



Canadian Tire Corporation

Management Information Circular

Notice of Annual General
Meeting of Shareholders to
be held on May 14, 2015

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS



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

When

Thursday, May 14, 2015
10:00 a.m. (Toronto time)

Where

MaRS Collaboration Centre
101 College Street
Toronto, Ontario

In this Notice, *we, us, our, CTC and the Company* refer to Canadian Tire Corporation, Limited and the companies and trusts that it controls, where applicable. *You and your* refer to CTC shareholders.

Business of the Annual Meeting

We will address four items at the Annual Meeting:

1. CTC's Annual Consolidated Financial Statements for the financial year ended January 3, 2015, including the external auditor's report;
2. the election of directors, who will serve until the next Annual Meeting of Shareholders;
3. the appointment of the external auditor, who will serve until the next Annual Meeting of Shareholders, and authorizing the directors to set the external auditor's compensation; and
4. the transaction of such 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 CTC shareholder as of the close of business on March 26, 2015.

Your Vote is Important

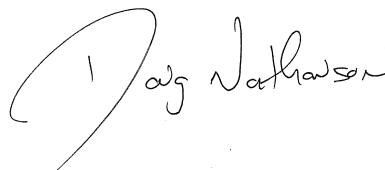
As a CTC shareholder, it is important that you read the accompanying Management Information Circular carefully. You have different voting rights depending on whether you own Common Shares or Class A Non-Voting Shares.

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 CTC's transfer agent, Computershare Trust Company of Canada, 100 University Avenue, 8th Floor, North Tower, Toronto, Ontario, Canada M5J 2Y1, by no later than 5:00 p.m. (Toronto time) on Wednesday, May 13, 2015.

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 of Directors,



Doug Nathanson
Secretary

Toronto, Ontario
March 12, 2015

MANAGEMENT INFORMATION CIRCULAR

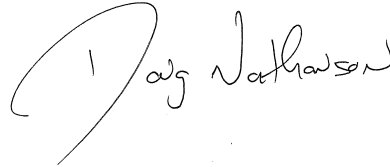
All information in this Management Information Circular is as of March 12, 2015, unless otherwise indicated.

In this Management Information Circular, *we, us, our, CTC* and *the Company* refer to Canadian Tire Corporation, Limited and the companies and trusts that it controls, where applicable. *You* and *your* refer to CTC shareholders.

This Management Information Circular is provided in connection with our Annual Meeting of Shareholders to be held on May 14, 2015 (*the Meeting*). Your proxy is being solicited by the management of CTC for the items described in the notice on the previous page. 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.

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 that you need to know to cast your vote. We also encourage you to read CTC's Management's Discussion and Analysis and Annual Consolidated Financial Statements for the financial year ended January 3, 2015. A copy of CTC's Management's Discussion and Analysis and Annual Consolidated Financial Statements will be sent to registered and beneficial shareholders who requested that these materials be sent to them. They are also available on the System for Electronic Document Analysis and Retrieval (*SEDAR*) at www.sedar.com and CTC's website at www.corp.canadiantire.ca.

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



Doug Nathanson
Secretary

Toronto, Ontario
March 12, 2015



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BUSINESS OF THE MEETING

We will address four items at the Meeting.

Receiving the Annual Consolidated Financial Statements

Our Annual Consolidated Financial Statements for the financial year ended January 3, 2015, including the external auditor's report, have been prepared and will be sent to registered and beneficial shareholders who have requested that these materials be sent to them. They are also available on SEDAR at www.sedar.com and CTC's website at www.corp.canadiantire.ca.

Electing Directors

The Board has determined that 16 directors will be elected at the Meeting. See *About the Proposed Directors* on page 8 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
- Diana L. Chant
- H. Garfield Emerson
- John A.F. Furlong
- Ronald E. Goldsberry
- Jonathan Lampe
- Claude L'Heureux
- Michael B. Medline
- Maureen J. Sabia
- 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
- James L. Goodfellow
- Timothy R. Price

Except for Diana L. Chant and Michael B. Medline, all of the proposed directors are currently directors of CTC and were elected as directors at our Annual Meeting of Shareholders on May 8, 2014.

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 CTC's current external auditor, Deloitte LLP, Chartered Accountants (*Deloitte*), as the external auditor, and authorizing the Board to set its compensation.

Considering Other Business

We will consider any other business that may properly come before the Meeting. As of the date of this Management Information Circular, we are not aware of any changes to the items above or any other business to be considered 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.



VOTING INFORMATION

Who Can Vote

The Company has two classes of shares. The items you can vote on depend on the class of shares you own. Each share you own as of the close of business on March 26, 2015 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 12, 2015, CTC had 3,423,366 Common Shares outstanding. The directors and officers of CTC are not aware of any person or company that beneficially owns, or controls or directs, directly or indirectly, more than 10% of the total outstanding Common Shares, other than those listed below:

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

Notes

- (1) Tire 'N' Me Pty. Ltd. (*Tire 'N' Me*) owns 1,400,767 Common Shares of CTC. 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 CTC owned by Tire 'N' Me are included in the shareholdings of Ms. Billes shown in her director biography table on page 10.
- (2) Albikin Management Inc. (*Albikin*) owns 700,383 Common Shares and 741,176 Class A Non-Voting Shares of CTC. 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 CTC owned by Albikin are included in the shareholdings of Mr. Billes shown in his director biography table on page 10.
- (3) Sun Life Assurance Company of Canada (*Sun Life*) is the beneficial owner of the 419,280 Common Shares held in relation to CTC's Deferred Profit Sharing Plan (*the DPSP*). Sun Life has issued a group annuity policy to Sun Life Financial Trust Inc., as trustee of the DPSP (*the Trustee*), which provides benefits to the Trustee and indirectly to the participants in the DPSP that are substantially the same as those to which they would have been entitled had the shares been held directly by the Trustee. The Trustee has a right to vote the shares of CTC held by Sun Life but is subject to the direction of the DPSP Capital Accumulation Plan Committee (*the DPSP CAP Committee*) established by the Company in relation to the exercise of voting and various other rights of the shares. Two members of the DPSP CAP Committee are appointed by CTC 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 CTC shares held in relation to the DPSP. For more information on the DPSP, see *CT Profit Sharing* on page 70.



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 as a separate class), then based on the numbers of Common Shares and Class A Non-Voting Shares outstanding as at March 12, 2015, the Class A Non-Voting Shares would represent approximately 95.6% of the aggregate voting rights attached to the Common Shares and the Class A Non-Voting Shares. For a full statement of the conditions attached to the Common Shares and Class A Non-Voting Shares, including voting rights, reference should be made to CTC's articles of amendment dated December 15, 1983, which are available on SEDAR at www.sedar.com.

As at March 12, 2015, CTC had 73,958,306 Class A Non-Voting Shares outstanding. The directors and officers are not aware of any person or company that beneficially owns, or controls or directs, directly or indirectly, more than 10% of the outstanding Class A Non-Voting Shares.

How to Vote

Your proxy is being solicited by the management of CTC and the associated costs are being borne by CTC. The solicitation is being made primarily by mail but may also be made by telephone or in person.

Registered Shareholder Voting

You are a registered shareholder if your shares are held in your name and you have a share certificate (*Registered Shareholder*). If you are a Registered Shareholder, you may vote in person at the Meeting or by proxy. See below for details on each voting option.

Voting in Person

If you are a Registered Shareholder and you wish to vote your shares in person at the Meeting, you do not need to complete and return the form of proxy. Please register with CTC's transfer agent, Computershare Trust Company of Canada, upon arrival at the Meeting. Your vote will be taken and counted at the Meeting.

Voting by Proxy

Registered Shareholders have three options to vote by proxy:

- **By Mail**
Complete, date and sign the enclosed form of proxy and return it to CTC's transfer agent, Computershare Trust Company of Canada, in the envelope provided so that it arrives no later than 5:00 p.m. (Toronto time) on Wednesday, May 13, 2015. This will ensure your vote is recorded.
- **By Telephone** (only available to Registered Shareholders resident in Canada or the United States)
Call 1-866-732-VOTE (8683) 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 by telephone, all required information must be entered by 5:00 p.m. (Toronto time) on Wednesday, May 13, 2015. If you vote by telephone, you cannot appoint anyone other than the directors named on your proxy form as your proxyholder.



- **On the Internet**

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 13, 2015.

Signing the enclosed form of proxy gives authority to Maureen J. Sabia, Timothy R. Price or Stephen G. Wetmore, each of whom is a director of the Company, to vote your shares at the Meeting, unless you give such authority to someone else. **You may appoint someone other than the above-named directors to vote your shares by writing the name of this person, who need not be a CTC shareholder, in the blank space provided on 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 CTC's transfer agent, Computershare Trust Company of Canada.

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

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 CTC and with respect to other matters which may properly come before the Meeting.

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

Voting Shares Registered in the Name of a Corporation

To vote shares registered in the name of a corporation or other legal entity, an authorized officer or attorney of that corporation or legal entity must sign the enclosed form of proxy. This person may have to provide proof that he or she is authorized to sign the form of proxy on behalf of the corporation or other legal entity. The completed proxy form must be returned to CTC's transfer agent, Computershare Trust Company of Canada, in the envelope provided so that it arrives no later than 5:00 p.m. (Toronto time) on Wednesday, May 13, 2015. **Shares registered in the name of a corporation or other legal entity cannot be voted by telephone, through the Internet or in person.**

Revoking Your Proxy

If you are a Registered Shareholder, you may revoke your proxy by preparing 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 CTC at the address listed below no later than 5:00 p.m. (Toronto time) on Wednesday, May 13, 2015, or the business day immediately preceding any adjournment of the Meeting, or to the Chairman of the Board of CTC on the day of the Meeting, Thursday, May 14, 2015, or, if the Meeting is adjourned, on the day the Meeting resumes. A registered shareholder may also revoke a proxy in any other manner permitted by law.

Canadian Tire Corporation, Limited
2180 Yonge Street
P.O. Box 770, Station K
Toronto, Ontario M4P 2V8
Attention: Doug Nathanson, Secretary
Fax: (416) 480-2612

Non-Registered Beneficial Shareholder Voting

Information in this section is very important to non-registered beneficial owners of shares. You are a non-registered beneficial owner if your shares are held in the name of an intermediary such as a bank, trust company, securities broker or other intermediary (*Beneficial Shareholder*). Applicable Canadian securities laws require intermediaries to seek voting instructions from Beneficial Shareholders. Accordingly, you will have received from your intermediary a voting instruction form for the number of shares you hold.



If you are a Beneficial Shareholder, you are still entitled to vote and you may vote in person at the Meeting or by providing voting instructions to your intermediary who will act as proxyholder and vote on your behalf. See below for details on each voting option.

Voting in Person

A Beneficial Shareholder who receives a voting instruction form from their intermediary cannot use that voting instruction form to vote shares directly at the Meeting. To vote your shares in person at the Meeting, your intermediary must appoint you as proxyholder. In order to be appointed as proxyholder, insert your name in the space provided on the voting instruction form and follow the return instructions provided by your intermediary. Do not fill in the voting directions as your vote will be taken at the Meeting. **The voting instruction form must be returned to your intermediary well in advance of the Meeting in order to vote the shares in person at the Meeting.** Upon arrival at the Meeting, please register with the transfer agent, Computershare Trust Company of Canada. Since CTC has limited access to the names of its non-registered Beneficial Shareholders, if you attend the Meeting, CTC may have no record of your shareholdings or your entitlement to vote. Accordingly, unless you complete the voting instruction form as indicated above and your intermediary has appointed you as proxyholder you may be unable to vote your shares at the Meeting.

Voting Instructions

Beneficial Shareholders who do not wish to vote in person at the Meeting are still encouraged to vote their shares. You can do so by following the instructions on the voting instruction form provided by your intermediary. Each intermediary has its own procedures, which should be carefully followed to ensure that your shares are voted at the Meeting.

The persons named on the voting instruction form must vote for or withhold from voting your shares in accordance with your directions, unless you let your proxyholder decide how to vote your shares. In the absence of such directions, voting instruction forms received will be voted **in favour of** the election of directors to the Board, the appointment of the external auditor and authorizing the directors to set the external auditor's compensation.

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

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

Revoking Your Voting Instructions

If you are a Beneficial Shareholder, please contact your intermediary for instructions on how to revoke your voting instructions.

Delivery of Proxy-Related Materials

Proxy-related materials will be sent by CTC to the intermediaries and not directly to Beneficial Shareholders. CTC intends to pay for intermediaries to deliver proxy-related materials and Form 54-101F7 (request for voting instructions) to "objecting beneficial owners".

Additional Voting Information

CTC's transfer agent, Computershare Trust Company of Canada, counts and tabulates the votes.

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

Computershare Trust Company of Canada
100 University Avenue
8th 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.



ABOUT THE PROPOSED DIRECTORS

The director biographies beginning on page 9 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*) acquired 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 at March 12, 2015, as well as whether or not each proposed director has met CTC's share ownership guidelines for directors. Each proposed director, other than the President and Chief Executive Officer of CTC (*the President and CEO*) is required to accumulate at least three times the value of the annual director retainer, which currently equates to \$465,000, in Common Shares, Class A Non-Voting Shares or *DSUs* by the fifth anniversary of the director's initial election or appointment to the Board (*the Director Share Ownership Guidelines*). For more information on CTC's share ownership guidelines for directors, see *Director Share Ownership Guidelines* on page 38. For more information on CTC's share ownership guidelines applicable to the President and CEO, see *Executive Share Ownership Guidelines* on page 54.

According to CTC'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.

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 CTC.

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

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

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

Peter B. Saunders and Graham W. Savage will not be standing for re-election at the Meeting.

Position on Majority Voting

The Company's majority voting policy provides that any nominee who receives a greater number of votes "withheld" than votes "for" his or her election by the holders of Class A Non-Voting Shares of CTC in an uncontested election of directors will tender his or her resignation to the Board of Directors promptly following the Annual Meeting of Shareholders. A resignation pursuant to the majority voting policy is to be considered by the Governance Committee which, if it determines it to be appropriate, will recommend that the Board accept the resignation. Under the policy, the Board of Directors is to make its decision – taking into consideration the recommendation of the Governance Committee and whether there exist exceptional circumstances that warrant not accepting the resignation – within 90 days following the Annual Meeting of Shareholders. The Board will announce its acceptance of the resignation, or its reasons for rejecting it, in a news release promptly following its decision. 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 Class A Non-Voting Shares to elect a new director to fill the vacant position. If the vacancy is filled at a meeting of shareholders, holders of Class A Non-Voting Shares will have the ability to vote for or withhold from voting for the new director proposed for election.



The Company has not adopted a majority voting policy with respect to the election of directors by the holders of Common Shares of CTC and relies upon an exemption from the TSX's majority voting requirements available to listed issuers that are controlled by a security holder that beneficially owns, or controls or directs, directly or indirectly, voting securities carrying 50 percent or more of the voting rights for the election of directors as of the applicable record date. Since Martha Billes controls the votes attached to more than 60 percent of the Company's outstanding Common Shares, a majority voting policy would not have any effect on the election of directors by the holders of Common Shares as Ms. Billes can effect the election of such directors with her votes alone. Furthermore, C.T.C. Dealer Holdings Limited, which beneficially owns more than 20 percent of the outstanding Common Shares of CTC, has agreed to vote for the election of the directors proposed by Ms. Billes and C.T.C. Dealer Holdings Limited pursuant to the shareholders' agreement between them, as more particularly described above. As such, since more than 80% of the votes associated with the Common Shares of CTC are required to be cast for directors nominated pursuant to such shareholders' agreement, a majority voting policy would have no meaningful effect on the election of directors by the holders of Common Shares.

Director Nominee Biographies

IAIN C. AITCHISON

Independent



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.

**Howell,
New Jersey,
U.S.A**

Public Board Memberships During Last Five Years:

Canadian Tire Corporation, Limited (2009 – Present)

Director since:
2009

NUMBER OF SHARES AND DSUs BENEFICIALLY OWNED, CONTROLLED OR DIRECTED (as at March 12, 2015)

COMMON SHARES	CLASS A NON-VOTING SHARES	DSUs ⁽¹⁾	TOTAL NUMBER OF SHARES AND DSUs	MARKET VALUE OF TOTAL NUMBER OF SHARES AND DSUs ⁽²⁾	DATE AT WHICH SHARE OWNERSHIP GUIDELINE IS TO BE MET	HAS SHARE OWNERSHIP GUIDELINE BEEN MET? ⁽³⁾
–	6	6,485 ⁽⁴⁾	6,491	\$847,921	May 14, 2014	See Note 4



MARTHA G. BILLES**Independent****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 the Company's co-founder, A.J. Billes, and has beneficially owned or controlled a majority of the Common Shares of CTC since 1997. She is also a director of 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 Doctor of Laws degree from the University of Guelph in 2013 and 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.

**Calgary, Alberta,
Canada**

Director since:
1980

Public Board Memberships During Last Five Years:

Canadian Tire Corporation, Limited (1980 – Present)

NUMBER OF SHARES AND DSUs BENEFICIALLY OWNED, CONTROLLED OR DIRECTED (as at March 12, 2015)

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? ⁽³⁾
1,400,767	5,706	–	1,406,473	See Note 5	February 9, 2008	Yes

OWEN G. BILLES**Not Independent (Canadian Tire Dealer)****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 the Company's 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 the Company in 1992 as Changeover Consultant, Dealer Changeover. He subsequently worked at the Company 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.

**St. Catharines,
Ontario, Canada**

Director since:
2004

Public Board Memberships During Last Five Years:

Canadian Tire Corporation, Limited (2004 – Present)

See Note 6

NUMBER OF SHARES AND DSUs BENEFICIALLY OWNED, CONTROLLED OR DIRECTED (as at March 12, 2015)

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? ⁽³⁾
700,383	754,765	–	1,455,148	See Note 5	May 11, 2009	Yes





Montreal,
Quebec, Canada

Director since:
2013

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 National Bank of Canada and CH Group, owner of the Montreal Canadiens. He is also 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 a 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, Sirius XM Canada Holdings Inc. (formerly, Canadian Satellite Radio Holdings Inc.) and Lumenpulse Inc., 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.

Public Board Memberships During Last Five Years:

Sirius XM Canada Holdings Inc.	(2005 – 2013)
Canadian Tire Corporation, Limited	(2013 – Present)
National Bank of Canada	(2013 – Present)
Questerre Energy Corporation	(2007 – 2012)

See Note 7

NUMBER OF SHARES AND DSUs BENEFICIALLY OWNED, CONTROLLED OR DIRECTED (as at March 12, 2015)

COMMON SHARES	CLASS A NON-VOTING SHARES	DSUs ⁽¹⁾	TOTAL NUMBER OF SHARES AND DSUs	MARKET VALUE OF TOTAL NUMBER OF SHARES AND DSUs ⁽²⁾	DATE AT WHICH SHARE OWNERSHIP GUIDELINE IS TO BE MET	HAS SHARE OWNERSHIP GUIDELINE BEEN MET? ⁽³⁾
–	4,100	1,196	5,296	\$691,839	May 9, 2018	Yes



Toronto, Ontario,
Canada

Current Activities:

Ms. Chant is a Corporate Director and a Fellow of the Chartered Professional Accountants of Ontario. She serves on the boards of Industrial and Commercial Bank of China (Canada) and The Roy Thomson Hall and Massey Hall Foundation and is a member of the Investment Committee which oversees the PwC Income Security Program.

Past Activities:

Ms. Chant retired in 2012 as a partner of Pricewaterhouse Coopers LLP (*PwC*) where she was responsible for leading and growing PwC's Financial Services Risk Management Consulting Practice. Prior to that, she was responsible for PwC's Financial Services Industry Practice and was a member of the Canadian firm's management team. Ms. Chant has been a member of the PwC Canada Partnership Board and has served on the boards of the National Ballet of Canada, National Ballet Foundation and the Empire Club of Canada. She was also a Governor of The Corporation of Massey Hall and Roy Thomson Hall and Chair of its Audit and Finance Committee.

Public Board Memberships During Last Five Years:

N/A

NUMBER OF SHARES AND DSUs BENEFICIALLY OWNED, CONTROLLED OR DIRECTED (as at March 12, 2015)

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? ⁽³⁾
–	–	–	–	–	May 14, 2020	No



H. GARFIELD EMERSON, Q.C.**Independent**

**Toronto, Ontario,
Canada**

Director since:
2007

Current Activities:

Mr. Emerson is Principal, Emerson Advisory, an independent advisory firm, and a Corporate Director. He is a director of Pelmorex Media Inc., Pelmorex Capital Inc., and Sentry Select Capital Corp.

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 CAE Inc., 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.

Public Board Memberships During Last Five Years:

CAE Inc. (1992 – 2013)
Canadian Tire Corporation, Limited (2007 – Present)

NUMBER OF SHARES AND DSUs BENEFICIALLY OWNED, CONTROLLED OR DIRECTED (as at March 12, 2015)

COMMON SHARES	CLASS A NON-VOTING SHARES	DSUs ⁽¹⁾	TOTAL NUMBER OF SHARES AND DSUs	MARKET VALUE OF TOTAL NUMBER OF SHARES AND DSUs ⁽²⁾	DATE AT WHICH SHARE OWNERSHIP GUIDELINE IS TO BE MET	HAS SHARE OWNERSHIP GUIDELINE BEEN MET? ⁽³⁾
–	–	8,302	8,302	\$1,084,523	May 10, 2012	Yes

JOHN A.F. FURLONG**Independent**

**Vancouver,
British Columbia,
Canada**

Director since:
2011

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). He is the Executive Chair of the Vancouver Whitecaps FC, a director of Whistler Blackcomb Holdings Inc. and 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.

Public Board Memberships During Last Five Years:

Canadian Tire Corporation, Limited (2011 – Present)
Whistler Blackcomb Holdings Inc. (2010 – Present)

NUMBER OF SHARES AND DSUs BENEFICIALLY OWNED, CONTROLLED OR DIRECTED (as at March 12, 2015)

COMMON SHARES	CLASS A NON-VOTING SHARES	DSUs ⁽¹⁾	TOTAL NUMBER OF SHARES AND DSUs	MARKET VALUE OF TOTAL NUMBER OF SHARES AND DSUs ⁽²⁾	DATE AT WHICH SHARE OWNERSHIP GUIDELINE IS TO BE MET	HAS SHARE OWNERSHIP GUIDELINE BEEN MET? ⁽³⁾
–	–	3,522	3,522	\$460,108	May 12, 2016	No





Current Activities:

Dr. Goldsberry is a Corporate Director and Chairman of the Board of MBI, a subsidiary of Michigan State University Foundation. He is also a director of Unum Group, a disability insurance company with operations in the USA and the UK, where he is a member of its Finance Committee and Chair of its Governance Committee. Dr. Goldsberry also serves on the Board of Directors of several private companies including ExpressLink Corporation, a leading provider of insurance to automotive dealerships.

Past Activities:

Dr. Goldsberry was a consultant on global automotive practices for Deloitte Consulting. He served as Chairman and CEO of OnStation Corporation (formerly known as Carstation.com), an internet based management solutions provider for automotive dealerships and service centers, from 2000 to 2006. Dr. Goldsberry also held a number of positions with Ford Motor Company over a fourteen year period, including Vice President of Global Service Business Strategy, Vice President and General Manager of Global Ford Customer Service Operations and Executive Director, Sales and Service Strategies for the North American Automotive Operations division. He is a former director of Primerica Corporation, Case Corporation, The Rockefeller Foundation and Stanford University Business School, and former Chairman of Detroit Public Television, vision 007 Youth Center Capital Campaign and United Way for Southeastern Michigan Virgil H. Carr Society Cabinet Committee.

Public Board Memberships During Last Five Years:

Canadian Tire Corporation, Limited (2014 – Present)
 Unum Group (1999 – Present)

**Bloomfield Hills,
Michigan, U.S.A.**

**Director since:
2014**

NUMBER OF SHARES AND DSUs BENEFICIALLY OWNED, CONTROLLED OR DIRECTED (as at March 12, 2015)

COMMON SHARES	CLASS A NON-VOTING SHARES	DSUs	TOTAL NUMBER OF SHARES AND DSUs	MARKET VALUE OF TOTAL NUMBER OF SHARES AND DSUs ⁽²⁾	DATE AT WHICH SHARE OWNERSHIP GUIDELINE IS TO BE MET	HAS SHARE OWNERSHIP GUIDELINE BEEN MET? ⁽³⁾
–	950	–	950	\$124,099	May 8, 2019	No



Current Activities:

Mr. Goodfellow is a Corporate Director and serves as 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. Mr. Goodfellow is a former director of Discovery Air Inc.

Public Board Memberships During Last Five Years:

Canadian Tire Corporation, Limited (2010 – Present)
 Discovery Air Inc. (2008 – 2014)

**Oakville, Ontario,
Canada**

**Director since:
2010**

NUMBER OF SHARES AND DSUs BENEFICIALLY OWNED, CONTROLLED OR DIRECTED (as at March 12, 2015)

COMMON SHARES	CLASS A NON-VOTING SHARES	DSUs	TOTAL NUMBER OF SHARES AND DSUs	MARKET VALUE OF TOTAL NUMBER OF SHARES AND DSUs ⁽²⁾	DATE AT WHICH SHARE OWNERSHIP GUIDELINE IS TO BE MET	HAS SHARE OWNERSHIP GUIDELINE BEEN MET? ⁽³⁾
–	6,000	–	6,000	\$783,780	October 7, 2015	Yes





Current Activities:

Mr. Lampe is a partner, 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.

Public Board Memberships During Last Five Years:

Canadian Tire Corporation, Limited (2012 – Present)

Toronto, Ontario, Canada

Director since:
2012

NUMBER OF SHARES AND DSUs BENEFICIALLY OWNED, CONTROLLED OR DIRECTED (as at March 12, 2015)

COMMON SHARES	CLASS A NON-VOTING SHARES	DSUs ⁽¹⁾	TOTAL NUMBER OF SHARES AND DSUs	MARKET VALUE OF TOTAL NUMBER OF SHARES AND DSUs ⁽²⁾	DATE AT WHICH SHARE OWNERSHIP GUIDELINE IS TO BE MET	HAS SHARE OWNERSHIP GUIDELINE BEEN MET? ⁽³⁾
–	–	2,428	2,428	\$317,209	August 9, 2017	No



Current Activities:

Mr. L'Heureux is President of Gestion Claude L'Heureux Inc., which operates a Canadian Tire Store in Orléans (Ottawa), Ontario.

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 and the Snow Suit Fund of Ottawa.

Public Board Memberships During Last Five Years:

Canadian Tire Corporation, Limited (2011 – Present)

Ottawa, Ontario, Canada
Director since:
2011

See Notes 6 and 8

NUMBER OF SHARES AND DSUs BENEFICIALLY OWNED, CONTROLLED OR DIRECTED (as at March 12, 2015)

COMMON SHARES	CLASS A NON-VOTING SHARES	DSUs ⁽¹⁾	TOTAL NUMBER OF SHARES AND DSUs	MARKET VALUE OF TOTAL NUMBER OF SHARES AND DSUs ⁽²⁾	DATE AT WHICH SHARE OWNERSHIP GUIDELINE IS TO BE MET	HAS SHARE OWNERSHIP GUIDELINE BEEN MET? ⁽³⁾
–	2,310	7,381	9,691	\$1,265,953	May 12, 2016	Yes

MICHAEL B. MEDLINE**If elected, will be not independent (*Management*)**

**Toronto, Ontario,
Canada**

Current Activities:

Mr. Medline is President and CEO of CTC. He is also Vice Chairman of the board of the Retail Council of Canada, Honorary Chair of Canada's Sports Hall of Fame and a member of the board of SickKids Foundation.

Past Activities:

Mr. Medline has held a number of positions over the course of his 14-year career with CTC, including President of FGL Sports Ltd. and Mark's Work Wearhouse Ltd. (*Mark's*), President of Canadian Tire Automotive and Dealer Relations, and Chief Corporate Officer. He has led many of the Company's most important strategic initiatives, including the acquisition of Mark's in 2002, the acquisition and subsequent integration of The Forzani Group Ltd. in 2011, and the Company's partnership with The Bank of Nova Scotia in 2014. Mr. Medline has served on the boards of Canadian Tire Bank, Canadian Tire Jumpstart Charities and Pan Asia Paper Company.

Public Board Memberships During Last Five Years:

N/A

NUMBER OF SHARES AND DSUs BENEFICIALLY OWNED, CONTROLLED OR DIRECTED (as at March 12, 2015)

COMMON SHARES	CLASS A NON-VOTING SHARES	DSUs	TOTAL NUMBER OF SHARES AND DSUs	MARKET VALUE OF TOTAL NUMBER OF SHARES AND DSUs ⁽²⁾	DATE AT WHICH SHARE OWNERSHIP GUIDELINE IS TO BE MET	HAS SHARE OWNERSHIP GUIDELINE BEEN MET?
–	17,935	–	17,935	\$2,342,849 ⁽⁹⁾	December 1, 2019	See Note 10

TIMOTHY R. PRICE**Independent**

**Toronto, Ontario,
Canada**

Current Activities:

Mr. Price is Chairman, Brookfield Funds, Brookfield Asset Management Inc., an asset management company. He is also a director of Brookfield Residential Properties Inc., Fairfax Financial Holdings Limited and St. Michael's Hospital.

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, a director of HSBC Bank Canada, Brookfield Homes Corporation Inc. and Astral Media Inc. and a governor of York University.

Director since:
2007

Public Board Memberships During Last Five Years:

Astral Media Inc.	(2004 – 2012)
Brookfield Homes Corporation Inc.	(2009 – 2011)
Brookfield Residential Properties Inc.	(2011 – Present)
Canadian Tire Corporation, Limited	(2007 – Present)
Fairfax Financial Holdings Limited	(2010 – Present)
HSBC Bank Canada	(2007 – 2015)

NUMBER OF SHARES AND DSUs BENEFICIALLY OWNED, CONTROLLED OR DIRECTED (as at March 12, 2015)

COMMON SHARES	CLASS A NON-VOTING SHARES	DSUs ⁽¹⁾	TOTAL NUMBER OF SHARES AND DSUs	MARKET VALUE OF TOTAL NUMBER OF SHARES AND DSUs ⁽²⁾	DATE AT WHICH SHARE OWNERSHIP GUIDELINE IS TO BE MET	HAS SHARE OWNERSHIP GUIDELINE BEEN MET? ⁽³⁾
–	1,800	14,477	16,247	\$2,122,458	May 10, 2012	Yes





Current Activities:

Maureen Sabia is Non-Executive Chairman of the Board of the Company and President, Maureen Sabia International, a consulting firm. She is also director of Canadian Tire Bank. She 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. She is also a member of the Leadership Council of the Perimeter Institute and of the Board of Governors of the Montreal Economic Institute. In May 2014 she was awarded an LL.D (honoris causa) from Dalhousie University and in October 2014 an LL.D (honoris causa) from Wilfrid Laurier University.

Past Activities:

Maureen Sabia, a lawyer, has had careers in the public and private sectors and served as Chairman of the Export Development Corporation. She has been Chairman of the Audit Committee of CTC, a director of Hydro One Inc. and member of its Audit, Finance & Investment Pension Committee and Business Transformation Committee, Vice-Chairman of the Public Accountants Council for the Province of Ontario and Chairman of the Foreign Affairs and International Trade Canada Audit Committee. She 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 and the Board of Trustees of Brock University where she was also Chairman of its Audit Committee, Chairman of the Sunnybrook Medical Centre Foundation and a member of the Board of Trustees for Sunnybrook Medical Centre. In 2011, Maureen Sabia was appointed an Officer of the Order of Canada and in 2012, she was awarded the Queen’s Diamond Jubilee Medal.

Toronto, Ontario, Canada

Director since:
1985

Non-Executive Chairman of the Board since:
March 8, 2007

Public Board Memberships During Last Five Years:

Canadian Tire Corporation, Limited (1985 – Present)

NUMBER OF SHARES AND DSUs BENEFICIALLY OWNED, CONTROLLED OR DIRECTED (as at March 12, 2015)

COMMON SHARES	CLASS A NON-VOTING SHARES	DSUs ⁽¹⁾	TOTAL NUMBER OF SHARES AND DSUs	MARKET VALUE OF TOTAL NUMBER OF SHARES AND DSUs ⁽²⁾	DATE AT WHICH SHARE OWNERSHIP GUIDELINE IS TO BE MET	HAS SHARE OWNERSHIP GUIDELINE BEEN MET? ⁽³⁾
–	5,987	2,233	8,220	\$1,073,883	February 9, 2008	Yes



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.

Vancouver, British Columbia, Canada

Director since:
2011

Public Board Memberships During Last Five Years:

Canadian Tire Corporation, Limited (2011 – Present)

See Notes 6 and 8

NUMBER OF SHARES AND DSUs BENEFICIALLY OWNED, CONTROLLED OR DIRECTED (as at March 12, 2015)

COMMON SHARES	CLASS A NON-VOTING SHARES	DSUs ⁽¹⁾	TOTAL NUMBER OF SHARES AND DSUs	MARKET VALUE OF TOTAL NUMBER OF SHARES AND DSUs ⁽²⁾	DATE AT WHICH SHARE OWNERSHIP GUIDELINE IS TO BE MET	HAS SHARE OWNERSHIP GUIDELINE BEEN MET? ⁽³⁾
–	1,583	7,960	9,543	\$1,246,702	May 12, 2016	Yes



Toronto, Ontario,
Canada

Director since:
2003

Current Activities:

Mr. Wetmore is Non-Executive Deputy Chairman of the Board. He is also a trustee of CT Real Estate Investment Trust, a publicly-traded trust that is controlled by CTC.

Past Activities:

Mr. Wetmore was appointed President and CEO of CTC on January 1, 2009 and held these positions until November 7, 2013 and December 1, 2014, respectively. Prior to joining the executive team at CTC, Mr. Wetmore was President and CEO of Bell Aliant Regional Communications Income Fund (now Bell Aliant, a subsidiary of BCE Inc.), Group President, Corporate Performance and National Markets of Bell Canada and Executive Vice-President of BCE Inc., President and CEO of Aliant Inc., President and CEO of NewTel Enterprises Ltd., President of Air Atlantic, and Managing Director of Scotia Holdings 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.

Public Board Memberships During Last Five Years:

Canadian Tire Corporation, Limited (2003 – Present)
CT Real Estate Investment Trust (2013 – Present)

NUMBER OF SHARES AND DSUs BENEFICIALLY OWNED, CONTROLLED OR DIRECTED (as at March 12, 2015)

COMMON SHARES	CLASS A NON-VOTING SHARES	DSUs ⁽¹⁾	TOTAL NUMBER OF SHARES AND DSUs	MARKET VALUE OF TOTAL NUMBER OF SHARES AND DSUs ⁽²⁾	DATE AT WHICH SHARE OWNERSHIP GUIDELINE IS TO BE MET	HAS SHARE OWNERSHIP GUIDELINE BEEN MET? ⁽³⁾
–	–	22,271	22,271	\$2,909,307	May 14, 2008 ⁽¹¹⁾	Yes

Notes

- (1) The number of DSUs that each director owns, which includes fractional DSUs, has been rounded down to the nearest whole number.
- (2) The closing price for Common Shares on March 12, 2015 was \$239.50. The closing price for Class A Non-Voting Shares (and accordingly the value of a DSU) on March 12, 2015 was \$130.63. The market value of each director's shareholdings and DSUs (including fractional DSUs) is based upon these closing share prices.
- (3) The value of Common Shares, Class A Non-Voting Shares or DSUs required to meet the Director Share Ownership Guidelines as at the date at which they are required to be met (currently \$465,000) 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 12, 2015. For more information, see *Director Share Ownership Guidelines* on page 38.
- (4) Mr. Aitchison met the Director Share Ownership Guidelines on December 31, 2014 through his ownership of 6,485 DSUs. The Company paid out Mr. Aitchison's DSUs after it determined that it had erroneously enrolled Mr. Aitchison, who is not a Canadian resident, in the DSU Plan for Directors. Directors who are not Canadian residents will be expected to meet the Director Share Ownership Guidelines through the purchase of the Company's shares.
- (5) The value of each of Martha Billes' and Owen 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 12, 2015, exceeds the value required by the Director Share Ownership Guidelines.
- (6) 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 CTC under this program are the same for all participating Canadian Tire Dealers.
- (7) Mr. Boivin served on the board of directors of Toptent Inc. (*Toptent*) from August 2007 until November 2009. Within one year of Mr. Boivin's resignation from the board, Toptent filed a notice of intention to file a proposal with its creditors on April 30, 2010. On May 7, 2010, Toptent filed a commercial proposal under the Bankruptcy and Insolvency Act (Canada), which was subsequently accepted by Toptent's creditors on May 20, 2010. On August 3, 2010, Toptent was discharged from the proposal.
- (8) C.T.C. Dealer Holdings Limited owns 703,784 Common Shares of CTC, representing approximately 20.6% 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 CTC held by C.T.C. Dealer Holdings Limited.



- (9) Mr. Medline also owns units in the CTC Share Fund of CTC's Deferred Profit Sharing Plan, which consists of Common Shares and Class A Non-Voting Shares. As at March 12, 2015, the market value of such units was \$7,356. For a description of CTC's Deferred Profit Sharing Plan, see *CT Profit Sharing* on page 70.
- (10) Mr. Medline is not subject to the Director Share Ownership Guidelines, but is subject to the share ownership guidelines applicable to executives of CTC. For more information on the share ownership guidelines applicable to Mr. Medline, see *Executive Share Ownership Guidelines* on page 54 and *President and CEO Employment Agreement* on page 64.
- (11) Based on the date Mr. Wetmore initially joined the Board of Directors.

The average age of the proposed directors is 65.



Meeting Attendance

The table below lists the number of Board and Committee meetings held in fiscal 2014 and the number attended by each director. Maureen Sabia, Chairman of the Board and Chairman of the Governance Committee, is not a member of any of the other Committees but attends all meetings of those Committees. Martha Billes is a permanent invited guest at meetings of Committees of which she is not a member. Stephen Wetmore was not a member of any Committee while serving as President and CEO but attended Committee meetings as required. Attendance at Committee meetings by the Chairman of the Board and Ms. Billes (with respect to Committees of which they are not members) is designated by shaded boxes below and is included in the total attendance column.

Director ⁽¹⁾	Board ⁽²⁾	Audit Committee	Management Resources & Compensation Committee	Governance Committee	Brand and Values Committee	Total
Iain C. Aitchison ⁽³⁾	13 of 14		4 of 6		2 of 2	19 of 22
Martha G Billes	14 of 14	5 of 5	6 of 6	5 of 5	3 of 3	33 of 33
Owen G. Billes	13 of 14				3 of 3	16 of 17
Pierre Boivin	12 of 14	5 of 5	6 of 6			23 of 25
H. Garfield Emerson	14 of 14	5 of 5				19 of 19
John A.F. Furlong ⁽⁴⁾	14 of 14		2 of 3		3 of 3	19 of 20
Ronald E. Goldsberry ⁽⁵⁾	8 of 9	3 of 3			2 of 3	13 of 15
James L. Goodfellow	13 of 14	5 of 5	6 of 6 (Chairman)	5 of 5		29 of 30
Jonathan Lampe ⁽⁶⁾	14 of 14		3 of 3	5 of 5 (Former Chairman)		22 of 22
Claude L'Heureux	14 of 14				3 of 3	17 of 17
Timothy R. Price	12 of 14			5 of 5	3 of 3 (Chairman)	20 of 22
Maureen J. Sabia ⁽⁷⁾ <i>Chairman of the Board</i>	14 of 14	5 of 5	6 of 6	5 of 5 (Chairman)	3 of 3	33 of 33
Peter B. Saunders	14 of 14		6 of 6			20 of 20
Graham W. Savage	13 of 14	5 of 5 (Chairman)		5 of 5		23 of 24
George A. Vallance	14 of 14				3 of 3	17 of 17
Stephen G. Wetmore ⁽⁸⁾ <i>Former CEO and Deputy Chairman of the Board</i>	14 of 14				1 of 1	15 of 15

Notes

- (1) This table does not include attendance at meetings by Frank Potter who resigned as a director on March 30, 2014. Prior to his resignation, Mr. Potter attended two meetings of the Board of Directors.
- (2) The Board held ten regular and four special meetings in 2014.
- (3) Iain Aitchison was appointed a member of the Brand and Values Committee effective May 8, 2014.
- (4) John Furlong joined the Management Resources and Compensation Committee on May 8, 2014.
- (5) Ronald Goldsberry was elected a director at the Annual Meeting of Shareholders on May 8, 2014 and was appointed to the Audit Committee and the Brand and Values Committee as of this date.
- (6) On May 8, 2014, Jonathan Lampe ceased to be Chairman of the Governance Committee, but remained a member of this Committee, and became a member of the Management Resources and Compensation Committee.
- (7) Maureen Sabia was appointed Chairman of the Governance Committee on May 8, 2014.
- (8) In 2014, while serving as the President and CEO of the Company, Stephen Wetmore attended one of five Audit Committee meetings, all of the Management Resources and Compensation Committee meetings, one of five Governance Committee meetings and all of the Brand and Values Committee meetings. Mr. Wetmore was appointed a member of the Brand and Values Committee on December 10, 2014.



OUR APPROACH TO CORPORATE GOVERNANCE

The Role of the Board

The Board of Directors is responsible for the stewardship of the Company. That role consists primarily of the duty to manage or supervise the management of the business and affairs of the Company.

Within that context, our Board oversees significant corporate actions and makes decisions relating to, among other things: strategic planning; strategic objectives; capital allocation; succession planning; talent management and development; planning for growth, both organic and by acquisition; financial reporting; the development of fundamental policies and systems; the control environment; the management of enterprise risk; and the safeguarding and enhancement of our brand.

The Board fulfills its duties directly, through its Committees and through management.

As set out in our Statement of Principles described under *Our Approach to Shareholder Engagement* on page 27, the Board believes in developing and adhering to strong corporate governance practices and is committed to enhancing those practices over time. In doing so, our directors are mindful that a “one size fits all” approach to corporate governance is often inappropriate for the unique circumstances of individual corporations. In addition, the Board is of the view that good governance alone is not sufficient to enhance our Company’s performance. Rather, the collective actions of capable and dedicated directors, together with talented management, are the drivers of performance.

Our Board constructively challenges management with a view to achieving the best possible decision-making, and uses reasonable efforts to ensure that all major issues affecting the Company are given appropriate consideration. It is informed of the Company’s operations on an ongoing basis through Board and Committee meetings, reports from and discussions with management, and information sessions convened to further the education of directors on specific topics. Moreover, the Board holds working dinners before every Board meeting at which candid discussions with management take place with a view to informally engaging the Board on the issues of most concern to management and the Board and to furthering management’s knowledge of the Board’s perspectives.

Our Board is focused on the Company’s strategy. It is actively involved in developing, approving and overseeing the implementation of the Company’s strategic plan on an ongoing basis. The Board holds an annual two-day strategic planning session 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. Moreover, the Board discusses the Company’s corporate strategy, refinements thereto and monitors implementation progress at every regularly scheduled Board meeting. To allow the Board to focus on strategy and indeed to make the Board’s operations more efficient, it has delegated certain of its authorities to its Committees as more fully discussed on page 22.

The full text of the Board of Directors’ formal Mandate is attached to this Management Information Circular as *Appendix A*.

The Board in 2014

During 2014 the Board continued to oversee the implementation of the Company’s shareholder value initiatives, as well as its growth and productivity initiatives.

The Board oversaw the establishment of the Company’s strategic partnership with The Bank of Nova Scotia (*Scotiabank*) in October 2014. The partnership, under which Scotiabank acquired a 20% equity interest in CTC’s Financial Services business, supports the Company’s objective of mitigating future funding risk and creating opportunities for business growth and benefits for customers across the Company’s retail network.

CT Real Estate Investment Trust (*CT REIT*), which was launched in a successful initial public offering that closed in October 2013, had a successful first full year of operations. Throughout 2014, the Board received reports on the governance and performance of CT REIT and the Company’s other significant subsidiaries.

The Board successfully executed its succession plan for the CEO in 2014. The Board’s belief is that succession planning and talent management and development are among the most valuable contributions a Board can make to the long term success of the company it serves. Stephen Wetmore was appointed the Non-Executive Deputy Chairman of the Board and the Board appointed the Company’s President, Michael Medline, to the position of CEO

of the Company. Moreover, the Board with the help of management continued its in-depth review of the Company's talent pool to determine the breadth and depth of talent as well as opportunities to strengthen the pool to execute successfully the Company's strategy. The Board continues to support management's initiatives to attract talent that will help move the company from being a traditional retailer to the retailer of the future, with enhanced data analytic, digital and e-commerce capabilities.

In 2014, the Board also oversaw the development of the Company's three-year growth strategy and financial aspirations for 2015-2017 and approved the announcement of the strategy and aspirations at the Company's Investor Day in October 2014.

The Board held ten regular and four special meetings in 2014 as well as a number of information sessions. The information sessions are more fully described under *Director Orientation and Continuing Education* on page 25.

Corporate Governance Developments

CTC is committed to strong corporate governance, as reflected in its policies and practices. Management and the Board of Directors regularly review the Company's corporate governance policies and practices developed over the years and evaluate them against developments in the Company's business and the external environment with the objective of ensuring that the Board's practices continue to be comprehensive, relevant, effective and transparent. Highlights of significant developments in the Company's approach to governance over the past five years are as follows:

- The Board's Mandate was reviewed and amended in 2010 to include a duty to oversee the state of the Company's relationship with its Dealers. The Board fulfills this duty through consideration of qualitative and quantitative measures 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 CTC enterprise is being maximized. Benefits from the Board's focus on this area have included a strong relationship with the Company's Dealers, evidenced by the approval in 2013 of a new form of agreement between the Company and Dealers, more than a year in advance of the expiry of the old agreement.
- In 2011, the Board 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. This policy is described under *Our Approach to Shareholder Engagement* on page 27.
- With the Company's focus on its brand equity, the strong ties between the Company's community, charitable, and environmental investments and the Company's brand, and the importance of enhancing and protecting the Company's major brands, in 2013 the Board expanded the mandate of its Social Responsibility Committee and re-named it the Brand and Values Committee. The duties of the Brand and Values Committee are summarized in its report on page 35.
- Earlier this year, the Board formalized its expectations with respect to the number of boards on which its directors may serve, while also serving on the Board, maintaining its assurance that its directors are able to devote the time, resources and energy that is required for participation on our Board.
- The development of the Company's enterprise risk management program has continued with quarterly Audit Committee and annual Board oversight of developments and reporting. The Company's principal risks are identified by the Board, and its risk exposures are monitored and reported on by management to the Audit Committee. This program is more fully described on page 28.

Highlights of changes to our governance practices over the past five years, made with a view to improving Board productivity, are as follows:

- Committee Mandates were enhanced to delegate more authority to Committees to allow the Board to operate more efficiently and effectively and focus on strategic initiatives. In addition, the Governance Committee was constituted to include the Chairmen of the four Committees and the controlling shareholder, which facilitates information sharing and effective leadership of the Board.
- The Governance Committee has continued to refine the performance assessment process for the Board, its Committees and individual directors with a view to enabling and encouraging assessments that provide open and constructive feedback to Board members.
- The practice of holding Board dinners prior to each Board meeting, which allows the Board more time for educational presentations and informal engagement with management, was continued. The President and CEO takes advantage of these opportunities to discuss matters with the Board. This practice helps to make the next day's Board meeting more productive and effective by enabling informal discussion of matters on the Board agenda and matters that may be of particular interest to Board members. These dinners have the added



advantage of strengthening relationships among the directors and between the President and CEO and the Board, which improves the boardroom dynamic.

Chairman of the Board

The primary focus of the non-executive Chairman, who is independent, is on governance 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. Her goal is to maintain an effective Board culture and a productive boardroom dynamic at all times and in all situations.

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

The Chairman is responsible for forging a strong relationship with the President and CEO, so that they develop a shared context, agree on fundamental values and ethical standards, understand the accountabilities and boundaries of their respective roles, and engage in productive discussions on issues, whether or not they agree.

In addition, the Chairman is responsible for forging, managing and nurturing relationships among her colleagues on the Board, between the Chairman and her colleagues, between management and the Board, between the President and CEO and the Board and with the controlling shareholder with the expectation that strong relationships, coupled with knowledge of the issues, can lead to better decision-making. She aspires to facilitate a relationship between the Board and management that is constructive and collaborative, while at the same time maintaining a healthy tension between the two and, on the part of the Board, an attitude of healthy scepticism.

The Chairman, who is also the Chairman of the Governance Committee, works closely with members of the Governance Committee on Board renewal, matters related to Board and Committee composition and the effective discharge of their mandate. She is involved in consideration of the Company's strategies, risks, current and anticipated priorities and succession planning for key Board positions as well as the recruitment of new directors, the assessment of current directors and in determining what skill sets are required on the Board at any given time. She encourages Board members to become knowledgeable about the business and provides opportunities for them to do so.

The Chairman's specific duties include setting the agenda for Board meetings in consultation with the President and CEO and reviewing briefing materials in advance of them being sent to the Board. She consults regularly with the Committee Chairmen and with members of the Board, keeping them apprised of issues as they arise and of new developments between Board meetings. She also seeks their advice as issues arise between meetings.

Additional information about the duties of the Chairman of the Board is available 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
- Brand and Values Committee.

The Board has delegated a number of its approval responsibilities to its Committees, as permitted by law, in order to enable the Board to operate more efficiently and permit it to spend more time on strategic issues. The Board has approved a Mandate for each Committee which reflects this delegation of authority. 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.

The Chairman of the Board meets regularly with the Committee Chairmen and, as Chairman of the Governance Committee, also meets with those Committee Chairmen at meetings of the Governance Committee. The Governance Committee is comprised of all Committee Chairmen, the Chairman of the Board, Martha Billes and Jonathan Lampe. The Chairman of the Board also attends all meetings of the other Committees. Every director may attend the meetings of a Committee either by invitation or at the discretion of the Chairman of such Committee.

Each Committee has provided a report starting on page 30 highlighting its duties under its Mandate and its significant achievements during 2014.

Independence of the Board

The Board of Directors is comprised of a majority of directors who are independent, as that term is defined in the requirements and guidelines adopted by securities regulators in Canada. The Board is led by an independent, non-executive Chairman who also serves as Chairman of the Governance Committee. Each Committee is chaired by an independent Chairman.

Criteria for assessing independence

Our assessment of whether a director is independent starts with the basic question as to whether there are any relationships that have been identified that could reasonably be expected to interfere with the exercise of the director's independent judgment. That analysis is augmented, where required, to ensure compliance with certain presumptive standards that are applicable to members of the Audit Committee, for example.

By way of example, any director who also is a member of management is not considered to be independent. 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, such relationship generally is considered to be one that could reasonably be expected to interfere with the exercise of the director's independent judgment 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, exceeds a percentage of the 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 could reasonably be expected to interfere with the exercise of the director's independent judgment. In addition, if a nominee for director who acted as a consultant or other service provider to the Company received more than \$75,000 in fees from the Company during the year prior to his or her appointment, that director generally would not be considered independent.

Determinations of independence

When assessed against the above criteria, the Governance Committee determined that all of the proposed and current directors, except Michael Medline, Stephen Wetmore, Owen Billes, Claude L'Heureux and George Vallance, are independent.

Mr. Medline is the President and CEO of the Company and, therefore, is not independent.

Mr. Wetmore, the Non-Executive Deputy Chairman of the Board, was the CEO of the Company until December 1, 2014 and, as such, is not independent.

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 contribute significantly to the effective governance of the Company.

Martha Billes, as controlling shareholder of the Company, and Jonathan Lampe, as a partner of a law firm that provides services to the Company, would not be considered independent for purposes of the composition of the Audit Committee under National Instrument 52-110 – *Audit Committees (NI 52-110)*. Neither is a member of the Audit Committee.



In determining that Ms. Billes otherwise is independent, the Governance Committee and Board have taken into account a number of factors, including:

- (a) 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.
- (b) Other than her familial relationship with Owen Billes, who is the beneficial owner of a significant portion of the shares controlled by Ms. Billes and a Canadian Tire Dealer, there are no familial or commercial relationships between Ms. Billes and any other director, director nominee or executive of the Company.
- (c) The contractual arrangements between the Company and individual Canadian Tire Dealers, including the arrangements with Owen Billes, are in a standard form across the Dealer network and, while the Dealer relationship as a whole is monitored by the Board, individual Dealer relationships are not the subject of review by the Board or its Committees.
- (d) Ms. Billes' investment in the Company is a fundamental portion of her equity holdings and she has demonstrated, since acquiring control of the Company in 1997, that she has a long term interest in the viability, growth and prosperity of the Company that her family founded and is committed to corporate governance practices that include the engagement and oversight of effective management, as well as the election of directors who are independent of her and the Company.

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

Independent Chairman of the Board

Maureen J. Sabia is Non-Executive Chairman of the Board of Directors and is an independent director. She is responsible for leading highly effective performance by the Board.

Independence of Committees

All members of the Board's Committees, except for four directors serving on the Brand and Values Committee, are independent. The Brand and Values Committee is comprised of independent directors, Stephen Wetmore, the former CEO of the Company, and three directors who are not independent because they are Canadian Tire Dealers. These Dealers operate stores under the Canadian Tire brand and contribute their perspectives to the Committee's oversight of the management and mitigation of risks to, and enhancement of, brand value.

None of the current members of any of the Committees, except for Stephen Wetmore and Owen Billes, is a current or former employee of the Company. Mr. Wetmore ceased to be an employee of the Company on December 31, 2014. Mr. Billes ceased to be an employee of the Company more than five years ago.

Other independence mechanisms

The Board (including the directors who are Canadian Tire Dealers, none of whom is independent) enhances independence by conducting *in camera* sessions without management present. These sessions take place at each regularly scheduled Board and Committee meeting and are conducted by the Chairman of the Board and the Chairmen of the Committees, respectively. On occasion, special purpose Board and Committee meetings are convened, at which sessions without management present are held as appropriate.

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 *in camera* meetings that do not include Canadian Tire Dealers.

Changes to Our Board

The Governance Committee is engaged in an ongoing evaluation of the changing skills and experience required by the Company to guide its Board renewal process. It considers changes to the Company's strategies, risks, current and anticipated priorities, 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. The Board has not adopted a written policy relating to the identification and nomination of women directors; it considers

the level of representation of women on the Board as part of its assessment of the Board's strengths and the Company's needs.

The Governance Committee and the Chairman of the Board consult with their fellow directors and with their collective extensive networks, including search firms where appropriate, to identify appropriate potential candidates for the Board.

The Governance Committee reviews prospective nominees' qualifications under applicable laws, regulations and rules. Nominees are selected for qualities such as integrity and ethics, business judgment, independence, business or professional expertise and experience, board experience and residency. Led by the Chairman of the Board, who is also the Chairman of the Governance Committee, the Governance Committee proposes nominees for all directors, including the directors nominated by C.T.C. Dealer Holdings Limited. Members of the Governance Committee review each candidate's biographical information, assess each candidate's suitability and consider 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 relevant experience is represented on the Board. As part of the selection process, the President and CEO is kept informed about all potential candidates and, as appropriate, arrangements are made to have potential Board 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.

The Company has not adopted a target regarding women on its Board because it believes that a less formulaic approach to board composition, together with a rigorous search for qualified candidates, will best serve the Company. There are currently two women on the Board, which is 12.5% of the 16 directors, and if all of the proposed nominees are elected, there will be three women, or 18.75% of the 16 directors, on the Board.

The Company has not adopted a policy that would require a director to retire after a fixed period of tenure. It believes that its continual evaluation of the changing skills and experience that are required, together with its rigorous performance assessment processes, facilitate appropriate Board renewal. In our view, the Company's more fluid, needs focused and less formulaic approach to Board renewal is far more effective than the application of rigid and prescribed rules relating to term limits.

Director Orientation and Continuing Education

To maintain reasonable assurance that every new director engages in a comprehensive orientation process and that all directors are provided with continuing education opportunities, the Governance Committee ensures that each new director is provided with a comprehensive manual containing information on the Company and the Board and such other written materials about the Company as he or she may request. The Governance Committee also 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, and makes available to every director the opportunity, at the expense of the Company:

- (a) to attend any conference, seminar, course or other educational experience which is intended to expand corporate directors' knowledge and skills, and which is approved by the Chairman of the Board;
- (b) to visit the Company's principal operating locations and to discuss the operation of those locations with the managers of those locations; and
- (c) 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 each new director to develop an individualized orientation program that is designed to enhance the director's 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. 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 matters relevant to the Company and its business. The Board also receives periodic updates as to significant economic and capital market developments.

In 2014, the Board held in-depth informational sessions, both as part of and in addition to the Board's regular and special meetings, on the Company's proposed shareholder value initiatives, opportunities for growth and cyber-risk.

Board Assessments

The performance and effectiveness of the Board, the Committees of the Board, the Chairman of the Board and individual directors (including in their capacity as Committee members) are regularly assessed under the management of the Governance Committee through a process that is intended to encourage candid and constructive commentary.

Assessment of the Board and Committees

An assessment of the performance of the Board and its Committees is generally conducted every two years. Directors are asked to complete an online survey and provide their views in respect of a number of areas regarding the Board, including the Board's composition, practices, relationship with management as well as its oversight of the Company's strategy, President and CEO and officer succession and performance, financial reporting and internal controls, identification and management of risks, and corporate governance and social responsibility practices. Directors are also asked to evaluate the performance and effectiveness of the Committees on which they serve against a number of criteria, including each Committee's composition, practices, relationship with the Board and management, and performance and fulfillment of the Committee's responsibilities under its Mandate. A composite report of the results is reviewed by the Governance Committee and the Board, which use the report to identify and remediate any aspects of the Board's performance which do not meet the Board's rigorous standards. The Committees also consider the results of the assessment that address their performance.

Assessment of Directors

An appraisal of each director's performance (including in his or her capacity as a member of the Committees on which such director serves) is also generally conducted every two years, alternating from the year during which the Board and its Committees are assessed. Directors are asked to evaluate through the completion of an online survey the performance of their fellow Board members (with the exception of the President and CEO and the Chairman of the Board who are assessed under separate processes) against criteria expected of an effective director. The results of the individual director performance assessments are reviewed by the Chairman of the Governance Committee (where that position is held by a director other than the Chairman of the Board) and the Chairman of the Board privately with each individual director. The results of the individual director evaluation process is one of the factors



that is taken into account when considering the director nominees to be recommended to the Company's shareholders and in determining the membership of Committees.

Assessment of the Chairman of the Board

The performance of the Chairman of the Board is assessed annually. Directors are asked to provide a written narrative evaluation of the Chairman of the Board's performance over the past year, taking into account how well the Chairman of the Board has led the Board in fulfilling its Mandate. The narrative evaluation format is intended to solicit more direct and constructive feedback. The results of the evaluation are reviewed by the Chairman of the Governance Committee (or another designated member of the Governance Committee in the case where the Chairman of the Board also serves as the Chairman of the Governance Committee) with the Chairman of the Board, and are also discussed at meetings of the Governance Committee and the Board.

Our Approach to Shareholder Engagement

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

- We believe in developing and adhering to strong corporate governance practices and are committed to continually enhancing those practices. We are mindful, however, that a "one size fits all" approach to corporate governance is often inappropriate for the unique circumstances of individual corporations. In addition, we are of the view that good governance alone is not sufficient to enhance our Company's performance. Rather, capable and dedicated directors, together with talented management, are the drivers of performance.
- The governance of a large public corporation is a complicated task, requiring a grasp of complex information about the corporation and its businesses. We believe that this task is best understood and managed by our Board of Directors, the members of which have been given the legal responsibility for stewardship of the Company and acting in its best interests. We are committed to maintaining rigorous selection and assessment criteria that require directors to be knowledgeable about our businesses and to employ a disciplined approach to compensation, succession, risk management and the many other factors that affect long-term performance.
- We also believe that maintaining open lines of communication with our shareholders on key matters is of critical importance. Our Board and management are always interested in the views of shareholders and we have worked to develop a trusted relationship with the investment community. We are committed to comprehensive and transparent reporting on matters of importance to our shareholders.
- We believe that it is difficult for shareholders and other external constituents to be effectively involved in the day-to-day structural and governance decisions affecting the Company. In order to perform this decision-making function properly, one needs to be continually involved with the Company, its inner workings, its personnel and its corporate strategy – all matters which fall to the directors and management. Our directors are committed to employing their time, energy, experience and expertise to understand shareholder views in the context of the complexities of the Company and to protecting and advancing in good faith the best interests of the Company.

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

Subsidiary Boards

Except as set out below, all boards of the significant companies and trusts that the Company controls are wholly comprised of members of CTC's executive team.

The Board of Trustees of CT REIT, a publicly traded entity in which the Company owns a majority interest, is comprised of seven trustees. Serving on the Board of CT REIT are the President and Chief Executive Officer of CT REIT, Ken Silver; Stephen Wetmore, the Non-Executive Deputy Chairman of CTC's Board; Dean McCann, the Chief Financial Officer of CTC; and four independent trustees who collectively have significant management expertise in the real estate and retail industries as well as financial and governance expertise.

CTC has an indirect, 80%-interest in CTFS Holdings Limited (*CTFS Holdings*). The remaining 20% is held by Scotiabank. Canadian Tire Bank (*CTB*) is a wholly owned subsidiary of CTFS Holdings. The Board of Directors of



CTFS Holdings and CTB are identical, each being comprised of 10 directors. Serving on the CTFS Holdings and CTB Boards are the Chief Operating Officer of CTFS Holdings and President and Chief Executive Officer of CTB, Mary Turner, three directors of CTC, two executives of CTC, and four independent directors with significant management expertise in banking, two of whom are nominees of Scotiabank. The three directors of CTC who are cross-appointed to the CTFS Holdings and CTB Boards are Owen Billes, Maureen Sabia and Graham Savage. The two executives from CTC are James Christie and Dean McCann.

Enterprise Risk Management

The Board oversees the development and implementation by management of the Company's enterprise risk management program. The Board has identified eleven principal risks. The Company defines a principal risk as one that, alone or in combination with other interrelated risks, could have a significant adverse impact on the Company's brand, reputation, financial performance or ability to service its customers and has, in the absence of controls, a credible probability of occurring. As such the mitigation and management of principal risks is approached holistically with a view to ensuring that all risk exposures associated with a principal risk, including the impact of more than one principal risk occurring, are considered. The Board reviews reports from management on the principal risks associated with the Company's business and operations, approves policies that govern the principal risks of the Company, and reviews management's implementation of systems to manage these risks and any material deficiencies in the operation of these systems. The Audit Committee is responsible for reporting to the Board on the effectiveness of the Company's enterprise risk management program and receives, on a periodic basis, a report from management that considers the risk exposure of the principal risks. More information on the Company's enterprise risk management program is included in the Company's Management's Discussion and Analysis and Annual Information Form for the year ended January 3, 2015 (*the 2014 AIF*), which are available on the Company's website at www.corp.canadiantire.ca and on SEDAR at www.sedar.com.

CTB is a Schedule I chartered bank that is regulated by the Office of the Superintendent of Financial Institutions (*OSFI*) and, as such, is subject to all of the risk management reporting and other related requirements of OSFI. The CTB Board and its Committees meet quarterly or more frequently as circumstances warrant. The CTB Board approves policies that govern the principal risks of the Bank and the Audit and Risk Management Committee of CTB reviews reports from management on the principal risks associated with CTB's business and operations and assesses management's implementation of systems to manage these risks and any material deficiencies in the operation of these systems. The Chairman of the CTB Board, James Christie, reports to the Company's Board on a quarterly basis on the CTB Board's oversight of CTB. CTB's compliance with its risk management policies, among other matters overseen by the Audit and Risk Management Committee of CTB, is reported to the Company's Audit Committee by Graham Savage, the Chairman of the Company's Audit Committee and a member of CTB's Audit and Risk Management Committee.

CT REIT has adopted the Company's enterprise risk management program for the monitoring and management of its risks and will continue to develop its program during 2015. The risks associated with CT REIT are incorporated into the risk reporting provided to and overseen by the Company's Audit Committee. Further information on CT REIT's enterprise risk management program and the risks associated with CT REIT are included in CT REIT's Management's Discussion and Analysis and Annual Information Form for the year ended December 31, 2014, which are available on the REIT's website at www.ctreit.com and on SEDAR at www.sedar.com.

Code of 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 Doug Nathanson, General Counsel, Chief Human Resources Officer and Secretary at Canadian Tire Corporation, Limited, 2180 Yonge Street, P.O. Box 770, Station K, Toronto, Ontario M4P 2V8. The Codes are also available on the Company's website 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 in 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:

- (a) the receipt, retention and treatment of complaints and concerns received by the Company regarding accounting, internal accounting controls or auditing matters; and
- (b) 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:

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

Conflicts of Interest

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.

Additional Information

For 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 36 of this Management Information Circular.

The Company's executive compensation program is overseen on behalf of the Board of Directors by the MRC Committee. 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 40 of this Management Information Circular.

The Board has approved written position descriptions for the Chairman of the Board and the chairs of each Board Committee. 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. A written position description is also 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.



COMMITTEE REPORTS

Each of our Board Committees has prepared a report that includes an overview of the work that the Committee does each year and provides highlights of their work in 2014. The responsibilities of our Committees are also set out in their Mandates which are available on CTC'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.

Additional information about our Audit Committee as required by NI 52-110 is contained in our 2014 AIF, which is available on the Company's website at www.corp.canadiantire.ca and on SEDAR at www.sedar.com.

Audit Committee Report

The following report has been approved by the members of the Audit Committee: Graham W. Savage, *Chairman*, Pierre Boivin, H. Garfield Emerson, Ronald E. Goldsberry and James L. Goodfellow.



G.W. Savage
Chairman



P. Boivin



H.G. Emerson



R.E. Goldsberry



J.L. Goodfellow

Responsibilities

Our Audit Committee oversees the Company's quarterly and annual financial reporting as required by applicable laws and regulations. As part of this process, the Committee reviews the external auditor's audit plan and their performance, monitors the auditor's independence, approves non-audit services where appropriate and reviews the results of the external audit, including any internal control issues identified during the course of the audit. It also reviews the internal auditor's annual audit plan and the reports issued by the internal auditor during the year, as well as the adequacy and appropriateness of management's actions in response to internal audit reports. The Audit Committee also oversees CTC's enterprise risk management program, including the identification of principal risks, and reviews the Company's risk management policies, management's reports on their assessment of these risks and management's plans and programs for mitigating them.

2014 Highlights

Highlights of work that the Committee did during 2014, in addition to its statutory and regulatory responsibilities for financial reporting and disclosures, its monitoring of the external and internal auditors and its governance of CTC's risk management, include:

- as a result of the continued evolution of the impact of digital within the retail landscape, reviewing the scope of the Company's Information Security program which addresses, among other things, the Company's cyber risk management model, and how management mitigates cyber risks;
- reviewing the Company's legal risk management governance framework;
- reviewing the technical accounting and financial reporting matters relating to the Company's strategic partnership with Scotiabank;
- receiving reports from the Audit Committees of CT REIT and CTB, and assessing any implications for CTC;
- evaluating the accounting and reporting implications of the new Dealer contract;
- recommending to the Board the early retirement of a portion of the Company's long-term debt;
- reviewing reports on the development and enhancement of the Company's financial systems and process re-engineering programs;
- reviewing reports on the Company's anti-fraud controls and processes;
- reviewing reports on the CEO/CFO certification process to ensure it is kept current and operating effectively;
- developing a formalized approach for the annual performance assessment of the external auditors; and



- reviewing and recommending to the Board changes to the Mandate of the Audit Committee to reflect changing business conditions or regulatory requirements.

Auditor's Fees

The table below shows the fees that Deloitte received for services for the financial years ended December 28, 2013 and January 3, 2015, respectively.

Auditor's Fees	2013 (ended December 28, 2013)	2014 (ended January 3, 2015)
Audit fees	\$3,325,006	\$3,742,000
Audit-related fees	\$2,217,283	\$993,000
Tax fees	\$413,491	\$160,000
All other fees	\$236,675	Nil
Total	\$6,192,455	\$4,895,000

For more information about the fees paid to our Auditors, see pages 34 and 35 of the 2014 AIF.

Management Resources and Compensation Committee Report

The following report has been approved by the members of the Management Resources and Compensation Committee: James L. Goodfellow, *Chairman*, Iain C. Aitchison, Martha G. Billes, Pierre Boivin, John A.F. Furlong, Jonathan Lampe and Peter B. Saunders.



J.L. Goodfellow
Chairman



I.C. Aitchison



M.G. Billes



P. Boivin



J.A.F. Furlong



J. Lampe



P.B. Saunders

Responsibilities

Our MRC Committee oversees the Company's management resources and compensation strategy, plans, policies, procedures and practices, as well as talent management strategies for the Company. The Committee recommends to the Board CTC's executive compensation philosophy, reviews the adequacy, competitiveness, internal equity and cost effectiveness of the design of CTC's compensation programs, assesses the linkage of CTC's executive compensation philosophy and incentive plans to CTC's performance and business strategy, and reviews the relationship between enterprise risk and CTC's executive compensation plans and policies to confirm that the level of risk exposure continues to be acceptable. The Committee also recommends the President and CEO's performance objectives to the Board, oversees the process for evaluating the President and CEO and, in consultation with our compensation advisors, recommends to the Board the annual compensation for the President and CEO and his direct reports.

In discharging its responsibilities for talent development, the Committee reviews reports and presentations on the Company's talent management strategies, which provide assurance that appropriate mechanisms are in place for the development and advancement of high-potential candidates and the determination of potential replacements for key leadership roles in the event of emergency. Additionally, the Committee reviews any proposed major changes in organizational structure or personnel of the Company with the President and CEO and makes recommendations to the Board over such matters.

2014 Highlights

A major focus of the Committee's work and attention in 2014 was working with the Chairman of the Board, the Board of Directors and Mr. Wetmore to ensure there was a smooth and effective transition of the CEO's responsibilities, which culminated in recommending to the Board the appointment of Mr. Medline as President and CEO on December 1, 2014. Additional highlights of work that the Committee did during 2014, beyond its review and approval of the 2015 executive compensation plans and programs and executive succession planning, include:

- increasing the Committee's focus on talent management, including reviewing management's reports on their key focus areas for talent development, talent identification and gap analysis, performance assessment approaches, talent composition and succession planning;



- receiving reports on the Company's CT Profit Sharing program and CT Savings Plan, approving profit sharing distributions and discussing how these plans should be reviewed, going forward;
- working with our compensation advisors to continue to monitor the marketplace regarding trends and best practices relating to compensation philosophy and incentive plans for executives;
- reviewing the CEO's assessment of the individual performance of his direct reports against the Company's strategic objectives to ensure alignment between performance results and the 2014 Short-Term Incentive Plan awards;
- reviewing and recommending to the Board the compensation discussion and analysis section of CTC's management information circular; and
- reviewing and recommending to the Board changes to the Mandate of the MRC Committee to reflect changing business conditions or regulatory requirements.



Governance Committee Report

The following report has been approved by the members of the Governance Committee: Maureen J. Sabia, *Chairman*, Martha G. Billes, James L. Goodfellow, Jonathan Lampe, Timothy R. Price and Graham W. Savage.



M.J. Sabia
Chairman



M.G. Billes



J.L. Goodfellow



J. Lampe



T.R. Price



G.W. Savage

Responsibilities

Our Governance Committee oversees the Company's approach to corporate governance in order to assist the Board to discharge its duties in a highly effective manner. The Committee reviews its criteria for selecting new directors, reviews the competencies and skills required in directors and in the Board as a whole, maintains an evergreen list of prospective director nominees, recommends directors to the Board for approval as nominees, considers the individuals proposed for appointment to the CTB Board as well as the proposed candidate for appointment as Chairman of the Board of CTB, considers the individuals proposed by the Company to be nominated for election as trustees of the Board of CT REIT, recommends to the Board the appointment of the Chairman of the Board, and appoints the Chairmen and members of Committees other than the Chairman and members of the Governance Committee, which it recommends to the Board for approval. The Committee recommends the criteria for evaluating the independence of directors and assesses their independence against those criteria, recommends the process for assessing the performance of the Board, Committees, individual directors and the Chairman of the Board, and reviews and recommends for approval the form and amount of the Chairman of the Board's and directors' compensation. It evaluates the adequacy of Board and Committee Mandates, reviews and evaluates processes for directors' orientation and education activities, and reviews the ongoing relationship between the Board and management. The Committee monitors developments and best practices in corporate governance and reviews the Board's governance practices with a view to continually improving the Board's corporate governance standards.

2014 Highlights

Highlights of work that the Committee did during 2014, in addition to selecting and proposing director nominees, assessing the performance of the Chairman of the Board, and recommending the governance portions of CTC's management information circular to the Board for its approval, include:

- evaluating the changing skills and experience required by the Company to guide its Board renewal process, considering changes to the Company's strategies, risks, current and anticipated priorities, succession planning for key Board positions and the composition of the Board, and interviewing potential nominees for director in that context;
- assessing Committee Mandates and Committee Chairmen position descriptions to ensure that they are current and adequately reflect roles and responsibilities, recommending to the Board changes to Committee Mandates and approving amendments to Committee Chairmen position descriptions in accordance with its delegated authority;
- streamlining the process for assessing the performance of the Board, Committees, individual directors and the Chairman of the Board and developing a new format for assessing the Chairman of the Board to generate more meaningful feedback;
- developing and recommending to the Board a policy which formalizes the Board's expectations with respect to the number of public company boards on which the Company's directors may serve while also serving on the Board; and
- revising the directors' compensation program, including the compensation of the Chairman of the Board, in a manner that recognizes the increased workload demands on directors given the complexities of the Company's business and the importance of recruiting and retaining highly qualified directors.



Brand and Values Committee Report

The following report has been approved by the members of the Brand and Values Committee: Timothy R. Price, *Chairman*, Iain C. Aitchison, Owen G. Billes, John A.F. Furlong, Ronald E. Goldsberry, Claude L'Heureux, George A. Vallance, and Stephen G. Wetmore.



T.R. Price
Chairman



I.C. Aitchison



O.G. Billes



J.A.F. Furlong



R.E. Goldsberry



C. L'Heureux



G.A. Vallance



S.G. Wetmore

Responsibilities

The strength of the Canadian Tire brand and the strength of the brands represented in the Canadian Tire family of companies are integral to the Company's long-term financial and operational success.

The Board of Directors established the Brand and Values Committee in December 2013 to oversee management's strategies to use the Company's brands to create value for shareholders and in recognition of the vital importance that the Company places on the strength of its brands.⁽¹⁾

The Committee monitors the performance of the Company's most significant brands through regular meetings with management and by reviewing brand performance against pre-established metrics that are tracked through monthly research. The Committee's authority extends beyond typical marketing metrics and examines the Company's brand health through a broader lens, including the perceptions of customers, employees, community partners, suppliers, dealers/franchisees, investors and governments. The scope of the Committee's work includes any aspect that may affect the strength of the Company's brands, including the Company's role as a good corporate citizen.

2014 Highlights

The Committee worked with management to establish the audiences who the Company must 'win with' and the brand attributes and metrics that will be tracked monthly and quarterly for each such audience. Management worked throughout the year to establish metrics that are relevant to each audience based on the core brand attributes of CTC. This is the first time the Company has had common metrics across all of its business units that allow for 'like for like' comparisons between business units.

The Committee established a quarterly work plan, including reviewing a new 'consumer brand dashboard' at each meeting. As the Company enters 2015, it now has more than five quarters of data to demonstrate the relative movement of each brand metric over a longer period of time.

Given the Committee's responsibilities stretch across all aspects of the Company's brand, including sustainability and community efforts, the Committee established a framework to review the Company's sustainability performance against those of other companies on industry-leading metrics. Additionally, the Committee commenced its oversight over all community investments, including corporate efforts for Jumpstart Charities.

Note

(1) At its most recent meeting held in March 2015, the Brand and Values Committee agreed to change its name to the Brand and Community Committee to better reflect its Mandate.



DIRECTOR COMPENSATION

CTC'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 CTC and its shareholders.

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

Director Fees

A director who is not an employee or officer of CTC is compensated for his or her services through a combination of retainers and attendance fees. Director compensation is paid in cash and/or DSUs at the option of each director.

Directors are also reimbursed for travel and other expenses they incur to attend shareholder meetings or Board and Committee meetings.

The table below lists the fees our directors (including the Chairman of the Board) were entitled to receive during 2014. Mr. Wetmore did not receive any of these fees.

Fees	Amount
Annual Retainer	
Chairman of the Board	\$400,000
Directors	\$155,000
Audit Committee Chairman	\$30,000
MRC Committee and Governance Committee Chairmen	\$17,500
Brand and Values Committee Chairman	\$11,000
Committee Member (<i>All Committees</i>)	\$5,000
Meeting Fees⁽¹⁾⁽²⁾	
Board Meeting	\$2,000
Audit Committee Meeting	\$2,750
MRC Committee, Governance Committee and Brand and Values Committee Meeting	\$2,000
Telephone meetings of less than 60 minutes	
• Board Meeting	\$1,000
• Audit Committee Meeting	\$1,375
• MRC Committee, Governance Committee and Brand and Values Committee Meeting	\$1,000
Travel Fee	
When travel time for a round trip to attend meetings was more than four hours	\$1,500

Notes

(1) The Chairman of the Board does not receive fees for attending meetings of the Board or Committees.

(2) Meeting fees are also payable to directors who attend meetings of Committees of which they are not members either by invitation or at the discretion of a Committee Chairman.



2014 Director Compensation Changes

In 2013, a market study was undertaken to assist the Governance Committee in a review of the Company's director compensation framework (which had not changed since 2008, apart from increases to Committee Chairmen retainers). A review of publicly available information indicated that total compensation of a representative Board member of CTC in 2013 was approximately \$40,000 below the median compensation of directors of companies in the S&P/TSX 60 Index (*the TSX 60*) (assuming attendance at a similar number of meetings and participation on a similar number of committees). Based on this analysis as well as other considerations, including the increased workload demands on directors given the complexities of CTC's business and the importance of recruiting and retaining highly qualified directors, the Governance Committee recommended an increase to the annual director retainer to \$155,000 from \$120,000 and the introduction of an annual Committee member retainer of \$5,000 for each Committee. The Board approved these recommended changes, which became effective as of January 1, 2014.

A second market review was undertaken in 2014 to assist the Governance Committee in assessing the compensation of the Chairman of the Board (which had not changed since 2008). A review of publicly available information indicated that the Chairman of the Board's total compensation was approximately \$36,000 below the median compensation of board chairs of the TSX 60 companies (assuming attendance at a similar number of meetings). Based on this analysis and given the changes to director compensation that were implemented in 2014 to align such compensation with the market median, the Governance Committee recommended the elimination of Board meeting fees for the Chairman of the Board (as the market review revealed that this form of compensation for board chairs has become less prevalent) and an increase in the Chairman of the Board's retainer to \$400,000 from \$344,000. The Board approved the recommended changes which became effective as of January 1, 2014.

Deferred Share Unit Plan for Directors

The Chairman of the Board and every other director who is not an employee or officer of CTC or any of its subsidiaries or a citizen or resident of the United States is eligible to participate in the DSU Plan for Directors pursuant to which the director may elect to receive all or part of his or her annual retainers, meeting fees and 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 cash amount the director elects to receive in DSUs by the Fair Market Value (as hereinafter defined) of Class A Non-Voting Shares on the date on which the DSUs are credited. Under the DSU Plan for Directors, additional DSUs are automatically credited to a director's DSU account when CTC 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.

Pursuant to the terms of the DSU Plan for Directors, a director is paid the cash value of his or her DSU account only after the director ceases to hold any position with the Company as a director, officer or employee. Payment must be received 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 to be determined by the director (*the Director's Settlement Date*) upon at least 10 days' prior written notice to CTC. The director will receive a payment that is equal to the number of DSUs credited to his or her account, including any dividends or other distributions paid by CTC 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 director will receive such payment in cash, net of any applicable statutory source deductions. Subject to certain limitations, a departing director may elect to receive partial payments of his or her DSU account. DSUs may not be assigned by a director.

In the event a director ceases to be eligible to participate in the DSU Plan for Directors (for example, by becoming an executive of CTC) 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 CTC 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 CTC's shareholders, demonstrate that directors are financially committed to CTC through personal share ownership and promote CTC's long-standing commitment to sound corporate governance, under our Director Share Ownership Guidelines, every director who is not an employee or officer of CTC is required to accumulate at least three times the value of the annual director retainer, which currently equates to \$465,000, in Common Shares, Class A Non-Voting Shares or DSUs by the fifth anniversary of becoming a director (see *About the Proposed Directors* starting on page 9 for information regarding 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 on 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.

A director who does not meet the required investment under the Director Share Ownership Guidelines upon his or her election or appointment to the Board receives at least 50% of the annual director retainer in DSUs (provided the director is eligible to participate in the DSU Plan for Directors) or, at the option of the director, the entire annual director retainer in cash to acquire Common Shares or Class A Non-Voting Shares in the open market. If a director has accumulated the required investment under the Director Share Ownership Guidelines, he or she receives the entire annual director retainer in cash or DSUs, or any combination thereof, as specified by the director.

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

Directors' Hedging Policy

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

Compensation of Directors of Canadian Tire Bank and CT REIT

During 2014, the following directors of CTC also served as directors of CTB: Owen Billes, Maureen Sabia and Graham Savage. None of the directors of CTC, other than Stephen Wetmore, served on the Board of CT REIT in 2014. Mr. Wetmore did not receive any compensation for serving as a trustee of CT REIT.

The table below lists the fees that the directors of CTB (other than its directors who are members of management of CTC) were entitled to receive during 2014. CTB's 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 directors. Retainer and meeting fees earned by CTB's directors cannot be received in DSUs.

Fees	Amount
Annual Retainer	
Directors	\$36,000
Audit and Risk Management Committee Chairman	\$15,000
Governance and Conduct Review Committee Chairman	\$10,000
Meeting Fees	
Board Meeting	\$2,000
Audit and Risk Management Committee Meeting	\$2,500
Governance and Conduct Review Committee Meeting	\$2,000
Telephone 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



2014 Director Compensation Table

The following table sets out the compensation that was paid by CTC (including its subsidiary, CTB) to its non-employee directors during the year ended January 3, 2015 under the compensation arrangements described above. The table also shows a breakdown of the 2014 "Fees Earned" as between amounts paid in cash and/or DSUs. Some directors elected to receive all or a portion of their cash compensation in DSUs. Mr. Wetmore did not receive any compensation for serving as a director of CTC. His compensation for serving as CEO is included in the *Summary Compensation Table* on page 61.

Name	Fees Earned ⁽¹⁾ (\$)	All Other Compensation ⁽²⁾ (\$)	Total (\$)	Allocation of Fees Earned	
				Amount of Fees paid in Cash (\$)	Amount of Fees received in DSUs (\$)
Iain C. Aitchison	209,742	–	209,742	178,444	31,298
Martha G. Billes	243,750	5,000	248,750	243,750	–
Owen G. Billes	190,000	59,400	249,400	190,000	–
Pierre Boivin	212,750	5,000	217,750	130,250	82,500
H. Garfield Emerson	199,750	5,000	204,750	199,750	–
John A.F. Furlong	211,242	–	211,242	117,621	93,621
Ronald E. Goldsberry ⁽³⁾	145,728	–	145,728	145,728	–
James L. Goodfellow	241,250	–	241,250	241,250	–
Jonathan Lampe	208,637	5,000	213,637	104,318	104,319
Claude L'Heureux	192,000	–	192,000	–	192,000
Frank Potter ⁽⁴⁾	42,750	4,000	46,750	27,750	15,000
Timothy R. Price	210,000	5,000	215,000	90,000	120,000
Maureen J. Sabia (Chairman)	400,000	54,400	454,400	400,000	–
Peter B. Saunders	210,500	–	210,500	132,000	78,500
Graham W. Savage	237,750	55,600	293,350	177,750	60,000
George A. Vallance	205,500	–	205,500	–	205,500
		Total	3,559,749		

Notes

- (1) This column includes the aggregate annual retainers, meeting fees and travel fees which directors received in cash and/or DSUs.
- (2) This column includes annual retainers and meeting fees paid to Maureen Sabia (\$54,400), Owen Billes (\$54,400) and Graham Savage (\$55,600) for serving as directors of CTB. This column also includes amounts that were donated by CTC to various charities to match charitable donations made by Martha Billes, Owen Billes, Pierre Boivin, Garfield Emerson, Jonathan Lampe, Frank Potter and Timothy Price pursuant to CTC's donations policy. These matching donations were, in aggregate, \$34,000.
- (3) Ronald Goldsberry was elected a director of the Company on May 8, 2014 and his retainers were pro-rated accordingly.
- (4) Frank Potter ceased to be a director on March 30, 2014.



EXECUTIVE COMPENSATION

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At CTC, the MRC Committee's approach to compensation is a rigorous one and is based on our Board's desire to build and retain a skilled management team that acts in the best interests of the Company and its shareholders. To that end, we are just as focused on attracting and retaining highly skilled management at every level, identifying high performers and developing top talent, as we are in designing a compensation structure that rewards employees' contributions to the success of the Company. The MRC Committee carefully considers qualitative as well as quantitative measures in the compensation decisions it makes. We pay significant attention to structuring, refining and evaluating compensation practices that attract, develop and retain outstanding talent in a manner that, while not exposing CTC to undue risk, motivate our management to create long-term sustainable value. The MRCC is forward looking and has high expectations of management, and they continually assess performance against these expectations. We are proud of our record year, and are confident that our management resource and compensation strategies have contributed significantly to our success in 2014.

The MRC Committee is committed to conducting a biennial review of executive compensation. We do this as a matter of good governance and to maintain our desired position within the competitive landscape. Of notable importance in maintaining this practice is our consideration of feedback from our key stakeholders as well as the evolving and heightened expectations that define good governance practices in the marketplace.

In 2014, the MRC Committee elected to defer the biennial review so that Mr. Medline, as the incoming President and CEO, would be involved in this initiative and be in a position to inform any recommendations that resulted from such review. During the year, we focused on deliberations regarding the successor CEO to Mr. Wetmore, the announcement in August of Mr. Medline's appointment, and ultimately his transition to the office of President and CEO on December 1, 2014. A review of executive compensation is being conducted in 2015 now involving Mr. Medline as the new President and CEO.

The MRC Committee and the Board of Directors are committed to ensuring that our compensation philosophy, plans and programs are appropriate and that we explain our approach and decision making fully and clearly. The Executive Compensation section in this Management Information Circular provides details of our compensation regime and the processes and decisions that underlie it. We encourage the reader to review this information in order to appreciate the diligence that our organization exercises with respect to 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 CTC's shareholders with a description of the processes and decisions involved in the design, oversight and payout of its compensation programs for the Named Executive Officers (*NEOs*) for the 2014 financial year. While the focus of the CD&A is on NEO participation in the compensation programs, all members of CTC's executive team participate in the programs.

The NEOs during fiscal 2014 were as follows:

- Michael B. Medline, President and CEO
- Stephen G. Wetmore, Non-Executive Deputy Chairman of the Board and former Chief Executive Officer (*CEO*)
- Dean C. McCann, Executive Vice-President and Chief Financial Officer (*CFO*)
- James R. Christie, Executive Vice-President, CTC
- Allan A. MacDonald, Chief Operating Officer, Canadian Tire Retail (*CTR*)
- Mary L. Turner, Chief Operating Officer, CTFS Holdings and President and CEO, CTB

Mr. Medline was appointed President and CEO of CTC effective December 1, 2014. Prior to this date, he served as President of CTC. Mr. Wetmore stepped down as CEO on December 1, 2014, and retired as an employee from the Company on December 31, 2014. Mr. Wetmore was appointed Non-Executive Deputy Chairman of the Board on December 1, 2014.

Executive Compensation Philosophy

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

Principles

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

- compensation should 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 CTC 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 CTC's success through share ownership.

Fixed versus Variable Compensation

The determination of total compensation for executives, including 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 savings plan. CTC does not have a pension plan for any of its employees, including the NEOs.

Salaries for executives at the level of SVP and above are reviewed on an annual basis to monitor alignment within the market competitive range. In this CD&A we refer to NEOs and SVPs in the collective as *Executives*. Salary adjustments are not considered unless an Executive's position, 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 profit sharing program (*CT Profit Sharing*). A significant portion (i.e., between 63% and 75%) of the total compensation paid to NEOs at target is



contingent upon financial performance, taking share price into consideration, and is tied to these incentive plans. Please refer to the table on page 46 for further details. This percentage of performance-contingent compensation is consistent with that used by CTC's benchmarking peer group (which is described starting on page 46).

Relationship of Executive Compensation to Risk

As part of the MRC Committee's oversight of the design and administration of CTC's executive compensation programs, the MRC Committee reviews, identifies and considers design features, policies and processes that may potentially induce inappropriate or excessive risk-taking by executives or permit inappropriate rewards. While an element of risk exists within every business, our Executives seek to ensure that these risks are prudently managed and steps are taken to mitigate any effects. The MRC Committee's review also includes an evaluation of the amount of total incentives relative to base salaries, the mix of short and long-term incentives, performance metrics and whether the goals are realistic or encourage excessive risk taking, and the use of other policies designed to mitigate risk such as vesting requirements, deferral periods and share ownership guidelines. The MRC Committee 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, CTC 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 pages 48 and 52, 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 54). Both policies are applicable to Executives, including NEOs.

Periodically, CTC's Internal Audit Services and Enterprise Risk Management team conducts a formal review of CTC's executive compensation practices and programs to assess the nature and extent of the risks associated with those programs. The last review, conducted in 2013, 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, indicating a positive outcome with minimal recommended changes; (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. The Company has not made any substantive changes to its plans since this last review.

The MRC Committee also 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

Role and Composition of the MRC Committee

The MRC Committee oversees the design and administration of CTC'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.

The MRC Committee reviews CTC'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 overseeing the Company's approach to talent management, development and executive succession planning. CTC 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 so that key roles have appropriate back-up. As part of this process, the Company 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 CEO position, in the event of an unplanned vacancy.

CTC'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.

James L. Goodfellow

Mr. Goodfellow's experience that is relevant to his responsibilities in compensation matters includes his roles at Deloitte & Touche LLP (now Deloitte) as a former senior partner, member of the firm's board of directors and Vice-Chairman. In these positions he was involved in the setting of pay for performance policies and the governance of profit distributions for the Chief Executive Officer, the senior management team and approximately 500 partners. Mr. Goodfellow also chaired the Deloitte board committee for the selection of the Chairman of the Board. Mr. Goodfellow has written and provided presentations on compensation related risks, risk governance and financial reporting matters.

Iain C. Aitchison

Mr. Aitchison's 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.

Martha G. Billes

Ms. Billes has extensive experience on the Board of Directors of CTC, having served on the Board and its Committees for over 34 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, CTC'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.

Pierre Boivin

Mr. Boivin's experience that is relevant to his responsibilities in compensation matters includes his roles as President and Chief Executive Officer of Claridge Inc. and as a member of the Human Resources Committee of the National Bank as well as his former roles as a member of the Compensation Committee of Sirius XM Canada Holdings Inc. and President and Chief Executive Officer of a number of companies, including the Montreal Canadiens and evenko, an entertainment promotion and production company and division of L'Aréna des Canadiens Inc. In these roles, Mr. Boivin has had the opportunity to oversee the development of various compensation plans and determine the application of these plans to executives and other employees.

John A.F. Furlong

Mr. Furlong's experience that is relevant to his responsibilities in compensation matters includes his roles as a director of Whistler Blackcomb Holdings Inc. (*Whistler*) and member of its Compensation Committee. In these roles, Mr. Furlong has assisted the Board of Whistler in fulfilling its responsibilities relating to human resources and compensation issues as well as continuity issues for key employees and directors. Mr. Furlong's experience also includes his roles as executive chair of the Vancouver Whitecaps FC, Chairman of the "Own the Podium" program, Chairman of the Board of Rocky Mountaineer, a privately owned passenger rail service, former Chief Executive Officer of the 2010 Vancouver Olympic and Paralympic Games, and former President and Chief Operating Officer for the Vancouver 2010 Bid Corporation. In these positions, Mr. Furlong has had the opportunity to oversee the



development of various compensation plans and determine the application of these plans to executives and other employees.

Jonathan Lampe

Mr. Lampe’s experience that is relevant to his responsibilities in compensation matters includes his professional experience advising public companies and his roles as partner, member of the Executive Committee and Co-Chair of the Corporate Securities Group at Goodmans LLP, and as former General Counsel to the Ontario Securities Commission. In these roles, Mr. Lampe has had the opportunity to provide advice in respect of matters that fall within the purview of compensation committees, including the development and operation of, and disclosure related to, compensation plans.

Peter B. Saunders

Mr. Saunders’ experience that is relevant to his responsibilities in compensation matters includes his roles as Lead Director of Godiva Chocolatier, a director of Jack Wills Ltd., a director of Total Wine & More, a director and member of the Remuneration Committee of Air Partner plc, a UK-based air charter company, former Chairman and Chief Executive Officer of The Body Shop International PLC and a past director of The Second Cup Ltd. 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.

All members of the MRC Committee receive advice from the Board’s independent compensation consultants during MRC Committee meetings and probe that advice before proceeding with compensation decisions. For further information about the MRC Committee, including its activities in 2014, see the *Management Resources and Compensation Committee Report* on page 32 of this Management Information Circular.

Role of Management in Compensation Decisions

The General Counsel 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, he 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, normally two, *in camera* session during which management is not in attendance is held during each regular MRC Committee meeting.

Role of Independent Advisor in Compensation Decisions

The MRC Committee, as set out in its Mandate, may retain advisors. Hugessen Consulting Inc. (*Hugessen*) has been retained directly by the MRC Committee since August 2006 to provide independent advice, compensation analysis and other information to support the MRC Committee in evaluating compensation recommendations and making decisions pertaining to executive compensation. Hugessen attends and contributes to MRC Committee meetings and reports directly to the MRC Committee. All work performed by Hugessen is at the direction of, and must be pre-approved by, the MRC Committee, including occasional work performed on behalf of the MRC Committee in conjunction with management. Services provided by Hugessen in 2014 included review and input on various compensation matters such as the annual review of Executive salaries, and a review and commentary related to CTC’s 2014 proxy disclosure. Hugessen has no other mandates with CTC.

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

Compensation consultant fees paid to Hugessen in 2013 and 2014 are provided in the table below:

MRC Committee Advisor	Year	Executive Compensation-Related Fees	All Other Fees
Hugessen Consulting Inc.	2014	\$192,526	n/a
	2013	\$153,648	n/a

Components of CTC's Executive Compensation Program

The components of the executive compensation program are described in the table below. Each of these components is described in more detail starting on page 48 of this Management Information Circular.

Compensation Component	Objectives	Form
Base Salary	<ul style="list-style-type: none"> 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	<ul style="list-style-type: none"> Reward Executives for their contribution to the achievement of annual business objectives and financial goals. 	Cash ⁽¹⁾
Long-term Incentive Plans <ul style="list-style-type: none"> Performance Share Unit Plan Stock Option Plan 	<ul style="list-style-type: none"> Align the interests of Executives with achievement of CTC's long-term business objectives as well as with the interests of shareholders. Reward Executives for achieving consolidated operating earnings targets over a three-year period. Align the interests of Executives and shareholders by rewarding Executives for share price appreciation over a seven-year period. 	Performance Share Units Stock Options with a Tandem Share Appreciation Rights (<i>TSAR</i>) feature
Benefits	<ul style="list-style-type: none"> Promote general wellness and preventative care. Reinforce Company affiliation. 	Health and dental insurance; group life and accidental death and dismemberment insurance; short-term disability insurance; and employee-paid long-term disability insurance. Employee Store Discount
Retirement & Savings Plans	<ul style="list-style-type: none"> Assist Executives and other employees in achieving long-term retirement savings in the absence of a pension plan. 	CT Profit Sharing and CT Savings Plan
Perquisites	<ul style="list-style-type: none"> Provide market competitive perquisites to Executives. 	Annual car allowance; company-paid parking; annual medical assessment; and an annual financial planning allowance that is intended to reinforce individual accountability for personal financial planning as CTC does not offer a pension plan.

Note

(1) CTC maintains a Deferred Share Unit Plan 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 please see *Deferred Share Unit Plan for Executives* on page 53.

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 CT Savings Plan portions of executive compensation are fixed, while the CT Profit Sharing award and the annual short-term and long-term incentive portions are performance-based. CTC sets its compensation mix to reflect, generally, that of companies in its peer group.



The target pay mix of the primary compensation components for each NEO's position held at the end of the 2014 fiscal year is shown in the following table. This percentage of pay at risk compensation is consistent with CTC's benchmarking peer group:

NEO	Percentage of Target Total Direct Compensation ⁽¹⁾				Percentage of pay at risk
	Base salary	Short-term incentive	Long-term incentives		
			Performance Share Units	Stock Options	
<i>Fixed</i>	<i>Variable</i>				
Michael B. Medline	25%	25%	30%	20%	75%
Dean C. McCann	34%	22%	27%	17%	66%
James R. Christie	34%	22%	27%	17%	66%
Allan A. MacDonald	37%	22%	24%	17%	63%
Mary L. Turner	37%	22%	24%	17%	63%

Note

(1) Target total direct compensation and related targets are based on positions held by NEOs as at January 3, 2015. Mr. Wetmore stepped down as CEO on December 1, 2014 and as such has been excluded from this table. Percentages have been rounded to the nearest whole number.

The overall design framework of CTC's compensation program is summarized in the following table, based on each NEO's position held at the end of the 2014 fiscal year:

NEO ⁽¹⁾	Salary (\$000's)	STIP Target (as % of salary)	LTIP Target (as % of salary)
Michael B. Medline ⁽²⁾	\$950	100.0%	200.0%
Dean C. McCann	\$525	65.0%	127.5%
James R. Christie	\$525	65.0%	127.5%
Allan A. MacDonald	\$500	60.0%	112.5%
Mary L. Turner	\$445	60.0%	112.5%

Notes

- (1) Mr. Wetmore stepped down as CEO on December 1, 2014 and as such has been excluded from this table. For Mr. Wetmore's incentive plan targets, please see the respective 2014 STIP Design and 2014 LTIP Design sections on page 48 and 51.
- (2) The salary, STIP target and LTIP target for Mr. Medline increased during 2014 as a result of his appointment to President and CEO.

Competitive Benchmarking

In order to attract and retain the leadership talent required to achieve its goals, CTC needs to ensure that its executive compensation programs remain market competitive. Market practices help to support the MRC Committee, as one of many factors, in defining the total compensation mix, as well as the range of pay opportunity, for our Executives and are based on information about the companies in the benchmarking peer group with which CTC competes for talent. Competitive benchmarking is one important component for the MRC Committee in determining the executive compensation programs for Executives, but is not the only factor considered, to enable the MRC Committee to take a balanced approach to creating executive compensation programs that are aligned with CTC's business objectives, strategic goals and the interests of shareholders.

The group of companies against which CTC 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 CTC. By reviewing the comparable executive compensation programs and compensation

levels at these companies, CTC is well positioned to make informed decisions about compensation practices and levels for its Executives, and attract and retain the leadership talent required to achieve its goals.

Benchmarking Peer Group	
Aimia Inc.	Metro Inc.
Air Canada	Molson Coors Canada Inc.
Alimentation Couche-Tard Inc.	Rogers Communications Inc.
Empire Company Limited	RONA Inc.
Gildan Activewear Inc.	Saputo Inc.
The Jean Coutu Group (PJC) Inc.	Sears Canada Inc.
Loblaw Companies Limited	Telus Corporation
Maple Leaf Foods Inc.	Tim Hortons Inc.

To enable us to have sufficient data against which to benchmark our broader group of senior leader 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 CTC.

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

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

	Revenue (\$millions)		CTC Rank
	Comparator Group (Median)	CTC (2014)	
Benchmarking Peer Group (16 comparator companies)	\$8,060	\$12,463	12 th (out of 17)
All Comparator Companies (27 comparator companies)	\$8,599		20 th (out of 28)

Source: Information is sourced from the companies' most recently published annual financial statements as of the date of this Management Information Circular.

On a regular basis, CTC conducts a comprehensive market review of compensation practices. This review involves analysis of the compensation elements, levels and practices of this peer group of organizations. CTC selects the elements of its compensation programs that create a competitive compensation package for its Executives. It then targets its base salary, short and long-term incentives 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 2012, indicated that total remuneration (base salary ranges, short and long-term incentives, savings plans, benefits and perquisites) of CTC's Executives is positioned competitively relative to the defined comparator group. For reasons outlined on page 40 of this Management Information Circular, CTC will undertake its next review of executive compensation later this year.



How CTC Makes Executive Compensation Decisions

Base Salary

The overall objective of the base salary paid to CTC'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. CTC's salary structure is comprised of market competitive ranges for the Executives.

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

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

CTC does not make annual adjustments to Executive base salaries to reflect merit or inflation. Executive salaries are reviewed on an annual basis to monitor 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 if the market value of the role increases.

Where salary adjustments are considered, the MRC Committee recommends to the Board the annual salary changes for the President and CEO's direct reports, and approves any annual salary adjustments for the remaining Executives.

Annual Short-term Incentive Plan

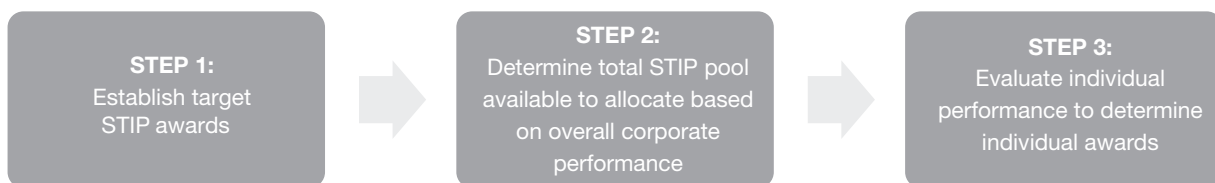
The objective of the annual STIP is to motivate and reward Executives and other senior management to achieve annual objectives and financial goals. Each year, the MRC Committee recommends for approval by the Board the STIP design and any related performance measures and targets, which includes a thorough assessment of the appropriateness, relevance and competitiveness of the plan, as well as the ability for the recommended plan design to drive the right behaviours and deliver on the objectives of the program.

In establishing and evaluating the corporate and financial metrics within the plan, and considering the prevalent market practices within our executive compensation comparator group, it is CTC's objective that the financial metric(s) used within STIP consider the unique business model under which the Company operates. CTC also recognizes that common financial metrics used by other companies may not be appropriate for CTC's incentive plans given the diverse nature of the businesses across the CTC enterprise.

Currently, the STIP employs the metric of Consolidated Earnings to support the Company in achieving the plan's intended objectives. However, as noted earlier, plan performance measures will be reviewed in 2015 as part of the biennial review of executive compensation programs.

2014 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 comprehensive executive compensation review that generally occurs every other year. 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.



The 2014 STIP awards payable to the NEOs at minimum, threshold, target and maximum levels of performance are shown in the table below:

NEO	STIP Award (% of base salary)			
	Minimum	Threshold	Target	Maximum
Michael B. Medline ⁽¹⁾	0%	17.5%	100.0%	200.0%
Stephen G. Wetmore	0%	17.5%	100.0%	200.0%
Dean C. McCann	0%	11.4%	65.0%	130.0%
James R. Christie	0%	11.4%	65.0%	130.0%
Allan A. MacDonald	0%	10.5%	60.0%	120.0%
Mary L. Turner	0%	10.5%	60.0%	120.0%

Note

(1) Mr. Medline's actual STIP target for 2014 was prorated based on time served in each of his two positions held in 2014. Please refer to page 57 for further details.

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

CTC's target STIP earnings are established based on the Company's business plan (*Target STIP Earnings*), 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 results (*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 (*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, linear algebraic calculations are 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 CTC'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%.

While certain measures within individual objectives are quantifiable and a range of outcomes are considered at the beginning of the year, the MRC Committee and the President and CEO do not use a formulaic approach to evaluate individual objectives and do not attach a fixed weighting to each measure used. Rather, the MRC Committee and the President and CEO apply 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 there is sufficient information to complete the assessment.

In addition, the MRC Committee and President and CEO place significant emphasis on the results of the Company as a whole. As a result, each Executive's contribution to enterprise success will also be a factor in that Executive's final STIP award. The sum of individual awards cannot exceed the available pool.



CTC maintains a Deferred Share Unit Plan pursuant to which Executives, including the President and CEO, may elect to receive DSUs for all or part of their respective STIP awards. For more information see *Deferred Share Unit Plan for Executives* on page 53.

CTC has implemented a clawback provision applicable to all Executives, which provides that in the event of a restatement of the Company's financial statements for any reason, the Board may in its discretion adjust or require repayment under the STIP 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.

Long-term Incentive Plan

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

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 and the MRC Committee consider 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.

Similar to STIP, CTC's process to determine the performance metrics within the LTIP design, specifically within the PSU plan, considers the appropriateness and relevance of the metrics, so that ultimately the recommended plan design will drive the right behaviours and deliver on the objectives of the program.

In establishing and evaluating the metric(s) within the recommended PSU plan for the upcoming year, and with the intent of aligning the LTIP design with the results of the Company, CTC considers the appropriateness of such metrics for CTC as well as the prevalent market practices within our executive compensation comparator group. The LTIP metrics will also be reviewed by CTC in 2015 as part of the biennial review of executive compensation programs.



2011 – 2014 LTIP Design Summary

The 2014 LTIP design, as well as the LTIP designs that were in place from 2011 to 2013, are summarized in the following table:

Plan	Plan Objectives	Design Summary
Performance Share Unit Plan (2011 – 2014) <ul style="list-style-type: none"> Long-term incentive awarded in 2011 to be paid out in 2014 Long-term incentive awarded in 2012 to be paid out in 2015 Long-term incentive awarded in 2013 to be paid out in 2016 Long-term incentive awarded in 2014 to be paid out in 2017 	<ul style="list-style-type: none"> Reward Executives for achieving consolidated operating earnings targets over a three-year period 	<ul style="list-style-type: none"> 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: <ul style="list-style-type: none"> Three-year average corporate STIP payout percentage result that relates to CTC's consolidated operating earnings results Value of Class A Non-Voting Shares
Stock Option Plan (2011 – 2014) <ul style="list-style-type: none"> Long-term incentive awarded annually 	<ul style="list-style-type: none"> Align the interests of Executives and shareholders by rewarding Executives for share price appreciation over a seven-year period 	<ul style="list-style-type: none"> Stock options provide Executives the opportunity to buy Class A Non-Voting Shares with a TSAR feature The number of options awarded is based on salary, level, individual capabilities, performance and potential, using a Black-Scholes valuation approach The value of the options is linked to the appreciation in the value of Class A Non-Voting Shares

2014 LTIP Design Features

The 2014 LTIP design for Executives was comprised of PSUs and stock options. The inclusion of stock options is common among CTC's comparator group in that 14 of the 16 proxy comparator companies and 25 of the 27 broader comparator companies include stock options as a component of their LTIP design. However, commencing in 2014, the composition of LTIP awards granted to all Executives was revised from 50% PSUs and 50% stock options to 60% PSUs and 40% stock options.

The target 2014 LTIP award, expressed as a percentage of base salary, and the proportion of the award allocated in PSUs and stock options for the NEOs is shown in the following table:

NEO	2014 Target LTIP Grant (% of base salary)		
	Total Target Award	PSUs	Stock Options
Michael B. Medline ⁽¹⁾	170.0%	102.0%	68.0%
Stephen G. Wetmore ⁽²⁾	300.0%	180.0%	120.0%
Dean C. McCann	127.5%	76.5%	51.0%
James R. Christie	127.5%	76.5%	51.0%
Allan A. MacDonald	112.5%	67.5%	45.0%
Mary L. Turner	112.5%	67.5%	45.0%

Notes

- The LTIP grant awarded to Mr. Medline in 2014 was based on the LTIP target applicable to his position as President, CTC held at the time of the annual grant.
- Mr. Wetmore received an LTIP grant in 2014 above his target award comprised entirely of Restricted Share Units in lieu of PSUs and stock options. The award was made to recognize Mr. Wetmore's outstanding performance as CEO and his contributions to the Company's success, including with respect to succession planning, incenting him to remain with the Company during the CEO succession transition period and appropriately aligning the design of his 2014 LTIP award with the performance expected of him by the Board prior to his retirement as CEO.

2014 Performance Share Units

PSUs, which are a form of restricted share unit, are awarded by the MRC Committee to Executives and other senior management based on salary, individual capabilities, potential and performance. They vest at the end of a three-year performance period.

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.

PSUs awarded in 2014 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 (2014-2016)	<50%	50%	100%	>=150%
Performance Multiplier	0.0	0.35	1.0	1.75

No payout of the 2014 PSUs will be earned if the average three-year corporate STIP payout percentage is below 50%.

In accordance with the terms of the 2014 Performance Share Unit Plan (*PSU Plan*), in the event (i) an Executive ceases to be an employee of CTC due to death or disability; or (ii) an Executive retires after age 60, 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.

CTC implemented a clawback provision applicable to all Executives, 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 had 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 CTC, 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 2014 PSU Plan also contains customary provisions in respect of adjustments to or reorganization of the capital structure of CTC. PSUs are not transferrable or assignable by an Executive other than by testamentary disposition or the laws of descent and distribution.

Stock Option Plan

CTC's Stock Option Plan was established to increase the alignment between compensation of Executives and other senior management and the long-term performance of CTC's shares.

Each option grant provides the optionee with the right to subscribe for one Class A Non-Voting Share at the weighted average price at which Class A Non-Voting Shares trade on the TSX during the 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 2014 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 2014 stock option agreements are the same for all optionees. These provisions 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 CTC. For more information on the Company's Stock Option Plan see *Stock Option Plan* on page 68.

Restricted Share Units

CTC may award Restricted Share Units (*RSUs*) to retain individuals in senior management positions of the Company or to provide additional rewards to senior management for exemplary services performed. The recipient is entitled to the number of RSUs awarded multiplied by the fair market value of Class A Non-Voting Shares, as set out in the applicable RSU agreement.

Perquisites

CTC takes a conservative approach to perquisites and determines such programs by reviewing competitive market practices. Executives are provided with, but not limited to, perquisites in the form of an annual car allowance, company-paid parking, an annual medical assessment, as well as an annual financial planning allowance that is intended to reinforce individual accountability for personal financial planning as CTC does not offer a pension plan.

Other Benefits

Executives participate in CTC's profit sharing and savings plans (see *CT Profit Sharing* and *CT Savings Plan* on pages 70 and 71 for a description of these plans), which are available to eligible full-time employees. The CT Savings Plan, which replaced the Share Purchase Plan effective January 1, 2014, and the CT Profit Sharing award serve to assist employees in achieving long-term retirement savings in the absence of a pension plan. Executives are also entitled to receive health benefits available to other employees, generally on the same basis, which are designed to promote general wellness and preventative care. These benefits include medical and dental insurance, group life and accidental death and dismemberment insurance, short-term disability insurance and employee-paid long-term disability insurance. An employee store discount program is also provided.

Deferred Share Unit Plan for Executives

CTC 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 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 (as hereinafter defined) of Class A Non-Voting Shares on the tenth business day following the release of CTC'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, an Executive can elect to receive payment of his or her DSU account only after the Executive ceases to hold any position with CTC or an affiliate of CTC as a director, officer or employee. Payment must be received 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 CTC, 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. DSUs may not be assigned by an Executive.

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.

Executive Share Ownership Guidelines

CTC has established share ownership guidelines (SOGs) that set out minimum levels of share ownership for its Executives. The SOGs are designed to align the interests of the Executives with the interests of shareholders, demonstrate that the Executives are financially committed to CTC through personal share ownership and promote the Company's long-standing commitment to sound corporate governance. While CTC values SOGs and appreciates that they are an important element of executive compensation practices, the Company annually assesses the appropriateness of the level of share ownership required and balances the need for Executives to manage the diversification in their personal investment portfolios.

Within five years of appointment, the NEOs are expected to accumulate equity in CTC equal to a multiple of their annual salary, as follows:

NEO	Multiple of Annual Salary
Michael B. Medline	3X
Dean C. McCann	2X
James R. Christie	2X
Allan A. MacDonald	2X
Mary L. Turner	2X

Class A Non-Voting Shares, Common Shares, DSUs and units held by the NEOs in the CTC Share Fund of CTC's Deferred Profit Sharing Plan are counted towards the minimum ownership requirement. Achievement of the SOGs 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 CTC'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.

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

Each year, management reviews and reports on each Executive's level of share ownership to the Executive and the MRC Committee. All NEOs have either met their SOG requirement or have time remaining to do so.

The SOG policy includes a provision that addresses circumstances where an Executive's shareholdings fall below their SOG target and the date by which they are required to achieve the guideline passed. In this circumstance, 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.

Executives' Hedging Policy

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

2014 Executive Compensation Decisions

Impact of Business Performance on 2014 Executive Compensation

In 2014, the Company experienced exceptional results and growth when compared to a very strong year in 2013. Revenue and earnings growth over 2013 was driven by strong performance in all our business segments – Retail, CT REIT and Financial services. The growth in the Retail segment was driven by enhanced business performance including the following key factors: continued strength in key heritage categories at Canadian Tire; expansion of the Sport Chek brand and store network in central Canada; as well as customers' positive response to an enhanced assortment at Mark's. Financial Services strong revenue and earnings performance in 2014 was driven by growth in the credit card receivables portfolio. As a result of the strong earnings performance of the business, Actual STIP Earnings came in above the maximum of Target STIP Earnings resulting in the maximum Corporate Funding Percentage of 175%. Overall NEO total compensation increased from 2013 levels due to Mr. Wetmore's retirement in 2014 and the corresponding inclusion of a sixth NEO, as well as the exceptional business results which merited higher levels of STIP awards.

2014 Base Salary Increases

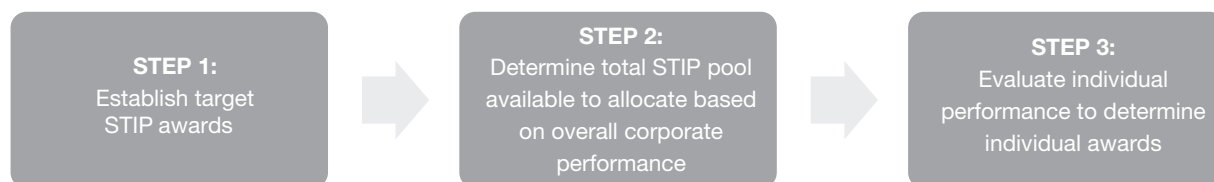
Consistent with the MRC Committee's approach to salary increases described on page 48, the following base salary increases were approved by the MRC Committee in 2014:

NEO	Base Salary Increase
Michael B. Medline ⁽¹⁾	18.8%
Stephen G. Wetmore	0%
Dean C. McCann	2.9%
James R. Christie	0%
Allan A. MacDonald	11.1%
Mary L. Turner	4.7%

Note

(1) Mr. Medline received a salary increase as a result of his appointment to President and CEO, effective on December 1, 2014.

2014 STIP Payout



Step 1 – Confirmed prior to the beginning of the 2014 fiscal year.

Steps 2 and 3 occur after the end of the fiscal year and are designed so that 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⁾			Actual STIP Earnings ⁽²⁾	Actual STIP Earnings as a % of Target STIP Earnings	2014 Corporate Funding Percentage ⁽³⁾
Threshold	Target	Maximum			
(funds 35% of target STIP pool)	(funds 100% of target STIP pool)	(funds 175% of target STIP pool)			
\$538,359,547	\$585,173,421	\$631,987,295	\$656,515,252	112.2%	175.0%

Notes

- (1) Target CTC net earnings after income taxes as calculated for STIP purposes.
- (2) Actual CTC net earnings after income taxes as calculated for STIP purposes.
- (3) The Corporate Funding Percentage of 175.0% is established using a linear algebraic formula based on Actual STIP Earnings as a percentage of Target STIP Earnings (112.2%) and the payout shoulders of 35% and 175%. See the 2014 STIP Design section on page 48 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
Michael B. Medline President and CEO	<ul style="list-style-type: none"> • Drive financial performance in line with renewed 3 to 5 year aspirations • Bolster CTC brands and continue to expand retail networks • Build technology, digital, loyalty platforms and capabilities • Develop key areas of talent, employee engagement and culture of innovation • Strengthen external relationships with key stakeholders and partners 	100%
Stephen G. Wetmore Deputy Chairman of the Board and former CEO	<ul style="list-style-type: none"> • Drive financial performance in line with renewed 3 to 5 year aspirations • Craft next 5 year strategy and vision for CTC • Assist with the implementation of major current & long-term programs and initiatives • Develop key areas of talent, employee engagement and culture of innovation 	100%
Dean C. McCann Executive Vice-President and CFO	<ul style="list-style-type: none"> • Drive CTC's financial performance and support the achievement of the Corporation's strategic goals and objectives • Continue to identify and deliver initiatives that increase CTC's financial flexibility and grow shareholder value • Continue to control capital allocation to improve ROIC and balance sheet metrics • Continue to enhance CTC's risk management capability and utilization of these practices to identify and manage business risk • Lead the process to identify and support the delivery of productivity enhancing initiatives • Execute the implementation of all Financial systems and processes required for the new Dealer contract 	100%
James R. Christie Executive Vice-President, CTC	<ul style="list-style-type: none"> • Drive CTC's financial performance and support the achievement of the Corporation's strategic goals and objectives • Lead negotiation and implementation of arrangements with Financial Services business partner • Oversee governance and strategic direction of CTB as Chairman of its Board of Directors • Strengthen the effectiveness of CTC's relationship with its Associate Dealers • Serve as advisor to CTC's executive team in advancing strategic initiatives 	100%

NEO	Individual Performance Objectives	Individual Performance Multiplier
Allan A. MacDonald Chief Operating Officer, CTR	<ul style="list-style-type: none"> • Drive CTC's financial performance and support the achievement of the Corporation's strategic goals and objectives • Achieve CTR's planned financial results • Build 5-year strategic plan and deliver against the year-one plan through working with Dealers, focusing on e-commerce & digital catalogue re-launch, testing innovative new store formats and launching a national loyalty program • Continue to build a strong multi-disciplinary leadership team at all levels 	100%
Mary L. Turner Chief Operating Officer, CTFS Holdings and President and CEO, CTB	<ul style="list-style-type: none"> • Drive CTC's financial performance and support the achievement of the Corporation's strategic goals and objectives • Achieve CTFS Holdings' planned financial results • Support the success of the new Financial Services business partnership • Launch new credit card value proposition in conjunction with launch of the new CTR loyalty program • Continue to build a highly engaged workforce with particular strength in key areas of talent 	100%

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

2014 STIP Award Paid in 2015					
NEO	Target Award as a % of Salary	Components of STIP		Actual Award as a % of Salary	Actual Award as a % of Target
		Corporate Funding Percentage	Individual Performance Multiplier		
Michael B. Medline ⁽¹⁾	77%	175%	100%	135%	175%
Stephen G. Wetmore	100%	175%	100%	270%	175%
Dean C. McCann	65%	175%	100%	114%	175%
James R. Christie	65%	175%	100%	114%	175%
Allan A. MacDonald	60%	175%	100%	105%	175%
Mary L. Turner	60%	175%	100%	105%	175%

Note

(1) Upon his appointment to President and CEO, Mr. Medline's STIP target was increased from 75% to 100% and, as a result, the target for his 2014 STIP award was prorated based on time served in each of the two positions he held in 2014.

In determining the recommended individual multiplier for each Executive, the MRC Committee and President and CEO, for NEOs other than himself, carefully considered each NEO's contribution to the Company's 2014 results as well as the individual performance of each NEO against their annual business and strategic objectives. As well, consideration is given to how each Executive fostered collaboration among business units and contributed to the overall success of CTC. This approach recognizes the unique nature of CTC's structure, with several national retail banners operating under a single overall entity, and the need for flexibility among Executives in focusing CTC's resources to the benefit of the overall enterprise. For 2014, after considering the performance of each NEO against their objectives, as well how each NEO contributed to the overall results of the Company, each NEO's individual multiplier was determined to be 100%.

On an annual basis, CTC will continue to adhere to an extensive and rigorous process to assess the performance of all Executives, including the NEOs.

No discretionary adjustment was made in determining individual NEO awards.

2014 LTIP Grant

As a result of a comprehensive market review completed in 2013, the composition of LTIP grants in 2014 was revised to be more heavily weighted to performance driven LTIP vehicles, specifically PSUs, whereby Executives received 60% of their LTIP grant in the form of PSUs and 40% in the form of stock options.

The 2014 LTIP grants awarded to the NEOs are shown in the table below.

NEO	2014 LTIP Grant (% of base salary) ⁽¹⁾		
	Total Award	Share Based Awards ⁽²⁾	Stock Options
Michael B. Medline ⁽³⁾	170.0%	102.0%	68.0%
Stephen G. Wetmore	400.0%	400.0%	0.0%
Dean C. McCann	127.5%	76.5%	51.0%
James R. Christie	127.5%	76.5%	51.0%
Allan A. MacDonald	112.5%	67.5%	45.0%
Mary L. Turner	112.5%	67.5%	45.0%

Notes

- (1) Actual LTIP grant as a percentage of salary is calculated using the base salary at time of allocation.
- (2) The 2014 share based awards were granted in the form of PSUs for all Executives with the exception of Mr. Wetmore who received his award in the form of RSUs.
- (3) In 2014, the LTIP grant awarded to Mr. Medline was based on his position held prior to his current role as President and CEO.

Mr. Wetmore received an LTIP grant in 2014 above his target award comprised entirely of Restricted Share Units in lieu of PSUs and stock options. The award was made to recognize Mr. Wetmore's outstanding performance as CEO and his contributions to the Company's success, including with respect to succession planning, incenting him to remain with the Company during the CEO succession transition period and appropriately aligning the design of his 2014 LTIP award with the performance expected of him by the Board prior to his retirement as CEO.

In addition, Mr. McCann received an interim grant of share-based awards in the form of PSUs during 2014. Please refer to the *Summary Compensation Table* on page 61 for further details.

2014 PSU Payout (vested value of 2011 PSU Grant)

The PSU awards that were granted to NEOs in 2011 paid out at 218% of the grant date value due to the significant increase in the Company's share price between 2011 and 2014. Payout amounts and percentages by NEO are shown in the table below.

NEO	2014 PSU Payout		
	2011 PSU Award ⁽¹⁾ (\$)	2014 Payout ⁽²⁾ (\$)	2014 Payout as Percentage of 2011 Award (%)
Michael B. Medline ⁽³⁾	–	–	–
Stephen G. Wetmore	\$1,249,996	\$2,723,395	218%
Dean C. McCann	\$202,466	\$441,118	218%
James R. Christie ⁽³⁾	–	–	–
Allan A. MacDonald	\$126,090	\$274,715	218%
Mary L. Turner	\$99,987	\$217,844	218%

Notes

- (1) The composition of the 2011 LTIP for Mr. Wetmore was one-third PSUs and two-thirds stock options. The composition of the 2011 LTIP award for the other NEOs was 50% PSUs and 50% stock options. This column reflects the value of the PSUs at grant, based on the number of PSUs granted multiplied by the weighted average share price of a Class A Non-Voting Share during the 10-calendar day period ending on the day immediately preceding the MRC Committee meeting at which the grants were approved.
- (2) This column reflects the value of the 2011 PSUs at the time of payout in 2014, based on the number of PSUs granted multiplied by (a) the weighted average share price of a Class A Non-Voting Share during the 20-trading day period commencing on the first trading day following the release of the 2013 financial results; and (b) the performance multiplier of 1.37, which was determined based on the three-year average corporate STIP payout percentage for fiscal 2011 – 2013.
- (3) Messrs. Christie and Medline did not hold 2011 PSUs at the time of payout.

Perquisite and Benefit Programs

There were no changes made in fiscal 2014 to any of the perquisite and benefit programs in which the NEOs participated, other than the Share Purchase Plan, which was replaced by the CT Savings Plan, effective January 1, 2014. For more information, see *CT Savings Plan* on page 71.

Statement of the Management Resources and Compensation Committee

The MRC Committee is satisfied that CTC's executive compensation policies and practices support CTC in achieving its strategic objectives, and that the programs are effective in attracting, retaining and motivating a skilled team of Executives to maximize shareholder value. The Chairman of the MRC Committee, James L. Goodfellow, will be available to answer questions relating to CTC's executive compensation practices at the Annual Meeting of Shareholders to be held on May 14, 2015.

Members of the MRC Committee:

James L. Goodfellow, *Chairman*

Iain C. Aitchison

Martha G. Billes

Pierre Boivin

John A.F. Furlong

Jonathan Lampe

Peter B. Saunders



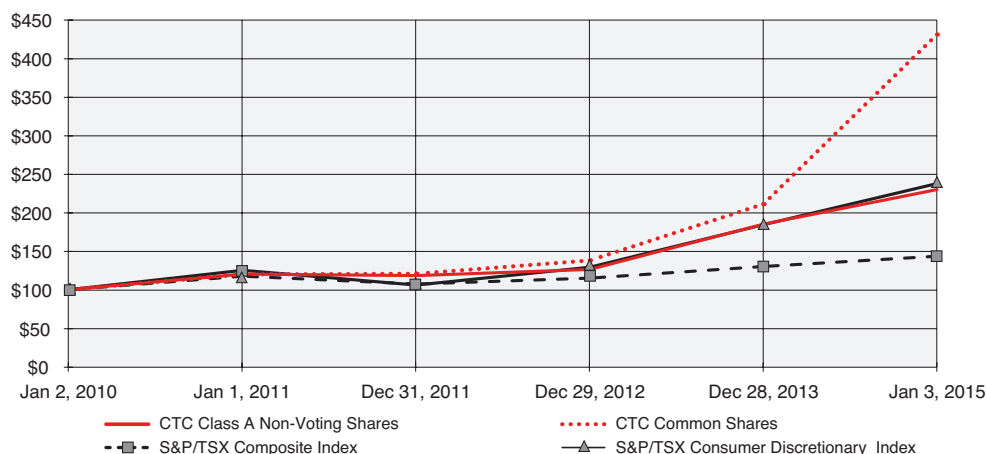
How Our Shares Have Performed and Relationship with Executive Compensation

The following chart compares the cumulative shareholder return on CTC's Class A Non-Voting Shares and Common Shares to the S&P TSX Composite Index and the S&P TSX Consumer Discretionary Index assuming \$100 was invested on January 2, 2010 and dividends were reinvested.

For the purpose of the below 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" as set out in the *Summary Compensation Table* on page 61). The executive compensation values have been calculated for the NEOs based on the same methodology as disclosed in the *Summary Compensation Table*. This is a methodology adopted by CTC solely for the purposes of this comparison. It is not a recognized or prescribed methodology for this purpose, and may not be comparable to any other methodologies used by other issuers for this purpose.

Over this five-year fiscal period, CTC's total NEO Compensation (as defined above) has generally reflected the trend in cumulative shareholder return on the Company's Class A Non-Voting Shares. During 2010, CTC's cumulative total shareholder return was 20%, while total NEO Compensation increased by 6%. 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%. In 2013, the Company's cumulative total shareholder return was 47% while total NEO Compensation increased by 1%. In 2014, the Company's cumulative total shareholder return was 24% while total NEO Compensation decreased by 29% from 2013 levels. To enable a consistent year-over-year comparison, the 2014 NEO Compensation included only the five NEOs who were actively employed at the fiscal year end and excluded Mr. Wetmore who retired from CTC on December 31, 2014. The decrease in total NEO Compensation in 2014 was as a result of the CEO transition from Stephen Wetmore to Michael Medline, however individual bonus awards were greater due to the exceptional business results which merited higher levels of STIP awards.

**Cumulative Total Shareholder Return
January 2, 2010 through January 3, 2015**



Five-year Total Shareholder Return on \$100 investment:

Fiscal Year	Fiscal Year End Date ⁽¹⁾	Canadian Tire Corporation, Limited		S&P/TSX Composite Index	S&P/TSX Consumer Discretionary Index
		Class A Non-Voting Shares	Common Shares		
2009	January 2, 2010	\$100.00	\$100.00	\$100.00	\$100.00
2010	January 1, 2011	\$120.35	\$123.02	\$117.61	\$125.34
2011	December 31, 2011	\$118.41	\$120.81	\$107.36	\$105.97
2012	December 29, 2012	\$126.43	\$138.25	\$115.08	\$129.35
2013	December 28, 2013	\$185.71	\$211.95	\$130.03	\$185.01
2014	January 3, 2015	\$231.00	\$434.00	\$143.75	\$238.88

Note

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

2014 Compensation Tables

Summary Compensation Table

The table below shows the compensation paid to the NEOs in respect of CTC's most recently completed financial year, which ended on January 3, 2015, as well as financial years 2012 and 2013, 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)			
Michael B. Medline President and CEO	2014	811,538	815,984	543,988	1,136,827	–	–	233,457	3,541,794
	2013	671,346	1,444,980	414,374	724,659	–	–	297,838	3,553,197
	2012	600,000	350,620	350,619	533,354	–	–	268,013	2,102,606
Stephen G. Wetmore Deputy Chairman of the Board and former CEO	2014	1,250,000	4,999,910	–	2,271,634	–	–	361,387	8,882,931
	2013	1,250,000	1,874,975	1,874,991	2,046,250	–	–	381,159	7,427,375
	2012	1,250,000	1,249,994	2,499,993	1,651,250	–	–	321,888	6,973,125
Dean C. McCann Executive Vice-President and CFO	2014	517,500	515,085	260,096	610,969	–	–	194,393	2,098,043
	2013	504,904	318,684	318,744	535,811	–	–	184,124	1,862,267
	2012	462,019	302,805	302,811	389,002	–	–	154,920	1,611,557
James R. Christie Executive Vice-President, CTC	2014	525,000	401,560	267,747	620,156	–	–	39,379	1,853,842
	2013	129,231	250,000	–	116,022	–	–	1,187,500	1,682,753
	2012	–	250,000	–	–	–	–	1,250,000	1,500,000
Allan A. MacDonald Chief Operating Officer, CTR	2014	475,000	303,738	202,496	516,923	–	–	84,860	1,583,017
	2013	413,846	473,638	148,739	390,822	–	–	61,742	1,488,787
	2012	325,003	112,438	112,496	211,260	–	–	43,882	805,079
Mary L. Turner Chief Operating Officer, CTFS Holdings and President and CEO, CTB	2014	426,442	286,786	191,238	464,928	–	–	134,476	1,503,870
	2013	412,500	224,969	224,991	404,213	–	–	75,207	1,341,880
	2012	349,519	182,791	182,806	256,781	–	–	92,458	1,064,355

Notes

- (1) The value in this column (d) includes PSUs for NEOs and RSUs granted to Mr. Wetmore in 2014. The grant date fair value of PSUs and RSUs is based on the number of share-based awards granted, multiplied by 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 date on which the grants were approved.
- (2) The value in this column (e) 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 16.9%, which is then multiplied by the number of options granted. The Black Scholes value ratio was determined using the following assumptions: an estimated volatility of 20.2% (based on daily historical share price for the three-year period ending on December 31, 2013), estimated dividend yield of 1.70%, interest rate of 1.95% 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. CTC has chosen to use Black Scholes as the methodology for determining the number of options granted as it is an appropriate and commonly used methodology to value stock options.
- (3) This column (f1) discloses the amount earned under the STIP in the reporting financial year and includes any STIP cash amount the NEO elected to receive in DSUs. For the 2014 financial year, Mr. MacDonald elected to receive a portion of his 2014 STIP award in DSUs.
- (4) CTC does not have any long-term non-equity incentive plans.
- (5) CTC does not have a pension plan.
- (6) The values in this column (h) include awards for all NEOs under CT Profit Sharing and the Company match payments provided under CT Savings, as well as perquisites for Messrs. Medline, Wetmore, McCann and Ms. Turner. Mr. Medline received perquisites in the amount of \$86,485. Of this amount, \$70,000 is related to a perquisite allowance. Mr. Wetmore received perquisites in the amount of \$89,929. Of this amount \$69,996 is related to a perquisite allowance. Mr. McCann received perquisites in the amount of \$86,037. Of this amount, \$54,000 is related to a transitional housing benefit, which Mr. McCann received for relocating when he was appointed to his current position, and \$21,600 is related to a car allowance. Ms. Turner received perquisites in the amount of \$45,538. Of this amount, \$20,729 is related to housing accommodations provided by the Company and \$17,301 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.

Outstanding Share-Based Awards and Option-Based Awards

The table below shows the total vested and unvested outstanding long-term incentive awards for each NEO as at January 3, 2015.

Name (a)	Option-based Awards				Share-based Awards		
	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)
Michael B. Medline President and CEO	18,128	\$63.668	March 12, 2019	\$3,784,783	34,694	\$4,240,301	–
	37,529	\$69.009	March 11, 2020				
	32,280	\$99.717	March 11, 2021				
Stephen G. Wetmore Deputy Chairman of the Board and former CEO	64,477	\$63.668	December 31, 2017	\$9,799,275	46,803	\$5,720,263	–
	113,210	\$69.009	December 31, 2017				
Dean C. McCann Executive Vice-President and CFO	3,698	\$63.417	March 6, 2015	\$5,457,834	14,446	\$1,765,590	–
	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				
	28,868	\$69.009	March 11, 2020				
	15,434	\$99.717	March 11, 2021				
James R. Christie Executive Vice-President, CTC	15,888	\$99.717	March 11, 2021	\$357,528	4,027	\$492,180	–
Allan A. MacDonald Chief Operating Officer, CTR	2,902	\$63.668	March 12, 2019	\$918,202	10,407	\$1,271,944	–
	8,981	\$69.009	March 11, 2020				
	12,016	\$99.717	March 11, 2021				
Mary L. Turner Chief Operating Officer, CTFS Holdings and President and CEO, CTB	2,739	\$62.297	March 7, 2018	\$2,331,933	9,007	\$1,100,836	–
	14,144	\$63.668	March 12, 2019				
	20,377	\$69.009	March 11, 2020				
	11,348	\$99.717	March 11, 2021				

Notes

- (1) CTC'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 in 2007 and subsequent years have a seven-year term. As per the stock option plan agreements for Mr. Wetmore, upon his retirement on December 31, 2014 he will have until the earlier of the option expiry date or December 31, 2017 to exercise his vested options.
- (3) This column contains the aggregate dollar value of in-the-money vested and unvested unexercised options as at January 3, 2015 using the January 2, 2015 closing share price of \$122.22.
- (4) This column contains the number of unvested PSUs and RSUs held by the NEOs on January 3, 2015.
- (5) This column contains the value of unvested PSUs and RSUs held by the NEOs as at January 3, 2015 using the January 2, 2015 closing share price of \$122.22. The 2012, 2013 and 2014 PSUs are reported assuming a performance multiplier equal to 1.0.



Incentive Plan Awards

The table below shows the incentive awards that vested or were earned by each NEO during the financial year ended January 3, 2015.

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)
Michael B. Medline	\$718,327	–	1,136,827
Stephen G. Wetmore	\$9,196,940	\$8,742,070	2,271,634
Dean C. McCann	\$996,250	\$441,118	\$610,969
James R. Christie	–	–	\$620,156
Allan A. MacDonald	\$463,357	\$274,715	\$516,923
Mary L. Turner	\$484,958	\$217,844	\$464,928

Notes

- (1) This column includes the aggregate dollar value that would have been realized if stock options that vested in 2014 were exercised on the vesting date.
- (2) This column includes the value of the 2011 PSU plan payout upon vesting, which is described in the *2014 LTIP Payout (vested value of 2011 PSU Grant)* section on page 58 as well as the grant of RSUs that Mr. Wetmore received during 2014, which vested on December 31, 2014, as referenced in the 2014 LTIP Grant table on page 58.
- (3) This column includes the amount of the 2014 STIP payout, which is also included in the *Summary Compensation Table* on page 61.



Employment Agreements and Post-Employment Benefits

President and CEO Employment Agreement

An employment agreement was established with Mr. Medline in connection with his appointment as President and CEO effective December 1, 2014.

The key terms of the agreement (other than with respect to post-employment benefits) are as follows:

Base Salary	\$950,000
STIP	Mr. Medline's annual target STIP award is 100% of his base salary if targets established by the Board for the President and CEO are met and up to 200% of his base salary if such targets are exceeded by established amounts, subject to the terms of the STIP.
LTIP	Mr. Medline is eligible to receive annual grants under the LTIP with a target value at the date of grant of 200% of his base salary, subject to the same performance factors applicable to the other participants in the LTIP.
Monthly Perquisite Allowance	CTC provides Mr. Medline with a monthly perquisite allowance of \$5,833 to be spent at his discretion.
Other Benefits	Mr. Medline is entitled to benefits that are generally provided to CTC's Executives, including employee health and other group insurance benefits as well as participation in the Company's CT Profit Sharing program and CT Savings Plan.
Equity Ownership and Disposition Restrictions	Mr. Medline is required to achieve CTC'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. Medline's base salary within five years of his appointment. As of the date hereof, Mr. Medline has not achieved his equity ownership requirements as President and CEO. Prior to his current role, Mr. Medline had achieved his equity ownership requirements as President of CTC. During the term of his agreement, Mr. Medline has agreed not to sell any shares of the Company which he owns (however acquired) and not to exercise any options or share appreciation rights without the consent of the Chairman of the Board or the Chairman of the MRC Committee, provided that such consent may not be unreasonably withheld.

Post-Employment Benefits

President and CEO

In the event of a termination of his employment without cause or resignation for "good reason", as defined in his agreement, Mr. Medline is entitled to the following payments and benefits, in addition to his base salary, benefits and expenses due and owing to the date of termination:

- payment of his base salary for a period of 24 months (*the CEO Salary Continuation Period*), subject to certain claw backs in the event new employment is secured (*the CEO Claw Back Conditions*);
- prorated payment of an award under CTC's STIP for the year in which termination of employment occurs and, during the CEO Salary Continuation Period, payment of notional awards in lieu of awards under the STIP then in existence, calculated based on the target payout rate for such awards and Mr. Medline's base salary earnings during the CEO Salary Continuation Period, subject to the CEO Claw Back Conditions;
- entitlement to employee health and other group insurance benefits (subject to certain exceptions) until the end of the CEO Salary Continuation Period or until alternative employment is obtained, whichever occurs first;
- payment of his outstanding PSU awards as if Mr. Medline had continued to be employed by CTC during the entire performance period provided for under the applicable PSU plans, and the right to exercise his outstanding stock options until the earlier of the third anniversary of his termination date and the expiry of the options, with any unvested options continuing to vest during such period in accordance with the applicable option agreements (also applicable if Mr. Medline resigns after having attained age 60 with at least 10 years of continuous service with the Company);



- prorated payment of the CT Profit Sharing award for the year in which termination of employment occurs and, during CEO Salary Continuation Period, payment of notional awards in lieu of CT Profit Sharing awards, subject to the CEO Claw Back Conditions; and
- payment of notional awards in lieu of the Company match contributions under the CT Savings Plan during the CEO Salary Continuation Period, subject to the CEO Claw Back Conditions.

Non-Compete/Non-Solicit

The foregoing entitlements are conferred on Mr. Medline in part on the condition of his fulfillment of the following non-compete and non-solicitation obligations.

Mr. Medline 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 competes to a significant degree with any of the businesses carried on by CTC;
- during his employment and for 18 months thereafter, directly or indirectly, solicit any officer, employee, agent or supplier of CTC or attempt to persuade any officer, employee, agent or supplier of the Company to discontinue their relationship with the Company or alter any one of their or its relationship with the Company; and
- for 10 years following termination of his employment, be employed or otherwise associated with the Canadian Tire Dealers' Association.

Other NEOs

In addition, agreements with Messrs. Christie, MacDonald and McCann and Ms. Turner provide for the following payments and benefits following a termination of their employment without cause by the Company, in addition to their respective salaries, benefits and reimbursement of expenses due and owing to the date of termination:

- payment of their base salaries for the period stipulated in each of their agreements, namely: (a) 24 months in the case of Messrs. MacDonald and McCann and Ms. Turner; and (b) 24 months in the case of Mr. Christie, if his employment is terminated on or before September 1, 2015, or the greater of (i) the period between the end of his active employment and September 1, 2017, and (ii) the minimum statutory notice period required under applicable law, if his employment is terminated after September 1, 2015 (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*);
- prorated payment of an award under CTC's STIP for the year in which termination of employment occurs and, during the Notice Period, payment of notional awards in lieu of awards under the STIP then in existence, calculated based on the target payout rate for such awards and the NEO's base salary earnings during the Notice Period, subject to the Claw Back Conditions;
- in the case of Messrs. Christie and McCann, payment of their outstanding PSU awards as if they had continued to be employed by CTC during the entire performance period provided for under the applicable PSU plans, and the right to exercise their outstanding stock options until the earlier of the third anniversary of their termination dates and the expiry of the options, with any unvested options continuing to vest during such period in accordance with the applicable option agreements;
- in the case of Mr. MacDonald and Ms. Turner, payment of their outstanding PSU awards and the right to exercise previously granted stock options, all in accordance with the applicable plan documents;
- prorated payment of the CT Profit Sharing award for the year in which termination of employment occurs and, during the Notice Period, payment of notional awards in lieu of CT Profit Sharing awards, subject to the Claw Back Conditions;
- payment of notional awards in lieu of the Company match contributions under the CT Savings Plan during the applicable Notice Period, subject to the Claw Back Conditions;
- entitlement to employee health and other group insurance benefits (subject to certain exceptions) until the end of the applicable Notice Period or until alternative employment is obtained, whichever occurs first;
- payment of the CTC automobile allowance 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.

In the event of his termination of employment without cause, Mr. McCann is also entitled to the continuation of his monthly living allowance until the earlier of March 16, 2018 and the end of his Notice Period.



In the event that Messrs. Christie, MacDonald or McCann or Ms. Turner resign after having attained age 60 with at least ten years of continuous service with the Company, they will be entitled to payment of their outstanding PSU awards as if they had been employed by CTC during the entire performance period provided for under the applicable PSU plans, and the right to exercise their outstanding stock options until the earlier of the third anniversary of their termination date and the expiry of the options, with any unvested options continuing to vest during such period in accordance with the applicable option agreements. Mr. Christie is also entitled to the foregoing payments and rights in the event he resigns after September 1, 2017.

All of the NEOs have agreed to mitigation, non-compete 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. Medline, McCann, Christie, MacDonald and Ms. Turner during the applicable notice period in the circumstances set out in their respective written employment contracts with the Company (as described above):

NEO	Compensation Component	Estimated Incremental Payments as at January 3, 2015 – Termination Without Cause or Resignation for Good Reason ⁽¹⁾ (\$)
Michael B. Medline President and CEO	Base Salary	\$1,900,000
	STIP ⁽²⁾	\$1,900,000
	Payment in lieu of CT Profit Sharing award ⁽³⁾	\$190,000
	Payment in lieu of CT Savings Plan entitlement ⁽⁴⁾	\$95,000
	Continuation of annual executive medical assessment, and perquisite allowance	\$142,990
	Total	\$4,227,990
Dean C. McCann Executive Vice-President and CFO	Base Salary	\$1,050,000
	STIP ⁽²⁾	\$682,500
	Payment in lieu of CT Profit Sharing award ⁽³⁾	\$105,000
	Payment in lieu of CT Savings Plan entitlement ⁽⁴⁾	\$52,500
	Continuation of financial planning, annual executive medical assessment, and car allowance	\$56,190
	Total	\$1,946,190
James R. Christie Executive Vice-President, CTC	Base Salary	\$1,050,000
	STIP ⁽²⁾	\$682,500
	Payment in lieu of CT Profit Sharing award ⁽³⁾	\$105,000
	Payment in lieu of CT Savings Plan entitlement ⁽⁴⁾	\$52,500
	Continuation of financial planning, annual executive medical assessment, and car allowance	\$56,190
	Total	\$1,946,190
Allan A. MacDonald Chief Operating Officer, CTR	Base Salary	\$1,000,000
	STIP ⁽²⁾	\$600,000
	Payment in lieu of CT Profit Sharing award ⁽³⁾	\$100,000
	Payment in lieu of CT Savings Plan entitlement ⁽⁴⁾	\$50,000
	Continuation of financial planning, annual executive medical assessment, and car allowance	\$56,190
	Total	\$1,806,190
Mary L. Turner⁽⁵⁾ Chief Operating Officer, CTFS Holdings and President and CEO, CTB	Base Salary	\$890,000
	STIP ⁽²⁾	\$534,000
	Payment in lieu of CT Profit Sharing award ⁽³⁾	\$89,000
	Payment in lieu of CT Savings Plan entitlement ⁽⁴⁾	\$44,500
		Total

Notes

- (1) As applicable.
- (2) Assumes payout at target.
- (3) Assumes that CT Profit Sharing awards are 10% of salary during the applicable Notice Periods.
- (4) Assumes that CT Savings Plan awards are 5% of salary during the applicable Notice Periods.
- (5) Ms. Turner is entitled to the continuation of perquisites and other benefits during her Notice Period. However, as the value of such perquisites and other benefits would not exceed \$50,000 in aggregate during her Notice Period, they are not included in this table.

No incremental payments are triggered upon a change in control of CTC.

Gender Diversity in Executive Officer Positions at Canadian Tire

CTC has not adopted a formal policy which specifies targets regarding the representation of women in executive officer positions. While CTC believes that diversity – including gender diversity – is an important consideration in determining the makeup of its executive team, it is only one of a number of factors (which include merit, talent, experience, expertise, leadership capabilities, innovative thinking and strategic agility), that are considered in selecting the best candidates for executive positions.

The Chairman of our Board is Maureen Sabia. The executive officers of CTC listed in the 2014 AIF include two females: Mary Turner, Chief Operating Officer, CTFS Holdings and President and CEO, CTB, (who is also a NEO in this Management Information Circular), and Robyn Collver, SVP, Risk and Regulatory Affairs. In addition, there are four females who hold executive office positions at each of CTFS Holdings and CTB, each a major subsidiary of CTC. These six female executive officers comprise 27% of the 22 executive officers at CTC, including all major subsidiaries. CTC also employs two female senior executives within critical roles on the executive team: Lisa Greatrix, SVP, Company Performance Effectiveness & Investor Relations, and Carol Deacon, SVP, Digital and Loyalty.

OTHER COMPENSATION INFORMATION

Securities Authorized for Issuance

The table below sets out information regarding the Class A Non-Voting Shares authorized for issuance under CTC's Stock Option Plan as at January 3, 2015. CTC does not have any compensation plans not previously approved by its shareholders under which equity securities of CTC are authorized for issuance.

Plan Category	Number of Securities to be Issued Upon Exercise of Outstanding Options, Warrants and Rights (a)	Weighted-average Exercise Price of Outstanding Options, Warrants and Rights (b)	Number of Securities Remaining Available for Future Issuance under Equity Compensation Plans (excluding securities reflected in column (a)) (c)
Equity Compensation Plans Approved by Securityholders			
Stock Option Plan	1,526,343	\$72.21	1,865,040

Stock Option Plan

Our Stock Option Plan was established for the purpose of rewarding certain officers and employees of CTC and for the purpose of encouraging such officers and employees to participate in the future growth, development and success of CTC's enterprises through ownership of shares of CTC. Directors of CTC are not eligible to receive options under its Stock Option Plan (other than the President and CEO in his capacity as an officer of CTC).

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 4.6% of the currently issued and outstanding Class A Non-Voting Shares. As at March 12, 2015, the number of outstanding and unexercised options to purchase Class A Non-Voting Shares is 1,724,373, representing approximately 2.3% of the issued and outstanding Class A Non-Voting Shares. Also as at March 12, 2015, an aggregate of 1,667,010 Class A Non-Voting Shares, representing approximately 2.3% of the issued and outstanding Class A Non-Voting Shares, are available for issuance under the Stock Option Plan.

A total of 333,252 stock options were awarded in 2014, which represented approximately 0.5% of the issued and outstanding Class A Non-Voting Shares (commonly referred to as the annual 'burn rate') as at January 3, 2015. The total number and terms of outstanding stock options, share 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 2014.

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 12, 2015 is equal to 3,697,915 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 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 in 2007 generally vested at the rate of 33⅓% per year during the three years following the date the options were granted. Unexercised options granted in 2007 expired in 2014. Options granted from 2008 to 2011 generally vested three years after the date the options were granted. Options granted in 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, the stock option agreements contain an early vesting “double trigger” provision, which provides that if: (a) a qualified offer has been completed for all or substantially all of the shares of CTC which includes an offer for the Class A Non-Voting Shares and a change of control has occurred; and (b) within two years of the change of control the employment of the optionee has been terminated without cause, then all of the options held by the optionee shall be deemed to have vested immediately prior to the date of termination.

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 through payment of the option price or surrendered in exchange for a cash payment equal to the excess of the fair market value of the Class A Non-Voting Shares over the exercise price stipulated in the applicable stock option agreement, multiplied by the number of Class A Non-Voting Shares surrendered. The fair market value is the weighted average price at which the Class A Non-Voting Shares trade on the TSX on the trading day on which the 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 CTC pursuant to the Stock Option Plan and will not reduce the aggregate maximum number of Class A Non-Voting Shares that may be reserved for issuance under the Stock Option Plan.

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

- *in the event of 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 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 CTC, with options vesting during such three year period. For option agreements entered into between 2008 and 2011, 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 CTC; or (b) the earlier of the expiry date of the option and the date that is 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 that is 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 the earlier of the expiration of the option and the date that is 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 CTC during which trading in securities of CTC is not permitted (*the Black Out Expiration Term*) if such options would otherwise expire during or immediately after such black out period. In the event the 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 CTC, within any one year period; and (b) issuable to insiders of CTC at any time pursuant to the Stock Option Plan, in each case when combined with all other security based compensation arrangements of CTC, to 10% of the number of issued and outstanding Class A Non-Voting Shares. Each option is non-assignable and non-transferable other than for estate settlement purposes, including by will or the laws governing the devolution of property in the event of death of the optionee.

Stock option agreements entered into by CTC with executive officers generally reflect the same terms as are set out in the standard agreements described above. However, agreements with certain NEOs and other executive officers have been modified from the standard agreements, in certain cases in a substantive manner, to reflect the terms of their respective employment agreements with CTC. With respect to the NEOs, see *Employment Agreements and Post-Employment Benefits* on page 64.

Other Compensation Plans

CT Profit Sharing

A retirement and savings program known as CT Profit Sharing 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 program of at least one percent of our previous year’s net profits after income tax and designate the award to be allocated to each of the employees and officers participating in the program. The first 6% of the award (*the Base Award*) and must be contributed into the Company’s Deferred Profit Sharing Plan (*the DPSP*), described below, up to the allowable maximum under the Income Tax Act (Canada). At the discretion of the participant, the remaining amount of the award (*the Excess Award*) can be allocated to the DPSP (up to the allowable maximum under the Income Tax Act (Canada)), other available registered and non-registered accounts, or received as cash. Currently, a minimum of 10% of the Base Award allocated to each employee or officer is invested in a Company share fund in the DPSP (*the CTC Share Fund*), which includes Common Shares and Class A Non-Voting Shares, with the balance invested as directed by each employee and officer.

The DPSP was established under a trust deed dated January 1, 1968 and amended from time to time thereafter. Sun Life Financial Trust Inc. (*Sun Life Financial*) is the trustee of the DPSP but is subject to the direction of the DPSP Capital Accumulation Plan Committee (*the DPSP CAP Committee*) in relation to the manner in which the DPSP is administered. This direction includes a right of the DPSP CAP Committee Members to direct the trustee as to the manner in which the Common Shares and Class A Non-Voting Shares comprising the CTC Share Fund are voted at any meeting of the shareholders of the Company. The members of the DPSP CAP Committee are Doug Nathanson, Harry Taylor, and Hugh Lynar, each of whom is an employee of CTC. Mr. Nathanson and Mr. Taylor hold the positions of General Counsel, Chief Human Resources Officer and Secretary and Senior Vice-President, Finance, respectively.

The money and securities held in connection with the DPSP (*the DPSP 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 DPSP 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 CTC Share Fund, with the balance of the DPSP 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 DPSP.

On May 5, 2014, the Ontario Securities Commission granted the members of the DPSP CAP Committee exemptive relief (*the Order*) from the insider reporting obligations under applicable securities law that would otherwise apply to such individuals relating to the acquisition and disposition of Class A Non-Voting Shares comprising the CTC Share Fund. A condition of the Order requires, among other things, that the Company provide certain prescribed disclosure annually, which is to be filed on SEDAR at www.sedar.com (under the Company's profile) (*the Prescribed DPSP Disclosure*). The Prescribed DPSP Disclosure, which was initially filed on SEDAR on May 6, 2014 and was subsequently updated on March 12, 2015 and thereafter filed on SEDAR, is incorporated by reference into this Circular. A copy of the Prescribed DPSP Disclosure is also available upon request, without charge, by contacting the Secretary of the Company.

As at March 12, 2015, Sun Life was the beneficial owner of, and the DPSP CAP Committee had control and direction over, 419,280 Common Shares representing approximately 12.2% of the issued and outstanding Common Shares and 719,702 Class A Non-Voting Shares representing approximately 1% of the issued and outstanding Class A Non-Voting Shares, which form part of the CTC Share Fund.

CT Savings Plan

The CT Savings Plan, which was established effective January 1, 2014 and replaced the Share Purchase Plan (*the SPP*), is intended to assist in attracting and retaining employees and executives to meet CTC's current and future business needs.

The plan provides for voluntary savings by our employees and those of participating subsidiaries. In most cases, contributions made to the plan by participating employees are matched by equal Company match payments, to a maximum of 5% of the eligible earnings of each participating employee. The employee contributions and Company match payments are invested in one or more investment alternatives elected by the employees. These include a number of equity, bond and money market funds and guaranteed investment certificates. Class A Non-Voting Shares may also be elected by participating employees to allow them to participate in the future growth, development and success of CTC's enterprises. Employee contributions can be invested in one or more of a non-registered account, a registered retirement savings plan or a tax-free savings account and Company contributions can be transferred at the election of the employee into any one or more of these accounts.

The SPP permitted participating employees to contribute a portion of their base salaries to that plan, thereby entitling the employees to a Company contribution which was invested in Class A Non-Voting Shares and vested over a period of up to ten years. The final employee contributions and related Company contributions under the SPP were made in respect of the 2013 fiscal year of CTC. The SPP was amended and all of the investments under the plan became fully vested effective January 1, 2014. The SPP will be formally terminated in due course.



OTHER INFORMATION

Liability Insurance for Directors and Officers

During the year ended January 3, 2015, CTC 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 the Company.

No deductible is applied to any loss for which a director or officer is not indemnified by the Company. Any loss for which the Company grants indemnification to a director or officer is subject to a deductible of \$250,000. Loss resulting from a securities claim, brought by or on behalf of a shareholder of the Company, is subject to a deductible of \$500,000. The directors' and officers' liability insurance does not cover losses arising from illegal conduct, fraud or bad faith.

We paid \$419,810 in policy premiums for the period April 4, 2014 to April 4, 2015, 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 26, 2015, the TSX accepted CTC's notice of intention to make a normal course issuer bid (*the 2015 NCIB*) to purchase, between March 2, 2015 and March 1, 2016, up to 4.0 million Class A Non-Voting Shares, representing approximately 5.6% of 70.9 million shares, the approximate public float of Class A Non-Voting Shares as at February 25, 2015. The Company's Common Shares are not part of the 2015 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 may also purchase additional Class A Non-Voting Shares, if, after consideration of various factors, we determine that the purchase would be expected to be in the best interests of CTC and contribute to enhancing the value of the remaining Class A Non-Voting Shares.

All purchases made through the 2015 NCIB will be made through the facilities of the TSX or alternative trading systems, if eligible. The Class A Non-Voting Shares acquired by the Company pursuant to the 2015 NCIB will, for as long as the Company has a limited number of authorized Class A Non-Voting Shares, be restored to the status of authorized but unissued shares.

During 2014, we purchased a total of 2,600,000 Class A Non-Voting Shares, consisting of 100,000 Shares purchased under the Company's NCIB which expired on February 25, 2014 and 2,500,000 Shares purchased under the Company's NCIB which expired on February 25, 2015. The weighted average price at which the 2,600,000 Class A Non-Voting Shares were purchased was \$111.80.

Documents You Can Request

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

- Notice of intention to make the 2015 NCIB.
- Management's Discussion and Analysis and Annual Consolidated Financial Statements for the financial year ended January 3, 2015. These documents contain CTC's financial information.
- The 2014 AIF and the documents incorporated by reference therein.

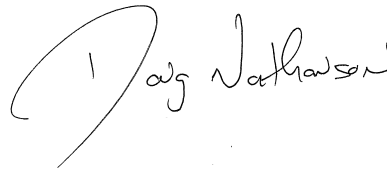
To request any of these documents, please write to Doug Nathanson, General Counsel, Chief Human Resources Officer and Secretary at Canadian Tire Corporation, Limited, 2180 Yonge Street, P.O. Box 770, Station K, Toronto, Ontario M4P 2V8.

The Management's Discussion and Analysis, Annual Consolidated Financial Statements, 2014 AIF and other information about CTC 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.

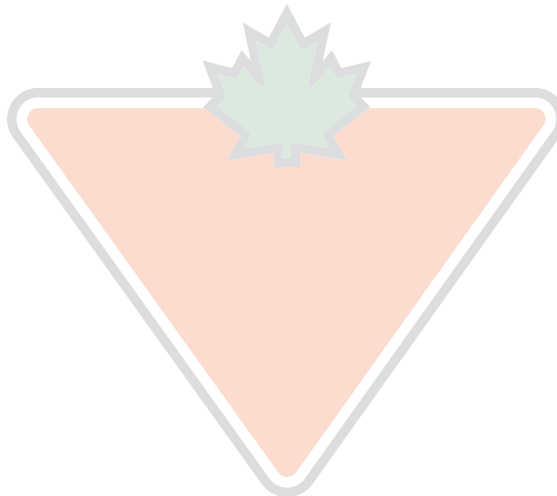
Information contained in or otherwise accessible through the websites referenced in this Management Information Circular does not form part of this Management Information Circular and is not incorporated by reference into this Management Information Circular. All references to such websites are inactive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

The contents and the sending of this Management Information Circular have been approved by the Board of Directors of CTC.



Doug Nathanson
Secretary

Toronto, Ontario
March 12, 2015



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 Brand and Values 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.
- Obtaining reasonable assurance that due diligence processes and controls in connection with certification of the Company's annual and interim filings are in place, monitoring their continued effectiveness, and obtaining confirmation that such filings are in a form that permits their certification.

- 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

- Obtaining reasonable assurance 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

- Obtaining reasonable assurance that there are policies and practices in place to enable the Company to attract, develop and retain the human resources required by the Company to meet its business objectives.
- 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.
- Obtaining reasonable assurance 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.



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