Each director, other than the President and CEO, is required to accumulate at least three times the value of the annual director retainer in Common Shares, Class A Non-Voting Shares or DSUs by the fifth anniversary of becoming a director (see *About the Nominated Directors* on pages 7 to 15 for information concerning the individual holdings of the nominated directors and, where applicable, the value of Common Shares, Class A Non-Voting Shares or DSUs required to meet the share ownership guideline amount). When the annual director retainer is increased, directors who met the guideline as at their guideline achievement date but would not meet the guideline on the effective date of the increase in the retainer are required to increase their investment. The amount of the required increase is the amount that is the difference between three times the new annual director retainer and the value of the directors' holdings as at their guideline achievement date. This increased investment must be achieved by the date that is two years after the effective date of the increase.

Effective January 1, 2008, each director, other than the Chairman of the Board and the President and CEO (see *Executive Compensation – Summary Compensation Table* on page 39 for the President and CEO's compensation), was entitled to receive an annual retainer of $120,000. If a director owned the required share ownership guideline amount of Common Shares, Class A Non-Voting Shares or DSUs, or any combination thereof, he or she received:

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

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

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

Compensation of Directors of Canadian Tire Bank

During 2008, six of the Company's directors also served (along with three outside directors) as directors of Canadian Tire Bank *(CTB)*, a wholly-owned subsidiary of Canadian Tire Financial Services Limited, which is a wholly-owned subsidiary of the Company. For their service as directors of CTB, in addition to their compensation for serving as directors of the Company, Martha G. Billes, Owen G. Billes, Daniel E. Fournier, Frank Potter (Chairman of the CTB Board), Maureen J. Sabia and Graham W. Savage received:

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

Martha G. Billes served on the CTB Board until May 1, 2008. She was replaced by Owen G. Billes following her resignation.

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

The table below lists the fees that CTB directors were entitled to receive in cash effective April 1, 2008:

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

Director Compensation Table

The following table sets out the compensation that was paid by the Company (including CTB) to its non-employee directors during the year ended January 3, 2009 under the compensation arrangements described above (as applicable). Mr. Gauld, who served as President and CEO and as a director of the Company until December 31, 2008, did not receive any compensation for serving as a director of the Company. His compensation for serving as President and CEO is included under *Executive Compensation – Summary Compensation Table* on page 39. Prior to becoming President and CEO of the Company on January 1, 2009, Mr. Wetmore received compensation for serving as a non-employee director of the Company, the amount of which is included in the compensation he received as President and CEO under *Executive Compensation – Summary Compensation Table* on page 39.

Name (a)	**Fees earned ($)[1] (b)**	**Share-based awards ($)[2] (c)**	**Option-based awards ($)[3] (d)**	**Non-equity incentive plan compensation ($)[4] (e)**	**Pension value ($)[5] (f)**	**All other compensation ($) (g)**	**Total ($) (h)**
Martha G. Billes[6]	228,000	–	–	–	–	21,500	249,500
Owen G. Billes[7]	217,750	–	–	–	–	–	217,750
Peter W. Currie[8]	108,473	–	–	–	–	–	108,473
Austin E. Curtin[9]	67,277	–	–	–	–	5,000	72,277
Brian G. Domelle[10]	109,723	–	–	–	–	–	109,723
H. Garfield Emerson[11]	167,000	–	–	–	–	–	167,000
Daniel E. Fournier[12]	220,750	–	–	–		–	220,750
Robert M. Franklin[13]	162,750	–	–	–	–	–	162,750
Keith E. Gostlin[14]	175,000	–	–	–	–	12,000	187,000
James R. Neale[15]	62,777	–	–	–	–	9,500	72,277
Suzanne R. Perles[16]	173,000	–	–	–	–	12,000	185,000
Frank Potter[17]	255,250		–	–	–	–	255,250
Timothy R. Price[18]	164,250	–	–	–	–	–	164,250
James A. Riley[19]	181,000	–	–	–	–	–	181,000
Maureen J. Sabia (Chairman)[20]	424,680	–	–	–	–	11,429	436,109
Graham W. Savage[21]	251,000	–	–	–	–	–	251,000

Notes

(1) Column (b) includes retainer and meeting fees paid by the Company which a director elected to take in DSUs pursuant to the DSU Plan for Directors (see *Deferred Share Unit Plan for Directors* on page 25) as well as compensation received by those directors of the Company who also served on the Board of CTB (see *Compensation of Directors of Canadian Tire Bank* on page 26).

(2) The Company does not grant any share-based awards to its non-employee directors.

(3) The Company does not grant any option-based awards to its non-employee directors.

(4) The Company does not provide any non-equity incentive plan compensation to its non-employee directors.

(5) The Company does not have a defined benefit or defined contribution plan available to its employees or directors.

(6) The amount in column (b) includes $26,500 in retainer and meeting fees paid to Ms. Billes for serving as a director of CTB and $4,000 paid by the Company to Ms. Billes for attending meetings of directors of CTB as an invited guest after she resigned from the CTB Board on May 1, 2008. The amount in column (g) represents travel fees of $16,500 paid to Ms. Billes by the Company and a $5,000 donation made by CTB to the Canadian Tire Foundation for Families upon Ms. Billes' retirement from the Board of CTB in recognition of her service to CTB.

(7) The amount in column (b) includes $33,000 in retainer and meeting fees paid to Mr. Billes for serving as a director of CTB. Mr. Billes was appointed a director of CTB on May 1, 2008.

(8) The amount in column (b) includes $46,986 in DSUs.

(9) Mr. Curtin ceased to be a director of the Company on May 8, 2008. The amount in column (b) includes $42,527 in DSUs. The amount in column (g) represents a donation made by the Company to the Medicine Hat & District Health Foundation upon Mr. Curtin's retirement from the Board in recognition of his service to the Company.

(10) The amount in column (b) includes $77,473 in DSUs.

(11) Mr. Emerson elected to receive all of his retainer and meeting fees shown in column (b) in DSUs.

(12) The amount in column (b) includes $60,000 in DSUs. This column also includes $52,500 in retainer and meeting fees paid to Mr. Fournier for serving as a director of CTB.

(13) The amount in column (b) includes $60,000 in DSUs.

(14) Mr. Gostlin elected to receive all of his retainer and meeting fees shown in column (b) in DSUs. The amount in column (g) represents travel fees paid to Mr. Gostlin by the Company.

(15) Mr. Neale ceased to be a director of the Company on May 8, 2008. The amount in column (b) includes $27,527 in DSUs. The amount in column (g) includes $7,500 in travel fees paid to Mr. Neale by the Company and a $2,000 donation made by the Company to the Canadian Tire Foundation for Families upon Mr. Neale's retirement from the Board in recognition of his service to the Company.

(16) The amount in column (b) includes $120,000 in DSUs. The amount in column (g) represents travel fees paid to Ms. Perles by the Company.

(17) The amount in column (b) includes $40,000 in DSUs. This column also includes $81,250 in retainer and meeting fees paid to Mr. Potter for serving as Chairman and a director of CTB.

(18) The amount in column (b) includes $120,000 in DSUs.

(19) Mr. Riley elected to receive all of his retainer and meeting fees shown in column (b) in DSUs.

(20) The amount in column (b) includes $23,285 which was used to purchase Class A Non-Voting Shares for Miss Sabia. This column also includes $54,500 in retainer and meeting fees paid to Miss Sabia for serving as a director of CTB. The amount in column (g) represents Company-paid perquisites for Miss Sabia's services as Chairman of the Board, including parking of $2,712 (inclusive of taxes), annual club dues of $2,915 (inclusive of taxes), the second instalment of a one-time club entrance fee of $5,200 and $602 for miscellaneous items relating to life insurance and other personal benefits.

(21) The amount in column (b) includes $60,000 in DSUs. This column also includes $54,500 in retainer and meeting fees paid to Mr. Savage for serving as a director of CTB.

Report on Executive Compensation

Compensation Discussion & Analysis

Introduction

The following Compensation Discussion and Analysis *(CD&A)* is intended to provide Canadian Tire's shareholders with a description of the processes and decisions involved in the design, oversight, and payout of its compensation programs for the Named Executive Officers (*NEOs*) for the 2008 financial year. While the focus of the CD&A is on the compensation programs in which the NEOs participate, all of the programs apply to the Company's entire executive team.

The CD&A is structured as follows:

- Executive Compensation Philosophy
- Role and Composition of the MRC Committee and Role of Management and Independent Advisors
- Components of Canadian Tire's Executive Compensation Program
- Competitive Benchmarking
- How Canadian Tire Makes Executive Compensation Decisions
- 2008 Executive Compensation Decisions

To provide transparency of compensation decisions with respect to the Presidents of Canadian Tire's largest business units, and to facilitate year-over-year comparisons, the Company has chosen to include its top four most-highly compensated executives as NEOs, in addition to its President and CEO and its CFO. The NEOs are:

- Stephen Wetmore – President and CEO (January 1 – January 3, 2009)
- Thomas K. Gauld – President and CEO (until December 31, 2008)
- J. Huw Thomas – Executive Vice President, Finance and Administration and Chief Financial Officer *(the CFO)*
- G. Michael Arnett – President, Canadian Tire Retail *(President, CTR)*
- Michael B. Medline – President, Dealer Relations and Diversified Businesses *(President, DRDB)*[1]
- Marco Marrone – President, Canadian Tire Financial Services *(President, CTFS)*
- Stanley W. Pasternak – Senior Vice President and Treasurer *(the Treasurer)*[2]

Mr. Wetmore has been included in the *Summary Compensation Table* on page 39, in the incentive plan compensation tables on pages 40 and 41, and in the *Termination and Change of Control Benefits* disclosure on page 42. Mr. Wetmore has not been included in the compensation tables contained in the *Compensation Discussion & Analysis* (pages 28 to 37) as he was not eligible to participate in the Company's 2008 incentive programs. Mr. Wetmore's employment agreement is summarized on page 41 of this management information circular.

Executive Compensation Philosophy

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

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

- compensation must be competitive to attract and retain leadership talent required to drive business results
- compensation must be guided by a pay for performance philosophy
- compensation must incorporate an appropriate balance of short and long-term rewards
- compensation must foster an environment of teamwork, accountability and cross-functional collaboration
- incentive programs must be based on quantifiable, objective data and align leaders with the goals and objectives of the Company and its shareholders

The Board has a policy that requires all executives to have a significant personal stake in the Company's success through share ownership. The Company believes that, in order to align the interests of management and shareholders and foster an environment that encourages a focus on long-term value creation, executive officers must meet prescribed share ownership guidelines so that they have a significant personal investment in the Company (see *Executive Share Ownership Guidelines* on page 34).

Market practices help to define the total compensation mix as well as the range of pay opportunity based on information from the companies in the established benchmarking peer group with whom Canadian Tire competes for talent (see *Competitive Benchmarking* on page 31).

The determination of pay for individual members of the executive team contemplates that total compensation should be based on the level of job responsibility, individual performance, Company performance and market practice. A significant portion of the annual compensation paid to NEOs is contingent upon whether the Company's strategic objectives are met. The individual compensation arrangements may differ between those NEOs with broader corporate responsibilities and those who operate specific business units. For example, those NEOs operating business units have annual bonus programs where heavier weighting is placed on the specific performance of their business unit.

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

(i) Role and Composition of the MRC Committee

The MRC Committee oversees the Company's executive compensation program on behalf of the Board of Directors. The MRC Committee is responsible for recommending to the Board the appointment and compensation of its NEOs. In

(1) Mr. Medline assumed the role of Chief Corporate Officer and President, Diversified Businesses effective January 8, 2009.

(2) For fiscal 2008, the NEOs include Stanley W. Pasternak, Senior Vice-President and Treasurer, due to the inclusion of a retention award in the calculation of Mr. Pasternak's 2008 compensation. The one-time special award to Mr. Pasternak was made in the form of a long-term equity incentive grant to retain Mr. Pasternak's critical skill-set. Had Mr. Pasternak not received this one-time grant, he would not have been designated an NEO.

addition, the MRC Committee is responsible for executive succession planning.

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

The current members of the MRC Committee are Frank Potter, *Chairman*, Martha G. Billes, H. Garfield Emerson, Daniel E. Fournier, Timothy R. Price and James A. Riley. Mr. Price was appointed to the MRC Committee on May 6, 2008. James R. Neale served on the MRC Committee until May 6, 2008. Stephen G. Wetmore ceased to be a member of the MRC Committee upon becoming President and CEO of the Company effective January 1, 2009.

The Company's corporate governance practices require that all members of the MRC Committee be independent and that no more than one-third of the MRC Committee's members be chief executive officers of any publicly traded entity. None of the current members of the MRC Committee is an officer, employee or former officer of the Company or any of its affiliates, or is eligible to participate in the Company's executive compensation programs. The Board of Directors believes that the MRC Committee collectively has the knowledge, experience, and background required to fulfill its Mandate.

For further information about the MRC Committee, including its activities in 2008, see *Report of the Management Resources and Compensation Committee* on page 20 of this management information circular.

(ii) Role of Management in Compensation Decisions

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

(iii) Role of Independent Advisor in Compensation Decisions

Hugessen Consulting Inc. *(Hugessen)* has been retained directly by the MRC Committee to provide independent advice, compensation analysis and other information in support of evaluating compensation recommendations and making effective decisions pertaining to executive compensation. Hugessen attends and contributes to MRC Committee meetings and reports directly to the MRC Committee. All work performed by Hugessen is at the direction of, and must be pre-approved by, the MRC Committee including occasional work performed in partnership with management. Services provided by Hugessen in 2008 included guidance on the framework for the 2008 executive compensation benchmarking exercise.

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

Compensation consultant fees paid to Hugessen in 2008 were approximately $159,000. Hugessen has no other mandates for Canadian Tire.

(iv) Other Compensation Advisors to the Company

Management retains Towers Perrin from time to time to provide expertise, information and advice pertaining to the design and implementation of executive compensation programs. Any recommendations made by management or Towers Perrin are reviewed with the MRC Committee's advisor and remain subject to MRC Committee review and approval. Compensation consultant fees paid to Towers Perrin in 2008 were approximately $123,555.

Components of Canadian Tire's Executive Compensation Program

The components of the executive compensation program in which the NEOs and other members of the executive team were eligible to participate during 2008 are described in the table below. Each of these programs is described in more detail starting on page 31 of this management information circular.

Compensation Component	Objectives	Form
Base Salary	• Provides fixed compensation that reflects the market value of the role and the skills and experience of the executive.	Cash
Annual Short-term Incentive Plan	• Rewards executives for their contribution to the achievement of annual financial goals.	Cash
Long-term Incentive Plans		
Performance Share Unit Plan	• Rewards executives for achieving growth in operating earnings over a three-year period.	Performance Share Units
Stock Option Plan	• Aligns the interests of executives and shareholders by rewarding executives for share price appreciation over a seven year period.	Stock Options with a tandem Stock Appreciation Rights feature

The compensation mix varies by executive level to reflect both market practice and the impact of more senior roles on overall Company performance. The base salary portion of executive compensation is fixed while the annual short-term and long-term incentives portion is variable. The Company chooses its compensation mix to generally reflect that of companies in its peer group.

The target pay mix of the primary compensation components for the NEOs for fiscal 2008 is shown in the following table:

	Percentage of Target Total Direct Compensation(1)				
			Long-term incentives		
NEO(2)	Base salary	Short-term incentive	Performance Share Units	Stock Options	Percentage of pay at risk
Thomas K. Gauld President and CEO	28%	28%	45%	0%	72%
J. Huw Thomas CFO	38%	19%	43%	0%	62%
G. Michael Arnett President, CTR	38%	19%	21%	21%	62%
Michael B. Medline President, DRDB	38%	19%	21%	21%	62%
Marco Marrone President, CTFS	38%	19%	21%	21%	62%
Stanley Pasternak Treasurer	45%	20%	17%	17%	55%

(1) Percentages have been rounded to the nearest whole number.
(2) Mr. Wetmore, current President and CEO, has not been included in this table as he joined the Company as President and CEO on January 1, 2009.

The overall design of the Company's 2008 NEO compensation program is summarized in the following table:

NEO	Salary Range ($000's)	STIP Target (as % of salary)	LTIP Target (as % of salary)
President and CEO	$700 – $1,300	100.0%	162.0%
CFO President, CTR President, DRDB President, CTFS	$420 – $630	50.0%	112.5%
Treasurer(1)	$200 – $375	45.0%	75.0%

Notes
(1) During 2008, Mr. Pasternak received a one-time special equity retention grant. Had Mr. Pasternak not received this one-time grant, he would not have been disclosed as an NEO.

Competitive Benchmarking

In order to attract and retain the leadership talent required to achieve its goals, the Company needs to ensure that its executive compensation programs remain competitive. Every two years, a comprehensive market review of compensation practices is undertaken. This review involves analysis of the compensation elements, levels and practices of a peer group of organizations. The Company selects the elements of its compensation programs to ensure a competitive compensation package for its executives. It then positions its base salary, short-term incentive and long-term incentive compensation levels at the median of compensation levels for executives in comparable roles in the peer group.

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

Benchmarking Peer Group

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

An extensive market review of compensation levels and practices was undertaken by management in 2008. This review included an analysis of the competitiveness of the Company's total compensation as well as the components of individual compensation. The review process, including the selection of the benchmarking peer group, was overseen by Hugessen, the MRC Committee's independent advisor.

How Canadian Tire Makes Executive Compensation Decisions

Base Salary

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

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

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

Annual adjustments to NEO base salaries are generally in line with the practices for all other salaried employees of the Company; however, larger NEO annual salary increases may be recommended from time to time to retain and reward high-performing, high potential leaders.

Annual Short-term Incentive Plan

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

(i) Annual STIP Design Process

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

- STIP targets, expressed as a percentage of base salary, are determined for each NEO based on competitive market practice for comparable roles. The STIP target is the award that is earned for achieving target levels of business performance.
- STIP performance measures and associated weightings are determined for each NEO based on his or her specific role:
  - In 2008, 100% of the STIP award for the President and CEO, the CFO, and the Treasurer, and at least 25% of the STIP award for the President, CTR, the President, DRDB and the President, CTFS was dependent on Canadian Tire's consolidated earnings performance. The balance of the STIP award for the three business unit President NEOs was based on business unit specific performance measures.
- Business performance targets are established for each STIP performance measure.

- Performance "shoulders" are established for each STIP performance measure:
  - The "lower shoulder" is the level of business performance for which a threshold STIP award (i.e. 10% of target) is earned. The lower shoulder is typically 92% of target business performance;
  - The "upper shoulder" is the level of business performance for which a maximum STIP award (i.e. 200% of target) is earned. The upper shoulder is typically 108% of target business performance;
  - Shoulders vary to ensure that the plan design incorporates the same degree of achievement difficulty across business units.

(ii) Annual STIP Payout Process

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

(iii) 2008 STIP Design

2008 STIP awards payable to the NEOs at minimum, threshold, target and maximum levels of business performance are shown in the table below:

	STIP Award (% of base salary)			
NEO(1)	**Minimum**	**Threshold**	**Target**	**Maximum**
Thomas K. Gauld President and CEO	0.0%	10.0%	100.0%	200.0%
J. Huw Thomas CFO	0.0%	5.0%	50.0%	100.0%
G. Michael Arnett President, CTR	0.0%	5.0%	50.0%	100.0%
Michael B. Medline President, DRDB	0.0%	5.0%	50.0%	100.0%
Marco Marrone President, CTFS	0.0%	5.0%	50.0%	100.0%
Stanley Pasternak Treasurer	0.0%	4.5%	45.0%	90.0%

Note

(1) Mr. Wetmore, current President and CEO, has not been included in this table as he joined the Company as President and CEO on January 1, 2009 and was not eligible to participate in the Company's 2008 STIP.

The percentage of base salary payable at target for each of the business performance measures included in the 2008 STIP design is outlined in the table below:

Percentage of Base Salary Payable at Target

	NEO(1)					
Performance Measure	**Thomas K. Gauld President and CEO**	**J. Huw Thomas CFO**	**G. Michael Arnett President, CTR**	**Michael B. Medline President, DRDB**	**Marco Marrone President, CTFS**	**Stanley Pasternak Treasurer**
Canadian Tire Corporation Consolidated Earnings	100.0%	50.0%	12.5%	17.5%	12.5%	45.0%
Canadian Tire Retail Operating Earnings			25.0%	12.5%		
Canadian Tire Retail Operating Earnings as % of Gross Operating Revenue			12.5%			
Diversified Businesses performance measures				20.0%		
Canadian Tire Financial Services Operating Earnings					25.0%	
Canadian Tire Financial Services Return on Receivables					12.5%	
STIP award payable at target (% of base salary)	**100.0%**	**50.0%**	**50.0%**	**50.0%**	**50.0%**	**45.0%**

Notes

(1) Mr. Wetmore, current President and CEO, has not been included in this table as he joined the Company as President and CEO on January 1, 2009 and was not eligible to participate in the Company's 2008 STIP.

Long-term Incentive Plan

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

(i) Annual LTIP Design and Allocation Process

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

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

- Current compensation trends
- Current and new LTIP plan vehicles and designs
- Tax and accounting requirements
- Program costs at payout
- Expected value to be delivered to participants
- Participant views

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

Once the LTIP design is finalized, management recommends the annual NEO LTIP allocations to reflect individual performance and potential to the MRC Committee. Previous NEO LTIP allocations are not taken into consideration in determining current year allocations. Management's proposal is considered by the MRC Committee, which determines the proposal to be made to the Board. The MRC Committee then recommends its proposal to the Board for approval.

(ii) 2005 - 2008 LTIP Design Summary

The 2008 LTIP design, as well as the LTIP designs that were in place for 2005 to 2007, are summarized in the following table. The grants that were made under the 2006, 2007 and 2008 plans were not vested as at the end of the 2008 financial year.

LTIP Plan	Plan Objectives	Design Summary

Performance Share Unit Plan (2008)
• Long-term incentive awarded in 2008 to be paid out in 2011
	• Reward executives for achieving growth in operating earnings over a three-year period.	• PSUs are paid out in cash at the end of the performance period
		• The number of units awarded is based on salary, individual capabilities, performance and potential
		• Payment is linked to:
		  • 3-year compound annual growth rate of Canadian Tire's operating earnings
		  • value of Class A Non-Voting Shares

Performance Driven Share Unit Plan (2005, 2006, 2007)
• Long-term incentive awarded in 2005, 2006 and 2007 to be paid out in 2008, 2009 and 2010, respectively
	• Reward executives for achieving growth in operating earnings over a three-year period.	• Performance driven share units (*PDSUs*) are paid out in cash at the end of the performance period
		• The number of PDSUs awarded is based on:
		  • salary, individual capabilities, performance and potential
		  • earnings per Class A Non-Voting Share (2006 and 2007 only) and return on invested capital (2006 and 2007 only)
		• Payment is linked to the value of Class A Non-Voting Shares

Stock Option Plan (2006, 2007, 2008) • Long-term incentive awarded annually	• Align the interests of executives and shareholders by rewarding executives for share price appreciation over a seven year period.	• Options to buy Class A Non-Voting Shares with a tandem stock appreciation rights feature • The value of the options is linked to the appreciation in value of Class A Non-Voting Shares • The number of options awarded is based on salary, individual capabilities, performance and potential

(iii) 2008 LTIP Design

The 2008 LTIP design was comprised of PSUs and stock options. The target 2008 LTIP award, expressed as a percentage of base salary, and the proportion of the award allocated in PSUs and stock options for the NEOs, are shown in the following table:

NEO[1]	2008 Target LTIP Grant (% of base salary) Total Target Award	PSUs	Stock Options
Thomas K. Gauld President and CEO	162.0%	162.0%	0.0%
J. Huw Thomas CFO	112.5%	112.5%	0.0%
G. Michael Arnett President, CTR	112.5%	56.25%	56.25%
Michael B. Medline President, DRDB	112.5%	56.25%	56.25%
Marco Marrone President, CTFS	112.5%	56.25%	56.25%
Stanley Pasternak Treasurer	75.0%	37.5%	37.5%

Note

(1) Mr. Wetmore, the current President and CEO, has not been included in this table as he joined the Company on January 1, 2009 and was not eligible to participate in the Company's 2008 LTIP.

(A) 2008 Performance Share Unit Plan

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

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

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

The 2008 PSUs are subject to a back-end multiplier (applied at the end of the three year performance period) based on the 3-year compound annual growth rate (*CAGR*) of the Company's operating earnings. The CAGR multiplier is calculated on a linear basis by reference to the following table:

	Below Threshold	Threshold	Target	Maximum
After-tax Operating Earnings CAGR 2007-2010	<5%	5%	10%	≥15%
CAGR Performance Multiplier	0.0	0.5	1.0	2.0

(B) Stock Option Plan

The Company's Stock Option Plan was established to increase the alignment between compensation of NEOs and other executives and the long-term performance of Canadian Tire's shares. The process for granting stock options to NEOs and other executive officers is described on page 33.

Each option grant provides an NEO the right to subscribe for a Class A Non-Voting Share at the weighted average price at which Class A Non-Voting Shares trade on the TSX during the 10-day period ending on the date immediately preceding the date that the option was granted (*the strike price*). The 2008 option agreement incorporates a tandem share appreciation rights *(TSAR)* feature whereby an NEO 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.

The change of control provisions in our 2008 stock option agreements are the same for all optionees. The provisions were selected to provide optionees early vesting only if a termination of their employment occurred within a period of time the length of which was such that the termination could reasonably be linked to the change of control of the Company. For more information on the Company's Stock Option Plan see *Description of our Equity Compensation Plans – Stock Option Plan* on page 44.

Perquisites

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

Other Benefits

NEOs participate in the Company's profit sharing and share purchase plans (see *Canadian Tire Corporation, Limited Deferred Profit Sharing Plan* on page 45 and *Canadian Tire Corporation, Limited Share Purchase Plan* on page 46 for descriptions of the plans). The Canadian Tire Corporation, Limited Deferred Profit Sharing Plan and the Canadian Tire Corporation, Limited Share Purchase Plan serve to assist NEOs and other employees in achieving long-term retirement savings in the absence of Company retirement and pension plans. NEOs are also entitled to receive health benefits available to other employees, generally on the same basis, which are designed to promote general wellness and preventative care. These benefits include medical and dental insurance, group life and accidental death and dismemberment insurance, short-term disability insurance and employee-paid long-term disability insurance. An employee store discount program is also provided.

Executive Share Ownership Guidelines

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

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

NEO	Multiple of Annual Salary
Stephen Wetmore President and CEO	3x
Thomas K. Gauld President and CEO	3x
J. Huw Thomas CFO	2x
G. Michael Arnett President, CTR	2x
Michael B. Medline President, DRDB	2x
Marco Marrone President, CTFS	2x
Stanley Pasternak Treasurer	1x

The NEOs can hold up to 50 percent of their minimum share requirement in PSUs, valued using the minimum multiplier where applicable. In addition, units held by the NEOs in the CTC Share Fund of the Canadian Tire Corporation, Limited Deferred Profit Sharing Plan can be counted towards the minimum ownership requirement. If an NEO is below the applicable ownership guideline and holds stock options, the after-tax gains of his or her exercised options must be held in Canadian Tire shares until the guideline is met.

Each year, management reviews and reports on each NEO's level of share ownership to the NEO and to the MRC Committee. The MRC Committee reviews the SOGs annually.

2008 Executive Compensation Decisions

Impact of Business Performance on 2008 Executive Compensation

The MRC Committee applied the 2008 STIP design to determine the STIP awards for 2008. In doing so, consistent with management's recommendation, the MRC Committee made adjustments to the financial results used to determine the STIP award to eliminate certain deductions that arose from accounting and other factors that were not foreseen when the performance goals for 2008 were settled. In the view of the MRC Committee these adjustments, which increased the performance results, ensured that the STIP awards made for 2008 appropriately fulfilled the purposes of the 2008 STIP design. The performance results approved by the MRC Committee, compared to several of the Company's key performance measures, fell below STIP targets for the financial year ended January 3, 2009, resulting in all but one of the NEOs experiencing a decrease in total compensation from 2007 levels. The President, CTR (G. Michael Arnett) experienced a slight increase in total 2008 compensation over 2007 (i.e., a 1.6 percent increase), as a result of such performance results for his business unit exceeding targets (as shown below).

Targets for the Company's primary business performance measures applicable to the NEOs, along with 2008 final results, are shown in the following table:

	2008 Performance Targets				
Performance Measure	Threshold (pays 10% of target incentive)	Target (pays 100% of target incentive)	Maximum (pays 200% of target incentive)	2008 Final Result	Final Result vs. Target
Canadian Tire Consolidated Earnings	$395,363,132	$429,742,534	$464,121,937	$412,666,230	Between Threshold and Target
Canadian Tire Retail Operating Earnings	$285,244,854	$310,048,754	$334,852,654	$311,847,277	Exceeded
Canadian Tire Retail Operating Earnings as % of Gross Operating Revenue	5.04%	5.48%	5.92%	5.61%	Exceeded
Canadian Tire Financial Services Operating Earnings	$179,981,000	$195,631,521	$211,282,043	$193,162,480	Between Threshold and Target
Canadian Tire Financial Services Return on Receivables	4.53%	4.92%	5.32%	4.94%	Exceeded

Diversified Businesses performance measures that are part of the STIP design for Mr. Medline are an aggregation of financial performance measures for small business units. The STIP threshold, target and maximum business performance levels for these measures are developed using the same process and methodology as the other STIP performance measures, and therefore incorporate the same degree of achievement difficulty. In 2008, the final result versus target for these measures was a combination of "Exceeded" and "Between Threshold and Target".

Summary of 2008 Compensation Decisions

(i) President and CEO Employment Agreement

The MRC Committee's succession planning process identified Mr. Wetmore as the preferred candidate for President and CEO succession. In establishing compensation parameters for this role, the MRC Committee considered Mr. Wetmore's skills, experience, comparative positions in the marketplace and total compensation packages of the incumbent and former CEOs of the Company. The proposed terms of employment of Mr. Wetmore, by comparison to the two previous CEO employment arrangements, included a higher base salary, significantly less generous termination provisions, did not contemplate a fixed term, and did not include a signing bonus. Representatives of the Board negotiated a proposed employment agreement with Mr. Wetmore that was within the established parameters and was approved by the Board of Directors.

(ii) Former President and CEO Retirement Agreement

In establishing parameters for Mr. Gauld's retirement agreement, the MRC Committee considered the terms of his employment agreement, together with his age and years of service. Representatives of the Board negotiated a proposed retirement agreement with Mr. Gauld that was within the established parameters and was approved by the Board of Directors.

(iii) 2008 Base Salary Increases

In accordance with the Company's Executive Compensation Policy, the following base salary increases were approved by the MRC Committee in 2008:

NEO[(1)]	2008 Base Salary Increase
Thomas K. Gauld President and CEO	3.4%
J. Huw Thomas CFO	2.8%
G. Michael Arnett[(2)] President, CTR	11.1%
Michael B. Medline President, DRDB	3.1%
Marco Marrone President, CTFS	4.7%
Stanley Pasternak Treasurer	3.0%

Notes

(1) Mr. Wetmore, the current President and CEO, has not been included in this table as he joined the Company as President and CEO on January 1, 2009.

(2) Mr. Arnett's 2008 increase of 11.1% was provided to appropriately position his salary within the salary range and against his internal peers.

(iv) 2008 STIP Payout

The 2008 STIP awards paid to each NEO, expressed as a percentage of base salary, for each business performance measure are shown in the table below:

STIP Percentage of Base Salary Paid in 2008

	NEO[(1)]					
Performance Measure	**Thomas K. Gauld President and CEO**	**J. Huw Thomas CFO**	**G. Michael Arnett President, CTR**	**Michael B. Medline President, DRDB**	**Marco Marrone President, CTFS**	**Stanley Pasternak Treasurer**
Canadian Tire Consolidated Earnings	55.3%	27.6%	6.9%	9.7%	6.9%	24.9%
Canadian Tire Retail Operating Earnings			26.8%	13.4%		
Canadian Tire Retail Operating Earnings as % of Gross Operating Revenue			16.2%			
Canadian Tire Financial Services Operating Earnings					21.5%	
Canadian Tire Financial Services Return on Receivables					13.1%	
Diversified Businesses performance measures				14.4%		
2008 Actual STIP Award (% of base salary)	55.3%	27.6%	49.9%	37.5%	41.5%	24.9%
2008 Target STIP Award (% of base salary)	100.0%	50.0%	50.0%	50.0%	50.0%	45.0%
2008 Actual STIP Award as % of Target	55.3%	55.3%	99.8%	75.0%	83.0%	55.3%
2008 Actual STIP Award ($)	$575,885	$129,562	$237,591	$183,682	$178,285	$79,153

Notes

(1) Mr. Wetmore, the current President and CEO, has not been included in this table as he joined the Company as President and CEO on January 1, 2009 and was not eligible to participate in the Company's 2008 STIP.

(v) 2008 LTIP Grant

In 2008, the MRC Committee changed the design of the Company's performance share unit plan to remove the front end multiplier and replace it with a back end multiplier. This had the effect of increasing the emphasis of long term compensation on the achievement of earnings targets and share appreciation and adding risk to the probability of payout. The other component of the Company's LTIP, stock options, provides even greater emphasis on share appreciation and additional risk to the probability of payout. It was determined that for all senior management except the President and CEO and the CFO an award comprised of stock options (50%) and PSUs (50%) was appropriate. After evaluating the compensation metrics for the President and CEO and the CFO, the MRC Committee determined that the LTIP design for the President and CEO and the CFO in 2008 would remain unchanged from 2007 and would consist of awards comprised entirely of PSUs. The 2008 LTIP grants awarded to the NEOs are shown in the table below.

	2008 Actual LTIP Grant (% of base salary)		
NEO[(1)]	Total Award	PSUs	Stock Options
Thomas K. Gauld President and CEO	162.0%	162.0%	0.0%
J. Huw Thomas CFO	106.4%	106.4%	0.0%
G. Michael Arnett President, CTR	117.8%	58.3%	59.5%
Michael B. Medline President, DRDB	108.2%	53.6%	54.7%
Marco Marrone President, CTFS	124.8%	61.8%	63.0%
Stanley Pasternak Treasurer	261.1%[(2)]	128.2%	132.9%

Notes

(1) Mr. Wetmore, the current President and CEO has not been included in this table as he joined the Company as President and CEO on January 1, 2009 and was not eligible to participate in the Company's 2008 LTIP.

(2) Mr. Pasternak received two equity grants in 2008: 1) an annual grant which was allocated at target ($240,000, or 75% of salary at the time of grant); and 2) a one-time special retention grant with a grant date fair value of approximately $600,000.

(vi) 2008 LTIP Payout (Vested value of 2005 PDSU Grant)

The 2008 payouts for the LTIP awards that were granted to the NEOs in 2005 are shown in the table below.

		2008 LTIP Payout	
NEO[(1)]	2005 LTIP Award ($)[(2)]	Payout ($)[(3)]	Percentage of 2005 Award %
Thomas K. Gauld President and CEO	484,000	557,603	115.2%
J. Huw Thomas CFO	489,500	563,940	115.2%
G. Michael Arnett President, CTR	187,000	215,438	115.2%
Michael B. Medline President, DRDB	412,500	475,230	115.2%
Marco Marrone President, CTFS	121,000	139,401	115.2%
Stanley Pasternak Treasurer	247,500	285,138	115.2%

Note

(1) Mr. Wetmore, the current President and CEO, has not been included in this table as he joined the Company as President and CEO on January 1, 2009.

(2) The composition of the 2005 LTIP award was 100 percent PDSUs.

(3) The value of each PDSU paid out in 2008 was based on the weighted average share price for the 20 trading days up to and including March 13, 2008, which was the last day of the performance period.

Perquisite and Benefit Programs

There were no significant changes made in fiscal 2008 to any of the perquisite and benefit programs in which the NEOs participated.

Conclusion

The MRC Committee is satisfied that Canadian Tire's executive compensation policies and practices support the Company in achieving its strategic objectives, and that the programs are effective in attracting, retaining and motivating a skilled team of NEOs to maximize shareholder value. The Chairman of the MRC Committee, Frank Potter, will be available to answer questions relating to Canadian Tire's executive compensation practices at the Annual Meeting of Shareholders to be held on May 14, 2009.

Report presented by:

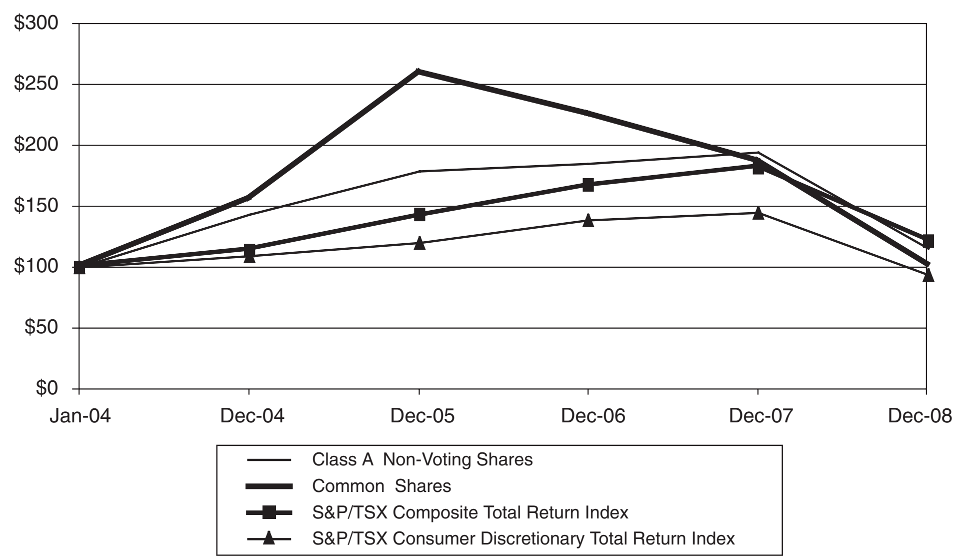
Frank Potter, *Chairman*
Martha G. Billes
H. Garfield Emerson
Daniel Fournier
Timothy R. Price
James A. Riley

How Our Shares Have Performed and Relationship with Executive Compensation

The following chart compares the cumulative shareholder return on the Company's Class A Non-Voting Shares and Common Shares to the S&P/TSX Composite Total Return Index and the S&P/TSX Consumer Discretionary Total Return Index assuming $100 was invested on January 1, 2004. Over this five-year period, Canadian Tire's total NEO compensation has very closely mirrored the investment trend of the Class A Non-Voting Shares. The most significant increase in NEO compensation occurred in 2004 when it rose by 37 percent. However, the appreciation in the Class A Non-Voting share price surpassed the increase in NEO compensation in 2004, rising by 44 percent. In 2005, NEO compensation fell by 2 percent, while the Class A Non-Voting share price rose by 25 percent. In 2006 and 2007 there was close alignment between the growth in NEO compensation and share price. During 2008, the performance of Canadian Tire's Class A Non-Voting Shares mirrored the deterioration in global equity markets, declining by 41 percent. The Company's pay for performance philosophy was demonstrated in 2008 as total compensation for the NEOs declined by 23 percent over 2007.

For the purpose of the above discussion, NEO Compensation is defined as aggregate annual compensation (i.e., the sum of base salary, annual incentive payouts and grant date fair value of share-based and option-based awards, and excludes all other compensation). The executive compensation values have been calculated for the NEOs based on the same methodology as disclosed in the *Summary Compensation Table* on page 39. This is a methodology adopted by Canadian Tire solely for the purposes of this comparison. It is not a recognized or prescribed methodology for this purpose, and may not be comparable to any methodologies used by other issuers for this purpose.

Cumulative Total Shareholder Return
January 1, 2004 through December 31, 2008



	Canadian Tire Corporation, Limited			
Date	Class A Non-Voting Shares	Common Shares	S&P/TSX Composite Total Return Index	S&P/TSX Consumer Discretionary Total Return Index
Jan-04	$100.00	$100.00	$100.00	$100.00
Dec-04	$143.90	$156.69	$114.48	$109.50
Dec-05	$179.69	$260.16	$142.10	$120.24
Dec-06	$184.86	$226.18	$166.63	$139.09
Dec-07	$195.39	$186.66	$183.01	$144.95
Dec-08	$116.15	$101.96	$122.61	$93.63

Executive Compensation

Summary Compensation Table

The table below shows the compensation paid to the NEOs in respect of the Company's most recently completed financial year (ended January 3, 2009).

In light of the significant changes to the requirements, content and format for executive compensation disclosure made by the Canadian Securities Administrators applicable to issuers with a December 31, 2008 or later year end, the Company has disclosed compensation in the Summary Compensation Table below for the 2008 fiscal year only, in accordance with these requirements. Disclosure of compensation for prior years, in accordance with then applicable requirements, is contained in the Company's previous management information circular dated March 6, 2008, which is available on SEDAR at www.sedar.com.

					Non-equity incentive plan compensation ($) (f)				
Name and Principal Position (a)	**Year (b)**	**Salary ($) (c)**	**Share-based awards ($)[1] (d)**	**Option-based awards ($)[2] (e)**	**Annual incentive plans[3] (f1)**	**Long-term incentive plans[4] (f2)**	**Pension Value ($)[5] (g)**	**All other compensation ($)[6] (h)**	**Total compensation ($) (i)**
Stephen Wetmore[7] President and CEO	**2008**	9,615	–	–	–	–	–	175,500	185,115
Thomas K. Gauld President and CEO	**2008**	1,074,519	1,684,781	–	575,885	–	–	300,003	3,635,188
J. Huw Thomas Executive Vice President, Finance and Administration and Chief Financial Officer	**2008**	487,181	499,959	–	129,562	–	–	89,157	1,205,859
G. Michael Arnett President, Canadian Tire Retail	**2008**	495,193	262,472	267,825	237,591	–	–	85,234	1,348,315
Michael B. Medline President, Dealer Relations and Diversified Businesses	**2008**	509,019	262,472	267,825	183,682	–	–	93,201	1,316,199
Marco Marrone President, Canadian Tire Financial Services	**2008**	446,846	262,472	267,825	178,285	–	–	80,015	1,235,443
Stanley Pasternak[8] Senior Vice President and Treasurer	**2008**	330,709	408,201	423,363	79,153	–	–	61,225	1,302,651

Notes:

(1) The value disclosed in this column for PSUs is based on the weighted average share price of a Class A Non-Voting Share for the 10 days beginning on the day the prior year financial results are released multiplied by the number of units granted. The value disclosed in this column for Mr. Pasternak's special retention grant is based on the weighted average share price of a Class A Non-Voting Share for the 10 days prior to the date of grant.

(2) The value disclosed in this column is based on the weighted average share price of a Class A Non-Voting Share for the 10 days prior to the date of grant multiplied by a Black-Scholes factor of 26.1 percent multiplied by the number of options granted. The Black Scholes value ratio was determined using the following assumptions: an estimated volatility assumption of 17.49 percent (based on 3 years of monthly historical share price and dividend data up to the end of December 2007), estimated dividend yield (based on the full term of the option) of 0.95 percent, interest rate of 4.10 percent, and the option term of 7 years. The accounting fair value of the option-based awards under Canadian GAAP at the time of grant was zero as a result of the TSAR option exercise feature.

(3) This column lists the amount earned under the STIP in the reporting financial year.

(4) In 2008, Canadian Tire did not have any long-term non-equity incentive plans.

(5) Canadian Tire does not have a defined benefit or defined contribution plan available to employees.

(6) This column contains awards under the deferred profit sharing and share purchase plans, and, in the case of Mr. Gauld, perquisites. Mr. Gauld received perquisites in the amount of $117,142 in 2008. This included a car allowance of $30,231. The value of other perquisites paid to Mr. Gauld did not exceed 25% of the total value. This column also includes salary continuance and other benefits in the amount of $10,233, paid to Mr. Gauld from January 1 to January 3, 2009 in connection with his retirement from the Company on December 31, 2008. For more information on the provisions of Mr. Gauld's retirement agreement, see *Termination and Change of Control Benefits* on page 42. The value of perquisites for the other NEOs did not exceed $50,000 in aggregate or 10% or more of the NEO's annual salary, and is therefore not included in this column.

(7) Mr. Wetmore became President and CEO on January 1, 2009. The amount reported in column (c) represents the salary he earned between January 1 and January 3, 2009. His annual salary is $1,250,000. The amount reported in column (h) represents retainer and meeting fees of $175,500 received for serving as a non-employee director during 2008 prior to his appointment as President and CEO.

(8) Mr. Pasternak received two equity grants in 2008; 1) an annual grant which was allocated at target ($240,000 or 75% of salary at the time of grant); and 2) a one-time special retention grant with a grant date fair value of approximately $600,000.

Outstanding Share-Based Awards and Option-Based awards

The table below shows the total outstanding long-term incentive awards for each NEO as at January 3, 2009.

	Option-based Awards				Share-based Awards	
Name (a)	Number of securities underlying unexercised options (#)(1) (b)	Option exercise price ($)(2) (c)	Option expiration date(3) (d)	Value of unexercised in-the-money options ($)(4) (e)	Number of shares or units of shares that have not vested (#)(5) (f)	Market or payout value of share-based awards that have not vested ($)(6) (g)
Stephen Wetmore President and CEO	–	–	–	–	–	–
Thomas K. Gauld President and CEO	–	–	–	–	78,727	3,486,819
J. Huw Thomas Executive Vice President, Finance and Administration and Chief Financial Officer	2,000	29.626	13-Mar-13	29,328	27,015	1,196,494
G. Michael Arnett President, Canadian Tire Retail	10,000 7,000 4,000 4,400 4,022 14,000 16,187 16,181	21.030 25.420 29.173 29.626 64.819 62.960 71.903 63.417	1-Mar-11 7-Mar-12 29-Jul-12 13-Mar-13 8-Mar-13 10-May-13 7-Mar-14 6-Mar-15	489,680	13,359	591,670
Michael B. Medline President, Dealer Relations and Diversified Businesses	8,300 18,501 2,500 16,187 16,181	29.626 64.819 63.203 71.903 63.417	13-Mar-13 8-Mar-13 9-Aug-13 7-Mar-14 6-Mar-15	121,711	14,283	632,594
Marco Marrone President, Canadian Tire Financial Services	1,500 2,200 2,500 17,379 16,187 16,181	25.420 29.626 33.514 64.819 71.903 63.417	7-Mar-12 13-Mar-13 7-Aug-13 8-Mar-13 7-Mar-14 6-Mar-15	87,506	12,979	574,840
Stanley Pasternak Senior Vice President and Treasurer	9,000 9,534 10,137 7,397 24,000	29.626 64.819 71.903 63.417 48.041	13-Mar-13 8-Mar-13 7-Mar-14 6-Mar-15 8-Oct-15	131,976	13,048	577,896

Notes

(1) Beginning in 2006, Mr. Gauld and Mr. Thomas received LTIP grants comprised of share units only.
(2) Canadian Tire's policy for determining the exercise price (strike price) for Options with TSARs is the 10-day weighted average share price ending on the business day immediately preceding the date on which the grants are approved.
(3) Options granted prior to 2003 have a 10 year lifespan. Options granted subsequent to 2003 have a 7 year lifespan.
(4) This column contains the aggregate dollar value of in-the-money unexercised options as at January 3, 2009 using the January 2, 2009 closing share price of $44.29.
(5) This column contains the number of unvested PDSUs and PSUs held by each NEO on January 3, 2009 as well as the special retention grant awarded to Mr. Pasternak.
(6) This column contains the value of unvested PDSUs, PSUs and the special retention grant awarded to Mr. Pasternak as at the end of the financial year using the January 2, 2009 closing share price of $44.29. The PSUs granted in 2008 are subject to a back-end multiplier (applied at vesting) of 0 - 2 depending upon performance (see page 34). These units have been calculated using a multiplier of 1. There are no back-end multipliers on the 2006 and 2007 PDSUs.

The table below shows the incentive awards that vested or were earned by each NEO during the financial year ended January 3, 2009.

Name (a)	Option-based awards – Value vested during the year ($)[1] (b)	Share-based awards – Value vested during the year ($)[2] (c)	Non-equity incentive plan compensation – Value earned during the year ($)[3] (d)
Stephen Wetmore President and CEO	–	–	–
Thomas K. Gauld President and CEO	–	1,684,853	575,885
J. Huw Thomas Executive Vice President, Finance and Administration and Chief Financial Officer	–	563,940	129,562
G. Michael Arnett President, Canadian Tire Retail	1,493	215,438	237,591
Michael B. Medline President, Dealer Relations and Diversified Businesses	–	475,230	183,682
Marco Marrone President, Canadian Tire Financial Services	–	139,401	178,285
Stanley Pasternak Senior Vice President and Treasurer	–	285,138	79,153

Notes

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

(2) This column includes the value of the 2005 PDSU plan payout upon vesting. Under the plan, the vested award is calculated using the 20 trading day weighted average share beginning the day following the performance period. For Mr. Gauld, this column also includes the value of his 2006 DSUs, which vested on December 31, 2008.

(3) This column includes the value of the 2008 annual short-term incentive plan payout, which is also disclosed in the *Summary Compensation Table* on page 39.

Summary of President and CEO Employment Agreement

In 2008, the Company entered into an employment agreement with Mr. Wetmore in connection with his appointment as President and CEO effective on January 1, 2009.

The key compensation-related components of Mr. Wetmore's employment agreement are as follows:

- Base Salary: $1,250,000 payable in accordance with the Company's payroll practices.
- STIP: Mr. Wetmore's annual target STIP award is 100 percent of base salary. This percentage is paid if targets established by the Board for the President and CEO are met. He is eligible under the STIP for up to 200 percent of base salary if such targets are exceeded by established amounts, subject to the terms of the STIP.
- Deferred Share Unit Plan: Mr. Wetmore may elect annually to defer all or a portion of his STIP award into DSUs governed by his Deferred Share Unit Plan.
- LTIP: Mr. Wetmore is eligible to receive a grant under the LTIP with a target value at the date of the grant of 300 percent of base salary, subject to the same performance factors affecting the actual value of the grant as they apply to the other participants in the LTIP.
- Participation in the Company's profit sharing and share purchase plans.
- Monthly Perquisite Allowance: The Company provides Mr. Wetmore with a monthly perquisite allowance of $5,833.00 to be spent at his discretion on perquisites such as automobile expenses, health or business club memberships or financial planning.
- Other benefits that are generally provided to the Company's executives.

For a description of any payments that Mr. Wetmore would be eligible to receive in connection with any termination, resignation, retirement or a change in control, see *Termination and Change of Control Benefits* on page 42.

Termination and Change of Control Benefits

Of the NEOs, only Stephen Wetmore and Huw Thomas are parties to employment agreements with the Company (or any other Company plan or arrangement) that describe payments and other obligations arising on the termination of their employment. Mr. Gauld was also party to an employment agreement with the Company, but that agreement was superseded by an agreement which governed the terms of his retirement from the Company, which is described below.

Former President and CEO

Mr. Gauld's last date of employment with the Company was December 31, 2008. Pursuant to the conditions outlined in his retirement agreement, Mr. Gauld is entitled to the following:

- his annual base salary of $1,075,000 for a period of two years (should he become re-employed in any capacity (except providing services in connection with serving on one or more boards of directors) during the two years following December 31, 2008, the base salary payments owing to Mr. Gauld will be reduced by 50% effective the date he accepts employment);
- vacation pay during this two year period based on his annual entitlement of six weeks ($124,038);
- a STIP award of $2,600,000 payable to him in two equal payments of $1,300,000, which will be paid to him on the same dates as the 2009 award and 2010 award are paid to active STIP participants;
- payout of his unvested LTIP awards according to the regular vesting schedule for active participants; and
- reimbursement of reasonable expenses associated with the sale of his Toronto residence including legal fees, real estate commission and moving expenses.

President and CEO

The employment agreement for Mr. Wetmore provides for the following payments and benefits in the circumstances set out below, in addition to his salary and expenses to the date of termination and the payments and benefits to which he is entitled under various Company compensation plans which apply generally to executives:

Involuntary Termination Without Cause or Resignation for Good Reason:

- payment of an amount equal to 12 months' base salary ($1,250,000 as of January 3, 2009);
- a further payment of an amount equal to the lesser of (i) the average of the STIP Bonus paid to Mr. Wetmore in the two fiscal years immediately preceding the termination date; and (ii) the target STIP Bonus for Mr. Wetmore for the fiscal year in which the termination date occurs ($1,250,000 as of January 3, 2009);
- continued participation in the Company's employee benefit plans for 12 months, to the extent permitted by the terms of those plans;
- immediate vesting of any unvested stock options granted to Mr. Wetmore and the right to exercise all outstanding options until the earlier of the third anniversary of the termination date and the expiry of the stock options under the applicable option agreements; and
- payment of awards under the PSU or any equivalent plan as if Mr. Wetmore had continued to be employed by the Company during any term or performance period provided for under such plan.

Resignation or Termination on or after March 12, 2012:

- payment of awards under the PSU or any equivalent plan as if Mr. Wetmore had continued to be employed by the Company during any term or performance period provided for under such plan; and
- the right to exercise stock options granted to Mr. Wetmore until the earlier of the third anniversary of the termination date and the expiry of the stock options under the applicable option agreements, with the options continuing to vest during such period in accordance with the applicable option agreements.

Resignation prior to March 31, 2012 without Good Reason:

- payment of vested awards under the LTIP agreements.

Mr. Wetmore may not under his employment agreement during his employment or for a period of one year thereafter:

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

CFO

The employment agreement for Mr. Thomas provides for the following payments and benefits following his involuntary termination without just cause, in addition to his salary and expenses to the date of termination and the payments and benefits to which he is entitled under various Company compensation plans which apply generally to executives:

- payment of an amount equal to 12 months' base salary;
- payment of a pro rata STIP Bonus to the date of termination provided financial targets are met ($485,000 as of January 3, 2009); and
- certain flexible benefits for up to 12 months.

Under his employment agreement, Mr. Thomas may not, anywhere in Canada, during his employment or for one year thereafter, either alone or in any other capacity, directly or indirectly engage in, carry on or otherwise have any interest in, advise, lend money to, guarantee the debts or obligations of, or permit his name to be used in connection with any business which is engaged in or whose affiliates or divisions are engaged to a significant degree in the business of retailing automotive parts, accessories or services, sporting goods, hardware or other home products or any line of business carried on by the Company or in the Company's active contemplation to his knowledge as of the date of termination.

Other Compensation Information

Securities Authorized for Issue under Compensation Plans[1]

Plan Category	Number of Securities to be Issued Upon Exercise of Outstanding Options, Warrants and Rights (a)	Weighted-average Exercise Price of Outstanding Options, Warrants and Rights (b)	Number of Securities Remaining Available for Future Issuance under Equity Compensation Plans (excluding securities reflected in column (a)) (c)
Equity Compensation Plans Approved by Securityholders			
• Stock Option Plan	1,646,290	$56.97	893,924
Equity Compensation Plans Not Approved by Securityholders	N/A	N/A	1,509,296
• Canadian Tire's Deferred Profit Sharing Plan • Deferred Profit Sharing Plan for Employees of Participating Dealers • Canadian Tire's Share Purchase Plan			
Total	1,646,290	N/A	2,403,220

Note
(1) The figures in this table are as of the financial year ended January 3, 2009.

Description of our Equity Compensation Plans

Stock Option Plan

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

As of March 12, 2009, the maximum number of Class A Non-Voting Shares issuable under the Stock Option Plan is 2,535,214 representing approximately 3.2 percent of the currently issued and outstanding Class A Non-Voting Shares (or approximately 3.1 percent of the currently issued and outstanding Class A Non-Voting Shares and Common Shares). A total of 513,437 stock options were awarded in 2008. The number and terms of outstanding stock options, stock appreciation rights, shares and units subject to restrictions on resale were taken into account in determining the new option grants made during 2008. As of March 12, 2009, the number of outstanding and unexercised options to purchase Class A Non-Voting Shares is 2,314,971, representing approximately 3.0 percent of the issued and outstanding Class A Non-Voting Shares.

The Stock Option Plan states that no one person can receive options to buy more than five percent of the total number of Class A Non-Voting Shares outstanding, which as of March 12, 2009 is equal to 78,142,393 Class A Non-Voting Shares. Class A Non-Voting Shares that are not taken up and paid for under any option prior to the expiry or earlier termination may be optioned again under the Stock Option Plan. The grant of an option provides an optionee with the right to subscribe for a Class A Non-Voting Share at the weighted average price at which the Class A Non-Voting Shares trade on the TSX during the 10-day period ending on the business day immediately preceding the date the option is granted. The option price for all Class A Non-Voting Shares taken up on the exercise of each option shall be paid in full at the time of such exercise. The Stock Option Plan states that no option shall extend for a period of more than 10 years from the date upon which an option is granted except in circumstances in which the exercise period may be extended in the event of a black out period.

Options granted under the Stock Option Plan prior to 2006 to subscribe for Class A Non-Voting Shares generally vest at the rate of 25 percent per year for the four years following the date the options were granted. Options granted in 2006 and 2007 under the Stock Option Plan (the *2006/2007 Options)* to subscribe for Class A Non-Voting Shares generally vest at the rate of 33⅓ percent per year for the three years following the date the options were granted. With one exception in which vesting occurs approximately 26 months after the grant, options granted in 2008 under the Stock Option Plan (the *2008 Options)* to subscribe for Class A Non-Voting Shares vest three years after the date the options were granted. Exceptions to the general vesting requirements are included in the Stock Option Plan or option agreements in relation to circumstances involving incapacity, death, retirement after 60 years of age or becoming a Canadian Tire Dealer or upon the cessation of employment for any other reason.

In addition to the basic vesting provisions referred to above, the stock option agreements entered into during 2007 and 2008 contain an early vesting "double trigger" provision which was approved by the Board of Directors on the recommendation of the MRC Committee. Under the "double trigger" mechanism, if: (a) a qualified offer has been completed for all or substantially all of the shares of the Company which includes an offer for the Class A Non-Voting Shares and a change of control has occurred; and (b) within two years of the change of control the employment of the optionee has been terminated without cause, then all of the options held by the optionee shall be deemed to have vested immediately prior to the date of termination.

Option agreements entered into prior to 2006 specify that options can be exercised for a period of up to ten years and outline the circumstances in which option rights will be terminated earlier. The 2006/2007 Options and the 2008

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

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

- *in the event of incapacity or death* – up to the earlier of the expiration of the options and three years following the date of incapacity or death;
- *in the event of having reached 60 years of age* – in connection with the 2006, 2007 and 2008 option agreements either (a) the earlier of the expiry date of the option and the date three years following the date of such retirement if such retirement takes place after at least 10 years of continuous service of the optionee with the Company; or (b) the earlier of the expiry date of the option and one year following the date of such retirement in any other case. In connection with option agreements entered into prior to 2006, the earlier of the expiration of the option and the date that is three years following the date of retirement;
- *in the event of retirement to become a Canadian Tire Dealer* – up to the earlier of the expiration of the options and one year following the date of retirement; and
- *in the event of cessation of employment for any other reason* – up to the earlier of the expiration of the options and 30 days following the date on which the optionee ceases to be employed.

The Stock Option Plan allows the expiry date of options granted thereunder to be extended to the tenth business day following the end of a self-imposed black out period by the Company (the *Black Out Expiration Term*) during which trading in securities of the Company is not permitted if such options would otherwise expire during or immediately after such black out period.

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

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

Canadian Tire Corporation, Limited Deferred Profit Sharing Plan

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

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

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

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

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

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

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

As of March 12, 2009, there are 180,428 Class A Non-Voting Shares reserved for issuance under the plan.

Deferred Profit Sharing Plan for Employees of Participating Dealers

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

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

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

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

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

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

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

As of March 12, 2009, there are 401,811 Class A Non-Voting Shares reserved for issuance under the plan.

Canadian Tire Corporation, Limited Share Purchase Plan

This plan is designed to encourage eligible employees to share in our future growth, development and success by owning Class A Non-Voting Shares. Our employees and those of participating subsidiaries may participate in the plan, including officers of the Company and participating subsidiaries. There is no fixed maximum number or percentage of Class A Non-Voting Shares which may be issued under the plan to any one of the participating officers or the participating officers as a group.

Eligible employees can contribute up to 10 percent of their annual base salary before deductions to the plan through payroll deduction. The contributions are used to subscribe for Class A Non-Voting Shares periodically at the then current market price, calculated as the weighted average price at which Class A Non-Voting Shares trade on the TSX during specific four-week periods.

We also contribute a taxable bonus from our profits of up to 50 percent of the amount each eligible employee contributes to the plan, subject to approval by the Board. This contribution is made on behalf of each employee participating in the plan, and on behalf of former employee participants in limited circumstances, on or before the last working day of the calendar year, generally on the condition that he or she is still an employee of the Company at that time. This money is used to buy Class A Non-Voting Shares on the open market in accordance with the terms of the plan, which are then allocated to the employee. We may, at our discretion, compensate plan participants and former employee participants for income tax they pay on the bonus for the current year and previous year.

The Class A Non-Voting Shares purchased for the employee using our contributions will begin to vest after the first full year of employment and will continue to vest over the following nine years until all of the Class A Non-Voting Shares purchased with our contributions have become fully vested. Participants are not entitled to transfer their rights under the plan, except in limited specified circumstances.

Dividends paid on Class A Non-Voting Shares will be reinvested in Class A Non-Voting Shares for the eligible employee. If the employment of an employee is terminated, except in limited circumstances, he or she:

- can no longer participate in the plan
- is entitled to receive all vested shares and may give the trustee instructions to pay out, transfer or withdraw them by share certificate
- loses all unvested Class A Non-Voting Shares that have been allocated to him or her under the plan.

The plan can be amended with the approval of the Board of Directors except where shareholder approval is required by law or by a regulatory organization having jurisdiction over the Company or its securities, including a securities commission or the TSX.

As of March 12, 2009, there are 781,890 Class A Non-Voting Shares reserved for issuance under the plan.

Other Information

Liability Insurance for Directors and Officers
During the year ended January 3, 2009, the Company purchased liability insurance coverage of $125 million for its directors and officers. This insurance is designed to protect them against liabilities they may face in their capacity as directors or officers of Canadian Tire.

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

We paid $507,850 in policy premiums for the period April 4, 2008 to April 4, 2009, none of which was paid by individual directors and officers. The insurance policy does not differentiate between coverage for directors and coverage for officers, and we cannot estimate the amount of the premium that relates to the group of directors or the group of officers.

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

We have filed a notice of intention with the TSX to make a normal course issuer bid to purchase up to 3.4 million Class A Non-Voting Shares between February 19, 2009 and February 18, 2010. This is less than 10 percent of the public float of Class A Non-Voting Shares as of February 12, 2009. Canadian Tire's Common Shares are not part of this bid.

We purchased 519,800 Class A Non-Voting Shares in 2008 under the notice of intention we filed in February 2008.

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

- Notice of intention to make the 2009 Normal Course Issuer Bid
- Management's Discussion and Analysis *(MD&A)* and consolidated financial statements for the financial year ended January 3, 2009. These documents contain financial information and are included in our 2008 Annual Report
- 2009 Annual Information Form and the documents incorporated by reference.

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

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

You can also visit our website at http://corp.canadiantire.ca/EN/Investors/Pages/default.aspx for current and past financial reports, annual information forms, management information circulars, financial news releases, stock price information, dividend payment history, as well as investor presentations and webcasts.

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

Dated as of March 12, 2009
Toronto, Ontario

Robyn A. Collver
Secretary

Appendix A
Canadian Tire Corporation, Limited
Board of Directors' Mandate

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

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

The Board may also delegate certain of its powers to appropriate Board committees, to the extent permitted under the Company's governing legislation.

Committees of the Board

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

The Board's Duties

The Board's duties include:

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

2. Financial Information and Internal Controls
- Overseeing the financial reporting and disclosure obligations imposed on the Board, the Company and senior management by laws, regulations, rules, policies and other applicable requirements.
- Overseeing the integrity of the Company's management information systems and the effectiveness of the Company's internal controls.
- Overseeing the preparation of and processes relating to management's reports and attestations with respect to the Company's internal control and disclosure control procedures.
- Ensuring that due diligence processes and controls in connection with certification of the Company's annual and interim filings are in place, monitoring their continued effectiveness, and ensuring that such filings are in a form that permits their certification.
- Approving the Company's financial statements, management's discussion and analysis (MD&A) and news releases prepared by senior management and overseeing the Company's compliance with applicable audit, accounting and reporting requirements.

3. Identification and Management of Risks
- Ensuring that processes are in place to identify the principal risks inherent in the Company's business and operations.
- Overseeing management's implementation of a comprehensive enterprise risk management program and compliance management program.

- Monitoring the Company's systems and controls for assessing, managing and monitoring principal risks and management's reports relating to the operation and effectiveness of these systems and controls.
- Approving and monitoring the processes that provide reasonable assurance of compliance with applicable legal and regulatory requirements.

4. Human Resource Management and Executive Compensation
- Ensuring that there are policies and practices in place to enable the Company to attract, develop and retain the human resources required by the Company to meet its business objectives.
- Overseeing the Company's executive compensation program and overall compensation philosophy for all other employees.
- Monitoring the Company's approach to human resource management.
- Supervising the succession planning processes of the Company and approving the selection, appointment, development, evaluation and compensation of the Chairman of the Board, the CEO and other officers.

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

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

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

Appendix B
Canadian Tire Corporation, Limited
Audit Committee Mandate and Charter

I The Board of Directors' Mandate for the Audit Committee

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

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

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

(a) Financial Reporting and Disclosure Duties of the Board

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

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

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

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

(b) Risk Management Duties of the Board

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

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

(i) a policy which accurately sets out the Risk philosophy of the Corporation and the expectations and accountabilities for identifying, assessing, monitoring and managing Risks (the "ERM Policy") is developed, implemented and sustained by management;
(ii) a formalized, disciplined and integrated enterprise risk management process (the "ERM Process") is developed by management;
(iii) the ERM Policy will be reviewed and updated annually to reflect the current Risk philosophy of the Corporation and the expectations and accountabilities for identifying, assessing, monitoring and managing Risks;

(iv) management identifies in a timely manner the most significant Risks, including those Risks related to or arising from the Corporation's weaknesses, threats to the Corporation's business and the assumptions underlying the Corporation's strategic plan ("Principal Risks"); and
(v) management directly and effectively assesses, monitors and manages the Corporation's Principal Risks in compliance with the ERM Policy.

(c) Legislative and Regulatory Compliance Duties of the Board
Compliance with applicable laws and regulations is also an essential aspect of the management of the Corporation's business and affairs. The objective of the Board's monitoring of the Corporation's compliance with applicable laws and regulations (the "Compliance Reporting Objective") is to gain reasonable assurance that the Corporation's business and affairs are conducted in a manner which limits exposure of:
(i) the Corporation to issues that may negatively impact its reputation; and
(ii) the Corporation, its employees and directors to financial penalties and civil and criminal liability.

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

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

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

3. Reliance on Management and Experts
In contributing to the Committee's discharging of its duties under this mandate, each member of the Committee shall be entitled to rely in good faith upon:
(a) financial statements of the Corporation represented to him or her by an officer of the Corporation or in a written report of the external auditors to present fairly the financial position of the Corporation in accordance with generally accepted accounting principles; and
(b) any report of a lawyer, accountant, engineer, appraiser or other person whose profession lends credibility to a statement made by any such person.

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

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

II Audit Committee Charter

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

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

A. Operating Principles

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

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

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

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

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

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

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

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

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

(8) In Camera Meetings
At each meeting of the Committee, the members of the Committee shall meet in private session with the external auditors; with management; and with the Committee members only. The Committee shall meet in private session with the Internal Auditor as often as it deems necessary, but in any event, no less than twice per year.

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

(10) Committee Self Assessment
(a) The Committee shall annually review, discuss and assess its own performance. In addition, the Committee shall periodically review its role and responsibilities.

(b) The Committee shall approve criteria for evaluating the financial literacy of its members in accordance with the terms of sections 1.6 and 3.1 of National Instrument 52-110 Audit Committees, as amended or replaced from time to time, and shall conduct an annual assessment of the financial literacy of its members and determine those members to be identified as financially literate in the Corporation's annual continuous disclosure documents in accordance with regulatory requirements.

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

(12) Approval of Other Engagements
The Committee shall approve all engagements for accounting and tax advice provided by an audit firm other than the external auditors.

(13) Committee Chairman's Job Description
The Committee shall develop and recommend to the Board a job description for the Chairman of the Committee. The Committee shall review and update the Chairman's job description on a regular basis for approval by the Board.

B. Operating Procedures

(1) The Committee shall meet at least four times annually, or more frequently as circumstances dictate. Meetings shall be held at the call of the Chairman, upon the request of two members of the Committee or at the request of the external auditors, and a majority of the members of the Committee shall form a quorum.
(2) The powers of the Committee may be exercised at a meeting at which a quorum of the Committee is present in person or by telephone or other electronic means or by a resolution signed by all members entitled to vote on that resolution at a meeting of the Committee. Each Committee member (including the Chairman) is entitled to one vote in Committee proceedings. For greater certainty the Chairman does not have a second or casting vote.
(3) Any Director is entitled to attend, and the Committee may invite any officer or employee of the Corporation or any other person to attend, any Committee meetings to participate in the discussion and review of the matters considered by the Committee.
(4) Unless the Committee otherwise specifies, the Secretary or Assistant Secretary of the Corporation shall act as Secretary of all meetings of the Committee.
(5) In the absence of the Chairman of the Committee, the members shall appoint an acting Chairman.
(6) A copy of the minutes of each meeting of the Committee shall be provided to each member of the Committee and to each director of the Corporation in a timely fashion.

C. Responsibilities and Duties

To fulfill its responsibilities and duties, the Committee shall:

Financial Reporting

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

approve such news releases and material change reports may be exercised by the Chairman of the Audit Committee and the Chairman of the Board, acting together;

(7) review and, if appropriate, recommend approval to the Board of prospectuses, take-over bid circulars, issuer bid circulars and directors' circulars; and

(8) satisfy itself that adequate procedures are in place for the review of the Corporation's disclosure of financial information extracted or derived from the Corporation's financial statements in order to satisfy itself that such information is fairly presented and periodically assess the adequacy of these procedures.

<u>Accounting Policies</u>

(1) review with management and the external auditors the appropriateness of the Corporation's accounting policies, disclosures, reserves, key estimates and judgements, including changes or variations thereto and obtain reasonable assurance that they are presented fairly in accordance with GAAP; and report thereon to the Board;

(2) review major issues regarding accounting principles and financial statement presentation including any significant changes in the selection or application of accounting principles to be observed in the preparation of the accounts of the Corporation and its subsidiaries;

(3) review with management and the external auditors the degree of conservatism of the Corporation's underlying accounting policies, key estimates and judgements and reserves.

<u>Risk and Uncertainty</u>

Enterprise Risk Management

The Committee shall gain reasonable assurance that Risks of the Corporation are being effectively managed or controlled by:

(1) recommending to the Board for approval an ERM Policy setting out an ERM framework for the management of business Risks including:
   (a) the requirement to identify the Principal Risks of the Corporation;
   (b) the requirement to develop a methodology to establish the overall tolerance of the Corporation for Risk;
   (c) the requirement to develop and adopt policies which set out the expectations and accountabilities for the management of Risk within an established Risk tolerance;

(2) approving the Principal Risks of the Corporation identified by management and any proposed changes thereto;

(3) recommending to the Board for approval policies setting out the framework within which each identified Principal Risks of the Corporation shall be managed;

(4) approving any changes to policies addressing and managing the Principal Risks of the Corporation;

(5) approving the ERM Process that enables management to effectively monitor, manage and report on Principal Risks;

(6) at least semi-annually, obtaining from management a report specifying the management of the Principal Risks of the Corporation including compliance with the ERM Policy and other policies of the Corporation for the management of Principal Risks;

(7) on a quarterly basis, obtaining from the internal auditor a report regarding management's implementation and maintenance of an effective ERM Process throughout the Corporation in compliance with the ERM Policy and other policies of the Corporation for the management of Principal Risks;

Financial Risk Management

The Committee shall gain reasonable assurance that the financial Risks of the Corporation are being effectively managed or controlled by:

(1) reviewing with management the Corporation's tolerance for financial Risk;

(2) reviewing with management its assessment of the significant financial Risks facing the Corporation;

(3) reviewing with management the Corporation's policies and any proposed changes thereto for managing those significant financial Risks including policies and procedures to manage environmental, occupational health and safety and other Risks to asset value and mitigate damage to or deterioration of asset value; and

(4) reviewing with management its plans, processes and programs to manage and control such Risks;

(5) discussing with management, at least annually, the guidelines and policies utilized by management with respect to financial Risk assessment and management, and the major financial Risk exposures and the procedures to monitor and control such exposures in order to assist the Committee to assess the completeness, adequacy and appropriateness of financial Risk disclosure in management's discussion and analysis and in the financial statements;

(6) reviewing policies and compliance therewith that require significant actual or potential liabilities, contingent or otherwise, to be reported to the Board in a timely fashion;

(7) reviewing foreign currency, interest rate and commodity price Risk mitigation strategies, including the use of derivative financial instruments;

(8) reviewing the adequacy of insurance coverages maintained by the Corporation;

(9) reviewing regularly with management, the external auditors and the Corporation's legal counsel, any legal claim or other contingency, including tax assessments, that could have a material effect upon the financial position or operating results of the Corporation and the manner in which these matters have been disclosed in the financial statements.

(10) approving counterparties to derivative transactions with long term investment grade ratings pursuant to the Securities and Derivatives Board Policy;
(11) approving for continuing transaction limits in the event of a downgrade of financial institutions rated "AA" or "A" pursuant to the Securities and Derivatives Board Policy;
(12) approving equity hedging activity proposed by management in the absence of an Equity Risk Management Policy;

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

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

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

Relationship with External Auditors
(1) recommend to the Board the nomination of the external auditors;
(2) approve the remuneration and the terms of engagement of the external auditors;
(3) if necessary, recommend the removal by the shareholders of the current external auditors and replacement with new external auditors;
(4) review the performance of the external auditors annually or more frequently as required;
(5) receive annually from the external auditors an acknowledgement in writing that the shareholders, as represented by the Board and the Committee, are their primary client;
(6) receive a report annually from the external auditors with respect to their independence, such report to include a disclosure of all engagements (and fees related thereto) for non-audit services by the Corporation;

(7) establish a policy under which management shall bring to the attention of the Chairman of the Committee all requests for non-audit services to be performed by the external auditors for the Corporation and its subsidiaries before such work is commenced. The Chairman is authorized to approve all such requests, but if any such service exceeds $250,000 in fees, or the service is of a sensitive or unusual nature, the Chairman shall consult with the Committee before approving the service. The Chairman has the responsibility to inform the Committee of all pre-approved services at its next meeting;
(8) discuss with management and the external auditors the timing and the process for implementing the rotation of the lead audit partner, the concurring partner and any other active audit engagement team partner;
(9) review with the external auditors the scope of the audit, the areas of special emphasis to be addressed in the audit, the extent to which the external audit can be coordinated with internal audit activities and the materiality levels which the external auditors propose to employ;
(10) meet regularly with the external auditors in the absence of management to determine, *inter alia*, that no management restrictions have been placed on the scope and extent of the audit examinations by the external auditors or the reporting of their findings to the Committee;
(11) establish effective communication processes with management and the Corporation's internal and external auditors to assist the Committee to monitor objectively the quality and effectiveness of the relationship among the external auditors, management and the Committee;
(12) oversee the work of the external auditors and the resolution of disagreements between management and the external auditors with respect to financial reporting; and
(13) request that the external auditors provide to the Committee, at least annually, an oral and/or written report describing the external auditors' internal quality assurance policies and procedures as well as any material issues raised in the most recent internal quality assurance reviews, quality reviews conducted by the Canadian Public Accountability Board, or any inquiry or investigation conducted by government or regulatory authorities.

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

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

Accountability
(1) review and update this Charter on a regular basis for approval by the Board;
(2) from time to time, as requested by the Board, disclose its Mandate and this Charter in the Corporation's statement of corporate governance practices and in its annual information form.
(3) review the description of the Committee's activities as set forth in the Corporation's statement of corporate governance practices.

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Appendix C
Canadian Tire Corporation, Limited
Management Resources and Compensation Committee Mandate

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

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

1. Purpose of the Committee

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

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

2. Composition of the Committee

(a) The Committee shall be comprised of at least five Directors, none of whom shall be officers of the Corporation.
(b) The Governance Committee shall designate the Chairman of the Committee.

3. Member Qualifications

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

4. Member Appointment and Removal

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

5. Responsibilities of the Committee

(a) The Committee shall be responsible to review and recommend to the Board:
  (i) the appointment and terms of employment of officers of the Corporation and, at the request of the Committee, other persons who are proposed to for appointment as the head of a business unit or significant corporate function ("Other Persons");
  (ii) the design of short-term, long-term and other incentive plans for Senior Management;
  (iii) periodic changes to compensation guidelines and benefit plans; and
  (iv) significant changes to employee benefit programmes.
(b) The Committee shall be responsible to review and approve:
  (i) profit sharing awards to eligible employees of the Corporation and its subsidiaries in accordance with the formula for such awards approved by the Board;
  (ii) the base salaries of officers of the Corporation and Other Persons other than the CEO;
  (iii) payouts under the Corporation's short-term incentive plan;
  (iv) grants pursuant to the Corporation's long-term incentive plan;
  (v) any discretionary bonuses for officers of the Corporation proposed by the CEO;
  (vi) the adjudication of matters impacting the Corporation's short-term or long-term incentive plans;
(c) The Committee shall review at least annually the Corporation's compensation philosophy and the general design and make-up of its broadly applicable benefit programmes as to their general adequacy, competitiveness, internal equity and cost effectiveness. In its review the Committee will assess the linkage of executive compensation philosophy and executive incentive plans to the Corporation's financial and non-financial performance, support for the Corporation's business strategy, and alignment with the Corporation's employee compensation philosophy.
(d) The Committee shall approve a process for appraising annually the performance of the Chief Executive Officer against agreed quantitative and qualitative performance objectives, both short and long-term.
(e) The Committee shall oversee the annual appraisal of the Chief Executive Officer's performance and shall report thereon to the Board.

(f) The Committee shall obtain reasonable assurance that the Corporation has appropriate systems and processes for the evaluation of Senior Management development and succession within the Corporation, and shall review at least annually with the Chief Executive Officer the performance of and potential for advancement of each officer of the Corporation and their respective successors. The Committee may also at its discretion request information on the management resources of any part of the Corporation or its subsidiaries.
(g) The Committee shall report to the Board at least annually its appraisal of the Corporation's officer succession circumstances and practices, including the effectiveness of identifying, training and preparing high-potential candidates for advancement.
(h) The Committee shall determine at least annually, as a separate and supplementary contingency plan to the succession process, the identity of immediate replacements in the event of an emergency for the Chief Executive Officer, the Chief Financial Officer, and the presidents of large strategic business units.
(i) The Committee shall review with the Chief Executive Officer any proposed major changes in organization or personnel of the Corporation and its subsidiaries and, if advisable, recommend approval to the Board.
(j) The Committee shall establish the terms and conditions, and shall approve in each instance, the participation by the Chief Executive Officer on the board of directors of any other corporation, commercial or not-for-profit, not directly related to the interests of the Corporation (an "Outside Board"), and the Committee shall review participation by any officer of the Corporation, as approved by the Chief Executive Officer, to any Outside Board (except for any appointment to a not-for-profit Outside Board if the officer so requests).
(k) The Committee shall review and approve annually share ownership guidelines for Senior Management. The Committee shall review as required the actual ownership position relative to ownership guidelines and transactions in the Corporation's securities and other long-term incentive arrangements by Senior Management.
(l) The Committee shall review the results of periodic employee opinion surveys.
(m) The Committee shall perform such other functions as may from time to time be assigned to the Committee by the Board.

6. Operations

(a) The Committee shall meet at least four times annually and as many additional times as required to carry out its duties effectively. Committee meetings shall be held at the call of the Committee Chairman, or upon the request of two Committee members, and a majority of members shall constitute a quorum.
(b) The powers of the Committee may be exercised at a meeting at which a quorum is present in person or by telephone or other electronic means or by a resolution signed by all members entitled to vote on that resolution at a meeting of the Committee. Each Committee member (including the Chairman) is entitled to one vote in Committee proceedings. The Chairman does not have a second or casting vote.
(c) The Committee Chairman shall develop the agenda for and conduct all meetings of the Committee at which he is present.
(d) Unless the Committee otherwise specifies, the Secretary or Assistant Secretary of the Corporation shall act as secretary of the meetings of the Committee, and minutes shall be kept for each Committee meeting.
(e) In the absence of the Committee Chairman, the Committee members shall appoint an Acting Chairman.
(f) The Committee shall meet *in camera* at the beginning and conclusion of every meeting of the Committee.
(g) The Committee may at its discretion invite management to attend and participate in meetings of the Committee.
(h) Any Director is entitled to attend meetings of the Committee.
(i) A copy of the minutes of each meeting of the Committee shall be provided to each Director.

7. Reporting to the Board

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

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

Annually, or more frequently at the request of the Secretary or Assistant Secretary of the Corporation as a result of legislative or regulatory changes, the Committee shall:

(a) review and assess the adequacy of this Mandate taking into account all applicable legislative and regulatory requirements as well as any best practice guidelines recommended by regulators or stock exchanges with whom the Corporation has a reporting relationship and, if appropriate, recommend changes to the Mandate to the Board for its approval, except for minor technical amendments to this Mandate, authority for which is delegated to the Secretary or Assistant Secretary of the Corporation, who will report any such amendments to the Board at its next regular meeting;
(b) appraise the Committee's performance including its ability to meet the requirements of this Mandate, in accordance with the evaluation process developed by the Committee and approved by the Board, and provide the results of the performance evaluation to the Board.

9. Miscellaneous

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

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

Appendix D
Canadian Tire Corporation, Limited
Governance Committee Mandate

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

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

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

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

1. Purpose of the Committee

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

2. Composition of the Committee

(a) The Committee shall be comprised of at least four Directors, all of whom shall be independent, as hereinafter defined.

(b) One of the Committee members shall be designated by the Board as the Committee Chairman.

3. Member Qualifications

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

(b) Each member of the Committee shall be independent. A Director is independent if:

- (i) the Director has no direct or indirect relationship with the Corporation which, in the view of the Board, could reasonably be expected to interfere with the exercise of the Director's independent judgement; and
- (ii) the Director is not an individual who is considered to have a material relationship with the Corporation under the terms of section 1.4 of Multilateral Instrument 52-110 Audit Committees, as amended or replaced from time to time.

4. Member Appointment and Removal

Committee members shall be appointed by the Board:

(a) annually at the first Board meeting following the meeting of shareholders at which Directors are elected each year, and

(b) from time to time thereafter to fill vacancies on the Committee. A Committee member may be removed or replaced at any time in the discretion of the Board.

5. Responsibilities of the Committee

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

(i) The Committee shall be responsible for:

- (1) developing and recommending to the Board for approval the Corporation's corporate governance practices and principles;
- (2) reviewing and evaluating on an ongoing basis the Board's approach to corporate governance and the Corporation's corporate governance practices and principles, and reporting and making recommendations thereon annually to the Board with a view to maintaining the Board's corporate governance standards for the Corporation;
- (3) monitoring best practices for governance globally and reviewing the Board's governance practices annually with a view to continuously improving the Board's corporate governance standards;
- (4) reviewing the disclosure of the Corporation's corporate governance practices and principles and the operation thereof required by applicable regulatory authorities or stock exchanges before such disclosure is submitted to the Board for its approval; and

(5) keeping abreast of the latest regulatory requirements, developments and guidance in corporate governance and updating the Board on corporate governance issues as necessary.

(ii) The Chairman of the Committee shall:

(1) together with the Chairman of the Board, meet annually and privately with each Director for the purpose of discussing any aspects of the Corporation's corporate governance (including the effectiveness of the Board or any committee of the Board) which the Chairmen or such Director may wish to address; and

(2) report to the Committee with respect to the results of such meetings.

(b) Nominating Directors

The Committee shall be responsible for:

(i) annually identifying and recommending to the Board the appropriate criteria for selecting new Directors and the competencies and skills required to be possessed by individual Directors (the "Selection Criteria"), reviewing the Selection Criteria adopted by the Board periodically and, where appropriate, recommending to the Board changes to the Selection Criteria;

(ii) annually identifying and recommending to the Board the competencies and skills required to be possessed by individual Directors to enable the Board to discharge its duties as required by National Policy 58-201 – Corporate Governance Guidelines and the Canadian Tire Corporation, Limited Board of Directors Mandate (the "Requisite Competencies and Skills"), annually reviewing the Requisite Competencies and Skills adopted by the Board and, where appropriate, recommending to the Board changes to the Requisite Competencies and Skills;

(iii) in conjunction with annually identifying the Requisite Competencies and Skills required to be possessed by individual Directors, determining whether the current Directors individually or collectively possess the Requisite Competencies and Skills as required by National Policy 58-201 – Corporate Governance Guidelines;

(iv) if the Board determines that the Board, as a whole, does not possess all of the Requisite Competencies and Skills, either: (1) taking appropriate steps to enable one or more of the current Directors to develop the Requisite Competencies and Skills which the Board does not possess, or (2) taking appropriate steps to recommend for election or appointment to the Board, in consultation with the controlling shareholder and C.T.C. Dealer Holdings in respect of nominees for election or appointment to the Board by the holders of Common Shares, one or more individuals who have the Requisite Competencies and Skills which the Board does not possess;

(v) identifying and maintaining an evergreen list of candidates qualified to become new Directors;

(vi) considering the competencies and skills that:

(1) the Board believes to be necessary for the Board as a whole, and the Chairman of the Board to possess;

(2) the Board believes to be necessary for individual committees, particularly with respect to upcoming retirements of committee Chairmen and committee members;

(3) the Board believes to be necessary for Board succession planning in light of the opportunities and risks facing the Corporation;

(4) the Board believes each existing Director to possess; and

(5) any proposed new Director nominee will bring to the Board;

(vii) recommending to the Board qualified individuals as nominees for election to the Board by the shareholders of the Corporation at a meeting of shareholders of the Corporation and for appointment by the Board to fill any vacancies in the Board if a Director elected by the shareholders ceases to be a Director, having regard for the competencies and skills listed in section 5(b)(vi) of this mandate and consultation with such persons as it determines appropriate, including current Directors, prospective nominees as Directors and the controlling shareholder and C.T.C. Dealer Holdings Limited (in respect of possible nominees for election to the Board by the holders of the Common Shares and individuals who might be appointed to fill a vacancy if any such nominee that was elected ceased to be a Director); and

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

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

(i) The Committee shall be responsible for:

(1) developing and recommending to the Board processes which facilitate the evaluation of the Board as a whole and the committees of the Board, and reviewing such processes with the Chairman of the Board and the relevant committee chairmen;

(2) conducting not less than bi-annually, an evaluation of the effectiveness of the Board including an evaluation as to whether the Board has appropriate composition and procedures to allow it to function independently from management, and reporting thereon to the Board;

(3) recommending to the Board criteria for:

(a) the composition and size of the Board and committees of the Board; and

(b) evaluating any other applicable considerations.

(4) reviewing at least annually the effectiveness of the committees of the Board, including the composition and membership of each such Board committee, and whether there is a need for cross appointments to promote greater committee effectiveness;
(5) reviewing annually the adequacy of the mandates applicable to the Board of Directors and each Board committee, ensuring that each Board committee annually reviews its respective mandate and, where required, recommending changes to the Board for its approval;
(6) reviewing annually the adequacy of the position descriptions for the Chairman of the Board, the committee chairmen, the Directors and the Secretary and, where required, approving changes thereto;
(7) reviewing annually the delegation of authority by the Board to the committees of the Board and, where appropriate, recommending changes to the Board for its approval;
(8) developing and recommending to the Board a process for assessing not less than bi-annually the contributions, effectiveness and qualifications of individual Directors considering, among other things:
   (a) the Directors' position description;
   (b) the competencies and skills each individual Director is expected to bring to the Board, including the financial literacy and expertise of each individual Director;
   (c) each individual Director's continuing qualification under the *Business Corporations Act* (Ontario) and other applicable laws, rules and policies; and
   (d) the continuing validity of the assumptions underlying the appointment of each individual Director;
(9) providing feedback to each Director on his or her effectiveness;
(10) establishing criteria for evaluating the independence of individual Directors in accordance with the terms of section 1.4 (and section 1.5 for Audit Committee members) of Multilateral Instrument 52-110 Audit Committees, as amended or replaced from time to time;
(11) assessing annually individual Director independence and determining those Directors to be identified as independent in the Corporation's annual continuous disclosure documents in accordance with regulatory requirements;
(12) gaining and maintaining reasonable assurance that a majority of Directors, the Chairman of the Board and every member of the Audit Committee, the MRCC and the Committee are "independent", and in so doing the Committee shall:
   (a) obtain annually from each Director a written declaration (a "Declaration") containing:
      (i) a description of every direct or indirect relationship (an "Actual Relationship") which such Director has with the Corporation;
      (ii) a statement as to whether such Director is an individual who is considered to have a material relationship (a "Considered Relationship") with the Corporation under the terms of section 1.4 (and section 1.5 for Audit Committee members) of Multilateral Instrument 52-110 Audit Committees, as amended or replaced from time to time;
      (iii) such Director has a Considered Relationship or Considered Relationships with the Corporation, a description of each such Considered Relationship; and
      (iv) an undertaking by such Director to advise the Board or the Committee promptly of (1) any changes to any Actual Relationship or Considered Relationship described in the Declaration, and (2) any Actual Relationship or Considered Relationship which such Director has with the Corporation which comes into existence subsequent to the time the Declaration is obtained by the Board or the Committee from such Director;
   (b) evaluate whether any Actual Relationship which a Director has with the Corporation could reasonably be expected to interfere with the exercise of such Director's independent judgment, and making recommendations thereon to the Board; and
   (c) promptly recommend to the Board any changes to the composition of the committees and to the Chairmanship of the Board required as a result of any Director or Directors having Actual Relationships or Considered Relationships with the Corporation in order to maintain the independence of the Chairman of the Board and the members of each such committee;
(13) developing and recommending to the Board a process for annually assessing the performance of the Chairman of the Board in that role;
(14) conducting an annual performance review of the Chairman of the Board and reporting thereon to the Board;
(15) reporting annually to the Board the results of the Committee's assessments of the performance of the Board as a whole and the committees of the Board;
(16) following consultation with the Chairman of the Board, removing a Director from a Board committee (other than the Committee), if in the Committee's view, or under applicable laws, rules or policies such Director is no longer competent or is disqualified from serving as a member of a Board committee; and
(17) carrying out any other evaluation processes adopted by the Board and delegated to the Committee.

(d) Director Education and Orientation

(i) The Committee shall develop, review and evaluate on an annual basis the Board's processes for orientation and education of Directors.

(ii) The Committee shall ensure that:
  (1) each new Director participates in a comprehensive orientation process in relation to his or her Board responsibilities, the role of the Board and its committees, and the contributions and commitment of time and resources that the Corporation expects each individual Director will make;
  (2) each Director is provided with written materials (which shall be updated by the Secretary of the Corporation from time to time as required), covering topics including, but not limited to:
    (a) the Corporation's Directors' and Officers' insurance coverage;
    (b) copies of the articles and by-laws of the Corporation;
    (c) copies of the mandate of the Board and the mandate of each Board committee;
    (d) copies of the position descriptions for the Chairman of the Board and the chairman of each Board committee;
    (e) the Corporation's share structure and significant shareholders;
    (f) a copy of the Corporation's current strategic plan;
    (g) copies of the Corporation's Annual Reports, Management's Discussion & Analysis (*MD&A*) and Management Information Circulars for the most recent financial year of the Corporation preceding such new director's election or appointment to the Board;
    (h) a copy of the Corporation's current Annual Information Form;
    (i) a copy of each of the Corporation's Codes of Business Conduct;
    (j) a copy of each of the Corporation's Board policies;
    (k) a description of (1) the amount, form and timing of remuneration payments made to each director by the Corporation including the Directors' Deferred Share Unit Plan, and (2) the Corporation's equity ownership guidelines for directors;
    (l) a copy of the Directors' and Officers' indemnification agreement;
    (m) a copy of the Corporation's most recent investor presentation;
  (3) at his or her request, each new Director is provided with written materials covering the following topics:
    (a) copies of the agendas and minutes for all Board and Board committee meetings held in the 12-month period immediately preceding such new director's election or appointment to the Board;
    (b) copies of the Corporation's interim financial statements and related MD&As for the two financial years of the Corporation immediately preceding such new director's election or appointment to the Board;
    (c) the Associate Dealer Contract and the Corporation's relationship with the Associate Dealers; and
    (d) the Corporation's loyalty programs.
  (4) the Chairman of the Board meets with each proposed new Director and explains to such proposed new Director the culture of the Board, and the commitment of time and energy expected of every Director;
  (5) whenever practical, the committee chairmen meet with each proposed new Director to review the responsibilities and mandates of the committees of the Board for which such proposed new Director will serve; and
  (6) relevant orientation and continuing education is made available to all Directors to enable the Directors to maintain or enhance their skills and capabilities as Directors and to maintain the currency of their knowledge and comprehension of the Corporation's business including the opportunity, at the expense of the Corporation to:
    (a) attend any conference, seminar, course or other educational experience (i) which is intended to expand corporate directors' knowledge and skills, and (ii) which is approved by the Chairman of the Committee and, where the expense could be significant, the Chairman of the Board;
    (b) visit key competitors of the Corporation and any of the Corporation's principal operating locations, and to discuss the operation of those locations with the managers of those locations; and
    (c) meet with the President and Chief Executive Officer, other corporate officers and the senior officers of all of the Corporation's business units for the purpose of discussing the nature and operation of the Corporation's business and affairs.

(e) Other Duties and Responsibilities

The Committee shall be responsible for:

(i) following consultation with the Chairman of the Board, fixing the dates and times of meetings of the Board of Directors and of the Board committees;

(ii) monitoring, reviewing annually and approving the form and amount of the Directors' remuneration for Board and committee service, as well as service as Chairman of the Board or a committee of the Board, to ensure that it is both commensurate with the responsibilities and risks assumed and competitive with other companies which are comparable in terms of size and complexity to the Corporation's business, and recommending any changes to the Board for approval;

(iii) at least annually, and in conjunction with the Chairman of the Board, reviewing a succession and emergency preparedness planning process for the Chairman of the Board position, and recommending this process to the Board for approval;

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

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

On an annual basis, or more frequently at the request of the Secretary of the Corporation as a result of legislative or regulatory changes, the Committee shall:

(a) review and assess the adequacy of this mandate taking into account all applicable legislative and regulatory requirements as well as any best practice guidelines recommended by regulators or stock exchanges with whom the Corporation has a reporting relationship and, if appropriate, recommend changes to the mandate to the Board for its approval;
(b) conduct a review and evaluation of the Committee's performance including its ability to meet the requirements of this mandate, in accordance with the evaluation process developed by the Committee and approved by the Board, and provide the results of the performance evaluation to the Board.

7. Operations

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

8. Reporting to the Board

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

9. Miscellaneous

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

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Appendix E
Canadian Tire Corporation, Limited
Social Responsibility Committee Mandate

Mandate for the Social Responsibility Committee

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

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

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

1. Purpose of the Committee

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

2. Composition of the Committee

(a) The Committee shall be comprised of at least five Directors, excluding Directors who are officers of the Corporation and the Chairman of the Board.

(b) One of the Committee members shall be designated by the Governance Committee as the Committee Chairman.

3. Member Qualifications

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

4. Member Appointment and Removal

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

5. Responsibilities of the Committee

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

(a) Approve a core statement of corporate social responsibility for the Corporation.

(b) Assess annually the Corporation's core statement of corporate social responsibility and make revisions as considered appropriate concerning this statement.

(c) Review, assess and approve regularly the Corporation's policies, procedures and practices which address the Corporation's corporate social and environmental responsibilities.

(d) Approve the Corporation's corporate social responsibility activities and the standards and procedures used for monitoring and reporting thereon.

(e) Assess the performance and effectiveness of the Corporation's activities which address its corporate social responsibilities.

(f) Approve the Corporation's donations policy.

(g) Approve any specific donations that fall outside the Corporation's donation policy.

(h) Approve principles that govern the Corporation's relationship with the Canadian Tire Foundation for Families and any other charitable organization to which the Corporation has made or proposed to make a significant donation.

(i) Receive annual reporting information from the Canadian Tire Foundation for Families including revenues raised and funds disbursed for the purposes of reporting to the Board of Directors in connection with the ongoing suitability of the Canadian Tire Foundation for Families as a recipient of financial support of the Corporation and as a trade mark licensee of the Corporation.

(j) Assess other issues brought to it by members of the Committee, the Board of Directors or management.

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

6. Operations

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

7. Reporting to the Board

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

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

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

9. Miscellaneous

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

Appendix F
Our Corporate Governance Policies and Practices

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

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

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

The CSA Rules

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

1. ***Disclose whether or not a majority of directors are "independent", as that term is defined in the CSA Rules.***
The Board of Directors includes a majority of directors who are *independent*, as that term is defined in the CSA Rules.

2. ***Disclose for each director whether he or she is "independent" or "not independent" and the basis for that determination.***
Mr. Wetmore is the President and CEO of the Company and Mr. Billes was an employee of the Company within the last three years. Therefore, Mr. Wetmore and Mr. Billes are *not independent* directors.

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

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

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

Independence Status of Nominated and Current Directors				
	Management	**Independent**	**Not Independent**	**Reason for Non-Independent Status**
Iain Aitchison[1]		✔		
Martha G. Billes		✔		
Owen G. Billes			✔	Mr. Billes is a former employee of the Company and a Canadian Tire Dealer
Peter W. Currie		✔		
Brian G. Domelle			✔	Mr. Domelle is a Canadian Tire Dealer
H. Garfield Emerson		✔		
Daniel E. Fournier		✔		
Robert M. Franklin		✔		
Keith E. Gostlin			✔	Mr. Gostlin is a Canadian Tire Dealer
Suzanne R. Perles		✔		
Frank Potter		✔		
Timothy R. Price		✔		

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

Note
(1) Mr. Aitchison, if elected a member of the Board, will be an independent director.

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

The Governance Committee has the mandate to:

(a) consult with such persons as it determines appropriate, including current directors, the controlling shareholder and C.T.C. Dealer Holdings Limited in respect of possible nominees for election to the Board and individuals who might be appointed to fill a vacancy if any elected nominee ceases to be a director

(b) recommend to the Board qualified individuals as nominees for election to the Board by the shareholders of the Corporation at a meeting of shareholders of the Corporation and for appointment by the Board to fill any vacancies on the Board if a director elected by the shareholders ceased to be a director.

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

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

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

(a) in personal and professional dealings, the candidate has demonstrated integrity, high ethical standards and commitment to the values expressed in the Company's Code of Business Conduct for Employees and Directors;

(b) the candidate has sufficient time and energy to devote to the performance of duties as a member of the Board of Directors, having regard to positions the candidate holds in other organizations and other business and personal commitments;

(c) the candidate has a history of achievements that demonstrates the ability to perform at the highest level and that reflects high standards for himself or herself and others;

(d) the candidate's background includes business, governmental, professional, non-profit or other experience that is indicative of sound judgment and the ability to provide thoughtful advice;

(e) the candidate is likely to take an independent approach and to provide a balanced perspective;

(f) the candidate is financially literate and able to read financial statements and other indices for evaluating corporate performance;

(g) the candidate has specific skills, expertise or experience that would complement those already represented on the Board; and

(h) the candidate possesses knowledge and appreciation of public issues and exhibits familiarity with international, as well as national and local affairs.

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

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

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

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

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

See *Report of the Governance Committee* on page 22 of this management information circular for a description of the powers, responsibilities and operation of the Governance Committee.

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

The Board, its Committees and individual directors are regularly assessed with respect to their performance and effectiveness. Every second year, the effectiveness of the full Board is assessed through a process which requires each director to assess the Board's performance.

In 2008, the Governance Committee conducted performance assessments of the Board and the individual directors using enhanced and improved online assessment tools that were developed in 2007. Each director assessed the Board's performance using quantitative ratings and qualitative commentary in respect of a lengthy list of criteria including, the Board's composition, practices and relationship with management and its oversight of strategy and performance, financial information, internal controls, identification and management of risks, corporate governance, corporate social responsibility and CEO and officer succession, performance and compensation. The results were consolidated into a composite report and reviewed by the Chairman of the Governance Committee, the Chairman of the Board, the President and CEO and the Corporation's controlling shareholder and reported to the full Board. The Board and the Governance Committee use the composite report to identify and remediate any aspects of the Board's performance which do not meet its rigorous standards.

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

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

In 2008, the Audit Committee assessed its performance using an evaluation form developed by the Committee. Other Committee performance assessments are conducted periodically, and are next scheduled to occur in 2009.

In 2008, the Governance Committee approved the form for evaluating annually the performance of the Chairman of the Board, which contained a combination of quantitative and qualitative measures, including both a numerical rating system and a request for comments. The assessment was completed in the second half of 2008 and the results were discussed with the Chairman of the Board and members of the Governance Committee and reported to the entire Board.

The questions included in each of the foregoing tools will remain unchanged for the next two to three years in order to create benchmarks for subsequent evaluations. Responses to the questions for each assessment are anonymous and confidential to encourage candid and constructive commentary.

5. *(i) Describe the measures the board takes to orient new directors regarding*
(a) the role of the board, its committees and its directors, and
(b) the nature and operation of the Company's business.
(ii) Describe the measures, if any, the board takes to provide continuing education for its directors.

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

(a) ensures that each new director is provided with a comprehensive manual containing information on the Company and the Board, including but not limited to:
- (i) the articles and by-laws of the Company
- (ii) the Mandate of the Board and the Mandate and Charter of each Board Committee
- (iii) the position descriptions for the Chairman of the Board and the Chairman of each Board Committee
- (iv) the delegation of Board duties to its Committees
- (v) a summary of the Company's corporate structure
- (vi) the Company's current strategic plan
- (vii) the Company's Annual Reports, MD&A and Management Information Circulars for the most recent financial year of the Company preceding such new director's election or appointment to the Board
- (viii) the Company's current Annual Information Form
- (ix) each of the Company's Codes of Business Conduct
- (x) each of the Company's Board policies

(xi) a description of (1) the amount, form and timing of remuneration payments made to each director by the Company including the Deferred Share Unit Plan for Directors, and (2) the Company's equity ownership guidelines for directors
(xii) the directors' and officers' indemnification agreement
(xiii) the Company's most recent investor presentation
(xiv) the Company's directors' and officers' insurance coverage

(b) provides at the request of a new director, written materials covering the following topics:
(i) the agendas and minutes for all Board and Board Committee meetings held in the 12-month period immediately preceding such new director's election or appointment to the Board
(ii) the Company's interim financial statements and related MD&As for the two financial years of the Company immediately preceding such new director's election or appointment to the Board
(iii) the Dealer Contract and a summary of the Company's relationship with the Dealers
(iv) the Company's loyalty programs

(c) requires the Chairman of the Board to meet with each proposed new director and to explain to such proposed new director the culture of the Board and the commitment of time and energy expected of every director

(d) makes available to every director the opportunity, at the expense of the Company,
(i) to attend any conference, seminar, course or other educational experience (1) which is intended to expand corporate directors' knowledge and skills, and (2) which is approved by the Chairman of the Governance Committee and, where the expense could be significant, the Chairman of the Board
(ii) to visit key competitors of the Company and any of the Company's principal operating locations and to discuss the operation of those locations with the managers of those locations
(iii) to meet with the President and CEO, the officers of all of the Company's business units and other corporate officers for the purpose of discussing the nature and operation of the Company's business and affairs.

During 2008, the directors were provided with opportunities to visit the Company's business units and the facilities associated with these units. Moreover, both new directors and incumbent directors were offered opportunities to participate in learning sessions with management. All directors also received educational information at Board and Committee meetings about new store formats and other new initiatives. They also receive information on competitive activity. At virtually all Board meetings, the directors receive economic and capital market updates from both management and external advisors.

Moreover, the Audit Committee members and the members of the Board spent significant time during 2008 familiarizing themselves with the issues associated with the introduction of international financial reporting standards in 2011 and the work that management has undertaken to prepare the Company to adopt the new accounting standards.

The directors continued their practice of attending dinners on the evening before each Board meeting. For much of 2008, directors continued to meet with the key decision makers at Canadian Tire in order to get to know them better and to enhance their understanding of the businesses carried on by the Company and the issues facing it. The Board used its first two dinners in 2009 to discuss with Mr. Wetmore, the President and CEO, his analysis of the issues facing the Company and his plans to address them. One of the issues on which the President and CEO and the Board spent some significant time was the way in which the Board and he would approach the strategic planning for Canadian Tire.

The Board and management continue to seek ways to provide the directors with educational opportunities focused on the business of the Company and the issues facing it.

6. *Disclose the process by which the board determines the compensation for the company's directors and officers.*
The Governance Committee reviews and recommends to the Board of Directors for approval the remuneration of directors. The Board considers the time commitment, risks, responsibilities and other factors in determining compensation. It also considers comparative compensation information.

The Company's executive compensation program is overseen on behalf of the Board of Directors by the MRC Committee. The MRC Committee has responsibility for reviewing and making recommendations to the Board of Directors regarding the compensation of officers including the NEOs named in the *Summary Compensation Table* on page 39.

The MRC Committee conducts an annual review of the Company's executive compensation program, including the compensation of the President and CEO. The review is conducted with the assistance of independent professional compensation consultants reporting directly to the MRC Committee. The MRC Committee also reviews and approves officer base salaries other than for the President and CEO, payouts under the short-term incentive plan, grants under the long-term incentive plan and discretionary bonuses for officers.

The MRC Committee is responsible for reviewing and recommending to the Board for approval the design of short-term, long-term and other incentive plans for senior management, periodic changes to compensation guidelines and benefit plans, and significant changes to employee benefit plans.

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

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

8. ***Disclose the responsibilities, powers and operation of the compensation committee.***
See *Report of the Management Resources and Compensation Committee* on page 20 of this management information circular for a description of the responsibilities, powers and operation of the MRC Committee.

9. ***If any compensation consultant or advisor has, at any time since the beginning of the most recently completed financial year, been retained to assist in determining compensation for any of the issuer's directors and officers***
(i) summarize the mandate for which they have been retained, and
(ii) disclose whether or not the consultant or advisor has been retained to perform any other work for the Company, and describe the nature of the work.
The MRC Committee has the authority to retain consulting firms to assist in carrying out the MRC Committee's responsibilities, including determining the compensation of the President and CEO and other executives. See *Role of Independent Advisor in Compensation Decisions* on page 29 for information relating to the consultants retained by the MRC Committee and management of the Company to assist in determining executive compensation, including a brief description of the mandates for which they have been retained.

10. ***Disclose whether or not the board and the President and CEO have developed a written position description for the President and CEO.***
A written position description is in place for the President and CEO, whose objectives are approved annually by the Board of Directors and form part of the President and CEO's mandate on a year-to-year basis.

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

12. ***Disclose the attendance record of each director for all board meetings held since the beginning of the Company's most recently completed financial year.***
See page 16 of this management information circular for the directors' attendance at Board and Committee meetings since the beginning of the most recently completed financial year.

13. ***Disclose whether or not the independent directors hold regularly scheduled meetings at which members of management are not in attendance. If the independent directors hold such meetings, disclose the number of meetings held during the preceding 12 months.***
The Board (including the Canadian Tire Dealers, none of whom is *independent*) enhance independence by conducting sessions without management present. These sessions take place at each regularly scheduled Board and Committee meeting and are conducted by the Chairman of the Board and the Chairmen of the Committees respectively. In 2008, the Board held ten regularly scheduled meetings, each of which included a session without management present. On occasion, special purpose Board and Committee meetings are convened at which sessions without management present may not be held.

14. ***Disclose each director who is a director of any other reporting issuer in a jurisdiction or a foreign jurisdiction.***
See the directors' biographies under *Nominated Directors* beginning on page 7 of this management information circular for directorships of other reporting issuers for each of the nominated directors.

15. ***Disclose whether or not the chair of the board is an independent director. If the board has a chair or lead director who is an independent director, disclose the identity of the independent chair or lead director, and describe his or her role and responsibilities.***
Maureen J. Sabia is Chairman of the Board and is an *independent* director. Miss Sabia is responsible for facilitating highly effective performance of the Board. Her duties include, among other things:
(i) setting the agenda for Board meetings
(ii) using her best efforts to provide directors with the information they need to do their job
(iii) chairing Board meetings
(iv) acting as a key liaison between the Board and management.

16. ***Disclose whether or not the board has developed written position descriptions for the chair and the chair of the each board committee.***

The Board has written position descriptions for the Chairman of the Board and the Chairman of each Board Committee, which are available on the Company's website at *http://corp.canadiantire.ca/EN/Investors/Governance/Pages/default.aspx.*

17. ***(i) Disclose whether or not the board has adopted a written ethical business conduct code for its directors, officers and employees, and***

(a) how an interested party may obtain a copy of the written code
(b) how the board monitors compliance with its code, or if the board does not monitor compliance, explain whether and how the board ensures compliance with its code
(c) provide a cross-reference to any material change report(s) filed within the preceding 12 months that pertains to any conduct of a director or executive officer that constitutes a departure from the code.

(ii) Disclose any steps the board takes to ensure directors exercise independent judgment in considering transactions and agreements in respect of which a director or executive officer has a material interest.

(iii) Disclose any other steps the board takes to encourage and promote a culture of ethical business conduct.

The Board has approved the Company's Code of Business Conduct and the Code of Business Conduct for Suppliers, copies of which may be obtained without charge by contacting Palma Barbieri, Vice-President, Risk Management and Compliance Services at Canadian Tire Corporation, Limited, 2180 Yonge Street, P.O. Box 770, Station K, Toronto, Ontario M4P 2V8. The Codes are also available at www.corp.canadiantire.ca and on SEDAR.

Each director, officer and employee must acknowledge that they have read, understood and will commit to abide by the standards and expectations set out within the Company's Code of Business Conduct on a bi-annual basis.

Each officer of the Company is accountable for ensuring that the Codes are implemented in his or her business unit or functional area and that all violations are reported in a manner consistent with the requirements of the Codes.

The Board has established a business conduct compliance program (*the BCCP*), which provides a compliance mechanism for the Codes including:

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

With the approval of the Board, management has established a Business Conduct Compliance Office which is responsible for managing the BCCP, including:

(i) overseeing the receipt, retention, investigation and resolution of complaints and concerns related to breaches of the Codes
(ii) managing a business conduct hotline and web reporting service
(iii) reporting to the Audit Committee on all reported violations of the Codes and their disposition, on a quarterly basis.

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

18. ***Identify standing committees of the board other than audit, compensation and nominating committees and describe their function.***

The Social Responsibility Committee is the only standing Committee of the Board other than the Audit Committee, the MRC Committee and the Governance Committee.

See page 24 of this management information circular for the Report of the Social Responsibility Committee.

Canadian Tire Corporation, Limited
2180 Yonge Street, P.O. Box 770, Station K,
Toronto, Ontario, Canada M4P 2V8

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