March 14, 2013

CANADIAN TIRE CORPORATION, LIMITED

Notice of 2013 Annual Meeting of Shareholders and Management Information Circular

Annual Meeting
May 9, 2013

Notice of 2013 Annual Meeting of Shareholders

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

When
Thursday, May 9, 2013
10:00 a.m. (Toronto time)

Where
MaRS Collaboration Centre
101 College Street
Toronto, Ontario

In this Notice, *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, where applicable.

Business of the Meeting
We will address four items at the Annual Meeting:
1. the Company's consolidated annual financial statements for the financial year ended December 29, 2012, 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 the external auditor's compensation; and
4. the transaction of such further and other business as may properly come before the Annual Meeting or any adjournment thereof.

You Have the Right to Vote
You have the right to vote at our Annual Meeting as set out in the enclosed Management Information Circular if you are a Canadian Tire shareholder as of the close of business on March 21, 2013.

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 8, 2013.

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

By order of the Board,

Robyn A. Collver
Secretary

Toronto, Ontario
March 14, 2013

Management Information Circular

All information in this Management Information Circular is as of March 14, 2013, 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, where applicable.

This Management Information Circular is provided in connection with our Annual Meeting of Shareholders to be held on May 9, 2013 (*the Meeting*). Your proxy is solicited by the 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 the Meeting as set out in this Management Information Circular. 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 2012 Annual Report, which includes the Management's Discussion and Analysis and consolidated annual financial statements of Canadian Tire for the financial year ended December 29, 2012. A copy of our 2012 Annual Report will be sent to registered and beneficial shareholders who requested it and is also available on the System for Electronic Document Analysis and Retrieval (*SEDAR*) at www.sedar.com.

The Board of Directors has approved the contents and sending of this Management Information Circular. 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 14, 2013

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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 21, 2013 entitles you to one vote on the matters on which you are entitled to vote.

Common Shares

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

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

As at March 14, 2013, 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% 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 Company's Deferred Profit Sharing Plan (established on January 1, 1968)(3)	419,280	12.2%

Notes

(1) Tire 'N' Me Pty. Ltd. (*Tire 'N' Me*) owns 1,400,767 Common Shares of the Company. Ms. Billes controls Tire 'N' Me and, with the exception of a small number of non-voting common shares of Tire 'N' Me owned by Owen Billes, is the beneficial owner of all the issued shares of Tire 'N' Me. The Common Shares of the Company owned by Tire 'N' Me are included in the shareholdings of Ms. Billes shown in her director biography table on page 8.

(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 Martha Billes, Mr. Billes is the beneficial owner of all the issued shares of Albikin. By agreement between Ms. Billes and Mr. Billes, Ms. Billes controls Albikin. The Common Shares and Class A Non-Voting Shares of the Company owned by Albikin are included in the shareholdings of Mr. Billes shown in his director biography table on page 8.

(3) Sun Life Assurance Company of Canada *(Sun Life)* is the beneficial owner of the 419,280 Common Shares held in relation to the Company's Deferred Profit Sharing Plan (the *DPSP*). Sun Life has issued a group annuity policy to Sun Life Financial Trust Inc., as trustee of the DPSP (the *Trustee*), which provides benefits to the Trustee and indirectly to the participants in the DPSP which are substantially the same as those to which they would have been entitled had the shares been held directly by the Trustee. The Trustee has a right to vote the shares of the Company held by Sun Life but is subject to the direction of a DPSP Capital Accumulation Plan Committee (the *DPSP CAP Committee*) in relation to the exercise of voting and various other rights of the shares. Two members of the DPSP CAP Committee are appointed by the Company and the third member of the DPSP CAP Committee is elected by the participants in the DPSP. As a result of the foregoing arrangements, Sun Life, the Trustee and the DPSP CAP Committee exercise control or direction over the Company shares held in relation to the DPSP. For more information on the DPSP, see page 52.

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 entitled to vote on matters other than the appointment of three directors only in the following circumstances:

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

The Common Shares and Class A Non-Voting Shares are each generally voted separately as a class. As a result, aggregating the voting rights attached to the Common Shares and Class A Non-Voting Shares is not relevant to any corporate action currently contemplated. If an occasion should arise 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 as at March 14, 2013, the Class A Non-Voting Shares would represent approximately 95.8% of the aggregate voting rights attached to the Common Shares and the Class A Non-Voting Shares. For a full statement of the conditions attached to the Common Shares and the Class A Non-Voting Shares, including voting rights, reference should be made to the Company's articles of amendment dated December 15, 1983.

As at March 14, 2013, Canadian Tire had 77,740,727 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% of the outstanding Class A Non-Voting Shares.

Q & A on Voting at the Meeting

Q: What am I voting on?

A: Holders of Common Shares are voting on (i) the election of 13 directors to the Board of Canadian Tire and (ii) the appointment of the external auditor and authorizing the directors to set the external auditor's 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 21, 2013 are entitled to vote as set out in this Management Information Circular. Each Common Share and Class A Non-Voting Share is entitled to one vote on the items of business on which these shares are entitled to be voted.

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 Canadian Tire 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 and plan to attend the Meeting on May 9, 2013 and 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 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, through the Internet or in person.**

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 15 digit 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 8, 2013. If you vote by telephone, you cannot appoint anyone other than the directors named on your proxy form as your proxyholder.

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 15 digit 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 8, 2013.

Q: Who is soliciting my proxy?

A: **The enclosed form of proxy is being solicited by the management of Canadian Tire** and the associated costs are being borne by Canadian Tire. The solicitation is being 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 Canadian Tire 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 8, 2013. 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 a duly authorized officer or attorney of the corporation. This statement must be delivered or faxed to the Secretary of Canadian Tire at the address listed below no later than 5:00 p.m. (Toronto Time) on Wednesday, May 8, 2013, 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 9, 2013, or any adjournment of the Meeting.

Canadian Tire Corporation, Limited
2180 Yonge Street, 18th 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 and, for holders of Common Shares, the appointment of the external auditor and authorizing the directors to set the external auditor's 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 at March 14, 2013, there were 3,423,366 Common Shares and 77,740,727 Class A Non-Voting Shares of Canadian Tire outstanding. 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 21, 2013.

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: 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. You can vote your shares held by your nominee or intermediary in one of two ways.

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

2. To vote your shares in person at the Meeting, insert your name in the space provided on the voting instruction form and return the form by following the instructions provided. Do not otherwise complete the form as your vote will be taken at the Meeting. Upon arrival at the Meeting, please register with the transfer agent, Computershare Trust Company of Canada. 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 your entitlement to vote unless you complete the voting instruction form as indicated above and your nominee or intermediary has appointed you as proxyholder.

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 four items at the Meeting:

1. the Company's consolidated annual financial statements for the financial year ended December 29, 2012, 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 the external auditor's compensation; and
4. the transaction of such further and other business as may properly come before the Meeting or any adjournment thereof.

As of the date of this Management Information Circular, management is not aware of any changes to items 1 to 3 above 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 2012 Annual Report, which contains the Company's consolidated annual financial statements for the financial year ended December 29, 2012, including the external auditor's report, has been prepared and will be sent to registered and beneficial shareholders who have requested it. It is also available on SEDAR at www.sedar.com. Management will review the Company's consolidated financial results at the Meeting and shareholders and proxyholders will be given an opportunity to discuss these results with management.

2. Electing Directors

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

If you own Common Shares, you can vote on the election of 13 directors. The Board recommends that you vote **FOR** the election of each of the following persons who have been proposed by the Board for election as directors by the holders of Common Shares:

- Iain C. Aitchison
- Martha G. Billes
- Owen G. Billes
- H. Garfield Emerson
- John A. F. Furlong
- James L. Goodfellow
- Claude L'Heureux
- Jonathan Lampe
- Maureen J. Sabia
- Peter B. Saunders
- Graham W. Savage
- George A. Vallance
- Stephen G. Wetmore

If you own Class A Non-Voting Shares, you can vote on the election of three directors. The Board recommends that you vote **FOR** the election of each of the following persons who have been proposed by the Board for election as directors by the holders of Class A Non-Voting Shares:

- Pierre Boivin
- Frank Potter
- Timothy R. Price

Except for Pierre Boivin, all of the proposed directors are currently directors of Canadian Tire and, with the exception of Jonathan Lampe, were elected as directors at our Annual Meeting of Shareholders on May 10, 2012. Mr. Lampe was appointed to the Board of Canadian Tire on August 9, 2012 to fill the vacancy resulting from the resignation of James A. Riley on June 30, 2012.

Position on Majority Voting

Canadian Tire's majority voting policy provides that any nominee who receives a greater number of votes "withheld" than votes "for" his or her election by the holders of Class A Non-Voting Shares of the Company in an uncontested election of directors will tender his or her resignation to the Chairman of the Board promptly following the Annual Meeting of Shareholders. The policy would have no application in the context of directors to be elected by holders of the Common Shares, as more than 80% of the votes associated with the Common Shares are required to be cast for directors nominated pursuant to the shareholders' agreement between Martha Billes and C.T.C. Dealer Holdings Limited, as more particularly described on page 7. A resignation pursuant to the majority voting policy is to be considered by the Governance Committee which, if it determines it to be appropriate, will recommend that the Board accept the resignation. Under the policy, the Board of Directors is to make and announce its decision – taking into consideration the recommendation of the Governance Committee – within 90 days following the Annual Meeting of Shareholders, including the reasons for rejecting the resignation, if applicable. A director who tenders his or her resignation pursuant to the policy will not attend the portion of 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 any resulting vacancy unfilled until the next Annual Meeting of Shareholders, fill the vacancy through the appointment of a new director, or call a special meeting of holders of Common Shares or Class A Non-Voting Shares, as the case may be, to elect a new director to fill the vacant position. Holders of Common Shares and Class A Non-Voting Shares will have the ability to vote for or withhold from voting for each proposed director to be elected by their respective classes.

3. Appointing the External Auditor

If you own Common Shares, you can vote on the appointment of the external auditor and authorizing the Board of Directors to set the external auditor's compensation. The Board recommends that you vote **FOR** the reappointment of the Company's current external auditor, Deloitte LLP, Chartered Accountants *(Deloitte)*, as the external auditor, and authorizing the Board to set its compensation.

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 Proposed Directors

The director biographies on pages 7 to 15 describe the directors who are proposed for election, along with their ownership of Common Shares, Class A Non-Voting Shares and deferred share units *(DSUs)* under the Deferred Share Unit Plan for Directors (*the DSU Plan for Directors*). DSUs do not carry any voting rights.

The director biographies also indicate the aggregate value of all Common Shares, Class A Non-Voting Shares and DSUs held by each proposed director as well as whether or not each proposed director has met the Company's share ownership guidelines for directors. Each director, other than Stephen Wetmore, the President and Chief Executive Officer (*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. For more information on the Company's share ownership guidelines for directors, see *Director Share Ownership Guidelines* on page 27. For more information on the Company's share ownership guidelines applicable to Mr. Wetmore, see *Executive Share Ownership Guidelines* on page 38.

Each director holds office until the next Annual Meeting of Shareholders or until such office is earlier vacated.

Pursuant to a shareholders' agreement between Martha G. Billes (together with corporations and trusts with which she is associated) and C.T.C. Dealer Holdings Limited dated October 30, 1989, as amended, 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. Ms. Billes and C.T.C. Dealer Holdings Limited have agreed to vote for the election of such proposed nominees, and the President and CEO, as directors of Canadian Tire.

We do not expect that any of the proposed directors will be unable to serve as a director. If, however, the Company becomes aware before the Meeting that a proposed director is unable to serve as a director, the Canadian Tire directors appointed as proxyholders will vote to elect a substitute proposed director 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 18 or more 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.

Proposed Directors

Iain C. Aitchison
Howell, New Jersey, U.S.A.
Director since: 2009
Independent[1]

Current Activities:
Mr. Aitchison is a Corporate Director.

Past Activities:
Prior to January 1, 2011, Mr. Aitchison served as President, "K" Line Total Logistics, LLC and President and CEO, Century Distribution Systems, Inc., international transportation and logistics companies in the United States.
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. in Hong Kong, Kawasaki Kisen Kaisha, Ltd. in Japan and "K" Line/Kerr Corporation and "K" Line Total Logistics in the United States.

Board/Committee Membership	Attendance	Total	Public Board Membership During Last Five Years	
Board of Directors Management Resources and Compensation Committee	11 of 11 7 of 7	18 of 18	Canadian Tire Corporation, Limited	2009 – Present

Number of Shares and DSUs Beneficially Owned, Controlled or Directed (as at March 14, 2013)						
Common Shares	Class A Non-Voting Shares	DSUs[2]	Total Number of Shares and DSUs	Market Value of Total Number of Shares and DSUs[3]	Date at which Share Ownership Guideline is to be Met	Has Share Ownership Guideline Been Met?[4]
–	6	5,034	5,040	$347,786	May 14, 2014	No

Martha G. Billes(5)(6)
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 Canadian Tire Jumpstart Charities. 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 of the Company since 1997. She is also a director of Marlore Enterprises Ltd. and Tire 'N' Me Pty. Ltd. and is Honourary Consul Emeritus for the Republic of Chile, Southern Alberta Region.

Past Activities:
Ms. Billes has served on the boards of several public companies. She received an Honorary Doctorate of Commerce degree from Ryerson University in 2002. Ms. Billes was a member of the Board of Trustees of the Sunnybrook Medical Centre Foundation and the Calgary Women's Emergency Shelter – Endowment Fund Trust. She is also a former member of the Board of Directors of the Toronto Organizing Committee for the 2015 Pan American and Parapan American Games as well as a former member of their Human Resources and Governance Committees and has served as a director of Canadian Tire Bank.

Board/Committee Membership	Attendance	Total	Public Board Membership During Last Five Years	
Board of Directors	11 of 11	22 of 22	Canadian Tire Corporation, Limited	1980 – Present
Management Resources and Compensation Committee	7 of 7			
Governance Committee	4 of 4			

Number of Shares and DSUs Beneficially Owned, Controlled or Directed (as at March 14, 2013)

Common Shares	Class A Non-Voting Shares	DSUs	Total Number of Shares and DSUs	Market Value of Total Number of Shares and DSUs	Date at which Share Ownership Guideline was to be Met	Has Share Ownership Guideline Been Met?(4)
1,400,767	5,706	–	1,406,473	See Note (7)	February 9, 2008	Yes

Owen G. Billes(6)(8)
St. Catharines, Ontario, Canada
Director since: 2004
As 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 Canadian Tire Jumpstart Charities and Canadian Tire Bank.

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

Board/Committee Membership	Attendance	Total	Public Board Membership During Last Five Years	
Board of Directors	11 of 11	13 of 13	Canadian Tire Corporation, Limited	2004 – Present
Social Responsibility Committee	2 of 2			

Number of Shares and DSUs Beneficially Owned, Controlled or Directed (as at March 14, 2013)

Common Shares	Class A Non-Voting Shares	DSUs	Total Number of Shares and DSUs	Market Value of Total Number of Shares and DSUs	Date at which Share Ownership Guideline was to be Met	Has Share Ownership Guideline Been Met?(4)
700,383	754,765	–	1,455,148	See Note (7)	May 11, 2009	Yes

Pierre Boivin[9]
Montreal, Quebec, Canada
Mr. Boivin will be *Independent* if elected[1]

Current Activities:
Mr. Boivin is President and Chief Executive Officer of Claridge Inc., a private investment firm in Montreal. Mr. Boivin serves on the boards of CH Group, owner of the Montreal Canadiens, CSR Holdings Inc., which operates SiriusXM Satellite Radio, and Lumenpulse Inc., a world leader in LED lighting. He is also the Chairman of the Board of the Montreal Canadiens Children's Foundation, which he founded in 2000, and co-chair of the Sainte-Justine UHC Foundation campaign.

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

Board/Committee Membership	Attendance	Total	Public Board Membership During Last Five Years	
N/A	N/A	N/A	Canadian Satellite Radio Holdings Inc. Questerre Energy Corporation	2005 – Present 2007 – 2012

Number of Shares and DSUs Beneficially Owned, Controlled or Directed (as at March 14, 2013)

Common Shares	Class A Non-Voting Shares	DSUs	Total Number of Shares and DSUs	Market Value of Total Number of Shares and DSUs	Date at which Share Ownership Guideline is to be Met	Has Share Ownership Guideline Been Met?[4]
–	–	–	–	–	May 9, 2018	No

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

Current Activities:
Mr. Emerson is Principal, Emerson Advisory, an independent advisory firm, and a Corporate Director. He is a director of CAE Inc., Pelmorex Media Inc. and Sentry Select Capital Corp., and an Executive in Residence with the Rotman School of Management, University of Toronto and with the Faculty of Public Affairs, Carleton University.

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, investment bankers (1990-2001), 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, Wittington Investments Limited, Marathon Realty Company Limited, Open Text Corporation, Genstar Capital Corporation, Rogers Wireless Communications Inc. and Sunnybrook Health Sciences Centre.

Board/Committee Membership	Attendance	Total	Public Board Membership During Last Five Years	
Board of Directors Audit Committee	11 of 11 5 of 6	16 of 17	CAE Inc. Canadian Tire Corporation, Limited First Calgary Petroleums Ltd. Open Text Corporation	1992 – Present 2007 – Present 2008 – 2008 2008 – 2009

Number of Shares and DSUs Beneficially Owned, Controlled or Directed (as at March 14, 2013)

Common Shares	Class A Non-Voting Shares	DSUs[2]	Total Number of Shares and DSUs	Market Value of Total Number of Shares and DSUs[3]	Date at which Share Ownership Guideline was to be Met	Has Share Ownership Guideline Been Met?[4]
–	–	8,035	8,035	$554,401	May 10, 2012	Yes

John A.F. Furlong[10]
Vancouver, British Columbia, Canada
Director since: 2011
Independent[1]

Current Activities:
Mr. Furlong is a Corporate Director and a professional speaker represented by the Twentyten Group, a firm comprised of former members of the Vancouver Organizing Committee for the 2010 Vancouver Olympic and Paralympic Games (*VANOC*). Mr. Furlong serves as a director for Whistler Blackcomb Holdings Inc. and is the Chairman of the "Own the Podium" program.

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

Board/Committee Membership	Attendance	Total	Public Board Membership During Last Five Years	
Board of Directors Social Responsibility Committee	10 of 11 2 of 2	12 of 13	Canadian Tire Corporation, Limited Whistler Blackcomb Holdings Inc.	2011 – Present 2010 – Present

Number of Shares and DSUs Beneficially Owned, Controlled or Directed (as at March 14, 2013)

Common Shares	Class A Non-Voting Shares	DSUs[2]	Total Number of Shares and DSUs	Market Value of Total Number of Shares and DSUs[3]	Date at which Share Ownership Guideline is to be Met	Has Share Ownership Guideline Been Met?[4]
–	–	1,746	1,746	$120,508	May 12, 2016	No

James L. Goodfellow
Oakville, Ontario, Canada
Director since: 2010
Independent[1]

Current Activities:
Mr. Goodfellow is a Corporate Director and serves as a director of Discovery Air Inc. and a member of the Audit Committee of the Department of Foreign Affairs and International Trade Canada. Mr. Goodfellow also provides consulting services on corporate governance, risk governance and financial reporting matters.

Past Activities:
Prior to his retirement in 2008, Mr. Goodfellow was a senior partner and Vice-Chairman of Deloitte & Touche LLP (now Deloitte). He has also been an active contributor to the accounting profession. He is past Chairman of the Canadian Institute of Chartered Accountants' Accounting Standards Board as well as its Canadian Performance Reporting Board. He was made a Fellow of the Ontario Institute of Chartered Accountants in 1986 for distinguished service to the profession and, in 2009, was awarded the Ontario Institute's Distinguished Order of Merit, the highest honour given by the Institute.

Board/Committee Membership	Attendance	Total	Public Board Membership During Last Five Years	
Board of Directors Audit Committee Social Responsibility Committee	11 of 11 6 of 6 2 of 2	19 of 19	Canadian Tire Corporation, Limited Discovery Air Inc.	2010 – Present 2008 – Present

Number of Shares and DSUs Beneficially Owned, Controlled or Directed (as at March 14, 2013)

Common Shares	Class A Non-Voting Shares	DSUs	Total Number of Shares and DSUs	Market Value of Total Number of Shares and DSUs[3]	Date at which Share Ownership Guideline is to be Met	Has Share Ownership Guideline Been Met?[4]
–	6,000	–	6,000	$414,000	October 7, 2015	Yes

Jonathan Lampe
Toronto, Ontario, Canada
Director since: 2012
Independent[1]

Current Activities:
Mr. Lampe is a partner and a member of the Executive Committee and Co-Chair of the Corporate Securities Group at Goodmans LLP, a law firm. He joined Goodmans in 1984.

Past Activities:
Mr. Lampe is a former General Counsel to the Ontario Securities Commission (OSC), past Chair of the OSC's Securities Advisory Committee and past member of the OSC's Enforcement Advisory Group.

Board/Committee Membership	Attendance	Total	Public Board Membership During Last Five Years	
Board of Directors Governance Committee (Chairman)	4 of 4 1 of 1	5 of 5	Canadian Tire Corporation, Limited	2012 – Present

Number of Shares and DSUs Beneficially Owned, Controlled or Directed (as at March 14, 2013)

Common Shares	Class A Non-Voting Shares	DSUs[2]	Total Number of Shares and DSUs	Market Value of Total Number of Shares and DSUs[3]	Date at which Share Ownership Guideline is to be Met	Has Share Ownership Guideline Been Met?[4]
–	–	441	441	$30,417	August 9, 2017	No

Claude L'Heureux[8][11]
Ottawa, Ontario, Canada
Director since: 2011
As a Canadian Tire Dealer, Mr. L'Heureux is *not independent*[1]

Current Activities:
Mr. L'Heureux is President of Gestion Claude L'Heureux Inc., which operates a Canadian Tire Store in Orléans (Ottawa), Ontario. He is also a board member of the Snow Suit Fund of Ottawa.

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

Board/Committee Membership	Attendance	Total	Public Board Membership During Last Five Years	
Board of Directors Social Responsibility Committee	11 of 11 2 of 2	13 of 13	Canadian Tire Corporation, Limited	2011 – Present

Number of Shares and DSUs Beneficially Owned, Controlled or Directed (as at March 14, 2013)

Common Shares	Class A Non-Voting Shares	DSUs[2]	Total Number of Shares and DSUs	Market Value of Total Number of Shares and DSUs[3]	Date at which Share Ownership Guideline is to be Met	Has Share Ownership Guideline Been Met?[4]
–	200	3,677	3,877	$267,529	May 12, 2016	No

Frank Potter
Toronto, Ontario, Canada
Director since: 1998
Independent(1)

Current Activities:
Mr. Potter is a Corporate Director and Chairman of Canadian Tire Bank. He is also a director of Penn West Petroleum Ltd., C.A. Bancorp Inc. and 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.

Past Activities:
Mr. Potter was formerly Chairman, Emerging Market Advisors, Inc., a consulting firm dealing with international direct investment, Chairman of Imagine Group Holdings Limited, a private Bermuda reinsurance company, and a director of Biovail Corporation. He has also served on the boards of numerous public companies. Mr. Potter is a former international banker, executive director of The World Bank and senior advisor at the Department of Finance.

Board/Committee Membership	Attendance	Total	Public Board Membership During Last Five Years	
Board of Directors	11 of 11	22 of 22	Biovail Corporation	2009 – 2010
Management Resources and Compensation Committee (Chairman)	7 of 7		C.A. Bancorp Inc.	2006 – Present
			Canadian Tire Corporation, Limited	1998 – Present
			Penn West Petroleum Ltd.	2000 – Present
Governance Committee	4 of 4		Softchoice Corporation	2002 – 2009
			Strategic Energy Corp.	2005 – 2008

Number of Shares and DSUs Beneficially Owned, Controlled or Directed (as at March 14, 2013)

Common Shares	Class A Non-Voting Shares	DSUs(2)	Total Number of Shares and DSUs	Market Value of Total Number of Shares and DSUs(3)	Date at which Share Ownership Guideline was to be Met	Has Share Ownership Guideline Been Met?(4)
–	1,921	10,292	12,213	$842,682	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 also the lead director of Astral Media Inc., a director of Brookfield Residential Properties Inc., HSBC Bank Canada, Fairfax Financial Holdings Limited, St. Michael's Hospital Foundation and the Centre for Addiction and Mental Health Foundation and a governor of York University.

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. and the York University Foundation, a trustee of Morguard REIT and a director of Brookfield Homes Corporation.

Board/Committee Membership	Attendance	Total	Public Board Membership During Last Five Years	
Board of Directors	11 of 11	17 of 17	Astral Media Inc.	1978 – Present
Governance Committee	4 of 4		Brookfield Homes Corporation Inc.	2009 – 2011
Social Responsibility Committee (Chairman)	2 of 2		Brookfield Residential Properties Inc.	2011 – Present
			Canadian Tire Corporation, Limited	2007 – Present
			Fairfax Financial Holdings Limited	2010 – Present
			HSBC Bank Canada	2007 – Present
			Morguard REIT	2005 – 2008
			Q9 Networks Inc.	2004 – 2008

Number of Shares and DSUs Beneficially Owned, Controlled or Directed (as at March 14, 2013)

Common Shares	Class A Non-Voting Shares	DSUs(2)	Total Number of Shares and DSUs	Market Value of Total Number of Shares and DSUs(3)	Date at which Share Ownership Guideline was to be Met	Has Share Ownership Guideline Been Met?(4)
–	1,800	11,491	13,291	$917,087	May 10, 2012	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 and Chairman of the Foreign Affairs and International Trade Canada Audit Committee. 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 serves on the Advisory Board of the Laura L. Sabia Education and Research Endowment at the University of Toronto, is a member of the Board of Trustees of Brock University where she is also Chairman of its Audit Committee, and is a member of the Leadership Council of the Perimeter Institute.

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 and immediate past Vice-Chairman of the Public Accountants Council for the Province of Ontario. 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. In 2011, Miss Sabia was appointed an Officer of the Order of Canada.

Board/Committee Membership	Attendance	Total	Public Board Membership During Last Five Years	
Board of Directors	11 of 11	11 of 11	Canadian Tire Corporation, Limited	1985 – Present

Number of Shares and DSUs Beneficially Owned, Controlled or Directed (as at March 14, 2013)

Common Shares	Class A Non-Voting Shares	DSUs(2)	Total Number of Shares and DSUs	Market Value of Total Number of Shares and DSUs(3)	Date at which Share Ownership Guideline was to be Met	Has Share Ownership Guideline Been Met?(4)
–	6,487	2,162	8,649	$596,770	February 9, 2008	Yes

Peter B. Saunders
Naples, Florida,
U.S.A.
Director since: 2009
Independent(1)

Current Activities:
Mr. Saunders is the Lead Director of Godiva Chocolatier and Chairman of Jack Wills Ltd., a specialty apparel retailer in the UK. Mr. Saunders is also a director of The Second Cup Ltd. and Total Wine & More, an independent wine retailer in the United States.

Past Activities:
Mr. Saunders was previously Chairman (2008 – 2009) and Chief Executive Officer (2002 – 2008) of The Body Shop International PLC and Chief Operating Officer of T. Eaton Co. Ltd. (1995 – 1997).

Board/Committee Membership	Attendance	Total	Public Board Membership During Last Five Years	
Board of Directors	10 of 11	16 of 18	Canadian Tire Corporation, Limited	2009 – Present
Management Resources and Compensation Committee	6 of 7		The Second Cup Ltd.	2011 – Present

Number of Shares and DSUs Beneficially Owned, Controlled or Directed (as at March 14, 2013)

Common Shares	Class A Non-Voting Shares	DSUs(2)	Total Number of Shares and DSUs	Market Value of Total Number of Shares and DSUs(3)	Date at which Share Ownership Guideline is to be Met	Has Share Ownership Guideline Been Met?(4)
–	2,000	5,014	7,014	$483,943	June 10, 2014	Yes

Graham W. Savage[10][12]
Toronto, Ontario,
Canada
Director since: 1998
Independent[1]

Current Activities:
Mr. Savage is a Corporate Director and serves on the boards of Canadian Tire Bank, Postmedia Network Inc., Whistler Blackcomb Holdings Inc. and Cott Corporation.

Past Activities:
Mr. Savage was Chairman, Callisto Capital LP, a merchant banking firm, between 2003 and 2008. Previously, he was Chief Financial Officer and a director of Rogers Communications Inc. He has also served as a director of Alias Corp., FMC Financial Models Limited, Leitch Technology Corp., Lions Gate Entertainment Corp., MDC Corp., Microcell Inc., Royal Group Technologies Limited, Sun Media Corp., Sun Times Media Group, Inc. and Vitran Corporation, among others.

Board/Committee Membership	Attendance	Total	Public Board Membership During Last Five Years	
Board of Directors	11 of 11	21 of 21	Canadian Tire Corporation, Limited	1998 – Present
Audit Committee (Chairman)	6 of 6		Cott Corporation	2008 – Present
Governance Committee	4 of 4		Postmedia Network Inc.	2010 – Present
			Sun Times Media Group, Inc.	2003 – 2009
			Whistler Blackcomb Holdings Inc.	2010 – Present

Number of Shares and DSUs Beneficially Owned, Controlled or Directed (as at March 14, 2013)

Common Shares	Class A Non-Voting Shares	DSUs[2]	Total Number of Shares and DSUs	Market Value of Total Number of Shares and DSUs[3]	Date at which Share Ownership Guideline was to be Met	Has Share Ownership Guideline Been Met?[4]
–	3,033	7,305	10,338	$713,303	February 9, 2008	Yes

George A. Vallance[8][11]
Langley, British Columbia,
Canada
Director since: 2011
As a Canadian Tire
Dealer, Mr. Vallance is
not independent[1]

Current Activities:
Mr. Vallance is President, G.A. Vallance Holdings Limited, which operates a Canadian Tire store in Langley, British Columbia.

Past Activities:
Mr. Vallance became a Canadian Tire Dealer in 1989. He was President of the Canadian Tire Dealers' Association from 2008 to 2009. He has also served as a director on the boards of the Canadian Tire Dealers' Association and C.T.C. Dealer Holdings Limited. Mr. Vallance has served as Chairman of several regional Dealer groups and has served on numerous Canadian Tire Dealers' Association committees.

Board/Committee Membership	Attendance	Total	Public Board Membership During Last Five Years	
Board of Directors	11 of 11	13 of 13	Canadian Tire Corporation, Limited	2011 – Present
Social Responsibility Committee	2 of 2			

Number of Shares and DSUs Beneficially Owned, Controlled or Directed (as at March 14, 2013)

Common Shares	Class A Non-Voting Shares	DSUs[2]	Total Number of Shares and DSUs	Market Value of Total Number of Shares and DSUs[3]	Date at which Share Ownership Guideline is to be Met	Has Share Ownership Guideline Been Met?[4]
–	–	3,978	3,978	$274,502	May 12, 2016	No

Stephen G. Wetmore
Toronto, 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, a subsidiary of the Company.

Past Activities:
Mr. Wetmore was previously President and CEO, Bell Aliant Regional Communications Income Fund (now, Bell Aliant Inc.), 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	Attendance	Total	Public Board Membership During Last Five Years	
Board of Directors	11 of 11	11 of 11	Bell Aliant Regional Communications Income Fund	2006 – 2008
			Canadian Tire Corporation, Limited	2003 – Present

Number of Shares and DSUs Beneficially Owned, Controlled or Directed (as at March 14, 2013)

Common Shares	Class A Non-Voting Shares	DSUs[2]	Total Number of Shares and DSUs	Market Value of Total Number of Shares and DSUs[3]	Date at which Share Ownership Guideline is to be Met	Has Share Ownership Guideline Been Met?
–	27,720	21,555[13]	49,275	3,399,955[14]	January 3, 2014	No[15]

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*. For an explanation of the Board's assessment of whether each director is independent or not independent, see our corporate governance policies and practices which are described in *Appendix B* on page B1.

(2) The number of DSUs that each director owns has been rounded to the nearest whole number.

(3) The closing price for Common Shares on March 14, 2013 was $81.59. The closing price for Class A Non-Voting Shares (and accordingly the value of a DSU) on March 14, 2013 was $69.00. The market value of each director's shareholdings and DSUs (including fractional DSUs) is based upon these closing share prices.

(4) The value of Common Shares, Class A Non-Voting Shares or DSUs required to meet the share ownership guideline as at the date at which it is required to be met (currently $360,000) is calculated as the greater of (i) the acquisition cost of the 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 March 14, 2013. For more information on the Company's share ownership guidelines for directors, see *Director Share Ownership Guidelines* on page 27.

(5) Tire 'N' Me owns 1,400,767 Common Shares of the Company. Ms. Billes controls Tire 'N' Me and, with the exception of a small number of non-voting common shares of Tire 'N' Me owned by Owen Billes, is the beneficial owner of all the issued shares of Tire 'N' Me. The Common Shares of the Company owned by Tire 'N' Me are included in the shareholdings of Ms. Billes shown in this table.

(6) 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 Martha Billes, Mr. Billes is the beneficial owner of all the issued shares of Albikin. By agreement between Ms. Billes and Mr. Billes, Ms. Billes controls Albikin. The Common Shares and Class A Non-Voting Shares 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.

(7) The value of each of Ms. Billes' and Mr. Billes' Common and Class A Non-Voting shareholdings, based on the closing share prices for Common Shares and Class A Non-Voting Shares on March 14, 2013, exceeds the value required by the Company's share ownership guidelines for directors.

(8) Messrs. Billes, L'Heureux and Vallance are Canadian Tire Dealers and as such may, from time to time, participate in a Company supported program that provides financing to Canadian Tire Dealers for their purchase of inventory and fixed assets. The terms and conditions of the financing support provided by the Company under this program are the same for all participating Canadian Tire Dealers.

(9) Mr. Boivin served as a director of Toptent Inc. ("Toptent") from August 2007 until November 2009. Within one year of his resignation, Toptent filed a proposal under the *Bankruptcy and Insolvency Act* (Canada) on May 7, 2010, which was subsequently accepted by Toptent's creditors on May 10, 2010.

(10) Messrs. Furlong and Savage serve together on the board of directors of Whistler Blackcomb Holdings Inc. and are both members of its Corporate Governance and Nominating Committee. There are no other interlocking public company directorships among the proposed nominees.

(11) C.T.C. Dealer Holdings Limited owns 700,384 Common Shares of the Company, representing approximately 20.5% of the currently outstanding Common Shares. Messrs. L'Heureux and Vallance each hold less than 0.5% of the outstanding voting common shares of C.T.C. Dealer Holdings Limited and do not exercise any control or direction over the shares of the Company held by C.T.C. Dealer Holdings Limited.

(12) Mr. Savage was a director of Sun-Times Media Group, Inc. (*Sun Times*), formerly Hollinger International Inc. (*Hollinger*). He served as a director of that company from July 2003 until November 2009. 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 Management's Discussion and Analysis (*MD&A*) for the three-month period ended March 31, 2004 and its annual financial statements, MD&A and Annual Information Form for the year ended December 31, 2003. In addition, the British Columbia Securities Commission issued a cease trade order against an insider 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. Sun Times filed for protection under Chapter 11 of the United States Bankruptcy Code in April 2009. The principal operating assets of Sun Times were subsequently sold.

(13) Includes DSUs received under the DSU Plan for Directors prior to Mr. Wetmore's appointment as President and CEO of the Company as well as a portion of a previous Short-Term Incentive Plan Award which Mr. Wetmore elected to receive in DSUs under his Deferred Share Unit Plan.

(14) Mr. Wetmore also owns units in the CTC Share Fund of the Company's Deferred Profit Sharing Plan, which consists of Common Shares and Class A Non-Voting Shares. As at March 14, 2013, the market value of such units was $4,060. For a description of the Company's Deferred Profit Sharing Plan, see page 52.

(15) For more information on the Company's share ownership guidelines applicable to Mr. Wetmore, see *Executive Share Ownership Guidelines* on page 38 and *President and CEO Employment Agreement* on page 46.

The average age of the proposed directors is 65.

Meeting Attendance

The table below lists the Board and Committee meetings held in fiscal 2012 and the number attended by each director. Maureen Sabia, the Chairman of the Board, is not a member of any Committee but attends all Committee meetings. Martha Billes is a permanent invited guest at meetings of Committees of which she is not a member. Stephen Wetmore, the President and CEO, is not a member of any Committee but attends Committee meetings as required. Attendance by the Chairman of the Board and Ms. Billes at Committee meetings which are designated by shaded boxes below is not included in the total attendance column. Attendance by other directors at meetings of Committees of which they were not members but which they attended at the invitation of a Committee Chairman (also designated by shaded boxes below) is included in the total attendance column.

	Board (11 Meetings)[2]	Audit Committee (6 Meetings)	Management Resources & Compensation Committee (7 Meetings)	Governance Committee (4 Meetings)	Social Responsibility Committee (2 Meetings)	
Director[1]	**Number**	**Number**	**Number**	**Number**	**Number**	**Total**
Iain C. Aitchison	11 of 11		7 of 7			18 of 18
Martha G. Billes	11 of 11	6 of 6	7 of 7	4 of 4	2 of 2	22 of 22
Owen G. Billes	11 of 11				2 of 2	13 of 13
H. Garfield Emerson	11 of 11	5 of 6				16 of 17
John A.F. Furlong	10 of 11				2 of 2	12 of 13
James L. Goodfellow	11 of 11	6 of 6	2 of 2		2 of 2	21 of 21
Claude L'Heureux	11 of 11				2 of 2	13 of 13
Jonathan Lampe[3]	4 of 4			1 of 1 (Chairman)		5 of 5
Frank Potter	11 of 11		7 of 7 (Chairman)	4 of 4		22 of 22
Timothy R. Price	11 of 11			4 of 4	2 of 2 (Chairman)	17 of 17
Alan P. Rossy	11 of 11	6 of 6				17 of 17
Maureen J. Sabia *Chairman of the Board*	11 of 11	6 of 6	7 of 7	4 of 4	2 of 2	11 of 11
Peter B. Saunders	10 of 11		6 of 7			16 of 18
Graham W. Savage	11 of 11	6 of 6 (Chairman)		4 of 4		21 of 21
George A. Vallance	11 of 11				2 of 2	13 of 13
Stephen G. Wetmore[4] *President and CEO*	11 of 11					11 of 11

Notes

(1) This table does not include attendance at meetings by James A. Riley who resigned as a director on June 30, 2012. Prior to his resignation, Mr. Riley attended one meeting of each of the Board of Directors and the Governance Committee.

(2) The Board held nine regular and two special meetings in 2012.

(3) Mr. Lampe was appointed a director of the Company on August 9, 2012 to fill the vacancy on the Board resulting from the departure of Mr. Riley who resigned on June 30, 2012. The table shows meetings attended by Mr. Lampe while he served on the Board and the Governance Committee.

(4) Mr. Wetmore attends Committee meetings as required. In 2012, he attended one of six Audit Committee meetings, all of the Management Resources and Compensation Committee meetings, and one of two Social Responsibility Committee meetings.

About the Board of Directors

The Board of Directors is elected by the Company's shareholders. The Board is responsible for the 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 principal 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:

- overseeing the development of and approving business, strategic, financial and senior executive succession plans and monitoring the implementation of these plans
- overseeing financial reporting and approving material disclosure documents
- 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 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 the day-to-day business to management, but retains responsibility for overseeing management
- is informed of the Company's operations on an ongoing basis through Board and Committee meetings, and reports from and discussions with management.

The Board is actively involved in developing, approving and overseeing the implementation of the Company's long term strategic plan. In 2010, the Board approved the Company's current five-year strategic plan. On an annual basis, the Board holds a two-day strategic planning update with senior executives at which there is in-depth discussion and analysis of the strategic issues facing the Company and its businesses, the economic environment, competitive developments and business opportunities. The Board also discusses the Company's corporate strategy and receives updates from management on strategic items at every regularly scheduled Board meeting.

The Board oversees the Company's enterprise risk management program which is described in Section 11 of the Management's Discussion and Analysis for the year ended December 29, 2012 on page 55 of our 2012 Annual Report which is available on SEDAR at www.sedar.com.

The Board of Directors has a written Mandate. Please see *Appendix A* on page A1 for a copy of the Board's Mandate, which is also available on the Company's website at *www.corp.canadiantire.ca*. Click on "Corporate Governance" under the "Investors" tab, then click on "Board Committee Info" under the "Board of Directors" tab.

The Board meets at least nine times a year, and more often, if necessary. The Board held nine regular and two special meetings in 2012. Time is set aside at all regularly scheduled meetings to discuss issues without management present.

The Board has developed a policy on how the Company will respond to suggested new initiatives with respect to shareholder involvement in decision-making that is both responsive to shareholder concerns and appropriate in the circumstances of the Company (*the Statement of Principles*). The Statement of Principles is available on the Company's website at *www.corp.canadiantire.ca*. Click on "Corporate Governance" under the "Investors" tab, then click on "Board Committee Info" under the "Board of Directors" tab.

The Chairman of the Board

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 ensure directors are provided with the information they need to make informed decisions and carry out their responsibilities
- chairing Board meetings
- acting as a key liaison between the Board and management
- keeping in touch with the Chairmen of the Board's Committees to discuss issues as they arise and ensuring that all directors are kept informed between Board meetings of any matter which, in her judgment, they should be made aware.

The Chairman's Job Description is available on the Company's website at *www.corp.canadiantire.ca*. Click on "Corporate Governance" under the "Investors" tab, then click on "Board Committee Info" under the "Board of Directors" tab.

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.

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. The Board has approved a Mandate for each Committee which reflects this delegation of authority, resulting in improved efficiencies in decision-making. Each Committee reviews its Mandate and work plan on a regular basis to ensure that it has fulfilled all of its responsibilities under its Mandate. Any revisions to a Mandate are reviewed by the

Governance Committee as required, but no less than once every three years, and recommended to the Board for approval. All matters approved by the Committees are reported to the Board and it is always within the prerogative of the Board to approve, veto, amend or change any approval made by a Committee.

All Committees meet regularly without management present. The Chairman of the Board attends all Committee meetings and meets with the Committee Chairmen at meetings of the Governance Committee (on which all Committee Chairmen and Martha Billes serve) and at such other times as may be required. Every director may attend the meetings of a Committee either by invitation or at the discretion of the Chairman of such 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 2012.

None of the current members of any of the Committees, except for Owen G. Billes, is a current or former employee of Canadian Tire or any of its subsidiaries. Owen Billes ceased to be an employee of the Corporation over five years ago.

Canadian Tire Bank Board of Directors

The Board of Directors of Canadian Tire Bank (*the Bank*), a wholly-owned subsidiary of Canadian Tire Financial Services Limited, which is a wholly-owned subsidiary of the Company, is comprised of nine directors. Serving on the Board of the Bank are the President and Chief Executive Officer of the Bank, four directors of Canadian Tire who are cross-appointed to the Bank Board, one executive from Canadian Tire and three other outside individuals with significant management expertise in banking. The Bank is a Schedule I chartered bank that is regulated by the Office of the Superintendent of Financial Institutions (*OSFI*) and as such is subject to all of the risk management requirements and reporting required by OSFI from time to time.

The Bank Board meets quarterly or more frequently as circumstances warrant. The Bank Board reviews reports from management on principal risks associated with the Bank's business and operations, approves policies that govern the principal risks of the Bank, including liquidity, operational and legislative compliance risks, and reviews management's implementation of systems to manage these risks and any material deficiencies in the operation of these systems. The Chairman of the Bank Board, Frank Potter, reports to the Company's Board on a quarterly basis on the Bank Board's oversight of the Bank. The Bank's compliance with its risk management policies, among other matters overseen by the Audit Committee of the Bank, is reported to the Company's Audit Committee by Graham Savage, the Chairman of the Company's Audit Committee and a member of the Bank's Audit Committee.

Report of the Audit Committee




Current Members: Graham W. Savage, *Chairman* | H. Garfield Emerson | James L. Goodfellow | Alan P. Rossy

MANDATE	
The Audit Committee Mandate and Charter is available on the Company's website at www.corp.canadiantire.ca. Click on "Corporate Governance" under the "Investors" tab, then click on "Board Committee Info" under the "Board of Directors" tab. *The Audit Committee Chairman's position description is available on the Company's website at www.corp.canadiantire.ca. Click on "Corporate Governance" under the "Investors" tab, then click on "Board Committee Info" under the "Board of Directors" tab.*	The Audit Committee oversees Canadian Tire's financial reporting and disclosure, risk management and compliance with applicable laws and regulations. In 2012, 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, including new accounting policies adopted as a result of converting to International Financial Reporting Standards in 2011 ✔ 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. **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 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. **Canadian Tire Bank Oversight** ✓ Received quarterly updates on the matters considered at Canadian Tire Bank Audit Committee meetings. **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.
2012 KEY MILESTONES	✓ Reviewed and recommended to the Board changes to the description of the Company's principal risks and considered the impact of cyber risks on the Company ✓ Reviewed and approved the transition to a "single release" of the Company's 2012 annual financial results ✓ Considered updates on key information technology matters including the core processes of the information technology operating model as well as the Company's disaster recovery capabilities ✓ Received regular updates on the implementation of an inventory planning management system at Marks' Work Wearhouse Ltd. (*Mark's*) ✓ Considered reports on changes to the control frameworks governing Mark's and FGL Sports Ltd., both subsidiaries of the Company, as well as the Company's Pacific Rim offices and supply chain operations ✓ Received progress updates on improvements to the systems and processes that support the Company's finance functions ✓ Reviewed and recommended changes to certain Company policies ✓ Considered regular reports on the status of major projects including with respect to expenditures, milestones and key impacts.
FINANCIAL LITERACY **100% INDEPENDENT**	All members are "financially literate" as required by the Canadian Securities Administrators *(CSA)*. All members meet Board approved independence standards which are derived from the CSA corporate governance guidelines and are set out in *Appendix B* to this Management Information Circular. Martha G. Billes is a permanent invited guest at all Audit Committee meetings.

For more information about the Audit Committee as required by Part 5 of National Instrument 52-110 – *Audit Committees*, see pages 29 to 30 and 32 of our Annual Information Form for the year ended December 29, 2012 (*the 2012 AIF*) which is available on SEDAR at www.sedar.com.

Auditor's Fees

The table below shows the fees that Deloitte received for services for the financial years ended December 31, 2011 and December 29, 2012, respectively. For additional information with respect to Deloitte's fees, see page 32 of the 2012 AIF on SEDAR at www.sedar.com.

Auditor's Fees	2011 (ended December 31, 2011)	2012 (ended December 29, 2012)
Audit fees	$3,018,599	$3,110,699
Audit-related fees	$3,371,085	$790,828
Tax fees	$478,124	$521,418
All other fees	$20,111	$3,756,054
Total	**$6,887,919**	**$8,178,999**

The Audit Committee met six times in 2012. 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*, H. Garfield Emerson, James L. Goodfellow and Alan P. Rossy.

Report of the Management Resources and Compensation Committee

   

Current Members: Frank Potter, *Chairman* | Iain C. Aitchison | Martha G. Billes | Peter B. Saunders

MANDATE

The MRC Committee Mandate is available on the Company's website at www.corp.canadiantire.ca. Click on "Corporate Governance" under the "Investors" tab, then click on "Board Committee Info" under the "Board of Directors" tab.

The MRC Committee Chairman's position description is available on the Company's website at www.corp.canadiantire.ca. Click on "Corporate Governance" under the "Investors" tab, then click on "Board Committee Info" under the "Board of Directors" tab.

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

In 2012, the MRC Committee, in accordance with its Mandate, accomplished the following:

Succession Planning

- Reviewed senior executive succession planning and assessed succession development practices
- Determined potential replacements for the President and CEO and other key leadership roles 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 performance and business strategy
- Reviewed changes to compensation guidelines and benefit plans and programs
- Reviewed the relationship between enterprise risk and the Company's executive compensation plans and policies to confirm that the level of risk exposure continues to be acceptable.

Appointment and Compensation of Executives other than the President and CEO

- Reviewed the appointment and terms of employment of officers and other senior executives at the level of Senior Vice-President and above (*collectively, Senior Executives*)
- Reviewed remuneration changes and share ownership guidelines for Senior Executives
- Reviewed and recommended to the Board annual (short-term incentive plan) and long-term incentive plan designs for senior management and approved grants and payments thereunder.

President and CEO Performance, Evaluation and Compensation

- Recommended the President and CEO's performance objectives to the Board
- Oversaw the process for evaluating the President and CEO.

Disclosure

- Reviewed and recommended to the Board for approval the executive compensation disclosure included in this Management Information Circular.

2012 KEY MILESTONES	✔ Reviewed and recommended to the Board the 2013 Executive Compensation Policy ✔ Reviewed and recommended to the Board the appointment of key executives and terms of employment relating thereto ✔ Considered adjudication items for the 2012 short-term incentive plan and approved short-term incentive plan payouts thereunder ✔ Reviewed and recommended to the Board changes to the Company's long-term incentive plan awards and Stock Option Plan ✔ Considered the results of an Internal Audit report on the risks associated with the Company's executive compensation program ✔ Considered updates from management on changes to the senior leadership assessment process and the implementation of a management Talent Committee for the Company ✔ Reviewed and recommended to the Board changes to the senior leader compensation program ✔ Considered reports on the proposed re-design of the Company's Capital Accumulation Plans for employees, including the Share Purchase Plan ✔ Approved changes to Executive Share Ownership Guidelines relating to the period of time allowed to achieve compliance in the event of a promotion ✔ Reviewed and recommended to the Board changes to the Company's Deferred Profit Sharing Plan ✔ Reviewed and recommended to the Board changes to the mandate of the MRC Committee.
100% INDEPENDENT	The Board has restricted the criteria for membership on the MRC Committee by requiring that not more than one third of its members be chief executive officers of a publicly traded corporation, and there are currently none on the MRC Committee. All members meet Board approved independence standards which are derived from the CSA corporate governance guidelines and are set out in *Appendix B* to this Management Information Circular.

The MRC Committee met seven times in 2012.

This report has been approved by the members of the MRC Committee: Frank Potter, *Chairman*, Iain C. Aitchison, Martha G. Billes and Peter B. Saunders.

Report of the Governance Committee





Current Members: Jonathan Lampe, *Chairman*; Martha G. Billes; Frank Potter; Timothy R. Price; Graham W. Savage

MANDATE

The Governance Committee Mandate is available on the Company's website at www.corp.canadiantire.ca. Click on "Corporate Governance" under the "Investors" tab, then click on "Board Committee Info" under the "Board of Directors" tab.

The Governance Committee Chairman's position description is available on the Company's website at www.corp.canadiantire.ca. Click on "Corporate Governance" under the "Investors" tab, then click on "Board Committee Info" under the "Board of Directors" tab.

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 2012, 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 prospective director nominees
- Recommended three Class A Non-Voting Share proposed directors and 13 Common Share proposed directors to the Board for approval
- Appointed the Chairmen and members of the Audit Committee, the MRC Committee, and the Social Responsibility Committee and recommended to the Board the appointment of the Chairman and members of the Governance Committee.

(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 and individual directors, the Committees and individual Committee members, and the Chairman of the Board
- 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 Board's processes for directors' orientation and education activities.

Remuneration of the Chairman of the Board and the Directors

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

Disclosure

- Reviewed and recommended to the Board for approval the corporate governance disclosure included in this Management Information Circular.

Corporate Governance Practices and Principles

- Monitored developments and best practices in corporate governance and reviewed the Board's governance practices with a view to continuously improving the Board's corporate governance standards.

	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.
2012 KEY MILESTONES	✓ Reviewed and recommended to the Board changes to the mandates of the Committees of the Board and the position descriptions for Committee Chairmen ✓ Reviewed and recommended to the Board changes in Director Share Ownership Guidelines to prohibit hedging by directors of Canadian Tire shares ✓ Recommended the appointment of Jonathan Lampe as a director to fill the vacancy arising from the resignation of James A. Riley ✓ Considered changes to the Business Plan review process ✓ Conducted performance assessment reviews of the Board and 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 B* to this Management Information Circular.

See *Appendix B* on page B1 for a description of our corporate governance policies and practices.

The Governance Committee met four times in 2012.

This report has been approved by the members of the Governance Committee: Jonathan Lampe, *Chairman,* Martha G. Billes, Frank Potter, Timothy R. Price and Graham W. Savage.

Report of the Social Responsibility Committee

Current Members:

Timothy R. Price, *Chairman*

Owen G. Billes

John A.F. Furlong

James L. Goodfellow

Claude L'Heureux

George A. Vallance

<table>
<tr>
<td>MANDATE

The Social Responsibility Committee Mandate is available on the Company's website at www.corp.canadiantire.ca. Click on "Corporate Governance" under the "Investors" tab, then click on "Board Committee Info" under the "Board of Directors" tab.

The Social Responsibility Committee Chairman's position description is available on the Company's website at www.corp.canadiantire.ca. Click on "Corporate Governance" under the "Investors" tab, then click on "Board Committee Info" under the "Board of Directors" tab..</td>
<td>The Social Responsibility Committee oversees Canadian Tire's corporate social responsibility, business sustainability, philanthropic and community investment strategies to assist the Board in fulfilling its corporate social responsibility objective through the creation of long-term shareholder value by balancing the Company's economic growth with environmental and social responsibility.

In 2012, the Social Responsibility Committee, in accordance with its Mandate, accomplished the following:

Corporate Social Responsibility
Assessed the Company's core statement of corporate social responsibility
Reviewed the Company's corporate social responsibility, business sustainability, philanthropic and community investment strategies and assessed the effectiveness of such strategies in achieving the Board's corporate social responsibility objective
Reviewed annual financial reporting information from and discussed key initiatives of Canadian Tire Jumpstart Charities (Jumpstart) for the purpose of reporting to the Board in connection with the ongoing support of Jumpstart.
Donations
Reviewed and approved changes to the Company's donations policy
Approved the Company's charitable donations budget</td>
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<td>2012 KEY MILESTONES</td>
<td>Received updates on the Company's enterprise community investment and business sustainability strategies
Reviewed initiatives relating to the public reporting of the Company's business sustainability performance[1]
Received updates on the development of the Company's new community investment strategy
Reviewed the Company's new social responsibility framework developed to enhance the Company's communications with respect to its environmental, social and governance initiatives and activities
Reviewed and approved the Company's revised Commitment to Communities Statement
Received updates on Jumpstart's strategic plan.</td>
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<td></td>
<td>Martha G. Billes is a permanent invited guest at all Social Responsibility Committee meetings.</td>
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</table>

Note

(1) For more information about the Company's social and environmental responsibility and performance related thereto, see Section 13 of the Management's Discussion and Analysis for the year ended December 29, 2012 on page 61 of our 2012 Annual Report which is available on SEDAR at www.sedar.com.

The Social Responsibility Committee met twice in 2012.

This report has been approved by the members of the Social Responsibility Committee: Timothy R. Price, *Chairman*, Owen G. Billes, John A.F. Furlong, James L. Goodfellow, Claude L'Heureux and George A. Vallance.

Director Compensation

Introduction

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

The Governance Committee is responsible for monitoring, reviewing annually and recommending to the Board of Directors for approval the form and amount of directors' remuneration 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 Company's business.

The Governance Committee conducted its last annual review of director compensation in 2012 to determine whether the current program remained competitive and continued to reflect the Company's objectives. In assessing director compensation, the Governance Committee examined publicly available director compensation data of the top 85 reporting issuers on the TSX based on revenues and other criteria. Consistent with the Company's policy for determining executive compensation, the median of director compensation levels of the comparator companies was used as the benchmark. The results of the Governance Committee's review indicated that the Company's director compensation remained competitive and was aligned to the market and that directors' share ownership guidelines continued to be consistent with market practices. As such, the Governance Committee determined that no changes to director remuneration were warranted for 2012.

Fees and Expenses

In 2012, our non-employee directors received:

- an annual retainer
- a meeting 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 were also reimbursed for travel and other expenses they incurred to attend shareholder meetings or 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 during 2012. The President and CEO does not receive any of these fees.

Fees	Amount
Annual Retainer	
Chairman of the Board	$344,000
Other Board Members	$120,000
Audit Committee Chairman	$30,000
MRC Committee and Governance Committee Chairmen	$17,500
Social Responsibility Committee Chairman	$11,000
Meeting Fees	
Board Meeting	$2,000
Audit Committee Meeting(1)(2)	$2,750
MRC Committee, Governance Committee and Social Responsibility Committee Meeting(1)(2)	$2,000
The above fees are also payable for meetings of more than 60 minutes held via conference call	
Meetings of less than 60 minutes held via conference call	
• Board Meeting	$1,000
• Audit Committee Meeting(1)(2)	$1,375
• MRC Committee, Governance Committee and Social Responsibility Committee Meeting(1)(2)	$1,000
Travel Fee	
When travel time for a round trip to attend meetings was more than four hours(1)	$1,500

Notes

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

(2) Applicable to directors who attended meetings of Committees of which they were not members at the invitation of a Committee Chairman.

DSU Plan for Directors

The Chairman of the Board and every other director who is neither a full nor a part-time employee or officer of the Company or any of its subsidiaries is eligible to participate in the DSU Plan for Directors pursuant to which the director may elect to receive all or part of his or her annual retainer, meeting fees and additional compensation (including travel fees), which are paid quarterly, in DSUs. In the case of the Chairman of the Board, she may elect to receive one-quarter of her annual compensation in DSUs. A director may revoke his or her election to participate in the DSU Plan for Directors upon written notice to the Company.

DSUs are credited quarterly to each participating director's account. The number of DSUs is calculated by dividing the amount the director elects to receive in DSUs by the Fair Market Value of Class A Non-Voting Shares on 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 is 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 of Class A Non-Voting Shares 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 within such period (*the Director's Settlement Date*) 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 distributions 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 of the Class A Non-Voting Shares on the Director's Settlement Date. The resigning director receives such payment in cash, net of any applicable statutory source deductions. Subject to certain limitations, a director may elect to receive, following his or her resignation from the Board, partial payments of his or her DSU account prior to the Director's Settlement Date instead of one lump sum payment. The DSUs may not be assigned by a participating director (see *About the Proposed Directors* on pages 7 to 15 for information concerning the individual DSU holdings of the proposed directors).

In the event a director ceases to be eligible to participate in the DSU Plan for Directors (for example, by becoming an executive of the Company) but remains a director, such director will continue to hold DSUs granted prior to the date the director ceases to participate in the DSU Plan for Directors and receive additional DSUs in respect of dividends or other distributions paid by the Company on its Class A Non Voting Shares, but will not be entitled to acquire further DSUs.

Under the DSU Plan for Directors, the Fair Market Value of Class A Non-Voting Shares on a particular date is equal to the weighted average price at which Class A Non-Voting Shares trade on the TSX during the ten day period ending prior to and including the last business day before this date.

Director Share Ownership Guidelines

To ensure that directors' interests are aligned with those of the Company's shareholders, demonstrate that directors are financially committed to the Company through personal share ownership and promote the Company's long-standing commitment to sound corporate governance, under our Director Share Ownership Guidelines, each director (other than the President and CEO who is subject to our Executive Share Ownership Guidelines set out on page 38) is required to accumulate at least three times the value of the annual director retainer for directors, which currently equates to $360,000, in Common Shares, Class A Non-Voting Shares or DSUs by the fifth anniversary of becoming a director (see *About the Proposed Directors* on pages 7 to 15 for information concerning the number of Common Shares, Class A Non-Voting Shares and DSUs held by each of the proposed directors and the market value thereof). When the annual director retainer is increased, directors who met the guideline by the fifth anniversary of becoming a director but would not meet the guideline on the effective date of the increase in the retainer are required to increase their investment. The amount of the required increase in investment is the difference between three times the new annual director retainer and the value of the director's holdings as at the fifth anniversary of becoming a director, which amount must be invested by the date that is two years after the effective date of the increase.

During 2012, each director, other than the Chairman of the Board and the President and CEO (see *Summary Compensation Table* on page 43 for the President and CEO's compensation), was entitled to receive an annual retainer of $120,000. If a director met the required share ownership guideline 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 and had not provided an undertaking to meet the share ownership guideline amount within one year of joining the Board by purchasing shares in the open market, he or she received:

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

Directors' Hedging Policy

The Company's directors are prohibited from purchasing financial instruments, including, for greater certainty, prepaid variable forward contracts, equity swaps, collars, or units of exchange funds, that are designed to hedge or offset a decrease in the market value of equity securities granted as compensation or held, directly or indirectly, by such directors.

Compensation of Directors of Canadian Tire Bank

During 2012, the following directors of the Company also served as directors of the Bank: Owen G. Billes, Frank Potter, Maureen J. Sabia and Graham W. Savage. Mr. Potter served as Chairman of the Bank Board throughout 2012. For their service as directors of the Bank, in addition to their compensation for serving as directors of the Company, these directors received:

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

These 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 the Bank cannot be received in the form of DSUs.

The table below lists the fees that the Bank's directors (other than directors who are members of management of the Company) were entitled to receive in cash during 2012:

Fees	Amount
Annual Retainer	
Chairman of the Bank Board (includes annual Bank Board retainer and Bank Chairman's retainer of $29,000)	$65,000
Other Bank Board Members	$36,000
Audit and Risk Management Committee Chairman	$15,000
Governance and Conduct Review Committee Chairman	$10,000
Meeting Fees	
Bank Board Meeting	$2,000
Audit and Risk Management Committee Meeting	$2,500
Governance and Conduct Review Committee Meeting	$2,000
The above fees are also payable for meetings of more than 60 minutes held 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 was more than four hours	$1,500

Director Compensation Table

The following table sets out the compensation that was paid by the Company (including its subsidiary, the Bank) to its non-employee directors during the year ended December 29, 2012 under the compensation arrangements described above (as applicable). Some directors elected to receive all or a portion of their cash compensation in Class A Non-Voting Shares or DSUs. Mr. Wetmore does not receive any compensation for serving as a director of the Company. His compensation for serving as President and CEO is included under the *Summary Compensation Table* on page 43.

Name	Fees Earned(1) ($)	All Other Compensation(2) ($)	Total ($)
Iain C. Aitchison	166,000	–	166,000
Martha G. Billes	192,000	5,000	197,000
Owen G. Billes	145,000	57,800	202,800
H. Garfield Emerson	154,750	–	154,750
John A. F. Furlong	153,500	–	153,500
James L. Goodfellow	165,500	–	165,500
Claude L'Heureux	145,000	–	145,000
Jonathan Lampe(3)	61,515	–	61,515
Frank Potter	178,500	97,800	276,300
Timothy R. Price	163,000	5,000	168,000
James A. Riley(4)	72,750	–	72,750
Alan P. Rossy	157,500	5,000	162,500
Maureen J. Sabia (Chairman)	364,952	57,300	422,252
Peter B. Saunders	164,000	–	164,000
Graham W. Savage	194,500	57,800	252,300
George A. Vallance	157,000	–	157,000
		Total	2,921,167

Notes

(1) Includes annual retainer, meeting fees and travel fees which directors elected to receive in cash, DSUs or Class A Non-Voting Shares, or any combination thereof.

(2) Includes annual retainer and meeting fees paid to Miss Sabia ($52,800) and Messrs. Billes ($52,800), Potter ($91,800) and Savage ($54,800) in 2012 for serving as directors of the Bank. This column also includes amounts that were not paid to directors but were donated by the Company to various charities in 2012 to match donations made by Ms. Billes, Miss Sabia and Messrs. Billes, Potter, Price, Rossy and Savage to those charities pursuant to the Company's donations policy. These matching donations were, in aggregate, $33,500.

(3) Mr. Lampe was appointed to the Board of Canadian Tire on August 9, 2012 and his retainer was pro-rated accordingly.

(4) Mr. Riley resigned as a director of the Company effective June 30, 2012 and his retainer was pro-rated accordingly.

Allocation of Directors' Total Fees Earned

The table below shows a breakdown of the total fees earned by directors in 2012 for serving as directors of the Company (as shown in the foregoing Director Compensation Table) as between amounts paid in cash, DSUs or used to acquire Class A Non-Voting Shares at the election of each director and subject to the requirement, to the extent applicable, to receive at least 50% of their annual retainer in Common Shares, Class A Non-Voting Shares and/or DSUs if the Director Share Ownership Guidelines were not met.

Name	Total Fees Earned ($)	Amount of Fees paid in Cash ($)	Amount of Fees received in DSUs ($)	Amount of Fees used to Acquire Class A Non-Voting Shares ($)
Iain C. Aitchison	166,000	83,000	83,000	–
Martha G. Billes	192,000	192,000	–	–
Owen G. Billes	145,000	145,000	–	–
H. Garfield Emerson	154,750	154,750	–	–
John A. F. Furlong	153,500	85,125	68,375	–
James L. Goodfellow	165,500	165,500	–	–
Claude L'Heureux	145,000	–	145,000	–
Jonathan Lampe	61,515	30,757	30,757	–
Frank Potter	178,500	118,500	60,000	–
Timothy R. Price	163,000	43,000	120,000	–
James A. Riley	72,750	–	72,750	–
Alan P. Rossy	157,500	78,750	78,750	–
Maureen J. Sabia (Chairman)	364,952	353,000	–	11,952
Peter B. Saunders	164,000	82,000	82,000	–
Graham W. Savage	194,500	134,500	60,000	–
George A. Vallance	157,000	–	157,000	–

Executive Compensation

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At Canadian Tire, the MRC Committee and the Board of Directors are committed to ensuring that our shareholders understand our compensation philosophies, plans and programs. We pay significant attention throughout the year to structuring, refining and evaluating those practices that attract, develop and retain outstanding talent in a manner that, while not exposing the Company to undue risk, motivates our management to create long-term sustainable value. The Executive Compensation section in this Management Information Circular provides you with details of our compensation regime and the processes and decisions that underlie it. We encourage you to review this information in order to appreciate the value that our organization places in the proper oversight and governance of executive compensation.

Compensation Discussion and 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 2012 financial year. While the focus of the CD&A is on NEO participation in the compensation programs, all of the programs apply to the Company's entire executive team.

The NEOs during fiscal 2012 were as follows:

- Stephen G. Wetmore, President and CEO
- Dean C. McCann, Executive Vice-President, Finance and Chief Financial Officer[(1)]
- G. Michael Arnett, Executive Vice-President, Corporate Development[(2)]
- Marco Marrone, Chief Operating Officer, Canadian Tire Retail and Executive Vice-President, Canadian Tire Corporation, Limited[(3)]
- Michael B. Medline, President, FGL Sports and Mark's and Executive Vice-President, Canadian Tire Corporation, Limited[(4)]

Notes

(1) Mr. McCann was appointed as the Company's Executive Vice-President, Finance and Chief Financial Officer effective March 5, 2012. Prior to this date, he served as President, Canadian Tire Financial Services.

(2) Mr. Arnett retired from the Company on December 29, 2012.

(3) Prior to assuming his current role on March 5, 2012, Mr. Marrone served as the Company's Chief Financial Officer and Executive Vice-President, Finance.

(4) Mr. Medline was appointed President, FGL Sports and Executive Vice-President of the Corporation on August 18, 2011. On November 27, 2012, Mr. Medline's role was expanded to include Mark's Work Wearhouse Ltd. (*Mark's*), a subsidiary of the Company, and his title was revised to President, FGL Sports and Mark's and Executive Vice-President, Canadian Tire Corporation, Limited.

Executive Compensation Philosophy

A. Principles

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 result in long-term shareholder value.

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

- compensation must be guided by a pay for performance philosophy;
- compensation must be market competitive to attract and retain the leadership talent required to drive business results;
- compensation must incorporate an appropriate balance of short and long-term rewards;
- compensation must foster an environment of accountability, teamwork, and cross-functional collaboration;
- incentive programs must align leaders with the goals and objectives of the Company and its shareholders;
- compensation programs must not encourage leaders to take undue or excessive risks or permit inappropriate rewards; and
- all executives at the level of Senior Vice-President *(SVP)* and above must have a significant personal stake in the Company's success through share ownership.

B. Fixed versus Variable Compensation

The determination of total compensation for each NEO is based on their level of job responsibility, Company performance, individual performance and market practice. Total compensation is comprised of both fixed and variable elements. The fixed elements include base salary, benefits, perquisites and a share purchase plan. The Company does not have a pension plan for any of its employees, including the NEOs.

NEO salaries are reviewed on an annual basis to ensure alignment within the market competitive range. Adjustments are only made to increase a NEO's base salary within the market competitive range as their skills and experience broaden, or if the market value of the role increases.

The variable elements of total compensation consist of an annual short-term incentive plan *(STIP)*, a long-term incentive plan *(LTIP)* comprised of performance share units and stock options, and a deferred profit sharing plan. A significant portion (i.e. between 63% and 80%) of the total compensation paid to NEOs at target is contingent upon financial and share price performance and tied to these incentive plans. This percentage of performance-contingent compensation is consistent with that used by the Company's benchmarking peer group (which is described on page 34).

C. Relationship of Executive Compensation to Risk
As part of the MRC Committee's oversight of the design and administration of the Company's executive compensation programs, the MRC Committee reviews, identifies and considers design features, policies and processes that may potentially induce unnecessary or excessive risk-taking by executives or permit inappropriate rewards. The MRC Committee's review also includes an annual evaluation of the amount of total incentives relative to base salaries, the mix of short and long-term incentives, performance metrics and whether the goals are realistic or encourage excessive risk taking, and the use of other policies designed to mitigate risk such as vesting requirements, deferral periods and share ownership guidelines. The MRC Committee also satisfies itself as to the adequacy of the information it receives and the independence of the review and reporting of financial results on which certain important compensation decisions (for example, the amount of annual incentive to be paid) are based. Recognizing that many compensation matters are directly tied to the financial results of the Company, the MRC Committee interacts with the Audit Committee in relation to risks associated with the accuracy and quality of financial data.

In addition, the Company has in place several policies and practices designed to mitigate risk including an incentive clawback provision related to its STIP and performance share unit plan (which are described on page 35 and page 37, respectively) and a prohibition against hedging changes in the value of the Company's equity securities in its Executive Share Ownership Guidelines (which are described on page 38). Both policies are applicable to SVPs and above including NEOs.

Periodically, Canadian Tire's Internal Audit Services and Enterprise Risk Management teams conduct a formal review of the Company's executive compensation practices and programs to assess the nature and extent of the risks associated with those programs. The last review, conducted in 2011, concluded that: (1) the extent and nature of the Board and MRC Committee's role in the risk oversight of the Company's compensation policies and practices is satisfactory; (2) the methods used to identify and mitigate compensation policies and practices that could potentially encourage executives to take excessive risks are satisfactory; and (3) there were no risks identified in the Company's compensation policies and practices that would be likely to have a material adverse effect on the Company.

Canadian Tire has not materially changed any of the Company's executive compensation practices and programs in the past year. The MRC Committee annually reviews the relationship between enterprise risk and the Company's executive compensation plans and policies as part of its annual work plan to confirm that the level of risk exposure continues to be acceptable.

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

A. Role and Composition of the MRC Committee
The MRC Committee oversees the Company's executive compensation program on behalf of the Board of Directors, including the appointment and compensation of its NEOs and other executives at the level of SVP and above. In this CD&A we refer to NEOs and SVPs in the collective as *Executives*.

The MRC Committee reviews the Company's executive compensation program every year. As part of this review, the MRC Committee evaluates individual executive 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 executive compensation program's alignment with plan objectives and market practices.

In addition, the MRC Committee is responsible for executive succession planning. Canadian Tire has an ongoing commitment to identify and develop current and future leaders of the organization. Accordingly, the MRC Committee oversees the management of a succession planning process whereby leaders are identified for future roles in the organization and development plans are prepared and implemented to ensure key roles have appropriate back-up. As part of this process, Canadian Tire makes use of a professional assessment centre intended to provide members of the Executive team with specific and actionable development plans.

As part of the MRC Committee's mandate for executive succession planning, the Committee annually reviews its emergency succession plan and identifies individuals who would be called upon on an interim basis to fill key roles, such as the President and CEO position, in the event of an unplanned vacancy.

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. The MRC Committee's composition meets both of these requirements. The Board of Directors believes that the MRC Committee collectively has the knowledge, experience and background required to fulfill its Mandate.

The current members of the MRC Committee are set out below together with a description of the education and experience of each member that are relevant to the performance of his or her responsibilities:

Frank Potter
Mr. Potter's business experience that is relevant to his responsibilities in compensation matters includes his roles as former Chairman of the Steering Committee of The World Bank and resident director on the faculty of The Directors College at

McMaster University where he lectures on the governance of executive compensation. He has also been a member of the compensation committees of other public companies, including C.A. Bancorp Inc. and Softchoice Corporation. He was formerly the Chairman of the Royal Ontario Museum Board of Governors where he oversaw the compensation of management. As evidenced by the above description of his relevant experience, Mr. Potter has a broad background in corporate governance. He has engaged in compensation studies through The Directors College at McMaster University, remains current with compensation trends and regulation through self-study, and in his role as Chairman of the MRC Committee engages in regular consultation, both within and outside of MRC Committee meetings, with the Company's independent compensation consultants.

Iain Aitchison
Mr. Aitchison's business experience that is relevant to his responsibilities in compensation matters includes his roles as President of ''K'' Line Total Logistics, LLC and President and CEO, Century Distribution Systems, Inc. During his 24 years as President and CEO of Century, he oversaw the development of compensation plans for that business and determined the application of those plans to executives and other employees. He remains current with compensation trends and regulation through self-study.

Martha Billes
Ms. Billes has extensive experience on the Board of Directors of Canadian Tire, having served on the Board and its Committees for over 33 years and on the MRC Committee since 2009 and for a period of time prior to 2003. She is also a former member of the Human Resources Committee of the Board of Directors of the Toronto Organizing Committee for the 2015 Pan American and Parapan American Games. This experience has provided Ms. Billes with a comprehensive knowledge of the design and effect of compensation policies and has resulted in a disciplined approach to compensation decisions. A major shareholder who is not an employee, Ms. Billes is independent from management and her interests in management compensation decisions are aligned with those of the shareholders at large. Her full participation and engagement in Board meetings and educational opportunities has allowed her to maintain a continuous understanding of compensation issues, the Company's culture, its practices, and the regulatory environment. In addition, Ms. Billes' interaction with the Company in her role as Chairman of Canadian Tire JumpStart Charities facilitates her understanding of the Company and its people.

Peter Saunders
Mr. Saunders' business experience that is relevant to his responsibilities in compensation matters includes his roles as Chairman and Chief Executive Officer of The Body Shop International PLC, Chairman of Jack Wills Ltd., Lead Director of Godiva Chocolatier, and a director of The Second Cup Ltd and Total Wine & More. He has been Chairman or served as a member of compensation committees since 1998. His ongoing involvement across various companies has provided him with international scope and experience in relation to changes and best practices in compensation policies and practices. He remains current with compensation trends and regulation through self-study.

All members of the MRC Committee receive advice from the Board's independent compensation consultants during MRC Committee meetings and rigorously probe that advice before proceeding with compensation decisions. For further information about the MRC Committee, including its activities in 2012, see the *Report of the Management Resources and Compensation Committee* on page 21 of this Management Information Circular.

B. Role of Management in Compensation Decisions
The Senior Vice-President and Chief Human Resources Officer assists the President and CEO in developing and presenting to the MRC Committee management's recommendations and supporting material pertaining to the compensation of Executives. In addition, the Senior Vice-President and Chief Human Resources Officer works with the Chairman of the MRC Committee to plan the MRC Committee meeting agendas and prepare presentations for each meeting of the MRC Committee. From time to time, management retains external consultants to provide advice on executive compensation. The President and CEO is invited to attend all regular meetings of the MRC Committee. At least one ''in-camera'' session during which management is not in attendance is held during each regular MRC Committee meeting.

C. Role of Independent Advisor in Compensation Decisions
The MRC Committee, as set out in its mandate, may retain an advisor as they see fit. Hugessen Consulting Inc. (*Hugessen*) has been retained directly by the MRC Committee since August of 2006 to provide independent advice, compensation analysis and other information to support the MRC Committee in 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 on behalf of the MRC Committee in conjunction with management. Services provided by Hugessen in 2012 included review and input on management's total remuneration review, incentive program design and salary recommendations, as well as review and commentary related to the Company's 2012 proxy disclosure. Hugessen has no other mandates with Canadian Tire.

Compensation consultant fees paid to Hugessen in 2011 and 2012 are provided in the table below:

MRC Committee Advisor	Year	Executive Compensation-Related Fees	All Other Fees
Hugessen Consulting Inc	2012	$252,092	n/a
	2011	$195,404	n/a

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

Components of Canadian Tire's Executive Compensation Program
The components of the executive compensation program are described in the table below. Each of these programs is described in more detail starting on page 34 of this Management Information Circular.

Compensation Component	Objectives	Form
Base Salary	• Provide fixed compensation that reflects the market value of the role and the skills and experience of the Executive.	Cash
Annual Short-term Incentive Plan	• Reward Executives for their contribution to the achievement of annual business objectives and financial goals.	Cash(1)
Long-term Incentive Plans	• Align the interests of Executives with achievement of the Company's long-term business objectives as well as with the interests of shareholders.	
• Performance Share Unit Plan	• Reward Executives for achieving consolidated operating earnings targets over a three-year period.	Performance Share Units
• Stock Option Plan	• Align the interests of Executives and shareholders by rewarding Executives for share price appreciation over a seven-year period.	Stock Options with a Tandem Share Appreciation Rights feature
Benefits	• Promote general wellness and preventative care	Health and dental insurance; group life and accidental death and dismemberment insurance; short-term disability insurance; and employee-paid long-term disability insurance.
	• Reinforce Company affiliation	Employee Store Discount
Savings Plans	• Assist NEOs and other employees in achieving long-term retirement savings in the absence of Company retirement and pension plans.	Deferred Profit Sharing Plan Share Purchase Plan
Perquisites	• The Company takes a conservative approach to perquisites and determines such programs by reviewing competitive market practices.	Annual car allowance and Company-paid parking; annual medical assessment; and 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.

Note
(1) The Company maintains Deferred Share Unit Plans for its Executives pursuant to which they may elect to receive deferred share units (DSUs) for all or part of their respective short-term incentive plan awards. For more information see *Deferred Share Unit Plans for Executives* on page 38.

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 and Share Purchase Plan portions of executive compensation are fixed, while the Deferred Profit Sharing Plan and annual short-term and long-term incentive portions are performance-based. The Company sets its compensation mix to reflect, generally, that of companies in its peer group.

The target pay mix of the primary compensation components for the NEOs for fiscal 2012 is shown in the following table. This percentage of pay at risk compensation is consistent with the Company's benchmarking peer group:

	Percentage of Target Total Direct Compensation(1)				
			Long-term incentives(2)		
NEO	Base salary	Short-term incentive	Performance Share Units	Stock Options	Percentage of pay at risk(1)
	Fixed	Variable			
Stephen G. Wetmore	20%	20%	20%	40%	80%
Dean C. McCann	37%	22%	21%	21%	63%
G. Michael Arnett(3)	34%	22%	22%	22%	66%
Marco Marrone	30%	20%	17%	33%	70%
Michael B. Medline	34%	22%	22%	22%	66%

Notes
(1) Target total direct compensation and related targets are based on positions held by NEOs on January 1, 2012. Percentages have been rounded to the nearest whole number.
(2) In 2013, Messrs. Wetmore and Marrone will receive 50% of their LTIP award in the form of PSUs and 50% in the form of stock options.
(3) Mr. Arnett retired from the Company on December 29, 2012.

The overall design framework of the Company's 2012 NEO compensation program is summarized in the following table:

NEO	Salary[1] ($000's)	STIP Target (as % of salary)	LTIP Target (as % of salary)
Stephen G. Wetmore[2]	$1,250	100.0%	300.0%
Dean C. McCann[3]	$475	65.0%	127.5%
G. Michael Arnett	$550	65.0%	127.5%
Marco Marrone[4]	$650	65.0%	165.0%
Michael B. Medline[5]	$650	65.0%	127.5%

Notes

(1) This column contains the NEO's salary as at December 29, 2012.
(2) Mr. Wetmore's salary is established in his employment agreement.
(3) Mr. McCann received a salary, STIP target and LTIP target increase as a result of his promotion to his current role, effective in March 2012.
(4) Mr. Marrone received a salary and LTIP target increase as a result of his promotion to his current role, effective in March 2012.
(5) Mr. Medline received a salary increase as a result of the comprehensive market review that was completed in 2012. Please see below for further details.

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 market competitive. Market practices help to define the total compensation mix, as well as the range of pay opportunity for our Executives based on information from the companies in the benchmarking peer group with which Canadian Tire competes for talent.

The group of companies against which Canadian Tire benchmarks its NEOs is listed in the table below. The list includes Canadian companies that are generally not subsidiaries of a foreign parent and are similar to us in terms of revenue and industry. The benchmarking group is comprised of companies from the consumer discretionary and consumer staples industries. The companies within this peer group have annual revenues generally between one-half to two times the revenues of Canadian Tire. By ensuring comparable executive compensation programs and compensation levels to these companies, Canadian Tire is well positioned to attract and retain the leadership talent required to achieve its goals.

Benchmarking Peer Group

Aimia (formerly Groupe Aeroplan Inc.)	Metro Inc.
Air Canada	Rogers Communications Inc.
Alimentation Couche-Tard	RONA Inc.
Empire Company	Saputo Inc.
Gildan Activewear Inc.	Sears Canada Inc.
Jean Coutu Group	Shoppers Drug Mart Corp.
Loblaw Companies Ltd.	Telus Corp.
Maple Leaf Foods Inc.	Tim Hortons Inc.
Molson Coors Canada	

To ensure that we have sufficient data against which to benchmark our broader group of executive roles (i.e., Associate Vice-President level and above), we supplement the benchmarking comparator group with an additional 11 companies selected from a cross-section of industries (including energy, financials, industrials, materials, etc.). These companies are also autonomous Canadian companies with revenues generally between approximately one-half to two times those of Canadian Tire.

Additional Companies in Broader Comparator Group

Agrium Inc.	Industrial Alliance Insurance and Financial Services Inc.
Brookfield Asset Management	SNC-Lavalin Group
Canadian Pacific Railway Ltd.	Talisman Energy Inc.
Celestica Inc.	Teck Resources Ltd.
Enbridge Inc.	TransCanada Corp.
Finning International Inc.	

The following table summarizes the positioning of Canadian Tire's revenue against the comparator groups:

	Revenue ($ millions)		
	Comparator Group (Median)	Canadian Tire (2011)	Canadian Tire Rank
Benchmarking Peer Group (17 comparator companies)	$6,930	$10,387	10th (out of 18)
All Comparator Companies (28 comparator companies)	$8,230		17th (out of 29)

Source: Information is sourced from the companies' published management information circulars for the 2011 fiscal year.

Every two years, a comprehensive market review of compensation practices is undertaken. This review involves analysis of the compensation elements, levels and practices of this peer group of organizations. The Company selects the elements of its compensation programs to ensure a competitive compensation package for its Executives. It then targets its base salary, short-term incentive, long-term incentive and total remuneration at the median of compensation levels for executives in comparable roles in the peer group. The most recent review, conducted in August of 2012, indicated that total remuneration (base salary ranges, short and long term incentives, savings plans, benefits and perquisites) of Canadian Tire's NEOs is positioned competitively relative to the defined comparator group. Canadian Tire will undertake its next review of compensation levels in 2014.

How Canadian Tire Makes Executive Compensation Decisions

A. Base Salary

The overall objective of the base salary paid to Canadian Tire's Executives is to provide fixed compensation that reflects the market value of the role and the skills and experience an Executive must possess to make meaningful contributions to the organization. The Company's salary structure includes market competitive ranges for the Executives.

The MRC Committee takes the following into consideration when reviewing Executive salaries:

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

When applicable, the MRC Committee recommends to the Board any annual salary changes for the President and CEO and his direct reports and approves any annual salary adjustments for the remaining Executives.

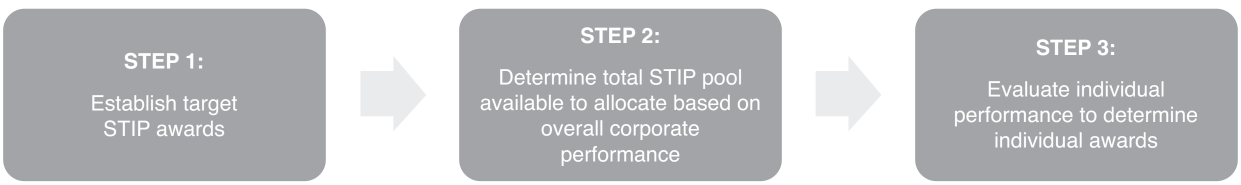
The Company does not make annual adjustments to Executive base salaries to reflect merit or inflation after they have reached a market-competitive base salary. Executive salaries are reviewed on an annual basis to ensure alignment within the market competitive range. Adjustments will only be made to increase an Executive's base salary within the market competitive range as their skills and experience broaden, or realign salary levels if the market value of the role increases.

B. Annual Short-term Incentive Plan

The objective of the annual STIP is to motivate and reward Executives and other Canadian Tire senior managers to achieve annual objectives and financial goals. Each year, the MRC Committee recommends for approval by the Board the STIP design and any related performance measures and targets.

2012 STIP Design

There are three key steps in determining annual STIP awards:



Step 1 – Establish target STIP awards

STIP targets, expressed as a percentage of base salary, are determined for each Executive based on competitive market practice for comparable roles and are reviewed as part of the biennial executive compensation review. The STIP target is the award that is earned for achieving target levels of performance. The maximum award that can be received is 200% of the target award.

2012 STIP awards payable to the NEOs at minimum, threshold, target and maximum levels of performance are shown in the table below:

	STIP Award (% of base salary)			
NEO	**Minimum**	**Threshold**	**Target**	**Maximum**
Stephen G. Wetmore	0%	17.50%	100.00%	200.00%
Dean C. McCann	0%	11.38%	65.00%	130.00%
G. Michael Arnett	0%	11.38%	65.00%	130.00%
Marco Marrone	0%	11.38%	65.00%	130.00%
Michael B. Medline	0%	11.38%	65.00%	130.00%

Step 2 – Determine total STIP pool available to allocate based on overall corporate performance

The Company's Target STIP Earnings are established based on the Company's business plan, which is approved by the Board. At the end of the fiscal year, management reviews the Company's financial results and presents all matters affecting earnings that were not part of the Business Plan and that require interpretation or adjudication to the MRC Committee for review. After the MRC Committee decides on the appropriate treatment of those matters, the resulting Actual STIP Earnings are compared to the Target STIP Earnings and the Corporate Funding Percentage is calculated as set out below.

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

- The target is set at 100% of Target STIP Earnings. If the target is achieved, 100% of the pool is funded.
- The lower shoulder is the minimum level of earnings for which a threshold STIP pool is funded. The lower shoulder is 92% of Target STIP Earnings. If this lower shoulder is achieved, a threshold STIP pool of 35% of the target pool is funded. No STIP award is payable to any Executive if earnings are below this lower shoulder.
- The upper shoulder is the level of earnings for which a maximum STIP pool is funded. The upper shoulder is 108% of Target STIP Earnings. If the upper shoulder is achieved, or better, a maximum STIP pool of 175% of the target pool is funded.

For earnings that fall between minimum and target, or between target and maximum, a linear algebraic calculation is used to determine the Corporate Funding Percentage.

Step 3 – Evaluate individual performance to determine individual awards

Evaluation of individual performance is based on the achievement of established individual objectives that are aligned to key areas of strategic focus and are critical to the achievement of the Company's business strategy. Each objective is weighted such that the aggregate is 100% and actual performance is assessed based on these objectives.

Based on these assessments, each Executive is assigned an individual performance multiplier between 0% and 150%.

Where appropriate, a discretionary adjustment may be made to the final STIP award for that Executive to ensure it accurately reflects his or her performance and contribution. The sum of individual awards cannot exceed the available pool.

While certain measures within individual objectives are quantifiable and a range of outcomes are considered at the beginning of the year, the evaluator (being the MRC Committee for the President and CEO and the President and CEO for the other Executives) does not use a formulaic approach to evaluate individual objectives and does not attach a fixed weighting to each measure used. Rather, the evaluator applies their informed judgment as to the relative importance of these measures at their year-end evaluation in order to complete each individual's assessment. Where qualitative measures are used, they are defined in as detailed a manner as possible so that the evaluator has sufficient information to complete the assessment.

The Company maintains Deferred Share Unit Plans pursuant to which Executives may elect to receive DSUs for all or part of their respective STIP awards. For more information see *Deferred Share Unit Plans for Executives* on page 38.

Commencing with the 2012 STIP, the Company implemented a clawback provision applicable to SVPs and above, including NEOs, which provides that in the event of a restatement of the Company's financial statements for any reason, the Board may in its discretion adjust or require repayment under the STIP using the restated financial statements. This policy would apply to any STIP awards impacted by the restatement in circumstances where the payment has not yet been made or where the restatement occurred within three years of the payment.

C. Long-term Incentive Plan

The primary objective of Canadian Tire's Long-term Incentive Plan (*LTIP*) is to align the interests of Executives and other senior management with the 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 Executives. This recommendation includes the target LTIP award for each Executive (expressed as a percentage of salary), the award composition (for example, stock options and/or performance share units (*PSUs*), and the proportion of each), and any associated performance conditions (for example, performance levels that must be achieved in order for the LTIP award to result in a payment). The LTIP design proposal is considered by the MRC Committee. The MRC Committee then determines the proposal to be made to the Board and recommends that proposal to the Board for its approval.

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

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

Once the LTIP design is finalized, management recommends the annual Executive LTIP allocations based on individual performance and potential to the MRC Committee for approval. Previous Executive LTIP allocations are not taken into consideration in determining current year allocations. Management's proposal is considered and, if appropriate, approved by the MRC Committee.

(ii) 2009 – 2012 LTIP Design Summary

The 2012 LTIP design, as well as the LTIP designs that were in place for 2009 to 2011, are summarized in the following table:

LTIP Plan	Plan Objectives	Design Summary
Performance Share Unit Plan (2009 – 2012) • Long-term incentive awarded in 2009 that was paid out in 2012 • Long-term incentive awarded in 2010 to be paid in 2013 • Long-term incentive awarded in 2011 to be paid in 2014 • Long-term incentive awarded in 2012 to be paid in 2015	• Reward Executives for achieving consolidated operating earnings targets over a three-year period.	• PSUs are paid in cash at the end of the performance period • The number of units awarded is based on salary, level, individual capabilities, performance and potential • Payment is linked to: – Three-year average corporate STIP payout percentage result that relates to Canadian Tire's consolidated operating earnings results – Value of Class A Non-Voting Shares
Stock Option Plan (2009 – 2012) • 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 number of options awarded is based on salary, level, individual capabilities, performance and potential • The value of the options is linked to the appreciation in the value of Class A Non-Voting Shares

(iii) 2012 LTIP Design Features
The 2012 LTIP design for Executives was comprised of PSUs and stock options. The inclusion of stock options is common among the Company's comparator group in that 15 of the 17 proxy comparator companies and 26 of the 28 of the broader comparator companies include stock options as a component of their LTIP design.

The target 2012 LTIP award, expressed as a percentage of base salary, and the proportion of the award allocated in PSUs and stock options for the NEOs as set out in their respective employment agreements, where applicable, is shown in the following table:

	2012 Target LTIP Grant (% of base salary)(1)		
NEO	**Total Target Award**	**PSUs**	**Stock Options**
Stephen G. Wetmore	300.00%	100.00%	200.00%
Dean C. McCann	127.50%	63.75%	63.75%
G. Michael Arnett	127.50%	63.75%	63.75%
Marco Marrone	165.00%	55.00%	110.00%
Michael B. Medline	127.50%	63.75%	63.75%

Note
(1) In 2013, Messrs. Wetmore and Marrone will receive 50% of their LTIP award in the form of PSUs and 50% in the form of stock options.

(iv) 2012 Performance Share Unit Plan
PSUs, which are a form of restricted share unit, are awarded by the MRC Committee to Executives and other designated senior managers 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 Executive to a cash payment equal to the weighted average price of one Class A Non-Voting Share during the 10-calendar day period that commences on the first business day following the end of the performance period, if performance conditions are met.

PSU awards are generally paid to Executives no later than the payroll date immediately following 90 days after the end of the performance period, less any applicable source deductions. In certain circumstances relating to termination of employment, payment of prorated awards is made before the end of the performance period.

The 2012 PSUs are subject to a back-end multiplier (applied at the end of the three-year performance period) based on the three-year average corporate STIP payout percentage. The multiplier is calculated on a linear basis by reference to the following table:

	Below Threshold	Threshold	Target	Maximum
Three-year average corporate STIP payout percentage (2012-2014)	<50%	50%	100%	≥150%
Performance Multiplier	0.0	0.35	1.0	1.75

No 2012 PSU payout will be earned if the average three-year corporate STIP payout percentage is below 50%.

In the event (i) an Executive ceases to be an employee of the Company due to death or disability; or (ii) an Executive retires after age 60 and having achieved ten years of service; or (iii) in circumstances set out in certain Executive employment agreements, the Executive will receive payment in respect of his or her PSUs calculated as if the Executive had been an active employee during the entire performance period.

Commencing with the 2012 PSU Plan, the Company implemented a clawback provision applicable to SVPs and above, including NEOs, which provides that in the event of a restatement of the Company's financial statements for any reason, the Board may in its discretion adjust the payments under the plan using the restated financial statements. This policy would apply to any PSU payments impacted by the restatement in circumstances where the payment has not yet been made or where the restatement occurred within three years of the payment.

Except as described herein or to the extent otherwise provided in an employment agreement, if payment is made prior to the end of the performance period, including upon termination triggered by a change of control of the Company, the amount payable to an Executive will be reduced to the period of active employment within the performance period and PSUs will be subject to a modified back-end multiplier. In the event the termination of the Executive occurs during the first fiscal year of the performance period, the multiplier will be deemed to be 1.0. If the termination of the Executive occurs during the second fiscal year of the performance period, the multiplier will be calculated based on the corporate STIP payout percentage for the previous fiscal year to a maximum multiplier of 1.0. If the termination of the Executive occurs during the third fiscal year of the performance period, the multiplier will be calculated based on the average corporate STIP payout percentage for the previous two fiscal years to a maximum multiplier of 1.0. If the termination of the Executive occurs subsequent to the third fiscal year but prior to the end of the performance period, the standard multiplier will apply.

The 2012 Performance Share Unit Plan also contains customary provisions in respect of adjustments to or reorganization of the capital structure of the Company. The PSUs are not transferrable or assignable by an Executive other than by testamentary disposition or the laws of descent and distribution.

(v) Stock Option Plan
The Company's Stock Option Plan was established to increase the alignment between compensation of Executives and other senior managers and the long-term performance of Canadian Tire's shares. The process for granting stock options is described on page 36.

Each option grant provides the optionee with the right to subscribe for one Class A Non-Voting Share at the weighted average price at which Class A Non-Voting Shares trade on the TSX during the 10-day period ending on the date immediately preceding the date that the option was granted (*the strike price*). All stock option agreements, including the 2012 option agreement, incorporate a Tandem Share Appreciation Rights feature whereby an optionee can elect to surrender his or her options, instead of exercising them, in exchange for a cash payment equal to the difference between the market price on the date of surrender and the strike price.

The change of control provisions in our 2012 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 *Stock Option Plan* on page 50.

D. Restricted Share Units

The Company may award Restricted Share Units (*RSUs*) to retain an Executive until the award vests. The recipient is entitled to the number of RSUs awarded multiplied by the fair market value of Class A Non-Voting Shares, all as set out in the applicable RSU agreement. No RSU payment would be made if the Executive voluntarily left his or her employment prior to the date that the award vests.

E. Perquisites

The Company takes a conservative approach to perquisites and determines such programs by reviewing competitive market practices. Executives are provided with an annual car allowance and Company-paid parking. Executives 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.

F. Other Benefits

NEOs participate in the Company's profit sharing and share purchase plans (see *Canadian Tire Corporation, Limited Deferred Profit Sharing Plan* and *Canadian Tire Corporation, Limited Share Purchase Plan* on page 52 for descriptions of these plans), which are available to most full time employees. The Deferred Profit Sharing Plan and the Share Purchase Plan serve to assist 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 and medical consultation services, 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.

G. Deferred Share Unit Plan

The Company has a Deferred Share Unit Plan for Executives (*the Deferred Share Unit Plan for Executives*) whereby an Executive and any employee of an affiliate of the Company designated by the MRC Committee may elect to receive all or a portion of their STIP awards for any fiscal year in the form of DSUs. An Executive who has elected to participate in the Deferred Share Unit Plan for Executives may change or revoke his or her election, provided that such change or revocation will be effective with respect to STIP awards for fiscal years commencing after the change or revocation is filed with the Company.

The number of DSUs granted to an Executive is calculated by dividing the amount of the STIP award which the Executive has elected to receive in DSUs by the Fair Market Value of Class A Non-Voting Shares on the tenth business day following the release of the Company's financial statements for the year in respect of which the STIP award was earned. DSUs are also credited to an Executive's DSU account when the Company pays a dividend or other distribution on its Class A Non-Voting Shares, the number of which is determined by multiplying the number of DSUs in the Executive'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 of Class A Non-Voting Shares on the day the dividend or other distribution is paid.

Pursuant to the terms of the Deferred Share Unit Plan for Executives, when an Executive ceases to hold any position with the Company or an affiliate of the Company as a director, officer or employee, 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 or termination occurs on a business day within such period (*the Executive's Settlement Date*) to be determined by the Executive upon at least 30 days prior written notice to the Company. The Executive 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 of Class A Non-Voting Shares on the Executive's Settlement Date. The amount is paid as a lump sum in cash, after deduction of any applicable taxes and other source deductions required to be withheld.

In the event an Executive ceases to be an Executive but otherwise remains a director, officer or employee of the Company, the Executive will continue to be entitled to his or her existing DSUs and to the benefits of the Deferred Share Unit Plan for Executives in respect of such DSUs but will not be entitled to acquire further DSUs. The DSUs may not be assigned by an Executive.

The Company also maintains a Deferred Share Unit Plan for the President and CEO pursuant to which Mr. Wetmore may elect to receive all or part of his annual STIP award in DSUs. The election is irrevocable for a fiscal year that has already commenced. The terms of the Deferred Share Unit Plan for the President and CEO are generally the same as the Deferred Share Unit Plan for Executives. For the 2012 financial year, Mr. Wetmore did not elect to receive any portion of his 2012 STIP award in DSUs.

Under the Deferred Share Unit Plan for Executives, the Fair Market Value of Class A Non-Voting Shares on a particular date is equal to the weighted average price at which Class A Non-Voting Shares trade on the TSX during the five business day period prior to this date.

H. Executive Share Ownership Guidelines

Canadian Tire has established share ownership guidelines (*SOGs*) that set out minimum levels of share ownership for the Executives. The SOGs are designed to align the interests of the Executives with the interests of shareholders, demonstrate that the Executives are financially committed to 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 expected to accumulate equity in the Company equal to a multiple of their annual salary, as follows:

NEO	Multiple of Annual Salary
Stephen G. Wetmore	3x
Dean C. McCann	2x
G. Michael Arnett	2x
Marco Marrone	2x
Michael B. Medline	2x

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

Each year, management reviews and reports on each Executive's level of share ownership to the Executive and to the MRC Committee. All Executives who have passed the fifth anniversary of their appointment as an Executive have met the required level of share ownership.

For further details on Mr. Wetmore's current equity holdings please see page 15 of this Management Information Circular.

The MRC Committee has implemented a policy to address circumstances where an Executive's shareholdings fall below their SOG target and the date by which they are required to achieve the guideline has passed. The MRC Committee may recommend remedial action for such Executive's non-compliance, which remedial action may include converting the after-tax value of the Executive's future short-term incentive plan awards into DSUs or withholding the granting of future long-term incentive plan allocations until such time as the Executive has achieved his or her SOG target.

The Company prohibits Executives from purchasing financial instruments, including, for greater certainty, prepaid variable forward contracts, equity swaps, collars or units of exchange funds, that are designed to hedge or offset a decrease in market value of equity securities granted as compensation or held, directly or indirectly, by the Executive.

2012 Executive Compensation Decisions

A. Impact of Business Performance on 2012 Executive Compensation

In 2012, the Company experienced growth in consolidated revenues, consolidated net earnings and earnings per share versus 2011. These consolidated results were driven by higher retail sales within the Retail Segment on solid performance from Canadian Tire Retail, Mark's, Canadian Tire Petroleum and FGL Sports for a full year. The consolidated results were also positively impacted by the strong performance of the Financial Services division. As a result, Actual STIP Earnings came in above Target STIP Earnings and the Corporate Funding Percentage was 132.1% of target. Similarly, and in large part due to the strong 2012 STIP results, overall NEO total compensation increased from 2011 levels.

B. 2012 Base Salary Increases

Consistent with the MRC Committee's approach to salary increases described on page 34, the following base salary increases were approved by the MRC Committee for 2012:

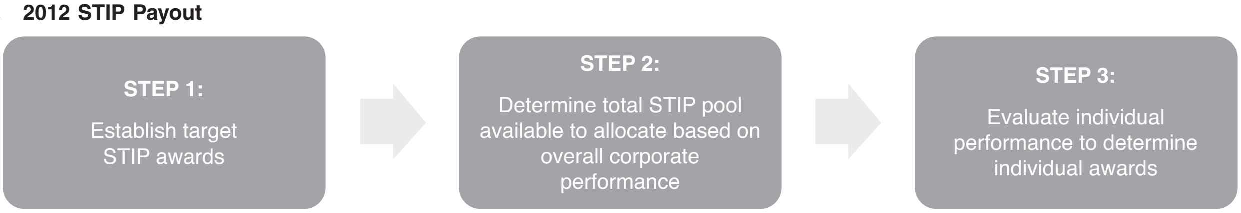
NEO	Base Salary Increase
Stephen G. Wetmore	0%
Dean C. McCann[(1)]	18.75%
G. Michael Arnett	0%
Marco Marrone[(1)]	18.18%
Michael B. Medline[(2)]	18.18%

Notes

(1) Messrs. McCann and Marrone received salary increases as a result of their promotion to their current roles, effective in March 2012.

(2) Mr. Medline received a salary increase as a result of the comprehensive market review that was completed in 2012. Please see "Competitive Benchmarking" on page 34 for further details.

C. 2012 STIP Payout



Step 1 was completed in December of 2012.

Steps two and three occur after the end of the fiscal year and are designed to ensure final STIP awards are aligned to overall corporate and individual performance.

Step 2 – Determine the total STIP pool available to allocate based on overall corporate performance

The following table summarizes the calculation of the Corporate Funding Percentage:

STIP Earnings[1] Threshold (funds 35% of target STIP pool)	Target (funds 100% of target STIP pool)	Maximum (funds 175% of target STIP pool)	Actual STIP Earnings[2]	Actual STIP Earnings as a % of Target STIP Earnings	2012 Corporate Funding Percentage[3]
$467,079,520	$507,695,130	$548,310,740	$525,105,163	103.4%	132.1%

Notes
(1) Target Canadian Tire net earnings after income taxes as calculated for STIP purposes.
(2) Actual Canadian Tire net earnings after income taxes as calculated for STIP purposes.
(3) The Corporate Funding Percentage of 132.1% is established using a linear algebraic formula based on Actual STIP Earnings as a percentage of Target STIP Earnings (103.4%) and the payout shoulders of 35% and 175%. Please see the 2012 STIP Design section on page 35 for more information.

Step 3 – Evaluate individual performance to determine individual awards

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

NEO	Individual Performance Objectives	Individual Performance Multiplier
Stephen G. Wetmore President and CEO	• Achieve retail revenue and earnings targets • Achieve retail return on invested capital target • Advance operational and strategic initiatives • Build new strategic capabilities to strengthen Canadian Tire and each brand's market position • Strengthen heritage businesses and develop new business opportunities	100%
Dean C. McCann Executive Vice-President, Finance and Chief Financial Officer	• Provide timely, effective public stakeholder financial communications • Improve capital allocation and project monitoring • Improve planning and forecasting, process effectiveness and accuracy • Improve financial flexibility • Create a plan for the upgrading/replacement of financial systems • Improve financial controls environment at Canadian Tire • Review leadership talent to ensure succession candidates are being developed	100%
G. Michael Arnett[1] Executive Vice-President, Corporate Development	• Achieve Mark's financial objectives for 2012 • Execute planned procurement initiatives for Canadian Tire Retail (*CTR*) • Develop new business opportunities to drive growth consistent with Canadian Tire and business unit strategies • Develop plan for implementation of procurement and global sourcing capabilities for Mark's in 2013 • Refresh Mark's strategic plan	–
Marco Marrone Chief Operating Officer, Canadian Tire Retail and Executive Vice-President, Canadian Tire Corporation, Limited	• Build new strategic capabilities to strengthen CTR and Canadian Tire • Execute supply chain processes to support customer needs • Grow top line sales and margins to meet profitability targets • Review organizational structure, leadership talent and capabilities to streamline decision making, enhance strategy execution and drive efficiencies • Strengthen CTR by executing line of business strategies	100%
Michael B. Medline President, FGL Sports and Mark's and Executive Vice-President, Canadian Tire Corporation, Limited	• Achieve FGL Sports financial objectives for 2012 • Achieve synergy target • Plan and execute store consolidation project • Refresh store design to achieve innovative and experiential customer experience in 2013 flagship stores	100%

Note
(1) Mr. Arnett retired from the Company on December 29, 2012. He received a 2012 STIP award equal to his target award as a percentage of base salary.

The table below provides details on each NEO's actual STIP award as a percentage of salary and as a percentage of target.

2012 STIP Award Paid in 2013

		Components of STIP			
NEOs(1)	**Target Award as a % of Salary**	**Corporate Funding Percentage**	**Individual Performance Multiplier**	**Actual Award as a % of Salary**	**Actual Award as a % of Target**
Stephen G. Wetmore	100%	132.1%	100%	132%	132%
Dean C. McCann(2)	64%	132.1%	100%	85%	132%
Marco Marrone	65%	132.1%	100%	86%	132%
Michael B. Medline	65%	132.1%	100%	86%	132%

Notes

(1) Mr. Arnett retired from the Company on December 29, 2012. He received a 2012 STIP award equal to his target award as a percentage of base salary.

(2) Upon his appointment to Chief Financial Officer on March 5, 2012, Mr. McCann's STIP target percentage was increased to 65% and, as a result, the target for his 2012 STIP award was prorated based on time served in each of the two positions he held in 2012.

No discretionary adjustment was made in determining individual NEO awards.

D. 2012 LTIP Grant

As in 2011, the MRC Committee determined that in 2012 the LTIP design for the Mr. Marrone, who was at the time the Chief Financial Officer, would be the same as that for the President and CEO. When Mr. McCann became the Chief Financial Officer his LTIP design was not similarly aligned. As a result, the LTIP awards for Messrs. Wetmore and Marrone are more heavily weighted to longer term (stock options with three-year graduated vesting and a seven-year expiry period) than medium term (performance share units that pay out in three years, the longest performance period permitted under tax laws) incentives. In 2013, Messrs. Wetmore and Marrone will receive 50% of their LTIP award in the form of PSUs and 50% in the form of stock options. The 2012 LTIP grants awarded to the NEOs are shown in the table below.

	2012 Actual LTIP Grant (% of base salary)(1)		
NEO	**Total Award**	**PSUs**	**Stock Options**
Stephen G. Wetmore	300.00%	100.00%	200.00%
Dean C. McCann	127.50%	63.75%	63.75%
G. Michael Arnett	127.50%	63.75%	63.75%
Marco Marrone	165.00%	55.00%	110.00%
Michael B. Medline	127.50%	63.75%	63.75%

Note

(1) Actual LTIP grant as a percentage of salary is calculated using the base salary at time of allocation.

E. 2012 LTIP Payout (vested value of 2009 PSU Grant)

The PSU awards that were granted to NEOs in 2009 paid out at 172% of the grant date value due primarily to the significant increase in the Corporation's stock price between 2009 and 2012. Payout amounts and percentages by NEO are shown in the table below.

	2012 Actual LTIP Payout		
NEO(1)	**2009 PSU Award ($)**(2)	**Payout ($)**	**Percentage of 2009 Award (%)**
Stephen G. Wetmore	$1,249,949	$2,153,348	172%
Dean C. McCann	$62,485	$107,647	172%
G. Michael Arnett	$318,716	$549,067	172%
Marco Marrone	$250,302	$431,208	172%

Notes

(1) Mr. Medline's unvested 2009 PSUs were cancelled in 2010.

(2) The composition of the 2009 LTIP for the President and CEO was one-third PSUs and two-thirds stock options. The composition of the 2009 LTIP award for the other NEOs was 50% PSUs and 50% stock options. Values reflect the number of PSUs granted multiplied by the weighted average share price of a Class A Non-Voting Share for the 10-calendar days beginning on the day the 2008 financial results were released.

F. Perquisite and Benefit Programs

There were no changes made in fiscal 2012 to any of the perquisite and benefit programs in which the NEOs participated.

Statement of the MRC Committee

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 9, 2013.

Members of the MRC Committee:

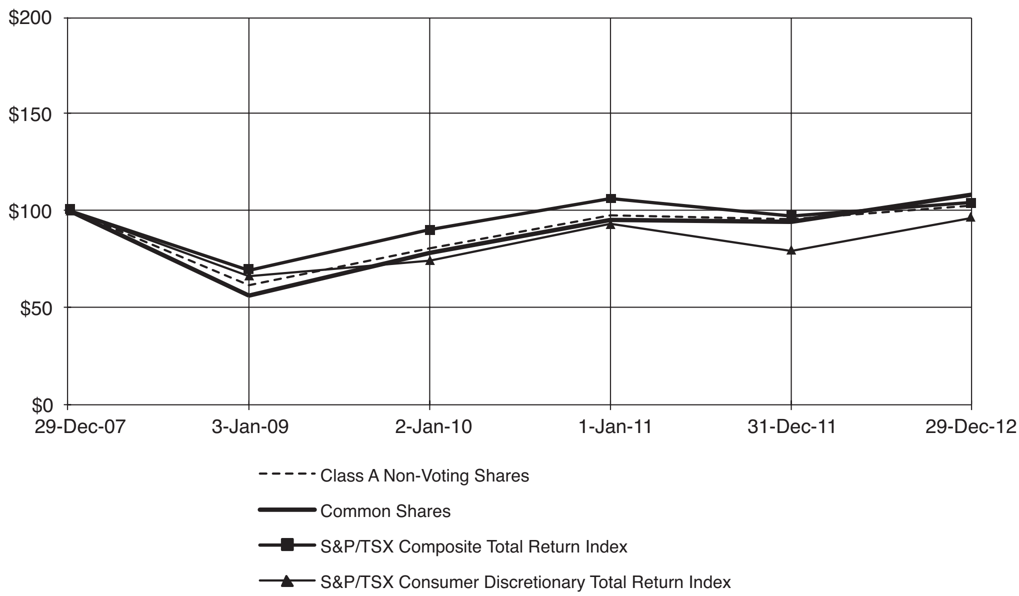
Frank Potter, *Chairman*
Iain C. Aitchison
Martha G. Billes
Peter B. Saunders

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 December 29, 2007 and dividends were reinvested. Over this five year fiscal period, Canadian Tire's total NEO Compensation (as defined below) has generally reflected the trend in cumulative shareholder return on the Class A Non-Voting Shares. During 2008, shareholder return was −39%, while total NEO Compensation declined commensurately by 37%. In 2009 and 2010, the Company's cumulative total shareholder return was 32% and 20%, respectively, while total NEO Compensation increased by 50% and 6%, respectively. In 2011, the Company's cumulative total shareholder return was −2% while total NEO Compensation declined commensurately by 7%. In 2012, the Company's cumulative total shareholder return was 7% while total NEO Compensation increased by 16%.

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, but excluding 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 43. 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
December 29, 2007 through December 29, 2012



	Canadian Tire Corporation, Limited			
Date[(1)]	**Class A Non-Voting Shares**	**Common Shares**	**S&P/TSX Composite Total Return Index**	**S&P/TSX Consumer Discretionary Total Return Index**
December 29, 2007	$100.00	$100.00	$100.00	$100.00
January 3, 2009	$61.15	$55.99	$68.96	$65.99
January 2, 2010	$80.76	$77.89	$90.56	$74.47
January 1, 2011	$97.19	$95.82	$106.50	$93.34
December 31, 2011	$95.62	$94.10	$97.23	$78.92
December 29, 2012	$102.54	$108.08	$104.21	$96.32

Note

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

2012 Compensation Tables

Summary Compensation Table

The table below shows the compensation paid to the NEOs in respect of the Company's most recently completed financial year, which ended on December 29, 2012, as well as financial years 2010 and 2011, all in accordance with the Canadian Securities Administrators requirements. Disclosure of compensation for prior years, in accordance with the then applicable requirements, is contained in the Company's previous Management Information Circulars which are available on SEDAR at www.sedar.com.

Name and Principal Position (a)	Year (b)	Salary ($) (c)	Share based awards[(1)] ($) (d)	Option based awards[(2)] ($) (e)	Non-equity incentive plan compensation ($) (f)		Pension Value ($)[(5)] (g)	All other compensation ($)[(6)] (h)	Total compensation ($) (i)
					Annual incentive plans[(3)] (f1)	Long-term incentive plans[(4)] (f2)			
Stephen G. Wetmore	**2012**	1,250,000	1,249,994	2,499,993	1,651,250	–	–	321,888	6,973,125
President and CEO	**2011**	1,250,000	1,249,989	2,499,989	1,314,562	–	–	306,032	6,620,573
	2010	1,250,000	1,249,971	2,499,986	1,705,165	–	–	254,422	6,959,544
Dean C. McCann	**2012**	462,019	302,805	302,811	389,002	–	–	154,920	1,611,557
Executive Vice-President,	**2011**	380,000	202,465	202,499	247,650	–	–	107,109	1,139,723
Finance and Chief Financial Officer	**2010**	342,500	182,778	182,801	298,323	–	–	48,612	1,055,014
G. Michael Arnett	**2012**	550,000	350,620	350,619	357,500	–	–	108,932	1,717,671
Executive Vice-President,	**2011**	550,000	350,608	350,622	222,794	–	–	107,154	1,581,177
Corporate Development	**2010**	550,000	350,578	350,612	408,422	–	–	88,787	1,748,398
Marco Marrone	**2012**	632,692	357,496	714,989	539,959	–	–	167,781	2,412,917
Chief Operating Officer,	**2011**	525,000	212,495	424,985	331,075	–	–	187,094	1,680,649
Canadian Tire Retail and Executive Vice-President, Canadian Tire Corporation, Limited	**2010**	500,000	212,465	425,000	435,218	–	–	186,371	1,759,054
Michael B. Medline	**2012**	600,000	350,620	350,619	533,354	–	–	268,013	2,102,606
President, FGL Sports Limited	**2011**	447,692	–	–	–	–	–	2,130,270	2,577,962
and Mark's and Executive Vice-President, Canadian Tire Corporation, Limited[(7)]	**2010**	463,557	350,578	350,612	–	–	–	507,868	1,672,615

Notes

(1) The grant date 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-calendar days ending on the business day immediately preceding the Board meeting at which the grants are approved.

(2) The disclosed value in this column is based on the weighted average share price of a Class A Non-Voting Share for the 10-calendar days prior to the date of grant multiplied by a Black-Scholes factor of 20.3%, multiplied by the number of options granted. The Black Scholes value ratio was determined using the following assumptions: an estimated volatility of 26.4% (based on daily historical share price for the three-year period ending on December 30, 2011), estimated dividend yield of 1.80%, interest rate of 1.27% and an expected life of five years of the seven-year option term. For accounting purposes, the fair value of option-based awards at the time of grant is not calculated due to the TSAR feature. The Company has chosen to use Black Scholes as the methodology for determining the number of options granted as it is an appropriate and commonly used methodology to value stock options.

(3) This column lists the amount earned under the STIP in the reporting financial year and includes any amount the NEO elected to receive in DSUs. For the 2012 financial year, the Executive Vice-President, Finance and Chief Financial Officer chose to receive a portion of his 2012 STIP award in DSUs.

(4) Canadian Tire does not have any long-term non-equity incentive plans.

(5) Canadian Tire does not have a defined benefit or defined contribution pension plan.

(6) This column includes awards for all NEOs under the Deferred Profit Sharing and Share Purchase Plans, signing or discretionary bonuses, as well as perquisites for Messrs. Wetmore, McCann and Marrone. Mr. Wetmore received a perquisites allowance in the amount of $69,996 in 2012. Mr. McCann received perquisites in the amount of $77,222. Of this amount, $44,654 is related to a transitional housing benefit, which Mr. McCann received for relocating when he was appointed to the position of Executive Vice-President, Finance and Chief Financial Officer, and $21,600 is related to a car allowance. Mr. Marrone received perquisites in the amount of $59,604. Of this amount, $27,000 is related to a continuation of a transitional housing benefit and $21,600 is related to a car allowance. 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) Pursuant to an agreement dated July 19, 2010, Mr. Medline received severance payments in connection with his departure from the Corporation on October 29, 2010. These amounts, paid in instalments in 2010, 2011 and 2012, have been included in the "All other compensation" column for the applicable year. In 2010, Mr. Medline's unvested and out-of-the-money stock options were cancelled along with his unvested PSUs. A prorated payment was provided for his forfeited PSUs in 2011, in accordance with the PSU plan. From November 1, 2010 until August 17, 2011, he earned consulting fees and a success fee for the services he provided to the Corporation in connection with the acquisition of The Forzani Group Limited (now FGL Sports). All consulting fees and related compensation have also been included in the "All other compensation" column for the applicable year. After the successful acquisition of FGL Sports, Mr. Medline was appointed President, FGL Sports Limited and Executive Vice-President of the Corporation on August 18, 2011.

Outstanding Share-Based Awards and Option-Based Awards

The table below shows the total vested and unvested outstanding long-term incentive awards for each NEO as at December 29, 2012.

	Option-based Awards				Share-based Awards		
Name (a)	Number of securities underlying unexercised options (#) (b)	Option exercise price ($)(1) (c)	Option expiration date(2) (d)	Value of unexercised in-the-money options ($)(3) (e)	Number of shares or units of shares that have not vested (#)(4) (f)	Market or payout value of share-based awards that have not vested ($)(5) (g)	Market or payout value of vested share-based awards not paid out or distributed ($) (h)
Stephen G. Wetmore	169,952	53.491	March 8, 2017	4,640,250	63,066	4,358,491	–
President and CEO	136,963	62.297	March 7, 2018				
	193,429	63.668	March 12, 2019				
Dean C. McCann	3,300	29.626	March 13, 2013	838,857	11,423	789,444	–
Executive Vice-President,	3,000	33.514	August 7, 2013				
Finance and Chief Financial	4,336	64.819	March 8, 2013				
Officer	4,253	71.903	March 7, 2014				
	3,698	63.417	March 6, 2015				
	5,674	40.042	March 11, 2016				
	12,427	53.491	March 8, 2017				
	11,094	62.297	March 7, 2018				
	23,429	63.668	March 12, 2019				
G. Michael Arnett	4,022	64.819	March 8, 2013	1,687,398	17,689	1,222,487	–
Executive Vice-President,	14,000	62.960	May 10, 2013				
Corporate Development(6)	16,187	71.903	March 7, 2014				
	16,181	63.417	March 6, 2015				
	28,937	40.042	February 22, 2016				
	23,835	53.491	February 22, 2016				
	19,209	62.297	February 22, 2016				
	27,128	63.668	February 22, 2016				
Marco Marrone	17,379	64.819	March 8, 2013	1,738,176	12,998	898,292	–
Chief Operating Officer,	16,187	71.903	March 7, 2014				
Canadian Tire	16,181	63.417	March 6, 2015				
Retail and Executive	22,724	40.042	March 11, 2016				
Vice-President,	28,892	53.491	March 8, 2017				
Canadian Tire Corporation,	23,283	62.297	March 7, 2018				
Limited	55,320	63.668	March 12, 2019				
Michael B. Medline	27,128	63.668	March 12, 2019	147,631	5,507	380,589	–
President, FGL Sports and Mark's and Executive Vice-President, Canadian Tire Corporation, Limited							

Notes

(1) Canadian Tire's current policy for determining the exercise price for options with a TSAR feature is the 10-calendar day weighted average share price ending on the business day immediately preceding the date on which the grants are approved.

(2) Options granted prior to 2006 have a 10-year term. Options granted in 2006 and subsequent years have a seven-year term.

(3) This column contains the aggregate dollar value of in-the-money vested and unvested unexercised options as at December 29, 2012 using the December 28, 2012 closing share price of $69.110.

(4) This column contains the number of unvested PSUs held by each NEO on December 29, 2012.

(5) This column contains the value of unvested PSUs held by each NEO as at December 29, 2012 using the December 28, 2012 closing share price of $69.110. The 2010, 2011 and 2012 PSUs are reported assuming a performance multiplier equal to 1.0.

(6) Pursuant to Mr. Arnett's retirement agreement, which is described on page 48, options that would have otherwise expired after February 22, 2016 will expire on this date.

Incentive Plan Awards

The table below shows the incentive awards that vested or were earned by each NEO during the financial year ended December 29, 2012.

Name (a)	Option-based awards – Value vested during the year ($)[1] (b)	Share-based awards – Value vested during the year ($)[2] (c)	Non-equity incentive plan compensation – Value earned during the year ($)[3] (d)
Stephen G. Wetmore[4]	$5,476,091	$2,153,348	$1,651,250
Dean C. McCann	$136,902	$107,647	$389,002
G. Michael Arnett	$698,192	$549,067	$357,500
Marco Marrone	$548,285	$431,208	$539,959
Michael B. Medline[5]	–	–	$533,354

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 2009 PSU plan payout upon vesting, which is described in the 2012 LTIP Payout section on page 41.
(3) This column includes the amount of the 2012 STIP plan payout, which is also included in the Summary Compensation Table on page 43.
(4) Mr. Wetmore exercised all 2009 stock options that vested during the year.
(5) Mr. Medline's unvested 2009 PSUs and all of his unvested stock options were cancelled in 2010.

Employment Agreements and Post-Employment Benefits

President and CEO Employment Agreement

An employment contract was established with Mr. Wetmore effective January 1, 2009. The key terms of the contract (other than with respect to post-employment benefits) are the following:

Base Salary	$1,250,000
STIP	Mr. Wetmore's annual target STIP award is 100% of base salary if targets established by the Board for the President and CEO are met and up to 200% 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 and to direct that it be transferred into DSUs governed by his Deferred Share Unit Plan.
LTIP	Mr. Wetmore is eligible to receive annual grants under the LTIP with a target value at the date of the grant of 300% of base salary, subject to the same performance factors applicable to the other participants in the LTIP. He is entitled to receive one-third of his annual grant in the form of PSUs or any equivalent plan and two-thirds in the form of stock options. Mr. Wetmore is only entitled to a pro-rata grant for part years of employment. Accordingly, if Mr. Wetmore's termination date is prior to the end of a year, he will forfeit a portion of the award for that year determined as the number of days in the year subsequent to the termination date divided by 365.
Monthly Perquisite Allowance	The Company provides Mr. Wetmore with a monthly perquisite allowance of $5,833 to be spent at his discretion.
Other Benefits	Mr. Wetmore is entitled to benefits that are generally provided to the Company's Executives, such as participation in the Company's Deferred Profit Sharing Plan and Share Purchase Plan (see page 52).
Equity Ownership and Disposition Restrictions	Mr. Wetmore is required to achieve the Company's guidelines for equity ownership in the Company as they may be amended from time to time. Currently these guidelines require ownership of equity of the Company with a value equal to three times Mr. Wetmore's base salary within five years of the effective date of Mr. Wetmore's employment agreement. Mr. Wetmore is given full credit for any shares and DSUs of the Company that he owns in connection with such required equity ownership. During the term of his agreement, Mr. Wetmore has agreed not to sell any shares of the Company which he owns (however acquired, including shares acquired on the exercise of options) and not to exercise any share appreciation rights without the consent of the Board, provided that the Board may not unreasonably withhold its consent.

Post-Employment Benefits

President and CEO

Mr. Wetmore is entitled to the following payments and benefits following a termination of his employment under the circumstances described below:

Involuntary Termination Without Cause or Resignation for Good Reason

In the event of involuntary termination without cause or resignation for "good reason", as defined in his agreement, Mr. Wetmore is entitled to:

- continuation of base salary for twelve months;
- continued entitlement to STIP for twelve months calculated based on the lesser of (i) the average of the STIP bonus paid to Mr. Wetmore in the two fiscal years immediately preceding the termination/resignation date; and (ii) the target STIP bonus for Mr. Wetmore for the fiscal year in which the termination/resignation date occurs;
- continued participation in the Company's employee health and other group insurance plans and annual executive medical assessment for 12 months, to the extent permitted by the terms of those plans;
- with respect to LTIP awards:

  (i) immediate vesting of any unvested stock options and the right to exercise all outstanding stock options until the earlier of the third anniversary of the termination/resignation date and the expiry of the stock options under the applicable option agreements; and

  (ii) payment of awards under the PSU or any equivalent plan, without acceleration of payment of such PSUs, as if Mr. Wetmore had continued to be employed by the Company during any term or performance period provided for under such plan.

Resignation without Good Reason
In the event of resignation without "good reason", as defined in his agreement, Mr. Wetmore is entitled to base salary and expenses due and owing at the date of resignation. Unless the Board otherwise determines, no STIP payment will be made in respect of the year in which the resignation date occurs. With respect to his unvested LTIP awards, Mr. Wetmore is entitled to:

- payment of awards under the PSU or any equivalent plan as if he 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 resignation 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.

LTIP awards granted to Mr. Wetmore in the year that he resigns without "good reason" shall be *prorated* to the resignation date.

Termination for Cause or Death
The Company may immediately terminate Mr. Wetmore's employment contract at any time for cause. The contract is terminated automatically on death.

In the event of termination for cause, the Company is obligated to pay any base salary and expenses due and owing at the termination date. No STIP payment will be made in respect of the year in which the termination date occurs, and unvested PSUs and stock options will be forfeited.

In the event of death, the Company is obligated to pay any base salary and expenses due and owing at the termination date. The Company will also pay STIP *pro rated* to the termination date. With respect to LTIP awards, Mr. Wetmore's legal personal representatives are entitled to: (i) the immediate vesting of any unvested stock options and the right to exercise all outstanding stock 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 (ii) 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.

Non-Compete/Non-Solicit
The foregoing entitlements are conferred on Mr. Wetmore in part on the condition of his fulfillment of the following non-competition and non-solicitation obligations.

Mr. Wetmore may not during his employment and for 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 his departure; 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.

Other NEOs
In addition, agreements with Messrs. Marrone, McCann and Medline provide for the following payments and benefits following a termination of their employment without cause by the Company, in addition to their respective salaries and expenses to the date of termination and the payments and benefits to which they are entitled under various Company compensation plans which apply generally to Executives:

- payment of an amount equal to their base salary for the period stipulated in each of their agreements, namely 24 months in the case of Messrs. Marrone and McCann and no less than 65 weeks in the case of Mr. Medline (in each case, *the Notice Period*), payable as salary continuance and subject to certain claw backs in the event new employment is secured (*the Claw back Conditions*);
- payment under the STIP at the target payout level during the applicable Notice Period, subject to the Claw back Conditions;
- in the case of Messrs. Marrone and McCann, payment of awards under the PSU or any equivalent plan as if they 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 until the earlier of the third anniversary of the termination date and the expiry of the options under the applicable option agreements, with the options continuing to vest during such period in accordance with the applicable option agreements;
- in the case of Mr. Medline, payment of awards under the PSU or any equivalent plan and the right to exercise previously granted stock options in accordance with the rules of the applicable plan documents;
- payment of employee health and other group insurance benefits (subject to certain exceptions) and annual executive medical assessments until the end of the applicable Notice Period or until alternative employment is obtained, whichever occurs first;
- payment of the Company automobile allowance during the applicable Notice Period, subject to the Claw back Conditions;
- prorated payment in lieu of an award under the Company's Deferred Profit Sharing Plan (*the DPSP*) for the current year and additional payment in lieu of awards under the DPSP during the applicable Notice Period, subject to the Claw back Conditions in certain cases;

- prorated payment in lieu of the corporate match under the Company's Share Purchase Plan (*the SPP*) for the current year and, in the case of Messrs. McCann and Medline, additional payment in lieu of the Company match under the SPP during the applicable Notice Period, subject to the Claw back Conditions; and
- entitlement to the Company financial planning benefit until the end of the applicable Notice Period or until alternative employment is obtained, whichever occurs first.

These payments and benefits are also payable to Mr. Marrone in the event of his resignation of employment for "good reason" as defined in his employment agreement.

In the event of termination of employment without cause while living in Toronto, Mr. McCann is entitled to receive a monthly living allowance for the balance of the 36-month period that began from the date of his appointment as Chief Financial Officer. Mr. Medline is entitled to receive 12 months of re-employment counseling services in the case of his termination of employment without cause by the Company.

Messrs. Marrone, McCann and Medline have agreed to mitigation, non-competition and non-solicitation provisions in exchange for the termination payments and benefits referred to above.

Mr. Arnett's employment with the Company ended on December 29, 2012. Pursuant to his retirement agreement, Mr. Arnett is entitled to receive during the 24-month period following the end of his employment his annual base salary, payment in lieu of the STIP based on his target award as a percentage of his base salary, payment in lieu of an award under the DPSP, payment in lieu of the Company match under the SPP, and payment of the Company automobile allowance, all of which are subject to certain claw backs in the event Mr. Arnett obtains alternative employment. Mr. Arnett is also entitled to continue to participate in the Company's employee health and other group insurance benefits (subject to certain exceptions), annual executive medical assessments, home security services, financial planning benefit, and store discount, until the end of his salary continuance period or until alternative employment is obtained, whichever occurs first. Mr. Arnett has the right to exercise previously granted stock options until the earlier of three years following the end of his active employment (as defined in the plan design rules governing stock options) with the Company and the expiry of the options, with the options continuing to vest during such period. Mr. Arnett's previously granted PSUs will continue to vest in accordance with the applicable PSU plans and will be paid out to him following the end of the applicable performance periods. Mr. Arnett is not entitled to any further stock option or PSU awards. Mr. Arnett has agreed to mitigation, non-competition and non-solicitation provisions in exchange for the termination payments and benefits referred to above.

Estimated Incremental Payments

The following table summarizes the estimated incremental payments to each of Messrs. Wetmore, McCann, Marrone and Medline during the applicable Notice Period in the circumstances set out in their respective written employment contracts with the Company (as described above):

	Compensation Component	Estimated Incremental Payments as at December 29, 2012 – Termination Without Cause or Resignation for Good Reason[1] ($)
Stephen G. Wetmore	Base Salary	1,250,000
	STIP[2]	1,250,000
	Continuation of employee health and other group insurance benefits, and annual executive medical assessment	19,053
	Total	2,519,053
Dean C. McCann	Base Salary	950,000
	STIP[2]	617,500
	Payment in lieu of DPSP entitlement[3]	95,000
	Payment in lieu of SPP entitlement[4]	47,500
	Continuation of employee health and other group insurance benefits, financial planning, annual executive medical assessment, and car allowance	75,145
	Continuation of living allowance	108,000
	Total	1,785,145
Marco Marrone	Base Salary	1,300,000
	STIP[2]	845,000
	Payment in lieu of DPSP entitlement[3]	130,000
	Continuation of employee health and other group insurance benefits, financial planning, annual executive medical assessment, and car allowance	79,493
	Total	2,354,493
Michael B. Medline	Base Salary	812,500
	STIP[2]	528,125
	Payment in lieu of DPSP entitlement[3]	81,250
	Payment in lieu of SPP entitlement[4]	40,625
	Continuation of employee health and other group insurance benefits, financial planning, annual executive medical assessment, and car allowance	54,555
	Re-employment counselling services for 12 months	15,000
	Total	1,517,055

Notes

(1) As applicable.

(2) Assumes payout at target.

(3) Assumes that Deferred Profit Sharing Plan awards are 10% of salary during the applicable Notice Periods.

(4) Assumes that Share Purchase Plan awards are 5% of salary during the applicable Notice Periods.

No incremental payments are triggered upon a change in control of the Company. In addition, no incremental benefit would be received by Mr. Wetmore in respect of the accelerated vesting of his options if he was terminated without cause or resigned for good reason on the assumption that the discount rate applied to calculate the net present value of the accelerated entitlements would not be greater than the rate at which the Class A Non-Voting Shares would otherwise appreciate over the period of acceleration.

Other Compensation Information

Securities Authorized for Issue under Equity Compensation Plans as at December 29, 2012

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	2,406,383	$60.62	990,217
Equity Compensation Plans Not Approved by Securityholders	N/A	N/A	N/A
• None			
Total	2,406,383	N/A	990,217

Description of our Equity Compensation Plan

Stock Option Plan

This 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. Directors of the Company are not eligible to receive options under its Stock Option Plan (other than the President and CEO in his capacity as an officer of the Company).

The aggregate maximum number of Class A Non-Voting Shares that were authorized for issuance on May 13, 2010 by the shareholders under the Stock Option Plan was 3,400,000, representing approximately 4.4% of the currently issued and outstanding Class A Non-Voting Shares. As at March 14, 2013, the number of outstanding and unexercised options to purchase Class A Non-Voting Shares is 2,900,774, representing approximately 3.7% of the issued and outstanding Class A Non-Voting Shares. As at March 14, 2013, an aggregate of 493,201 Class A Non-Voting Shares, representing approximately 0.6% of the issued and outstanding Class A Non-Voting Shares, are available for issuance under the Stock Option Plan.

A total of 742,802 stock options were awarded in 2012, which represented approximately 1% of the issued and outstanding Class A Non-Voting Shares (commonly referred to as the annual 'burn rate') as at December 29, 2012. The total 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 total options available to be granted to all participants during 2012.

The Stock Option Plan states that no one person can receive options to buy more than 5% of the total number of issued and outstanding Class A Non-Voting Shares, which as at March 14, 2013 is equal to 3,887,036 Class A Non-Voting Shares. 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 calendar 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 must 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 of grant except in circumstances in which the exercise period may be extended in the event of a black out period.

Options to subscribe for Class A Non-Voting Shares under the Stock Option Plan that were granted prior to 2006 generally vested at the rate of 25% per year during the four years following the date the options were granted. Options granted in 2006 and 2007 generally vested at the rate of 33⅓% per year during the three years following the date the options were granted. Options granted from 2008 to 2011 generally vest three years after the date the options were granted, although in the event of a termination of employment in certain specified circumstances, the Company may permit the accelerated vesting of Options. Options granted on March 13, 2012 and thereafter (*the 2012 and Later Options*) generally vest at the rate of 33⅓% per year during the three years following 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, resignation, becoming a Canadian Tire Dealer or upon the cessation of employment for any other reason. Unexercised 2012 and Later Options expire immediately on the termination of the employment of an optionee for cause.

In addition to the basic vesting provisions referred to above, since 2007, the stock option agreements 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. In 2006 and thereafter, options have been granted under agreements which specify that they can be exercised for a period of up to seven years and outline the circumstances in which option rights will be terminated earlier.

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

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

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

- *in the event of incapacity or death* – All options may be exercised until the earlier of the expiration of the options and three years following the date of incapacity or death, or such longer period as is determined by the Board of Directors;
- *in the event of resignation after age 60* – For option agreements entered into prior to 2006 and in connection with the 2012 and Later Options, the options may be exercised until the earlier of the expiration of the option and the date three years following the date of resignation if the optionee has at least 10 years of continuous service with the Company, with options vesting during such three year period. For option agreements entered into in 2006 and thereafter, other than in connection with the 2012 and Later Options, options may be exercised until either: (a) the earlier of the expiry date of the option and the date three years following the date of resignation if the optionee has at least 10 years of continuous service with the Company; or (b) the earlier of the expiry date of the option and the date one year following the date of such retirement in all other cases, with options vesting during such three or one year period, as the case may be;
- *in the event of resignation to become a Canadian Tire Dealer* – All options vested on the date of resignation may be exercised until the earlier of the expiration of the option and the date one year following the date of resignation or such longer period as is determined by the Board of Directors;
- *in the event of termination without cause after age 60 with 10 years continuous service* – 2012 and Later Options may be exercised until three years following the termination of employment, with options vesting during such three year period;
- *in the event of termination for cause* – Unexercised 2012 and Later Options are prohibited from being exercised from and after the date of termination of employment or on such other terms and for such other period as is determined by the Board of Directors; and
- *in the event of cessation of employment for any other reason* – All options vested on the date of cessation of employment may be exercised until the earlier of the expiration of the options and the date 30 days following the date on which the optionee ceases to be employed or such longer period as is determined by the Board of Directors.

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

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

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

On February 9, 2012, the Board of Directors amended the Stock Option Plan pursuant to its amending provisions. The principal amendment was to provide that stock option agreements may state when options can be exercised by the optionee or his or her legal personal representative in the event of retirement or termination of employment without cause after having attained the age of 60 years with at least 10 years of continuous service with the Company and may prohibit the exercise of options in the event an optionee has his or her employment terminated with cause. The foregoing amendments to the Stock Option Plan were made in accordance with the amending provisions outlined above and did not fall within any of the categories referred to above which require shareholder approval.

Stock option agreements entered into by the Company with executive officers generally reflect the same terms as are set out in the standard agreements described above. However, agreements with certain executive officers have been modified from the standard agreements, in certain cases in a substantive manner, to reflect the terms of their respective employment agreements with the Company. See *Employment Agreements and Post-Employment Benefits* on page 46.

Description of our Other Compensation Plans

Canadian Tire Corporation, Limited Deferred Profit Sharing Plan

The Canadian Tire Corporation, Limited Deferred Profit Sharing Plan was established under a trust deed dated January 1, 1968, amended from time to time thereafter and amended and restated as of December 14, 2012. Sun Life Financial Trust Inc. (*Sun Life Financial*) is the trustee of the plan but is subject to the direction of the DPSP CAP Committee in relation to the exercise of voting and various other rights of the shares held in relation to the plan. The members of the DPSP CAP Committee are Robyn A. Collver, Dean McCann, and Hugh Lynar, each of whom is an employee of the Company. Ms. Collver and Mr. McCann hold the positions of Senior Vice-President, Secretary and General Counsel and Executive Vice-President Finance and Chief Financial Officer, respectively.

This plan rewards our employees and officers and those of participating subsidiaries and encourages them to participate in our growth, development and success. Every year we make a payment under the plan of at least one percent of our previous year's net profits after income tax and designate the amount to be allocated to each of the employees and officers participating in the plan. Currently, a minimum of 10% of a base amount allocated to each employee or officer is invested in a Company share fund, which includes Common Shares and Class A Non-Voting Shares, with the balance invested as directed by each employee and officer.

The money and securities held in connection with the plan (*the plan property*) have been and are transferred on an ongoing basis by Sun Life Financial, as trustee, to Sun Life Assurance Company of Canada (*Sun Life)*. A portion of the plan property transferred to Sun Life on an ongoing basis is invested in Class A Non-Voting Shares which are purchased by Sun Life Financial in the market and form part of the underlying securities of the Company share fund, with the balance of the plan property invested in the manner elected by participants from a variety of funds managed by a number of fund managers. 20% of the units held for plan participants vest after one full year of employment, with the remaining units vesting after two full years of employment. Sun Life has issued a group annuity policy to Sun Life Financial which provides plan participants with rights and benefits equivalent to those to which they would otherwise be entitled under the plan.

The plan was amended on December 14, 2012 to provide for market based purchases of Class A Non-Voting Shares by Sun Life Financial and accordingly it is no longer a securities based compensation arrangement under the TSX rules.

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 participating Dealers to share their success with their employees. The plan was established in 1972 under an agreement between the Canadian Tire Dealers' Association, the Company and participating Dealers. A formal agreement (*the plan agreement*) relating to the plan was made on November 1, 1990 and replaced on January 1, 1994, July 1, 2004 and December 14, 2012.

The plan is open to employees of Dealers who are not related to the Dealer and who meet certain other criteria, including working a minimum number of hours at a Canadian Tire Store during the previous calendar year (*the participants*). Under the plan, Dealers grant awards to 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 operated by the Dealer. 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 Financial) on behalf of the participants. These contributions vest immediately and are primarily invested in BlackRock balanced index funds, a share fund holding Class A Non-Voting Shares of the Company and a money market fund. Under the plan agreement, Class A Non-Voting Shares are purchased by Sun Life Financial in the market.

The plan was amended on December 14, 2012 to provide for market based purchases of Class A Non-Voting Shares by Sun Life Financial and accordingly it is no longer a securities based compensation arrangement under the TSX rules.

Share Purchase Plan

The SPP is designed to encourage 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 SPP, including officers of the Company and participating subsidiaries (*the Eligible Employees*). The SPP includes an employee share purchase component and a Company contribution component.

Eligible Employees can contribute up to 10% of their annual base salary before deductions to the SPP through payroll deduction (*the Participant Contributions*). Participant Contributions are used to purchase Class A Non-Voting Shares from time to time on the open market at the prevailing market prices.

We also contribute a taxable bonus from our profits of up to 50% of the amount each Eligible Employee contributes to the SPP (*the Company Contribution*), subject to approval by the Board. Company Contributions are made to a trust established by the Company as of December 16, 1993, as amended on a number of occasions (*the EPSP*). Sun Life and Sun Life Financial are the administrator of the SPP and the trustee of the EPSP, respectively, and are responsible for the purchase of Class A Non-Voting Shares in these capacities.

The Company Contribution is made on behalf of each Eligible Employee participating in the SPP (*a Participant*) and on behalf of former Participants in limited circumstances, on or before the last working day of the calendar year, generally on the condition that the Participant is still an Eligible Employee at that time. The Company Contribution is used by Sun Life Financial to purchase Class A Non-Voting Shares on the open market in accordance with the terms of the SPP, which are then allocated to the Participants. We may, at our discretion, compensate Participants and former Participants for income tax they pay on the Company Contribution for the current year and previous year, and did so in 2012.

The Class A Non-Voting Shares purchased for by Participants with Participant Contributions vest immediately. The Class A Non-Voting Shares purchased for Participants using Company Contributions will begin to vest for each Participant 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 Company Contributions have become fully vested.

As the SPP can only acquire Class A Non-Voting Shares on the open market, it is not a securities based compensation arrangement under the TSX rules.

Other Information

Liability Insurance for Directors and Officers
During the year ended December 29, 2012, 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 $485,172 in policy premiums for the period April 4, 2012 to April 4, 2013, 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
On February 22, 2013, the TSX accepted the Company's notice of intention to make a normal course issuer bid (*the NCIB*) to purchase, between February 26, 2013 and February 25, 2014, up to 2.5 million Class A Non-Voting Shares, representing approximately 3.4% of the public float of Class A Non-Voting Shares as at February 20, 2013. Canadian Tire's Common Shares are not part of the NCIB.

We have adopted a policy of purchasing Class A Non-Voting Shares to offset the dilutive effect of the issuance of Class A Non-Voting Shares under our stock option plan and dividend reinvestment plan. We intend to continue that policy. We also would expect to utilize a minimum of $100 million of our anticipated free cash flow in 2013 for the repurchase of additional Class A Non-Voting Shares under the NCIB, if, after consideration of various factors, we determine that the repurchase would be expected to be in the best interest of the Company and contribute to enhancing the value of the remaining Class A Non-Voting Shares. We will not repurchase more than 2.5 million Class A Non-Voting Shares, in aggregate, in 2013 pursuant to the NCIB.

All purchases made through the NCIB will be made through the facilities of the TSX. The Class A Non-Voting Shares acquired by Canadian Tire pursuant to the NCIB will, for as long as Canadian Tire has a limited number of authorized Class A Non-Voting Shares, be restored to the status of authorized but unissued shares.

During our NCIB which commenced on February 19, 2012 and expired on February 18, 2013, we purchased 483,354 Class A Non-Voting Shares. This figure includes 299,806 Class A Non-Voting Shares that were purchased beyond the Company's anti-dilutive policy during the fourth quarter of 2012. The weighted average price at which the purchases under our 2012 NCIB were made was $68.55 per Class A Non-Voting Share.

Documents You Can Request
You can ask us for a copy of the following documents at no charge:
- Notice of intention to make the 2013 Normal Course Issuer Bid
- Management's Discussion and Analysis and consolidated financial statements for the financial year ended December 29, 2012. These documents contain financial information and are included in our 2012 Annual Report
- Annual Information Form for the financial year ended December 29, 2012 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 at Canadian Tire Corporation, Limited, 2180 Yonge Street, P.O. Box 770, Station K, Toronto, Ontario M4P 2V8.

Information Available Online
The Management's Discussion and Analysis, consolidated financial statements, Annual Information Form and other information about the Company are also available on SEDAR at www.sedar.com.

You can also visit our website at *www.corp.canadiantire.ca*. Click on the "Investors" tab for current and past annual 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 14, 2013
Toronto, Ontario

Robyn A. Collver
Secretary

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Appendix A
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. The Board reserves the right to exercise any powers or authorities delegated to a Committee. The Board also has the right to revoke any of its powers or authorities delegated to a Committee, as well as to revoke or vary any decision of a Committee (to the extent that such decision has not been acted upon). Any Committee decision shall be reported to the Board at its meeting following the meeting of the Committee at which such decision was made.

COMMITTEES OF THE BOARD

The Board has established the following committees to assist in discharging its duties: the Audit Committee, the Governance Committee, the Management Resources and Compensation Committee and the 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. Company's Relationship with Dealers

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

4. Identification and Management of Risks

- 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.

5. 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.

6. Integrity, Ethics and Social Responsibility

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

7. Corporate Communications and Public Disclosure

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

8. Governance

- Developing, approving and monitoring the Company's approach to corporate governance including a set of 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 at least once every three years (or more frequently if necessary, or at the request of the Secretary or Assistant Secretary as a result of legislative or regulatory changes) to ensure it appropriately reflects the Board's stewardship responsibilities.

Appendix B
Canadian Tire's Corporate Governance Policies and Practices

Management and the Board of Directors are committed to strong corporate governance policies and practices. 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 is comprised of 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, as such, is *not independent* because of his employee relationship with the Company.

   Messrs. Billes, L'Heureux and Vallance are Canadian Tire Dealers pursuant to contracts with the Company in the same form as other Canadian Tire Dealers' contracts and, therefore, are *not independent* directors. In the view of the Board, although Messrs. Billes, L'Heureux and Vallance 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 proposed and/or current 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 Section 1.4 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.

   In the case of a commercial, charitable, industrial, banking, consulting, legal, accounting or other business relationship that may exist between the Company and an entity of which the director serves as a director, executive officer, partner or managing director, or occupies a similar position, the Board may determine such relationship to be material if the aggregate annual sales or billings from the entity to the Company, or from the Company to the entity, in the most recently completed fiscal year of that entity, exceeds a percentage of that entity's consolidated gross revenues, as determined by the Board. While this percentage is generally between 1% and 2%, the applicable threshold to be used in each case is a matter of judgment and other relevant factors may be taken into consideration in determining whether the relationship is a material one that could reasonably be expected to interfere with the exercise of the director's independent judgement.

   With respect to Martha Billes, the Board takes into account other factors when considering her independence. Ms. Billes is not a member of management and receives no compensation from the Company other than fees in relation to her services as a director. Additionally, Ms. Billes has a large financial interest in the Company in the form of her shareholdings and ably represents the interests of shareholders. The MRC Committee, on which Ms. Billes serves as a member, does not oversee the arrangements between the Company and Canadian Tire Dealers.

   Notwithstanding the Board's determination of independence for purposes of National Policy 58-201, neither Ms. Billes nor Mr. Lampe serve on the Audit Committee. Ms. Billes, as controlling shareholder, and Mr. Lampe, as a partner of a law firm that provides services to the Company, are not considered independent for purposes of the composition of the Audit Committee under National Instrument 52-110.

The following table explains whether each of the proposed and/or current directors are independent or not independent.

	Management	Independent	Not Independent	Reason for Directors who are Not Independent
Iain Aitchison		✓		
Martha G. Billes		✓		
Owen G. Billes			✓	Mr. Billes is a Canadian Tire Dealer
Pierre Boivin(1)		✓		
H. Garfield Emerson		✓		
John A. F. Furlong		✓		
James L. Goodfellow		✓		
Claude L'Heureux			✓	Mr. L'Heureux is a Canadian Tire Dealer
Jonathan Lampe		✓		
Frank Potter		✓		
Timothy R. Price		✓		
Alan P. Rossy(2)		✓		
Maureen J. Sabia		✓		
Peter B. Saunders		✓		
Graham W. Savage		✓		
George A. Vallance			✓	Mr. Vallance is a Canadian Tire Dealer
Stephen G. Wetmore	✓		✓	Mr. Wetmore is President and CEO of the Company

Note

(1) Mr. Boivin is not currently a director of the Company, but has been proposed to be nominated for election by the holders of Class A Non-Voting Shares. If elected a director at the Meeting, he will be *independent*.

(2) Mr. Rossy will not be standing for re-election at the Meeting.

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; and

(b) recommend to the Board qualified individuals as nominees for election to the Board by the shareholders of the Company at a meeting of shareholders of the Company 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 and the Chairman of the Board consult with their fellow directors, and with their collective extensive networks to identify appropriate potential candidates.

The Governance Committee reviews prospective nominees' qualifications under applicable laws, regulations and rules as well as the talents already represented on the Board. It also considers changes to the Company's strategies and risks, succession planning for key Board positions and the composition of 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. As part of the selection process, the President and CEO is kept informed of the candidates with whom the Chairman of the Governance Committee and the Chairman of the Board are meeting, and when a short list has been developed, that list is shared with the President and CEO and the controlling shareholder, and arrangements are made to have those candidates meet with the President and CEO, the controlling shareholder, the Governance Committee and other members of the Board.

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;

(b) the candidate has sufficient time and energy to devote to the performance of his or her 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.

(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 23 of this Management Information Circular and the Governance Committee Mandate for a description of the powers, responsibilities and operation of the Governance Committee. The Governance Committee Mandate is available on the Company's website at *www.corp.canadiantire.ca*. Click on "Corporate Governance" under the "Investors" tab, then click on "Board Committee Info" under the "Board of Directors" tab.

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 and its Committees, the Chairman of the Board and individual directors (including in their capacity as Committee members) are regularly assessed with respect to their performance and effectiveness under the direction of the Governance Committee. The Board and its Committees and individual directors are assessed every second year, while the Chairman of the Board is evaluated on an annual basis.

The performance assessments of the Board and individual directors are conducted using an online assessment tool. Each director assesses the Board's performance using quantitative ratings and qualitative commentary in respect of a lengthy list of criteria developed by the Governance Committee, 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 are 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 Company'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 has similar functionality to that used to assess the Board and assesses performance against criteria expected of an effective director (other than in relation to the President and CEO and the Chairman of the Board who are assessed separately). The results of the individual director performance assessments are reviewed by the Chairman of the Governance Committee and the Chairman of the Board privately with each individual director.

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

Performance assessments of the Board and individual directors were last conducted in 2012. The next performance appraisals are scheduled in 2014.

The performance of the Committees of the Board and individual Committee members is assessed on a bi-annual basis under the direction of the Governance Committee. Committee members are asked to assign a numerical ranking and provide written comments to questions developed by the Governance Committee. The questions assess each Committee's composition, practices, relationship with the Board, performance and fulfillment of its responsibilities under its mandate. The results of the Committee assessments are reviewed by the Chairman of the Governance Committee, the Chairman of the Board and by each Committee Chairmen with respect to their own Committee's performance appraisal. All Committee performance appraisals are reviewed at a meeting of the Governance Committee, which then provides a report to the Board. The results of the individual Committee member performance assessments are reviewed by the Chairman of the Governance Committee, the Chairman of the Board and by each Committee Chairmen privately with their Committee members. The performance assessment results are taken into consideration when the Governance Committee considers the mandates and composition of Board Committees. Performance evaluations for each of the Committees and individual Committee members were last conducted in 2011. The next biennial performance appraisals are scheduled in 2013.

The performance of the Chairman of the Board is assessed annually using an evaluation form developed by the Governance Committee. The evaluation contains a combination of quantitative and qualitative measures, including both a numerical rating system and a request for comments. The results are discussed with the Chairman of the Board and the Governance Committee and reported to the full Board. The next assessment is scheduled in 2013.

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, the directors 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 Annual Report, Management's Discussion and Analysis (MD&A) and Management Information Circular for the most recent financial year of the Company preceding such new director's election or appointment to the Board

(vii) the Company's current Annual Information Form

(viii) each of the Company's Codes of Business Conduct

(ix) each of the Company's Board policies, including its Disclosure Policy and Securities Trading and Reporting Board Policy and related Manuals

(x) 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

(xi) the directors' and officers' indemnification agreement

(xii) 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 form of 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 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 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.

In addition, the Chairman of the Board works with new directors to develop an individualized orientation program that is designed to enhance the directors' understanding of the Company. As such, the nature and content of the orientation sessions provided to new directors vary depending on individual needs and desires. The development of each individualized program is enhanced by the Chairman of the Board's extensive knowledge of and relationships within the Company. With respect to directors' education generally, the Chairman of the Board both initiates educational opportunities and responds to requests for Board education from the Board members on an ongoing basis. She arranges for the provision of educational presentations and materials, as well as on-site store or facility visits, in response to those requests through the President and CEO. In addition to the Board's process for orienting both new and incumbent directors, directors receive a substantial amount of background information in the context of Board and Committee meetings that not only assists them in discussing the issues to be addressed and decisions to be made at such meetings, but also educates them on the Company and its business. At virtually all Board meetings, the directors receive economic and capital market updates.

During 2012, directors were provided with opportunities to visit the Company's business units and the facilities associated with these units as well as to participate in educational and orientation sessions with senior management. Directors also received educational information at Board and Committee meetings about strategic issues, competitive activity, risk issues, new initiatives, including systems enhancements and program updates, capital structure reviews and developments in corporate governance. The Board was also provided with comprehensive updates from management on the Company's integration and transformation efforts relating to FGL Sports, and on other significant initiatives.

The directors continued their practice of attending working dinners on the evening before each Board meeting. These are working dinners during which discussions take place on a variety of matters on which the Board seeks more in-depth information. These discussions also provide the Board with additional information and opinions to assist them in making their decisions at Board meetings. During the 2012 Board dinners, directors participated in various educational sessions with respect to the Company's strategy, operations, initiatives, succession planning, competitive activity and other general business matters, and also spent time reviewing and discussing key issues arising from the Board's agendas. In 2012, directors also 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 and management continue to seek ways to provide the directors with educational opportunities focused on the business of the Company and the important matters 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. For more information on the process by which the Governance Committee and the Board determine the compensation of the Company's directors, see *Director Compensation* on page 26 of this Management Information Circular.

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 43.

The MRC Committee conducts an annual review of the Company's executive compensation program. The review is conducted with the assistance of independent professional compensation consultants reporting directly to the MRC Committee. The MRC Committee also reviews and recommends to the Board the base salaries (and any changes thereto) of the President and CEO and employees of the Company and its subsidiaries at the level of senior vice-president and above who report directly to the President and CEO (*the CEO Direct Reports*). Subject to the compensation philosophy approved by the Board, the MRC Committee also reviews and approves grants pursuant to the Company's short-term and long-term incentive plans and payouts thereunder.

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, a process for appraising annually the performance of the President and CEO against agreed upon short-term and long-term quantitative and qualitative performance objectives, 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 an annual appraisal of the performance of the President and CEO and reports thereon to the Board. The MRC Committee also reviews the execution of the Company's compensation and benefit plans and reviews and recommends to the Board the appointment, reassignment and terms of employment and termination of the President and CEO and the CEO Direct Reports.

For more information on the process by which the MRC Committee and the Board determine the compensation of the Company's officers, see *Executive Compensation* on page 30 of this Management Information Circular.

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 21 of this Management Information Circular and the Management Resources and Compensation Committee Mandate for a description of the responsibilities, powers and operation of the MRC Committee. The Management Resources and Compensation Committee Mandate is available on the Company's website at *www.corp.canadiantire.ca*. Click on "Corporate Governance" under the "Investors" tab, then click on "Board Committee Info" under the "Board of Directors" tab.

9. *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.

10. *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.

11. *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 held since the beginning of the most recently completed financial year.

12. ***Disclose whether or not the independent directors hold regularly scheduled meetings at which non-independent directors and 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 directors who are Canadian Tire Dealers, none of whom is *independent*) enhances 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 2012, the Board held nine 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 are held as appropriate. In 2012, the Board also held two special meetings, which included a session without management present.

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

13. ***Disclose each director who is a director of any other reporting issuer in a jurisdiction or a foreign jurisdiction.***

See the directors' biographies under *About the Proposed Directors* beginning on page 7 of this Management Information Circular for directorships of other reporting issuers for each of the proposed directors.

14. ***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 of Directors and is an *independent* director. She is responsible for leading highly effective performance by the Board.

The primary focus of the Chairman is on governance, maintaining ethical standards and building the Board into an effective, high performing team capable of fulfilling the broad range of its responsibilities including oversight of the business, strategic planning, and succession planning. She is also responsible for maintaining an effective Board culture at all times and in all situations.

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

She devotes considerable time to developing, in some detail, knowledge of the business and to understanding the issues and challenges, both internal and external, confronting both the Board and management. She also spends time getting to know and understand the perspectives of senior management.

Among her specific duties are:

(i) setting the agenda for Board meetings

(ii) using her best efforts to provide directors with the information they need to make informed decisions

(iii) chairing Board meetings

(iv) acting as a key liaison between the Board and management

(v) keeping in touch with the Chairmen of the Board Committees to discuss issues as they arise, and ensuring that all directors are kept informed between Board meetings of any matter which, in her judgment, they should be made aware.

For a detailed statement of the Chairman's responsibilities, see the Chairman's Job Description, which is available on the Company's website at *www.corp.canadiantire.ca*. Click on "Corporate Governance" under the "Investors" tab, then click on "Board Committee Info" under the "Board of Directors" tab.

15. ***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 reviewed by the Governance Committee at least once every three years, or more frequently if necessary or as a result of legislative or regulatory changes. These position descriptions are available on the Company's website at *www.corp.canadiantire.ca*. Click on "Corporate Governance" under the "Investors" tab, then click on "Board Committee Info" under the "Board of Directors" tab.

16. *(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) Describe 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) Describe 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 Robyn Collver, Senior Vice-President, Secretary and General Counsel 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 at www.sedar.com. Each Code contains an explanation of how the Company monitors compliance with such Code.

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

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

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

(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 business conduct compliance program, 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 that is operated by a third party service provider

(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.

17. *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 25 of this Management Information Circular for the Report of the Social Responsibility Committee. The Social Responsibility Committee Mandate is available on the Company's website at *www.corp.canadiantire.ca*. Click on "Corporate Governance" under the "Investors" tab, then click on "Board Committee Info" under the "Board of Directors" tab.

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