



2020 Annual Information Form

Canadian Tire Corporation, Limited

February 17, 2021

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ANNUAL INFORMATION FORM CANADIAN TIRE CORPORATION, LIMITED

In this document, the terms “Company” and “CTC” refer to Canadian Tire Corporation, Limited, its predecessor corporations and all entities controlled by it and their collective businesses unless the context otherwise requires.

This document also refers to CTC’s three reportable operating segments: the “Retail segment”, the “Financial Services segment” and the “CT REIT segment”.

The Retail segment refers to the businesses operated under CTC’s retail banners, which include Canadian Tire, SportChek, Mark’s, Helly Hansen, Petroleum and Party City.

The Financial Services segment refers to the business carried on by the operating subsidiaries of CTFS Holdings Limited (“CTFS Holdings”), namely Canadian Tire Bank (“CTB” or the “Bank”) and CTFS Bermuda Ltd. (“CTFS Bermuda”).

The CT REIT segment refers to the business carried on by CT Real Estate Investment Trust (“CT REIT” or the “REIT”) and its subsidiaries, including CT REIT Limited Partnership (“CT REIT LP”).

“Canadian Tire Retail” and “CTR” refer to the general merchandise retail and services businesses carried on under the Canadian Tire, PartSource, Pro Hockey Life and Party City names and trademarks, and the retail petroleum business carried on by Petroleum.

“Canadian Tire” refers to the general merchandise retail and services business carried on under the Canadian Tire name and trademarks.

“Helly Hansen” refers to the international wholesale and retail businesses carried on under the Helly Hansen and other related names and trademarks.

“Mark’s” refers to the retail and wholesale businesses carried on by Mark’s Work Wearhouse Ltd. under the Mark’s, Mark’s Work Wearhouse and L’Équipeur names and trademarks.

“Party City” refers to the party supply business that operates under the Party City name and trademarks in Canada.

“Petroleum” refers to the retail petroleum business carried on under the Canadian Tire and Gas+ names and trademarks.

“SportChek” refers to the retail businesses carried on by FGL Sports Ltd. under the SportChek, Sports Experts, Atmosphere, National Sports, Sports Rousseau and Hockey Experts names and trademarks, unless the context requires otherwise.

Other terms that are capitalized in this document are defined the first time they are used.

Unless otherwise specified herein, the information in this Annual Information Form is presented as at January 2, 2021 (the last day of CTC’s most recently completed financial year) and all dollar amounts are expressed in Canadian dollars. Certain portions of this Annual Information Form reference the Company’s Management’s Discussion and Analysis (“MD&A”) and Consolidated Financial Statements for the year ended January 2, 2021 which are available on the System for Electronic Document Analysis and Retrieval (“SEDAR”) at www.sedar.com and are incorporated by reference herein.

This Annual Information Form contains statements that are forward-looking and may constitute “forward-looking information” within the meaning of applicable securities legislation. Actual results or events may differ from those forecast and from statements regarding the Company’s plans or aspirations made in this Annual Information Form because of the risks and uncertainties associated with the Company’s business and the general economic environment. The Company cannot provide any assurance that any forecast

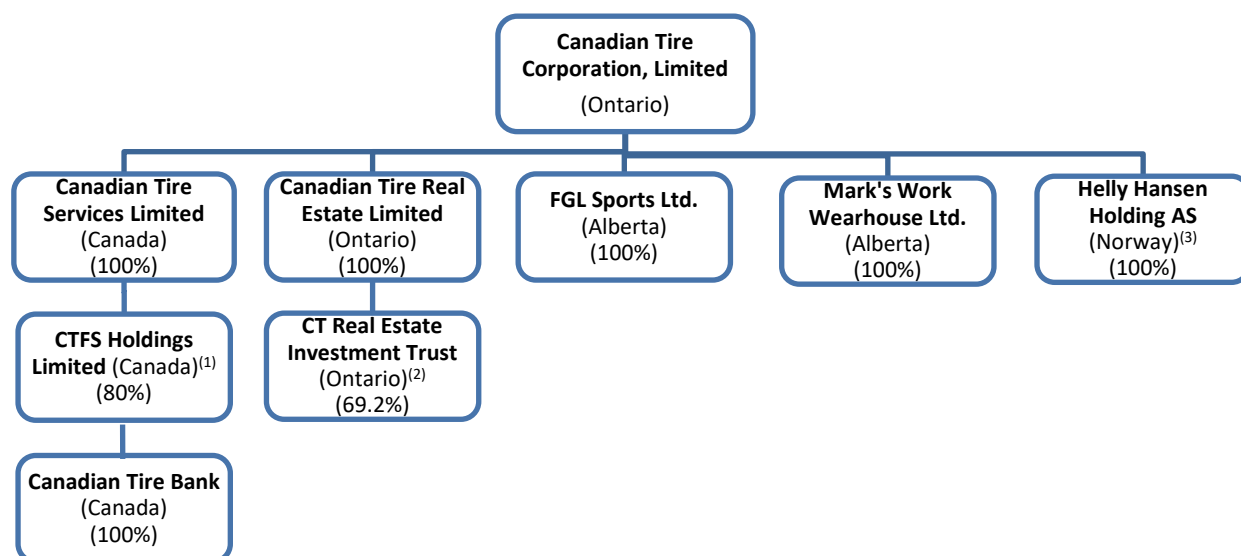
financial or operational performance, plans or financial aspirations will actually be achieved or, if achieved, will result in an increase in the price of the Company's shares. See section 12 entitled "Forward Looking Information" for a more detailed discussion of the Company's use of forward-looking statements.

This document contains trade names, trade marks and service marks of CTC and other organizations, all of which are the property of their respective owners. Solely for convenience, the trade names, trade marks and service marks referred to herein appear without the ® or ™ symbol.

1 Corporate Structure

Canadian Tire Corporation, Limited was incorporated under the laws of Ontario by letters patent dated December 1, 1927 and is governed by the *Business Corporations Act* (Ontario). CTC was amalgamated with four of its wholly owned subsidiaries pursuant to Articles of Amalgamation, effective January 1, 1980. CTC's articles were subsequently amended effective December 15, 1983 to reorganize the capital structure of CTC, among other things.

The principal, registered and head office of CTC is located at 2180 Yonge Street, P.O. Box 770, Station K, Toronto, Ontario, M4P 2V8. CTC's corporate website address is corp.canadiantire.ca. Set out below are the key legal entities through which CTC conducts its businesses, their applicable governing corporate jurisdictions and the percentage of their voting securities which are beneficially owned, or controlled or directed, directly or indirectly by CTC:



¹ The 20% interest in CTFS Holdings Limited not owned by the Company is held by The Bank of Nova Scotia ("Scotiabank").

² CT REIT is an unincorporated closed-end real estate investment trust established under the laws of Ontario on July 15, 2013 pursuant to a Declaration of Trust, as amended and restated as of October 22, 2013 and as further amended and restated as of April 5, 2020 ("Declaration of Trust"). CTC holds its interest in CT REIT indirectly through its ownership of 33,989,508 units of CT REIT and all of the issued and outstanding Class B limited partnership units of CT REIT LP, which are economically equivalent to and exchangeable for units of CT REIT.

³ Helly Hansen Holding AS, which owns Helly Hansen, is indirectly owned by CTC through its wholly owned subsidiary, CTC Triangle B.V., a company incorporated pursuant to the laws of the Netherlands.

2 Description of the Business

CTC has been in business for almost 100 years. The Company operates through three reportable segments – the Retail segment, the Financial Services segment and the CT REIT segment.

The Retail segment includes Canadian Tire, SportChek, Mark's, PartSource, Petroleum, Helly Hansen and Party City. It also includes the Consumer Brands division which supports the retail banners in the development and acquisition of owned brands and products.

The Financial Services segment provides financial and other ancillary products and services, including Triangle-branded consumer credit cards, in-store financing, insurance products, and retail and broker deposits. In addition, Financial Services provides payment processing services to the majority of CTC's retail banners.

The CT REIT segment comprises CT REIT which owns, develops and leases income-producing real estate properties across Canada. CT REIT's geographically-diversified portfolio of properties comprises stand-alone properties, primarily occupied by Canadian Tire stores, multi-tenant properties, primarily anchored by a Canadian Tire store and/or stores operating under other CTC retail banners, industrial properties, a mixed-use commercial property and development properties.

During 2020, the Coronavirus ("COVID-19") pandemic had an impact on the Canadian and global economies and on consumer purchasing behaviours. These impacts, combined with the temporary closure of certain stores and the introduction of new safety protocols, significantly affected the Company's operations and financial performance in the year. Notable COVID-19 related developments are discussed in this section 2.0 and section 3.0 entitled "General Development of the Business". Additional information with respect to the impact of COVID-19 on operations, customers, financial performance, liquidity and risks is contained in section 4.0 entitled "Events that Impacted the Company this Year" and section 10.0 entitled "Key Risks and Risk Management" of CTC's MD&A for the year ended January 2, 2021.

2.1 Retail Segment

Guided by the Company's purpose of "being there for life in Canada", the businesses in the Retail segment focus on providing customers with a breadth of differentiated and innovative products and services and convenient in-store and omni-channel shopping experiences through personalized customer engagement.

Canadian Tire Retail

Canadian Tire – One of Canada's most recognized general merchandise retailers, Canadian Tire provides Canadians with products for life in Canada across its Automotive, Living, Fixing, Playing, and Seasonal & Gardening divisions. Canadian Tire stores offer consumers a wide range of products consisting of over 154,000 stock keeping units ("SKUs") under 197 product categories. The majority of Canadian Tire stores also provide a variety of automotive services, ranging from oil changes and tire installations to brake and engine repairs. Canadian Tire stores are easily identified by the Canadian Tire name and trademark and have established a strong reputation and high recognition throughout the communities they serve.

Canadian Tire offers online shopping through its website and mobile application with both click-and-collect and deliver-to-home order fulfilment. In response to COVID-19, Canadian Tire introduced curbside pickup, providing customers with a safe and convenient way to order online and pick up orders. Canadian Tire has also rolled out self-serve lockers at approximately one third of its stores.

Canadian Tire stores range in size from approximately 3,200 to 134,000 retail square feet and, as at the end of 2020, totalled approximately 22.3 million retail square feet across 504 stores. Generally, the premises on which Canadian Tire stores are located are owned by CTC, including through its subsidiary, Canadian Tire Real Estate Limited ("CTREL"), or leased to CTREL indirectly by CT REIT or third-party

landlords. Of the 504 Canadian Tire stores, 325 are owned by CT REIT, 43 are owned by CTC and the remaining 136 are leased from third parties.

As at the end of 2020, the number of Canadian Tire stores in each of the provinces and territories in Canada was as follows:

Province or Territory*	Canadian Tire stores
British Columbia	54
Alberta	58
Saskatchewan	16
Manitoba	15
Ontario	203
Quebec	100
New Brunswick	19
Nova Scotia	22
Prince Edward Island	2
Newfoundland and Labrador	13
Yukon	1
Northwest Territories	1
Total	504

* There are no Canadian Tire stores in Nunavut.

Dealers – Canadian Tire’s 504 stores are operated by independent third parties, known as Associate Dealers (“Dealers”). Each Dealer owns the fixtures, equipment and inventory of the store they operate, employs the store staff and is responsible for the store’s operating expenses. Generally, the premises on which the Canadian Tire stores are located are owned or leased by CTC and licensed to individual Dealers. Canadian Tire’s relationship with each Dealer is governed by an individual Dealer contract pursuant to which each Dealer agrees to operate the retail business of a Canadian Tire store under the Canadian Tire name and to use best efforts to manage their Canadian Tire store at its maximum capacity and efficiency. Individual Dealer contracts are all in a standard form, each of which generally expires on December 31, 2029. Each Dealer agrees to comply with the policies, marketing plans and operating standards prescribed by Canadian Tire, which among other things, include purchasing merchandise primarily from Canadian Tire, while maintaining the decision-making behind customizing their local assortments, and offering merchandise for sale to consumers at prices not exceeding those set by Canadian Tire.

In return for operating the Canadian Tire stores, Canadian Tire performs a variety of functions to support the Dealers, including category business management, marketing and product curation and distribution. The curation process includes product and brand selection, as well as purchasing, pricing, marketing and distribution. Canadian Tire also supports Dealers with administrative, financial and information technology services, as well as operational support, which include programs to improve the in-store customer experience, retail concept implementation, monitoring of operational and financial performance and managing Dealer mobility and changeover. Canadian Tire also provides Dealers with access to Franchise Trust, a program offering financing to Dealers for their store operations. Information concerning Franchise Trust is included under Note 9 of the notes to CTC’s Consolidated Financial Statements for the fiscal year ended January 2, 2021.

Category Business Management – Canadian Tire is responsible for the category business management and procurement of more than 154,000 products which are housed under 197 product categories. Canadian Tire employs category management teams (or merchants) which build compelling, seasonally-relevant assortments through category reviews and also continuously refine the product selection and introduce new, innovative and often exclusive brands and product assortments. Once product selections are finalized,

the category management teams determine the optimal sales and distribution channel, forecast Dealer and consumer demand and execute the purchasing and ordering of products which ultimately make their way onto store shelves and online, and then into the hands of consumers. The teams also use in-season management tools to proactively manage and adapt to any changes from their original demand forecast and assumptions. This comprehensive process enables the merchants to actively manage the business during each season.

Divisions

The **Automotive** division is responsible for the automotive products and services offered at Canadian Tire, including automotive maintenance products and accessories, parts, tires as well as automotive repair and Roadside Assistance. Canadian Tire stores house over 5,600 automotive service bays.

Also managed within the Automotive division is **PartSource**, an automotive parts chain with 82 stores in Alberta, Saskatchewan, Manitoba, Ontario and Nova Scotia. Its specialty stores, which provide access to over 400,000 unique automotive parts, are staffed by experts and cater to serious “do-it-yourselfers” and professional installers. PartSource stores also offer a broad selection of automotive parts and maintenance accessories to Canadian Tire stores and other retailers and commercial customers. PartSource supplies auto parts to Canadian Tire stores and satellite locations in small to mid-sized markets through its “hub” format stores known as PartSource Hub Stores, which are designed to carry a broader assortment of products.

The **Living** division includes kitchen, home organization, decor and essentials, home electronics, pet, cleaning and consumable categories. Canadian Tire focuses on delivering innovative assortments in the kitchen and cleaning categories.

The **Fixing** division consists of products in the tools, hardware, paint, electrical, plumbing, home environment and smart home categories. Canadian Tire focuses on providing customers with the tools and products they need to repair and maintain their homes.

The **Playing** division consists of products in the outdoor recreation, exercise, footwear and apparel, hunting, fishing, camping, and sporting goods categories. Canadian Tire strives to be locally relevant with its customers by providing customized fishing and hunting assortments. **Pro Hockey Life**, which is also managed within the Playing division, is a specialty retailer that sells high-end hockey assortments focused on the latest and greatest brands and products. There are 16 Pro Hockey life stores in Alberta, British Columbia, Manitoba, Nova Scotia and Ontario.

The **Seasonal & Gardening** division covers all the products customers need to tackle the Canadian seasons. Fall and winter categories include Christmas trees, lights and decor, Halloween décor and costumes, yard care and maintenance and snow removal equipment. Spring and summer categories include patio furniture, barbecues, pools, trampolines, outdoor power equipment and tools, live plants and gardening supplies. Canadian Tire also provides a wide range of products in the kid’s fun area, which includes categories such as backyard amusement, pool fun, and toys and games.

Also managed within the Seasonal & Gardening division is **Party City**, a leading, one-stop shopping destination for party supplies with 65 Canadian retail stores in Alberta, British Columbia, New Brunswick, Newfoundland, Nova Scotia, Ontario, and Saskatchewan. Party City specializes in seasonal and micro-seasonal celebrations, including New Year’s Eve, Easter, Halloween and Christmas. With the addition of Party City, Canadian Tire is a destination for celebrations in Canada. Select Party City products are available at Canadian Tire stores and on Canadian Tire’s website.

Competitive Conditions – Canadian Tire competes with international, national and regional retailers across Canada. Its competitors include omni-channel, bricks-and-mortar, and online-only retailers, including discount and warehouse stores, speciality retailers, and department stores. Canadian Tire holds strong market share positions in many product categories, with particular strength in automotive parts, tools, kitchen, and seasonal and sporting goods. On a geographic basis, the market share of Canadian Tire is strongest in central and eastern Canada. While the vast majority of Canadian Tire’s sales continue to come

from the brick-and-mortar channel, a greater proportion of sales originate from its digital platforms. COVID-19 has further accelerated Canadian Tire's eCommerce growth.

Petroleum – Petroleum is one of Canada's largest independent retailers of gasoline with 296 retail gas bars, many of which are located adjacent to Canadian Tire stores. Petroleum also operates 20 gas bars and associated convenience stores located at "ONroute" rest stops on major Ontario highways (Highway 401 and Highway 400). The gas bars are operated under the Canadian Tire and Gas+ names and trademarks by independent retailers pursuant to agreements governing the sale of petroleum products.

Petroleum sources its fuel from three primary suppliers at competitive prices. Similar to other independent retailers in the industry, Petroleum is exposed to a number of risks in the normal course of its business that have the potential to affect its operating performance, including those relating to the availability and pricing of fuel. Petroleum competes with other national and regional operators of gas bars, convenience stores and car washes.

As at the end of 2020, the number of Petroleum stores in each of the provinces in Canada was as follows:

Province*	Petroleum sites
British Columbia	4
Alberta	19
Saskatchewan	6
Manitoba	6
Ontario	169
Quebec	58
New Brunswick	15
Nova Scotia	9
Newfoundland and Labrador	10
Total	296

* There are no Petroleum sites in Prince Edward Island.

SportChek

SportChek operates a group of sporting goods and active wear retailers in Canada offering a comprehensive assortment of national and owned brand products through a network of corporate-owned and franchised stores and eCommerce websites. Owned brands carried at SportChek include Ripzone, Helly Hansen and Woods. Its primary retail banners are SportChek, Sports Experts, National Sports and Atmosphere, all of which provide online shopping through their websites and curbside and in-store pickup. Stores operated under the SportChek banners are primarily leased from third parties.

Corporate Store Operations – The corporate-owned retail stores operate under the SportChek, Atmosphere and National Sports banners.

SportChek is a leading national retailer offering a wide assortment of athletic, outdoor, leisure, and recreational footwear, apparel and accessories, along with sports equipment and wellness products. Its brand positioning, category breadth and in-store experience target customers of all ages looking to lead a healthy, active lifestyle.

Atmosphere is a specialty retailer offering high-end, outdoor technical gear, casual clothing, footwear and accessories, with both national and owned brand representation. Atmosphere stores in Quebec are franchised operations.

National Sports is an Ontario-based discount sporting goods retail chain focusing on footwear, sports equipment and apparel, with a strong position in the hockey, licensed apparel and team sports categories. As part of the Company's Operational Efficiency program, in 2020, a decision was made to close all National Sports retail stores and its eCommerce channel to eliminate duplication across banners. Further information is contained in section 5.1.1 entitled "Consolidated Financial Results" under the "Operational Efficiency program" heading of CTC's MD&A for the year ended January 2, 2021.

As at the end of 2020, the number of SportChek's corporate stores in each of the provinces in Canada was as follows:

Province*	SportChek	Atmosphere	National Sports
British Columbia	32	9	-
Alberta	33	8	-
Saskatchewan	11	2	-
Manitoba	8	1	-
Ontario	84	1	18
New Brunswick	5	-	-
Nova Scotia	11	-	-
Prince Edward Island	2	-	-
Newfoundland and Labrador	5	-	-
Total	191	21	18

* There are no SportChek corporate stores in Quebec.

The corporate-owned retail banners offer the full assortment and extended aisle products through their eCommerce websites which fulfill orders from distribution centres, retail stores and directly from vendors.

Franchise Operations – SportChek also operates a franchise division for a number of its retail banners, including Sports Experts, Atmosphere, Hockey Experts and Sports Rousseau/L'Entrepôt du Hockey.

Sports Experts is the largest sporting goods retailer in Quebec, offering a broad assortment of national and owned brand products, including equipment, apparel, footwear and accessories.

Atmosphere, which operates as a corporate-owned banner in other provinces, is a franchise operation in Quebec.

Hockey Experts specializes in hockey equipment, apparel and accessories. Sports Rousseau/L'Entrepôt du Hockey operates stores offering high-end hockey assortments exclusively in Quebec.

As at the end of 2020, the number of SportChek's franchise stores in each of the provinces and territories in Canada was as follows:

Province or Territory ¹	Sports Experts	Atmosphere	Hockey Experts	Sports Rousseau ²
British Columbia	2	-	-	-
Alberta	6	-	-	-
Ontario	1	-	-	-
Quebec	84	44	11	13
New Brunswick	4	-	-	-
Newfoundland and Labrador	1	-	-	-
Yukon	1	-	-	-
Total	99	44	11	13

¹ There are no franchise locations in Saskatchewan, Manitoba, Nova Scotia, Prince Edward Island, Northwest Territories or Nunavut.

² Also includes L'Entrepôt du Hockey.

The franchise-operated stores offer a limited assortment of products through their eCommerce websites which fulfill orders from distribution centres.

In addition to the franchise-operated stores, there are a number of third-party operated stores that have buying member status in SportChek's franchise program with access to products for their businesses. These buying members typically undertake their own merchandising, purchasing, advertising, transportation and general administration.

Competitive Conditions – The sporting goods retail industry in Canada is highly fragmented and very competitive in terms of price, quality, service, selection and fashion, as well as online presence and store location and environment. SportChek competes against online-only retailers, specialty retailers, mass merchants, national brands which sell directly to consumers, and outlet channels. While SportChek carries a number of national brands in its assortment, an increasing number of these brands are expanding their direct to consumer sales channels. SportChek is distinguished from its competitors through the broad geographic coverage provided by its corporate and franchise stores in Canada, the merchandise and brands it offers, including owned brands, and its compelling online and in-store customer experience. SportChek offers an extensive range of active apparel and sporting goods at various price points to appeal to a broad range of consumers looking to lead a healthy, active lifestyle.

Mark's

Mark's is one of Canada's largest casual and industrial apparel and footwear retailers, known for offering quality and innovative products through owned and national brands. The store network consists primarily of corporate-owned stores with some franchised stores. Owned brands carried at Mark's include Denver Hayes, Dakota, WindRiver and Helly Hansen. These brands are complemented by nationally recognized brands such as Levi's, Timberland, Carhartt, Silver, Columbia and Skechers. Mark's operates under the banners "Mark's" and "L'Équipeur" in Quebec and offers online retailing through its websites. Online order fulfilment is offered through in-store pickup, deliver-to-home and curbside pickup. Mark's uses its digital assets to create a personalized customer experience and specialized offers.

As at the end of 2020, the number of Mark's corporate and franchise stores in each of the provinces and territories in Canada was as follows:

Province or Territory ¹	Corporate stores	Franchise stores ²
British Columbia	51	9
Alberta	64	2
Saskatchewan	14	2
Manitoba	13	-
Ontario	132	7
Quebec ³	38	8
New Brunswick	12	1
Nova Scotia	16	-
Prince Edward Island	2	-
Newfoundland and Labrador	5	3
Yukon	1	-
Northwest Territories	1	-
Total	349	32

¹ There are no Mark's stores in Nunavut. Two franchises operating under the "Mark's Work Wearhouse" banner are listed under Mark's.

² Two franchises operate under the "Mark's Work Wearhouse" banner.

³ Mark's operates under the banner "L'Équipeur" in Quebec.

Mark's Commercial – Mark's also conducts a business-to-business operation under the name "Mark's Commercial", selling footwear, apparel and personal protective equipment to businesses with a focus on industrial employee needs.

Competitive Conditions – Mark's is a leader in industrial apparel in Canada and has significant market share in men's casual apparel, denim and footwear. Mark's competes against online-only retailers, mass merchants, department stores, national brands which sell directly to consumers, discount stores and other specialty apparel stores. Mark's is continually developing and introducing new and innovative products and using data to enhance the customer experience.

Helly Hansen

Helly Hansen is a leading global brand with an international wholesale and retail business in outerwear, baselayer and workwear, based in Oslo, Norway. Helly Hansen products are sold in more than 40 countries, including in core markets such as Norway, Sweden, Canada, the United Kingdom and the United States.

Founded in 1877, Helly Hansen is known for its professional grade gear and for being a leader in designing innovative and high-quality technical performance products developed for the harshest outdoor conditions. Within its core categories of sailing, skiing, mountain, urban, base-layer and workwear, Helly Hansen designs and delivers products used by professionals and outdoor enthusiasts around the world to help people stay and feel alive. For over 140 years, Helly Hansen has been developing and testing technologies with the input of professionals living and working in some of the world's toughest environments. Many professionals rely on Helly Hansen's products and innovative fabrics to keep them safe, protected and warm in some of the most challenging conditions.

Helly Hansen also owns the Musto brand, which is a leader in specialized technical apparel in the sailing, country, lifestyle and adventure categories.

Wholesale and Retail Operations – Helly Hansen sportswear and workwear products are sold across the world through a dedicated sales team and distributors. Helly Hansen's wholesale channels consist of specialty sporting goods, workwear and department store retailers. In addition to its wholesale operations, Helly Hansen operates branded retail stores and outlets, mainly in Europe, with the primary purpose of promoting its brands in support of its wholesale business. Helly Hansen also operates branded sportswear and workwear eCommerce sites in Canada, the United States and across Europe.

Competitive Conditions – Helly Hansen competes with other specialty brands. The outdoor sports apparel and footwear market is fragmented and composed of large global brands, mid-sized companies and numerous niche players. Helly Hansen believes its technically advanced products, innovation, professional quality and brand authenticity distinguish it from its competitors. Through its wholesale partners, retail locations and eCommerce websites, Helly Hansen offers a broad and specialized assortment. Helly Hansen also competes in the industrial workwear market, which is highly fragmented with a limited number of international brands due to different climates and regulations across regions. Within this market, Helly Hansen competes against European and North American brands that offer premium, functional and stylish protective wear.

Owned Brands

Over the years, the Company has developed and acquired a strong stable of owned brands in Canada, which are primarily sold at Canadian Tire, SportChek and Mark's. Some of the Company's most recognized brands include Motomaster, Mastercraft, Maximum, Noma, Canvas, Paderno, Ripzone, Outbound, Woods, SherWood, Raleigh, Denver Hayes, Dakota, WindRiver, and Shambhala. CTC is continuously focused on strengthening its owned-brand portfolio through internal product development as well as selectively pursuing acquisitions to complement key categories. The Company also owns Helly Hansen, a leading global brand with an international wholesale and retail business in outerwear, baselayer and workwear, based in Oslo, Norway. See section 2.1 under the heading "Retail Segment - Helly Hansen" for information on Helly Hansen's business. Owned brands provide the Company with a competitive advantage and a core

differentiator in its product assortment, which increases customer engagement and loyalty. The Consumer Brands division supports the retail banners with their owned brand strategies, provides expertise in brand management, product development and design, and creates unique and exclusive products.

Triangle Rewards

The Company's customer loyalty program, Triangle Rewards, is a platform for engaging with CTC customers and providing them with a connected shopping experience. Triangle Rewards offers an enhanced value proposition to members shopping across CTC's retail banners, enabling them to collect and redeem electronic Canadian Tire Money across CTC's banners. As part of the Triangle Rewards program, CTC offers Triangle-branded credit cards which allows cardholders to collect electronic Canadian Tire Money at an accelerated rate on all eligible purchases where Mastercards are accepted, for redemption across CTC retail banners. See section 2.2 entitled "Financial Services Segment" for additional information on CTC's credit card business.

Triangle Rewards also selectively partners with Canadian retailers and brands (e.g. Husky Energy, Avis and Budget) to bring enhanced value and offers to Triangle Rewards members and Triangle-branded credit card holders, as applicable.

Triangle Rewards is a key enabler to achieving sustained cross-banner customer engagement and provides valuable customer insights to help build retail strategies, inform product assortments and services, identify partnerships and develop marketing programs that are relevant for various customer segments.

The Triangle Rewards program and the Company's continued focus on data and analytics enhances its capability to provide marketing communications to the right customer, at the right time, in the right channel and with the right message to create enhanced customer relevance and engagement. Marketing also uses data to inform promotional optimization efforts, customer journey enhancements and to continually test and learn what is most relevant to customers. CTC uses customer insights from Triangle Rewards to connect with customers in a more personalized way with millions of customers receiving targeted product and service offers each week.

Retail Sourcing

CTC sources merchandise globally. In 2020, approximately 40%, 10% and 38% of the value of inventory purchases of Canadian Tire Retail, SportChek and Mark's, respectively, were sourced directly from vendors outside North America, primarily from Asia and denominated in U.S. dollars. The majority of Helly Hansen's purchases are from vendors in Asia and are denominated in U.S. dollars and Euros.

CTC operates retail sourcing offices abroad, including in Hong Kong, Shanghai, Shenzhen, Vietnam and Bangladesh. CTC is also supported by third-party sourcing service providers in India and Mexico and maintains a subsidiary that has wholesale operations based in the United States, including warehouse facilities in the state of Washington. All of these operations provide access to foreign manufacturers and import sourcing support for the Company's retail banners.

CTC uses its own internal resources and third-party logistics providers to manage supply chain technology and the movement of foreign-sourced goods from suppliers to distribution centres and stores. Similar to other retailers which source products internationally, the Retail segment is exposed to risks associated with foreign suppliers which may include, but are not limited to, currency fluctuations, the stability and safety of manufacturing operations in other countries and transportation and port disruptions. The Company uses internal resources and third-party quality assurance providers to proactively manage product quality and business conduct with vendors in foreign sourcing regions. CTC believes that its business practices are appropriate to mitigate the risks associated with the Retail segment's foreign operations and foreign suppliers.

Retail Supply Chain and Distribution Network

CTC's supply chain function is responsible for managing the flow of products between suppliers, supply chain partners and CTC's distribution centres and retail stores operating across Canada. It is also responsible for online order fulfillment, which is performed out of both stores and distribution centres that are supported by sophisticated technologies (including distributed order management, carrier selection optimization and geo-fencing) to facilitate timely and cost-effective shipments.

CTC's supply chain uses a number of distribution channels, facilities and modes of transportation, including common carriers and railway transit, and is involved in most aspects of product replenishment and product information flow.

The majority of CTC's products are distributed to stores from its large network of distribution centres occupying in excess of eight million square feet of warehouse space across Canada. Selected products are distributed directly from suppliers.

In addition to the Canadian distribution network, the Company operates three international distribution centres, two in Sumner, Washington, servicing SportChek and Helly Hansen, and one in the Netherlands, servicing Helly Hansen.

As at the end of 2020, the Company's distribution centres across Canada were as follows:

Location	Province	Area (Sq. ft.)	Servicing
Brampton - Airport Road	Ontario	1,118,360	CTR / Mark's / SportChek
Brampton - Goreway Drive	Ontario	1,148,972	CTR
Brampton - Hereford Street	Ontario	195,230	SportChek
Caledon - Healey Road	Ontario	1,442,347	CTR
Calgary - 114th Avenue SE	Alberta	954,813	CTR
Calgary - 64th Street SE	Alberta	24,343	Marks
Calgary - 68th Avenue SE	Alberta	454,977	SportChek / Marks
Calgary - Dufferin Place	Alberta	630,067	CTR / SportChek
Coteau-du-Lac - Dupont	Quebec	1,658,165	CTR
Mississauga - Marcove Road	Ontario	475,517	SportChek
Mississauga - Millrace Court	Ontario	27,192	Mark's
Vaughan - Express Auto Parts	Ontario	224,190	CTR
Total		8,354,193	

Seasonality of the Retail Segment

CTC derives a significant amount of its Retail segment revenue from the sale of seasonal merchandise, with the largest percentage of its sales typically occurring in the fourth quarter. As a result, CTC can experience a degree of sales volatility from abnormal weather patterns. The retail businesses mitigate this risk, to the extent possible, through the breadth of their product mix, careful merchandise planning, the strengthening of non-seasonal categories and efficient marketing campaigns, as well as effective procurement and inventory management practices to factor in consumer demand. Any decrease in retail sales due to a slower holiday shopping season, unseasonable weather conditions, pandemic or epidemic outbreaks, economic conditions, government restrictions, temporary store closures or otherwise, could adversely affect business performance within the Retail segment.

The following tables illustrate the quarterly revenue performance within the Retail segment over the last two years.

(C\$ in millions)	Q1	Q2	2020 Q3	Q4	Total	Q1	Q2	2019 Q3	Q4	Total
CTR										
Revenue	\$1,405.4	\$2,047.4	\$2,322.7	\$2,864.0	\$8,639.5	\$1,351.6	\$2,019.5	\$1,813.2	\$2,233.7	\$7,418.0
% of full year Revenue	16.3%	23.7%	26.9%	33.1%	100.0%	18.2%	27.2%	24.4%	30.2%	100.0%
SportChek										
Revenue	\$370.1	\$306.7	\$533.2	\$604.8	\$1,814.8	\$421.1	\$452.5	\$543.3	\$619.4	\$2,036.3
% of full year Revenue	20.4%	16.9%	29.4%	33.3%	100.0%	20.7%	22.2%	26.7%	30.4%	100.0%
Mark's										
Revenue	\$212.5	\$181.0	\$286.3	\$533.4	\$1,213.2	\$245.7	\$285.7	\$266.6	\$476.3	\$1,274.3
% of full year Revenue	17.5%	14.9%	23.6%	44.0%	100.0%	19.3%	22.4%	20.9%	37.4%	100.0%
Helly Hansen*										
Revenue	\$121.5	\$68.9	\$155.4	\$196.1	\$541.9	\$131.0	\$87.7	\$159.5	\$176.0	\$554.2
% of full year Revenue	22.4%	12.7%	28.7%	36.2%	100.0%	23.6%	15.8%	28.8%	31.8%	100.0%
Petroleum										
Revenue	\$390.0	\$239.2	\$374.6	\$354.9	\$1,358.7	\$411.2	\$510.4	\$504.5	\$468.4	\$1,894.5
% of full year Revenue	28.7%	17.6%	27.6%	26.1%	100.0%	21.7%	26.9%	26.7%	24.7%	100.0%
Other and intersegment eliminations										
Revenue	\$3.1	\$6.0	\$12.0	\$28.0	\$49.1	\$1.8	\$3.1	\$8.4	\$14.5	\$27.8

* Helly Hansen revenue represents external revenue only. The prior period figures have been restated to align with current year presentation.

2.2 Financial Services Segment

Financial Services is primarily involved in issuing Triangle-branded consumer credit cards, which are an integral part of CTC's Triangle Rewards program. Financial Services also offers in-store financing to consumers, insurance and warranty products, and retail and broker deposits. In addition, Financial Services provides settlement services and data analytics to the Company and its affiliates.

Financial Services includes CTFS Holdings and its subsidiaries, Canadian Tire Bank and CTFS Bermuda. CTC holds an 80% interest in CTFS Holdings, which is the holding company of the operating entities comprising the Financial Services segment; the remaining 20% interest is owned by The Bank of Nova Scotia ("Scotiabank").

CTB is a federally regulated Schedule I bank that is the marketer and issuer of Triangle-branded consumer credit cards, including the Triangle Mastercard and Triangle World Elite Mastercard. CTB's close integration with CTC's retail banners and the Dealers provides an advantage in acquiring new accounts and meeting the needs of CTC's most loyal customers.

As a deposit taking institution, CTB also offers and markets high-interest savings accounts and guaranteed investment certificates (“GICs”), both within and outside tax-free savings accounts, and offers GICs through third-party brokers.

CTFS Bermuda reinsures the creditor insurance that is marketed by CTB as well as a closed block of warranty business. Further information about CTFS Bermuda is set out in this section under “Foreign Operations”.

Competitive Conditions – Triangle-branded credit cards issued by CTB compete with other general-purpose credit cards issued by banks and other financial institutions in the highly regulated and competitive Canadian credit card market. Non-traditional entrants and newer technologies such as mobile payments are impacting the competitive landscape in the credit card industry. With the increasing number of credit cards available, consumers are looking for relationships with organizations that offer good value, exceptional service and programs that reward them for their loyalty. Growth of the credit card portfolio and the continued strength of the Canadian Tire brand represents a further opportunity to drive customers to the Company’s retail banners. CTB-branded deposit products also compete with comparable products offered by banks and other financial institutions and are issued on terms and conditions that are competitive with such other products.

Securitization of Receivables – CTB sells undivided co-ownership interests in a revolving pool of CTB credit card receivables to Glacier Credit Card Trust (“GCCT”), a special purpose entity that was created to buy and finance such co-ownership interests. GCCT issues debt to third-party investors to fund its purchases of such co-ownership interests, including to Scotiabank pursuant to note purchase facilities under which Scotiabank has committed to purchase up to \$2.0 billion of GCCT notes. The Company has determined that, from an accounting perspective, it has the ability to direct the relevant activities and returns of GCCT and has control over GCCT. As such, GCCT is consolidated for accounting purposes in the Company’s financial statements. GCCT is a reporting issuer and information prepared by it may be found on SEDAR at www.sedar.com, which is not incorporated herein by reference.

Foreign Operations – CTFS Bermuda is a Bermuda based reinsurance company which is regulated by the Bermuda Monetary Authority. CTFS Bermuda has entered into reinsurance agreements with two insurers with significant Canadian operations that currently underwrite, or have previously underwritten, insurance products to CTC’s customers. CTFS Bermuda has retained established and reputable actuarial and administrative service organizations to assist in the evaluation of the portfolio’s risk and management of its operations.

Lending – CTB grants credit to its customers on Triangle-branded credit cards. With the granting of such credit, CTB assumes certain risks with respect to the ability and willingness of its customers to repay debt. CTB manages this risk in an effort to optimize profitability and has established comprehensive policies and sophisticated systems and processes, including credit-scoring models, to manage credit risk. CTB constantly monitors the creditworthiness of customers by managing and limiting credit exposure to certain geographic areas, using the latest technology to make informed credit decisions for each customer account to limit credit risk exposure, adopting technology to improve the effectiveness of the collection process, and monitoring the macroeconomic environment, especially with respect to consumer debt levels, interest rates, employment levels and income levels.

2.3 CT REIT Segment

CT REIT is an unincorporated closed-end real estate investment trust which owns, develops and leases income-producing commercial properties located primarily in Canada. As at December 31, 2020, CTC held a 69.2% effective interest in CT REIT.

Overview of the Property Portfolio – As at December 31, 2020, CT REIT’s portfolio was comprised of 363 properties across Canada. The portfolio consisted of 357 retail properties, four industrial properties, one mixed-use commercial property and one development property. The retail properties, industrial properties and mixed-use commercial property contain approximately 28.7 million square feet of gross

leasable area ("GLA"). The retail properties are made up of 286 single tenant retail properties (261 of which are occupied by Canadian Tire and 25 of which are occupied by other tenants), 64 multi-tenant properties anchored by a Canadian Tire store (five of which are enclosed shopping centres) and seven multi-tenant properties not anchored by a Canadian Tire store (one of which is an enclosed shopping centre). The 325 Canadian Tire stores owned by CT REIT range in size from 12,000 square feet of GLA to 198,000 square feet of GLA. CTC is CT REIT's most significant tenant with Canadian Tire stores, stores operated under other CTC retail banners, CTC's head office and three CTC industrial properties representing approximately 91.6% of CT REIT's annualized base minimum rent and 92.2% of GLA.

CT REIT's properties are well located within their respective markets and have stable characteristics, which include high occupancy, staggered lease maturities and strong retailing attributes, including location, traffic, visibility, frontage and parking. The properties are generally located in commercial areas and are often co-located with, or located in close proximity to, supermarkets and other large-scale retailers, attracting a high volume of customers to the properties.

Competitive Conditions – CT REIT competes with other investors, managers and owners of properties for the purchase of desirable real estate properties to lease or develop, and for stable investment grade tenants. Competition for real estate assets is primarily based on financial and other resources as well as operating flexibility. While certain competitors may have greater financial and other resources and/or greater operating flexibility, CT REIT has the advantage of having and maintaining an established relationship with its most significant anchor tenant, Canadian Tire. CT REIT also relies on its sites, which are generally well-located with favourable retailing attributes, and a strong balance sheet in order to compete in the Canadian real estate sector. To compete for tenants, real estate entities typically differentiate themselves by location, age and condition of building, operational efficiency and the ability of the owner to provide adequate maintenance at competitive costs.

The Company is considered a "promoter" of CT REIT within the meaning of applicable Canadian securities legislation. Additional information about CT REIT's business, including with respect to COVID-19, can be found under section 2 entitled "Description of the Business" and section 3 entitled "General Development of the Business" of CT REIT's 2020 Annual Information Form available on SEDAR at www.sedar.com and on CT REIT's website at www.ctreit.com, which is not incorporated herein by reference.

2.4 Intangible Properties

All intellectual property and associated rights, which include trademarks, industrial designs, patents, technical know-how, confidential information and copyright associated with CTC and its owned brands, as well as the trademarks relating to Canadian Tire, Financial Services, Petroleum, PartSource, SportChek, Mark's, Helly Hansen and Party City, are considered to be important assets of CTC and are enforced vigorously where appropriate. The Company's trademarks have expiry dates ranging from 2021 to 2038 with further renewals at the Company's election and discretion. CTC licenses the use of certain of its trademarks to Canadian Tire Services Limited, CT REIT, CTB and certain other entities. The Company's industrial designs and patents have expiry dates ranging from 2024 to 2035 with further renewals where available and at the Company's election and discretion. Protection of the Company's intellectual property is a high priority and CTC has established procedures to protect and enforce intellectual property that is material to its business.

CTC has agreements in place with the Canadian Olympic Committee and a number of Canadian sports organizations that permit CTC and its affiliates to use the Canadian Olympic Committee, Canadian Olympic Team and sports organization trademarks in connection with marketing, advertising and promotional activities. CTB also has an agreement with MasterCard International Incorporated that permits CTB to use the MasterCard trademark in connection with the MasterCard credit cards that CTB issues.

2.5 Economic Dependence

There are no contracts upon which CTC's business is substantially dependent. CTC has entered into a standard form contract with each of its 482 Dealers, each of which expires on December 31, 2029, unless terminated earlier in accordance with terms of the contract. CTC routinely engages in discussions with the Dealers on amendments to the standard form contract to reflect changing business conditions and other matters affecting the relationship with the Dealers. CTC is not dependent upon any one of these contracts with any Dealer. For information concerning CTC's relationship with its Dealers, see section 2.1 entitled "Retail Segment – Canadian Tire Retail – Dealers".

2.6 Risk Factors

Enterprise Risk Management Framework – CTC recognizes that risk-taking is an integral part of conducting business, enabling CTC to achieve its strategic objectives and business goals. Balanced risk-taking and effective risk management create valuable business returns and shareholder value, market opportunities and competitive advantages, which support profitable growth. The effective management of risk within CTC is a key priority for the Board and senior management and, to this end, CTC has adopted an Enterprise Risk Management Framework ("ERM Framework") for identifying, assessing, monitoring, mitigating and reporting key risks.

The ERM Framework is designed to:

- Safeguard CTC's brand and reputation;
- Support the achievement of CTC's strategic objectives, including financial aspirations;
- Preserve and enhance shareholder value; and
- Support business planning and operations by providing a cross-functional perspective to risk management integrated with strategic planning and reporting processes across all lines of business.

Risk Governance – The foundation of CTC's ERM Framework is a governance approach that includes a committee structure and a comprehensive set of policies approved by the Board. The key elements of risk governance are the Board and Chief Executive Officer ("CEO"), supported by senior management and the Enterprise Risk Committee ("ERC"), and the three lines of defence operating model. Clearly defined roles and responsibilities, coupled with timely monitoring and reporting, assist in supporting a strong risk culture and effective governance of risk.

Fundamental to risk governance at CTC is the ERC, which provides direct oversight of all key and emerging risks faced by CTC. Specifically, the ERC assists the CEO in discharging his responsibilities with respect to managing strategies in alignment with CTC's risk appetite, recommending various risk-related policies for the Board's approval and evaluating the effectiveness of CTC's processes and controls that aim to mitigate risk and support the strategic objectives.

CTC monitors its risk exposures to assess that its business activities are operating within approved limits, strategies and risk appetite. Exceptions, if any, are reviewed by the ERC and reported to the CEO, the Audit Committee and the Board, as appropriate.

Key Risks – CTC regularly monitors its businesses to identify and assess key risks that alone, or in combination with other interrelated risks, could have a significant adverse impact on the Company's brand, financial position, and/or ability to achieve its strategic objectives. The mitigation and management of risk is approached holistically with a view to ensuring all risk exposures are considered. Although the Company believes the measures taken to mitigate risks are reasonable, there can be no assurance that they will effectively mitigate all risks that may have a negative impact. In addition, there are numerous other risk factors that are difficult to predict and could adversely impact CTC's financial results, plans and objectives.

During 2020, the COVID-19 pandemic had an impact on the Canadian and global economies and on consumer purchasing behaviours. These impacts, combined with the temporary closure of certain stores and the introduction of new safety protocols, significantly affected the Company's operations and financial performance in the year. The duration and severity of the pandemic remain uncertain and difficult to predict as does its adverse, long-term impact on CTC and its key risks. The Company implemented a number of comprehensive and evolving operational and risk management strategies to support its businesses and protect the health and well-being of its employees and customers.

Information concerning the risks that have the most potential to impact CTC's businesses and the related risk management strategies, including COVID-19 related impacts, are described in section 10.1 entitled "Key Risks" of CTC's MD&A for the year ended January 2, 2021.

In addition, the Company has identified specific operating risks relating to each of its reportable segments that have the potential to affect CTC's operating performance. Such risks are described in section 10.2 entitled "Business Segment Risks" of CTC's MD&A for the year ended January 2, 2021, including COVID-19 related impacts.

Additional information with respect to the impact of COVID-19 on operations, customers, financial performance, liquidity and risks is contained in section 4.0 entitled "Events that Impacted the Company this Year" of CTC's MD&A for the year ended January 2, 2021.

CTC cautions that the discussion of risks, including those risks described in CTC's MD&A for the year ended January 2, 2021, is not exhaustive. When considering whether to purchase or sell securities of CTC, investors and others should carefully consider these factors as well as other uncertainties, potential events and industry specific factors that may adversely impact CTC's future performance.

2.7 Employees

As at the end of fiscal 2020, the number of full-time and part-time employees (excluding temporary help) of CTC was approximately as follows:

	Full-Time Employees*	Part-Time Employees*
CTC – Corporate Centre	1,816	22
Canadian Tire Retail	4,204	1,461
Financial Services	1,378	279
SportChek	3,300	11,722
Mark's	1,636	4,678
Helly Hansen	1,065	225
Total	13,399	18,387

* The foregoing figures do not include employees of CT REIT, Dealers, SportChek and Mark's franchisees, Petroleum retailers and Party City stores.

CTC employs highly qualified individuals specializing in areas such as merchandising, marketing, branding, customer insights, supply chain and retail leadership to drive and sustain its core retail business. CTC continues to acquire talent to support future growth in key areas such as technology, digital and data analytics. CTC's strong in-house real estate management team manages the entire network of owned and leased properties for CTC and provides CT REIT with certain property management services pursuant to a property management agreement. Financial Services also employs highly qualified individuals in credit risk management.

Expertise is gained through internal training programs, including the Triangle Learning Academy, industry insights and academic resources. Through the Triangle Learning Academy, employees are able to accelerate their learning and development and gain expertise through curated content on various subjects. Teachings are developed around core retail and leadership principles and are offered through digital and hands-on learning experiences.

CT REIT is managed and operated by an experienced internal executive team comprised of CT REIT's Chief Executive Officer, Chief Financial Officer and Chief Operating Officer. As at January 2, 2021, CT REIT had 39 employees, including the above-noted executives.

2.8 Corporate Responsibility

CTC prides itself on being a trusted Canadian brand and an integral part of Canadian communities, with a strong commitment to improving environmental and social outcomes for Canadians, communities and the planet. The Company's core purpose is being there for life in Canada by providing the products, services and support customers need, while seeking to create value for shareholders, providing employment for tens of thousands of people, and making a broader contribution to the Canadian economy and to Canadian communities.

CTC identifies, measures and reports on many of the benefits that result from its environmental and social initiatives, which are described in the Company's Environmental Sustainability Report and discussed below. The Company's environmental and social strategy is aligned with and contributes to the United Nations Sustainable Development Goals. CTC is recognized for the effectiveness of its efforts, which is reflected in its inclusion in various sustainable indices and its receipt of sustainability awards. The Company continues to participate in or be rated by CDP, the Dow Jones Sustainability Index, MSCI, FTSE4Good, Sustainalytics and Corporate Knights. Earlier this year, CTC was named one of the world's 100 most sustainable corporations by Corporate Knights, recognized as one of only two companies in the grocery and diversified stores category and the only North American retailer.

Governance

The CTC Board of Directors oversees management's approach to environmental, social and governance matters, including through its delegation of oversight of Board governance to its Governance Committee, human capital management and diversity and inclusion to its Management Resources and Compensation Committee, and community and environmental initiatives, charitable giving and brand risk management to its Brand and Community Committee.

CTC's Sustainability Steering Committee is comprised of executives who are accountable to deliver upon CTC's innovation and productivity objectives with respect to environmental sustainability.

The Company's commitment to remain a trusted corporate citizen is supported by its comprehensive policy framework. The Company has in place policies and operating directives to address issues of importance to its stakeholders, including with respect to ethical conduct, health and safety, product safety, privacy, cybersecurity and other matters. Each such policy sets out accountabilities for managing compliance as well as escalation and other procedures.

Environmental

CTC is committed to environmental sustainability. The Company's Environmental Sustainability Report highlights progress towards its emissions reduction targets and efforts to maintain momentum in the development and execution of sustainability initiatives, some of which include: reducing energy usage and greenhouse gas emissions in buildings; reducing water and chemical usage and using more sustainable materials in apparel; designing harmful chemicals out of owned brand products; ensuring products continue to be sourced, manufactured, and transported according to the highest standards; developing new product packaging standards in order to reduce waste; and developing an employee engagement strategy to empower team members to improve sustainability in their professional roles and personal lives. This report and further information on the Company's sustainability practices are available on the Company's website at corp.canadiantire.ca/sustainability and are not incorporated herein by reference.

CTC has been working to understand and mitigate the effects of climate change on its operations for almost a decade. In 2018, CTC conducted a formal climate risk and opportunity assessment, including scenario analysis, that identified and quantified the risks of transition (such as increased government regulation in

the form of carbon pricing) and physical risks (such as fires and flooding) as well as an opportunity relating to electric vehicle adoption. CTC's comprehensive crisis management and business continuity programs consider the effects of climate change and other risks, threats and hazards that could affect CTC's operations and the communities in which it operates.

Diversity and Inclusion

CTC is committed to creating an equitable and inclusive culture that represents our people, customers and communities across the country. The Company has formed a Diversity, Inclusion & Belonging ("DIB") Committee led by senior leaders and a dedicated Vice-President, DIB, to oversee the strategic and day-to-day operational leadership for all DIB policies, practices and programs. This focus enables CTC to dedicate the resources needed to transform organizational culture and drive meaningful impacts in communities.

Internally, CTC hosts DIB education and training sessions to help increase knowledge and understanding of key equity issues. To increase meaningful discussions about diversity and inclusion, CTC launched "courageous conversations" between senior leaders and employees, creating a dedicated space to share feedback and listen. Externally, in 2020, CTC supported organizations dedicated to helping black communities, with donations of \$200,000 to the Black Health Alliance, \$200,000 to the Black Youth Helpline and \$200,000 to the Black Legal Action Centre. The Company also donated \$200,000 to grassroots Black organizations and diversity and inclusion groups recommended by CTC's employees.

Community

CTC supports a variety of social causes, but the largest single beneficiary is Canadian Tire Jumpstart Charities ("Jumpstart"), an independent organization. Since 2005, Jumpstart has been assisting Canadian families overcome the financial barriers to accessing sport and play for their kids. Jumpstart has also expanded its mandate to help remove barriers for kids with disabilities. In 2017, CTC announced a five-year funding initiative in support of accessible playgrounds, infrastructure and programming to provide Canadian kids with disabilities, including physical, cognitive and developmental disorders, greater access to sport and play through Jumpstart's inclusive play project, Play Finds a Way. To date, this initiative has seen the construction of 10 destination playgrounds across the country including Calgary, Winnipeg, Charlottetown, Prince Albert, Toronto, St. John, Surrey, Trois-Rivieres, Edmonton and Winkler.

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

To help Canadians and communities respond to COVID-19, CTC donated \$5 million to support healthcare and community workers at the frontline of relief and response efforts in 2020. The fund includes two donations of \$1 million each to the Canadian Red Cross and United Way Centraide Canada, as well as up to \$3 Million in personal protective equipment and essential products from across our family of companies.

The COVID-19 pandemic has also had a significant impact on community sports and recreation. During the year, with the Company's support, Jumpstart launched the \$8 million Jumpstart Sport Relief Fund – a fund developed to help sport and recreation organizations deliver programming. In December 2020, CTC donated \$12 million of funding to the Jumpstart Sport Relief Fund to provide further support of this initiative in 2021.

Ethical Conduct

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

The Code of Conduct addresses the ethical business standards and expectations of its directors, officers and all of the Company's employees and independent contractors in relation to compliance with laws and commitment to integrity, honesty and respect when dealing with each other, business partners and communities. Each director, officer and employee must annually acknowledge that they have read, understood and will commit to abide by the standards and expectations set out in the Code of Conduct. Each member of senior management is accountable for supporting and endorsing compliance with the Code of Conduct and ensuring that violations are reported in a manner consistent with the requirements of the Code of Conduct.

The Company's Supplier Code of Business Conduct ("Supplier Code") sets out the social compliance principles and practices of ethical business conduct that CTC expects of its suppliers of goods and services. The Supplier Code addresses bribery, child labour, forced labour, discrimination, freedom of association, wages and benefits, working hours, health and safety and disciplinary actions. CTC mitigates social compliance risk through a combination of ensuring all suppliers have signed the Supplier Code as evidence of their agreement and periodic assessments of suppliers' facilities against globally recognized audit standards such as the Business Social Compliance Initiative audit standard. CTC reviews all factory audit findings and, where circumstances warrant, works with suppliers on corrective action plans. CTC reserves the right to terminate its business relationship with any supplier who fails to implement corrective actions or refuses to comply with the Supplier Code. Additionally, CTC has made significant financial contributions to, and has actively participated in, international business efforts to improve factory safety in Bangladesh.

Compliance with the Code of Conduct and the Supplier Code is monitored, investigated where appropriate, and reported in accordance with internal directives. Copies of each of the Codes may be obtained without charge by contacting Canadian Tire Corporation, Limited, 2180 Yonge Street, P.O. Box 770, Station K, Toronto, Ontario, M4P 2V8, Attention: Ethics Office. The Codes are also available at corp.canadiantire.ca and on SEDAR at sedar.com.

3 General Development of the Business

3.1 2020 General Development of the Business

2020 Business Developments

- Greg Hicks was appointed as President and Chief Executive Officer of the Company effective March 12, 2020, succeeding Stephen Wetmore. Mr. Hicks previously served as President, Canadian Tire Retail. In addition, Gregory Craig was appointed Executive Vice-President, Chief Financial Officer of the Company effective March 2, 2020, succeeding Dean McCann. Mr. Craig previously served as President, Canadian Tire Financial Services and President and Chief Executive Officer, Canadian Tire Bank.
- During 2020, the COVID-19 pandemic had an impact on the Canadian and global economies and on consumer purchasing behaviours. These impacts, combined with the temporary closure of certain stores and the introduction of new safety protocols, significantly affected the Company's operations and financial performance in the year. Notable COVID-19 business developments are highlighted below. Additional information with respect to the impact of COVID-19 on operations, customers, financial performance, liquidity and risks is contained in section 4.0 entitled "Events that Impacted the Company this Year" and section 10.0 entitled "Key Risks and Risk Management" of CTC's MD&A for the year ended January 2, 2021:
 - The issuance of COVID-19 related government guidelines and restrictions, as well as the Company's focus on the health and well-being of its employees, customers, Dealers and franchisees, resulted in temporary store closures (predominantly in the second and fourth quarters), reduced store hours and customer capacity limitations. The Company also introduced enhanced cleaning protocols and actions to support physical distancing in its retail banners.
 - Throughout the year, the Company saw a significant shift in customer shopping behaviour by increasingly moving to online purchasing. The Company continued to serve customers during

temporary store closures online, offering curbside pickup and deliver-to-home across its retail banners.

- Between mid-March 2020 and mid-August 2020, the Company and its Dealers implemented a special support payment for all active front line employees in recognition of their commitment to serving their communities during the pandemic.
- With the Company's support, Jumpstart launched the \$8 million Jumpstart Sport Relief Fund – a fund developed to help sport and recreation organizations deliver programming. In December 2020, CTC donated \$12 million of funding to the Jumpstart Sport Relief Fund to provide further support of this initiative in 2021.
- CT REIT completed seven acquisitions, one development, two re-developments, seven intensifications and one disposition. The total spend in 2020 on these projects together with amounts incurred in connection with ongoing developments was approximately \$209 million. Additional information about CT REIT's business and finance developments in 2020, including with respect to COVID-19, can be found under section 3 entitled "General Development of the Business" of CT REIT's 2020 Annual Information Form available on SEDAR at www.sedar.com and on CT REIT's website at www.ctreit.com, which is not incorporated herein by reference.

2020 Finance Developments

- The heightened uncertainty arising from COVID-19 and its impact on the economic environment and capital markets in 2020 led to an increased emphasis within the Company on liquidity and capital management:
 - During the year, the Company took appropriate actions to ensure a strong ongoing cash position and financial flexibility, including reducing operating costs at head office and corporate stores and reducing discretionary capital expenditures and working capital requirements across the Company.
 - Prior to the onset of COVID-19, the Company purchased \$107.8 million Class A Non-Voting Shares pursuant to its 2020 share buyback intention. As a result of COVID-19, the Company paused its share purchases other than for anti-dilutive purposes.
 - The Company secured additional credit by entering into a committed bank credit facility for \$710 million with five Canadian financial institutions. The facility is available until June 2022.
- Given the considerable ongoing uncertainty regarding the duration and severity of COVID-19 and its impact on the economy, consumer demand, and operations, the Company withdrew its financial aspirations previously provided in the Company's 2019 Report to Shareholders and does not believe it is appropriate at this time to provide forward-looking information with regard to its future performance.
- CTC repaid \$250 million unsecured medium-term notes issued in 2018 (Series E) in connection with the acquisition of Helly Hansen.
- CTC approved an increase in its annual dividend from \$4.55 to \$4.70 per share, reflecting eleven years of consecutive increases, commencing with the quarterly dividend to be paid on March 1, 2021.
- CT REIT announced the issuance of \$150 million of senior unsecured debentures with a ten-year term and a coupon rate of 2.371% per annum (Series G), which was completed in January 2021. The net proceeds were used in connection with the redemption of \$150 million of its 2.159% senior unsecured debentures due June 1, 2021 (Series C).

3.2 2019 General Development of the Business

2019 Business Developments

- The Company acquired the brand, store network, leaseholds and fixed assets of Party City in Canada from Party City Holdco Inc.
- CTC launched its Operational Efficiency program, an enterprise-wide initiative, that allows the Company to eliminate duplicate systems and processes, drive enterprise-wide efficiencies by decommissioning legacy infrastructure and target internal and external expense reduction.
- CTC continued to strengthen its product and brand portfolio through the acquisition of a number of important brands:
 - CTC acquired the Canadian rights to the Raleigh, Diamondback, Redline and IZIP bicycle brands.
 - CTC acquired the Canadian rights to the Muskol mosquito repellent brand.
 - CTC acquired the brand rights in the United States for Mastercraft and Paderno and the brand rights in Europe for Woods.
- CT REIT completed 17 acquisitions, four developments, two re-developments, 16 intensifications and one disposition. The total spend in 2019 on these projects together with amounts incurred in connection with ongoing developments was approximately \$167 million.

2019 Finance Developments

- CTC and CT REIT completed, on a “bought-deal” basis, a joint offering for \$240 million of CT REIT units in September 2019. CT REIT issued 6,316,000 units from treasury for gross proceeds of \$90 million and CTC sold 10,530,000 CT REIT units for gross proceeds of \$150 million. CTC intends to remain the majority unitholder of CT REIT over the long-term.
- CTC entered into a commercial paper program that allows it to issue up to a maximum aggregate principal amount of US\$1.0 billion of short-term promissory notes in the United States.
- The Company approved an increase in its annual dividend from \$4.15 to \$4.55 per share, commencing with the quarterly dividend to be paid on March 1, 2020.
- The Company completed a \$316.5 million share buyback program of its Class A Non-Voting Shares.
- The Company announced its intention to purchase \$350 million of its Class A Non-Voting Shares by the end of 2020, subject to regulatory approval of the renewal of the Company’s normal course issuer bid (“NCIB”). As at December 28, 2019, the Company had purchased \$11.4 million of its Class A Non-Voting Shares under the announcement.

3.3 2018 General Development of the Business

2018 Business Developments

- CTC completed the acquisition of Helly Hansen for \$985 million in July 2018. The acquisition resulted in the addition of a global brand and leader in sportswear and workwear that professionals use and trust. Helly Hansen strengthens CTC’s core outdoor and workwear businesses across multiple retail banners and also accelerates the Company’s ability to distribute current and future owned brands internationally. See section 2.1 under “Retail Segment – Helly Hansen” for further information concerning Helly Hansen.
- The Company evolved its iconic loyalty program, Canadian Tire Money, with the launch of Triangle Rewards, which enables members to collect and redeem electronic Canadian Tire Money across CTC’s

retail banners. See section 2.1 entitled “Retail Segment – Triangle Rewards” for further information concerning the Triangle Rewards program. As part of the Triangle Rewards program, CTB began offering Triangle-branded credit cards through which cardholders can earn and redeem electronic Canadian Tire Money for use across CTC’s retail banners. See section 2.2 entitled “Financial Services Segment” for additional information on CTB’s credit card business.

- Canadian Tire completed the national roll-out of deliver-to-home order fulfillment.
- The Company launched a partnership with Husky Energy under its Triangle Rewards program, which provides Canadians with the ability to earn electronic Canadian Tire Money on fuel purchases using their Triangle Mastercard.
- The Company announced a partnership with Petco, a leading global pet specialty retailer. Under the partnership, Canadian Tire exclusively offers a variety of premium pet products, including Petco’s assortment of food, treats and accessories, online and in stores. The partnership marks Canadian Tire’s entry into the premium pet category and supports the Company’s commitment to offering customers and pet parents high quality products.
- To enhance its digital experience, Canadian Tire began testing new eCommerce solutions that put customer convenience at the heart of online shopping. Canadian Tire was the first-ever Canadian retailer to introduce new, automated, 16-foot Self-Serve Pick-Up Towers at five locations across Canada in Vancouver, Calgary, Saskatoon and Toronto. CTC also introduced a fleet of self-serve lockers and automated check-in terminals.
- The Company completed the acquisition of Sher-Wood Athletics Group Inc.’s global hockey trademarks, further solidifying CTC’s position as the ultimate hockey destination.
- The Company completed the implementation of a Distributed Order Management system at Mark’s, allowing the business to better manage inventory, product margin and shipping costs, as well as improve the customer experience.
- CT REIT completed 13 acquisitions, one development, one re-development and nine intensifications. The total spend in 2018 on these projects together with amounts incurred in connection with ongoing developments was approximately \$171 million.

2018 Finance Developments

- CT REIT issued \$200 million of senior unsecured debentures in February 2018 with a 9.8-year term and a coupon rate of 3.865% per annum (Series F).
- CTC issued \$650 million of unsecured medium term notes in July 2018. The note issuance included \$250 million principal amount of unsecured medium term notes due July 6, 2020, with a coupon rate of 2.646% per annum (Series E) and a \$400 million principal amount of unsecured medium term notes due July 6, 2023, with a coupon rate of 3.167% per annum (Series F).
- CTC and CT REIT completed, on a “bought-deal” basis, a joint offering for \$265 million of CT REIT units in November 2018. CT REIT issued 5,179,000 units from treasury for gross proceeds of \$65 million and CTC sold 15,936,000 CT REIT units for gross proceeds of \$200 million. The offering was in support of the Company’s continued investment in its owned brand strategy, including the acquisition of Helly Hansen, ongoing developments at existing properties and paying down the Company’s credit facility.
- The Company approved an increase in its annual dividend from \$3.60 to \$4.15 per share, commencing with the quarterly dividend paid on March 1, 2019.
- The Company completed a \$550 million share buyback program of its Class A Non-Voting Shares.

4 Capital Structure

4.1 Equity Securities

The authorized capital of CTC consists of 100,000,000 Class A Non-Voting Shares and 3,423,366 Common Shares, of which 57,383,758 Class A Non-Voting Shares and 3,423,366 Common Shares were issued and outstanding as at January 2, 2021. For additional information with respect to CTC's outstanding share capital, see section 7.0 entitled "Equity" of the MD&A and Note 26 of the notes to CTC's Consolidated Financial Statements for the year ended January 2, 2021.

Material Characteristics of Common Shares – The holders of Common Shares of CTC are entitled to vote at all meetings of holders of Common Shares and on the election of thirteen of the sixteen directors to be elected at the annual meeting of shareholders proposed to be held on May 13, 2021 and on the appointment of auditors. Each Common Share carries one vote. In addition, each holder of Common Shares at any time is entitled to have all or any number of the Common Shares held by such holders converted into Class A Non-Voting Shares on the basis of one Class A Non-Voting Share for each Common Share. The foregoing is a summary of certain of the conditions attached to the Common Shares of CTC. For a full statement of such conditions, reference should be made to CTC's articles of amendment dated December 15, 1983 which are available on SEDAR at www.sedar.com.

Material Characteristics of Class A Non-Voting Shares – The holders of Class A Non-Voting Shares of CTC are entitled to vote on the election of three of the sixteen directors to be elected at the annual meeting of shareholders proposed to be held on May 13, 2021. With the exception of: (i) the entitlement to vote for the election of three directors, or, if the number of directors of CTC exceeds 17, one-fifth of the directors of CTC, calculated to the nearest whole number; (ii) the entitlement to vote in the circumstances referred to under the heading "Change in Class A Non-Voting Shares and Common Shares" below; and, (iii) as provided under applicable law, the holders of Class A Non-Voting Shares are not entitled as such to vote at any meeting of shareholders of CTC. Subject to the foregoing, each Class A Non-Voting Share carries one vote. However, the articles of CTC provide that in the event an offer to purchase Common Shares is made to all or substantially all of the holders of Common Shares or is required by applicable securities legislation or by the Toronto Stock Exchange to be made to all holders of Common Shares in Ontario (other than an offer to purchase both Class A Non-Voting Shares and Common Shares at the same price per share and on the same terms and conditions) and a majority of the Common Shares then issued and outstanding are tendered and taken up pursuant to such offer, the Class A Non-Voting Shares shall thereupon and thereafter be entitled to one vote per share at all meetings of shareholders and thereafter the Class A Non-Voting Shares shall be designated as Class A Shares.

The Common Shares and Class A Non-Voting Shares are each voted separately as a class, except in clearly-defined circumstances as described above. Accordingly, 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, however, the holders of Common Shares and the holders of Class A Non-Voting Shares are entitled to vote together (rather than separately as a class), then based on the numbers of Common Shares and Class A Non-Voting Shares outstanding as at January 2, 2021, the Class A Non-Voting Shares would represent approximately 94.4% of the aggregate voting rights attached to the Common Shares and Class A Non-Voting Shares. The foregoing is a summary of certain of the conditions attached to the Class A Non-Voting Shares of CTC. For a full statement of such conditions, reference should be made to CTC's articles of amendment dated December 15, 1983 which are available on SEDAR at www.sedar.com.

Dividend Rights – When fixed cumulative preferential dividends aggregating one cent per share per annum have been paid or declared and set apart for payment on all of the outstanding Class A Non-Voting Shares in respect of the current year and each preceding year and a non-cumulative dividend aggregating one cent per share per annum has been paid or declared and set apart for payment on all outstanding Common Shares in the current year, any and all additional dividends, including stock dividends or other distributions to shareholders, will be paid or declared and set apart for payment or otherwise distributed in equal amounts per share on all Class A Non-Voting Shares and all Common Shares at the time outstanding

without preference or distinction or priority of one share over another. Information concerning CTC's dividend policy is set out in section 5 entitled "Dividends".

Rights Upon Liquidation, Dissolution or Winding-Up – In the event of the liquidation, dissolution or winding-up of CTC, whether voluntary or involuntary, or any other distribution of assets of CTC among its shareholders for the purpose of winding-up its affairs, all of the property of CTC available for distribution to the holders of Class A Non-Voting Shares and the holders of Common Shares shall be paid or distributed equally share for share to the holders of Class A Non-Voting Shares and to the holders of Common Shares without preference or distinction or priority of one share over another.

Change in Class A Non-Voting Shares and Common Shares – Except as provided above, neither the Class A Non-Voting Shares nor the Common Shares shall be changed in any manner whatsoever whether by way of subdivision, consolidation, reclassification, exchange or otherwise unless contemporaneously therewith the other class of shares is changed in the same manner and in the same proportion. Also, the authorized number of Common Shares and Class A Non-Voting Shares cannot be increased without the prior approval of the holders of at least two-thirds of the shares of each such class represented and voted at a meeting of shareholders called for the purpose of considering such an increase.

4.2 Market for Equity Securities

The outstanding Common Shares and Class A Non-Voting Shares of CTC are listed on the Toronto Stock Exchange ("TSX") and are traded under the symbols "CTC" and "CTC.A", respectively. The high and low reported trading price and volumes of Common Shares and Class A Non-Voting Shares of CTC on the TSX for each month of the 2020 fiscal year were as follows:

	Common Shares (CTC)		Volume Traded
	High (\$)	Low (\$)	
January 2020	197.08	176.00	13,735
February 2020	199.25	180.00	6,756
March 2020	196.64	140.00	16,019
April 2020	239.99	180.00	19,953
May 2020	224.99	195.00	26,371
June 2020	227.50	204.00	12,639
July 2020	225.00	205.00	9,188
August 2020	223.00	211.00	9,339
September 2020	218.38	200.01	5,922
October 2020	215.99	202.65	7,387
November 2020	217.99	202.75	10,860
December 2020	215.00	195.26	11,642

Class A Non-Voting Shares (CTC.A)

	High (\$)	Low (\$)	Volume Traded
January 2020	146.83	138.67	6,012,220
February 2020	153.90	129.57	7,077,691
March 2020	136.10	67.15	15,429,499
April 2020	103.45	80.30	11,688,633
May 2020	118.95	91.01	13,155,245
June 2020	128.57	115.29	10,047,322
July 2020	124.64	114.67	6,272,948
August 2020	139.69	118.86	8,090,673
September 2020	139.24	122.81	5,494,126
October 2020	155.47	133.76	7,398,703
November 2020	167.42	146.45	5,919,143
December 2020	170.39	162.86	4,098,062

4.3 Normal Course Issuer Bid

Each year, the Company files an NCIB with the TSX which allows it to purchase its Class A Non-Voting Shares in the open market to effect share buybacks and its anti-dilution policy.

CTC's current NCIB commenced on March 2, 2020 and is in effect until March 1, 2021. Under the NCIB, the Company has the ability to purchase up to 5.5 million Class A Non-Voting Shares by means of open market transactions through the facilities of the TSX and/or alternative trading systems at the market price of the Class A Non-Voting Shares at the time of purchase or as otherwise permitted under the rules of the TSX or securities regulatory authorities. Class A Non-Voting Shares acquired by CTC pursuant to the NCIB are restored to the status of authorized but unissued shares.

Further information concerning the Company's 2020 NCIB, including 2020 share buybacks, is located in section 7.0 entitled "Equity" of CTC's MD&A for the year ended January 2, 2021.

4.4 Debt Securities

Medium Term Notes

CTC has issued various series of medium term notes and each series is governed by a trust indenture ("Trust Indenture"). The medium term notes are subject to certain covenants, are unsecured obligations of CTC and rank equally and pari passu with all other existing and future unsecured and unsubordinated indebtedness of CTC.

Pursuant and subject to the terms of the Trust Indentures, CTC may redeem, in whole or in part, medium term notes with original terms to maturity greater than two years. In addition, in the event of a change of control, CTC must make an offer to repurchase the medium term notes.

As at January 2, 2021, CTC had an aggregate principal amount of \$950 million of medium term notes outstanding.

U.S Commercial Paper Program

The Company has established a commercial paper program that allows it to issue up to a maximum aggregate principal amount of US\$1.0 billion of short-term promissory notes in the United States. This program was established to increase funding flexibility and to reduce funding costs. Terms to maturity for the promissory notes range from one to 270 days. Notes are issued at a discount and rank equally in right of payment with all other present and future unsecured and unsubordinated obligations to creditors of the Company. As at January 2, 2021, CTC had no U.S. commercial paper notes outstanding.

5 Dividends

Dividends are declared at the discretion of the Board of Directors of CTC after consideration of earnings available for dividends, financial requirements and other conditions prevailing from time to time. The Company has a long-term payout ratio target of approximately 30 to 40 percent of the prior year normalized earnings, after giving consideration to the period-end cash position, future cash flow requirements, capital market conditions, and investment opportunities. The payout ratio may fluctuate in any particular year due to unusual or non-recurring events, such as the impact of COVID-19 on the Company.

CTC has declared and paid the following dividends on its Common and Class A Non-Voting Shares in respect of the last three years:

Year	Annual Dividend
2018	\$3.6000
2019	\$4.1500
2020	\$4.5500

In 2020, the Board of Directors approved an increase in the quarterly dividend per share (on each Common and Class A Non-Voting Share) from \$1.1375 to \$1.175 per quarter, commencing with the dividend to be paid on March 1, 2021.

The June 4, 1993 Trust Indenture pursuant to which CTC issued medium term notes due in 2028 and 2034, contains restrictions on the ability of CTC to declare and pay dividends. The financial position of CTC is such that these restrictions do not practically limit the payment of dividends by CTC at this time. The March 14, 2005 Trust Indenture pursuant to which CTC also issued medium term notes due in 2023 and 2035 does not contain any restrictions concerning CTC's ability to declare and pay dividends.

6 Security Ratings

CTC has short-term and long-term issuer ratings and ratings for its debt securities. A credit rating generally provides an indication of the risk that the borrower will not fulfill its full obligations in a timely manner with respect to both interest and principal commitments. Short-term ratings are provided by S&P Global Ratings, acting through Standard & Poor's Ratings Services (Canada), a business unit of S&P Global Canada Corp. ("S&P"), and Moody's Investors Service ("Moody's"). Long-term ratings are provided by DBRS Limited ("DBRS Morningstar") and S&P.

Below is a summary of the Company's long-term and short-term issuer ratings and ratings on CTC's outstanding medium term notes and U.S. commercial paper:

	DBRS Morningstar		S&P		Moody's	
	Rating	Trend	Rating	Outlook	Rating	Outlook
Issuer (Long Term)	BBB	Stable	BBB	Negative	-	-
Issuer (Short Term)	-	-	A-2	-	-	-
Medium Term Notes	BBB	Stable	BBB	-	-	-
U.S. Commercial Paper	-	-	A-2	-	P-2	Stable

On March 31, 2020, related to the COVID-19 pandemic, S&P downgraded the Company's long-term issuer rating and medium term notes rating from "BBB+" to "BBB" and placed a "Negative" outlook on the Company's long-term issuer rating. On April 7, 2020, related to the COVID-19 pandemic, DBRS Morningstar placed the Company's long-term issuer rating and medium term notes rating to "under review with negative implications" and on June 5, 2020 downgraded the Company's long-term issuer rating and medium term notes rating from "BBB (high)" to "BBB", with "Stable" trends.

The following information relating to credit ratings is based on information made available to the public by the rating agencies.

Long-term rating categories for DBRS Morningstar and S&P range from highest credit quality (generally "AAA") to default in payment (generally "D"). Short-term rating categories range from "A-1+" (S&P), or "P-1" (Moody's), representing the highest credit quality, to "C" (S&P) and "not prime" (Moody's) for the lowest quality of securities rated.

A long-term rating of "BBB" by DBRS Morningstar is within the fourth highest of ten long-term rating categories and is assigned to debt that is considered to be of adequate credit quality, where capacity for the payment of financial obligations is considered acceptable but the issuing entity may be vulnerable to future events. A credit rating of "BBB (low)" or higher is an investment grade rating. The assignment of a "(high)" or "(low)" modifier within each rating category indicates relative standing within such category. The assignment of a "Positive", "Stable" or "Negative" trend modifier provides guidance in respect of DBRS Morningstar's opinion regarding the outlook for the rating in question. The rating trend indicates the direction in which DBRS Morningstar considers the rating is headed should present tendencies continue.

A long-term rating of "BBB" by S&P is within the fourth highest of ten long-term rating categories and indicates that the obligor exhibits adequate capacity to meet financial commitments. However, adverse economic conditions or changing circumstances are more likely to lead to a weakened capacity of the obligor to meet its financial commitment on the obligation. A credit rating of "BBB-" or higher is an investment grade rating. The addition of a plus (+) or minus (-) designation after a rating indicates the relative standing within a particular rating category. The addition of a rating outlook modifier, such as "Positive", "Stable", "Negative" or "Developing" assesses the potential direction of a long-term credit rating over the intermediate term (typically six months to two years). An outlook is not necessarily a precursor of a rating change.

A short-term rating of "A-2" by S&P is the second highest short-term rating category and indicates that the obligor has satisfactory capacity to meet its financial commitments. However, the obligor is somewhat more susceptible to the adverse effects of changes in circumstances and economic conditions.

A short-term rating of "P-2" by Moody's is the second highest short-term rating category and indicates the issuer has a strong ability to repay short-term debt obligations.

There is no assurance that a rating will remain in effect for any given period of time or that a rating will not be lowered, withdrawn or revised by DBRS Morningstar, S&P or Moody's if, in their judgment, circumstances so warrant. The rating of any debt securities is not a recommendation to buy, sell or hold such securities, inasmuch as such ratings do not comment as to market price or suitability for a particular investor. In the last two years, the Company has paid fees to DBRS Morningstar, S&P and Moody's to obtain credit ratings and expects to pay similar fees in the future pursuant to the rating agency's services agreements.

Information regarding the credit ratings applicable to CT REIT can be found under section 11 entitled "Credit Ratings" of CT REIT's Annual Information Form which is not incorporated herein by reference.

7 Transfer Agents and Registrar

Computershare Trust Company of Canada ("Computershare") is the registrar and transfer agent for the Common Shares and Class A Non-Voting Shares of CTC. Computershare keeps the Register of Holders and the Register of Transfers for both the Common Shares and Class A Non-Voting Shares at its principal stock transfer office in the City of Toronto (Ontario) and Branch Registers of Transfers at stock transfer offices in the cities of Montreal (Quebec), Calgary (Alberta) and Vancouver (British Columbia).

CIBC Mellon Trust Company c/o BNY Trust Company of Canada ("BNYTCC") is the registrar and transfer agent for CTC's medium term notes. BNYTCC keeps the Register of Holders and the Register of Transfers for the medium term notes at its principal office in the City of Toronto (Ontario), and Branch Registers of Transfers at its office in the city of Montreal (Quebec), except for medium term notes issued pursuant to a trust indenture dated March 14, 2005, for which the Branch Register of Transfers is in the City of Toronto.

8 Directors and Officers

8.1 Members of the Board of Directors

The following table sets out the directors of CTC, including their place of residence, year first elected or appointed, and principal occupation:

Name, Province or State and Country of Residence	Year First Elected/Appointed ¹	Principal Occupation ²
Maureen Sabia Ontario, Canada	1985	Non-Executive Chairman of the Board of CTC, President, Maureen Sabia International, a consulting firm, and Corporate Director
Eric Anderson Illinois, U.S.A.	2016	Polk Brothers Chair in Retailing and Director of the Kellogg-McCormick MBA Program at Northwestern University
Martha Billes Alberta, Canada	1980	President, Tire 'N' Me Pty. Ltd., an investment holding company
Owen Billes Ontario, Canada	2004	President, Sandy McTyre Retail Ltd., which operates a Canadian Tire store
Diana Chant Ontario, Canada	2015	Corporate Director
Patrick Connolly California, U.S.A.	2016	Co-Founder, Managing Partner of SleepScore Ventures, LLC, an early stage investor in companies developing products and services to improve sleep, and Corporate Director
David Court Ontario, Canada	2015	Corporate Director and Director Emeritus, McKinsey & Company, a management consulting firm
Mark Derbyshire Ontario, Canada	2016	Corporate Director and Brand & Talent Consultant
John Furlong British Columbia, Canada	2011	Corporate Director
James Goodfellow Ontario, Canada	2010	Corporate Director
Greg Hicks Ontario, Canada	2020	President and Chief Executive Officer of CTC
Norman Jaskolka Quebec, Canada	2018	CEO of Sweet Park Capital, which manages the investments of the Bensadoun family

Name, Province or State and Country of Residence	Year First Elected/Appointed ¹	Principal Occupation ²
Claude L'Heureux Ontario, Canada	2011	President, Gestion Claude L'Heureux, which operates a Canadian Tire store
Donald Murray Alberta, Canada	2017	President, Donald A. Murray Holdings Ltd., which operates a Canadian Tire store
J. Michael Owens Ontario, Canada	2020	Corporate Director
Cynthia Trudell Florida, U.S.A.	2019	Corporate Director

¹ Each director of CTC holds office until the next annual meeting of shareholders or until his or her successor is elected or appointed.

² Each of the directors of CTC has had the principal occupation indicated opposite his or her name during the past five years, except:

- (a) P. Connolly, who from July 2014 until July 2016 served as Executive Vice-President, Chief Strategy Officer and Business Development Officer, Williams-Sonoma, Inc. and from 2000 to 2014 served as Chief Marketing Officer, Williams-Sonoma, Inc.
- (b) D. Court, who prior to November 2016 was a Director (Senior Partner) of McKinsey & Company.
- (c) M. Derbyshire, who from January 2010 until September 2016 served as President and CEO of Holt Renfrew & Co., Limited.
- (d) G. Hicks, who from November 2017 to March 2020 served as President, Canadian Tire Retail, from September 2016 to November 2017 served as Group Senior Vice-President, Consumer Products & Retail Experience, and prior to September 2016 served as Senior Vice-President, Merchandising.
- (e) N. Jaskolka, who prior to March 2020 served as Chairman of The Aldo Group.
- (f) M. Owens, who prior to May 2019 was a partner of Deloitte LLP.
- (g) C. Trudell, who from 2007 until 2017 served as Executive Vice President and Chief Human Resources Officer of PepsiCo., Inc.

³ Until March 2020, N. Jaskolka served on the board of directors of The Aldo Group Inc., which, together with certain subsidiaries, applied for and obtained an order under the Companies' Creditor Arrangement Act effective May 7, 2020, providing certain relief measures while they carry out a restructuring process. Similar relief has been applied for in the United States.

Committees of the Board of Directors

The Board of Directors has four committees: the Audit Committee, the Management Resources and Compensation Committee ("MRC Committee"), the Governance Committee and the Brand and Community Committee. The current members of these Committees are as follows:

Audit Committee	MRC Committee	Governance Committee	Brand and Community Committee
D. Chant (Chairman)	C. Trudell (Chairman)	M. Sabia (Chairman)	P. Connolly (Chairman)
D. Court	E. Anderson	M. Billes	M. Billes
J. Goodfellow	D. Court	D. Chant	O. Billes
N. Jaskolka	M. Derbyshire	P. Connolly	M. Derbyshire
C. Trudell	J. Goodfellow	N. Jaskolka	J. Furlong
		C. Trudell	N. Jaskolka
			C. L'Heureux
			D. Murray

Audit Committee

As noted above, the Audit Committee is comprised of Diana Chant (Chairman), David Court, James Goodfellow, Norman Jaskolka and Cynthia Trudell. The education and experience of each Audit Committee member that is relevant to the performance of his or her responsibilities as an Audit Committee member is described below:

Member	Experience
Diana L. Chant, Chairman	Ms. Chant is a Corporate Director and Fellow of the Chartered Professional Accountants of Ontario with over 30 years' experience providing professional services to Canadian financial institutions and major corporations in a consulting and audit capacity. Ms. Chant is a former 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 role, she was responsible for PwC's financial services industry practice and was a

Member	Experience
	member of the Canadian firm's management team. Ms. Chant has led numerous engagements for financial institutions in risk management (including market, credit and operational risk), corporate governance and board effectiveness, treasury operations, liquidity management, capital markets trading and operations, compliance and controls, and internal audit. Previously, she was an audit partner with experience in complex accounting, treasury management, public companies, broker dealers and pension funds. She serves on the boards of Industrial and Commercial Bank of China (Canada), including its audit committee, and The Roy Thomson Hall and Massey Hall Foundation. She is also a member of the investment committee which oversees the investments of the PwC Income Security Program.
David C. Court	Mr. Court is a Corporate Director and Director Emeritus of McKinsey & Company ("McKinsey"). He serves on the boards of Brookfield Business Partners LP, National Geographic Ventures, the Public Sector Pension Investment Board and Queen's University and is Chair of the advisory board for Georgian Partners. Mr. Court is a former senior partner of the Dallas office of McKinsey where he served as Global Director of Technology, Digitization and Communications, led McKinsey's global practice in harnessing digital data and advanced analytics and was a member of the firm's board of directors and its global operating committee. While at McKinsey, Mr. Court served clients across a variety of consumer and industry-related businesses in Asia, Europe, Latin America, and the United States. Mr. Court's experience includes helping clients launch eCommerce businesses, leading brand and sub-brand strategies, developing and implementing sales skill-building programs in global companies, and creating new organization approaches for sales and marketing organizations. Mr. Court has authored various articles and professional publications.
James L. Goodfellow	Mr. Goodfellow is a Corporate Director and Fellow of the Chartered Professional Accountants of Ontario with over 40 years' experience in public accounting. Mr. Goodfellow is a former senior partner and Vice-Chairman of Deloitte & Touche LLP (now Deloitte). He has been an active contributor to the accounting profession, having served as past Chairman of the Chartered Professional Accountants of Canada's Accounting Standards Board and its Canadian Performance Reporting Board. He provides consulting services on corporate governance, risk governance and financial reporting matters. He serves on the board of Canadian Tire Bank, including as a member of its audit and risk management committee. He has also served on the board of Discovery Air Inc. and is a past member of the audit committee of the Department of Foreign Affairs and International Trade Canada. Mr. Goodfellow is a past recipient of the Chartered Professional Accounts of Ontario's Distinguished Order of Merit. He is a frequent speaker on both governance issues and matters related to auditing and financial reporting and has authored various articles and professional publications.
Norman Jaskolka	Mr. Jaskolka is CEO of Sweet Park Capital, which manages the investments of the Bensadoun family. He is a Fellow of the Order of Chartered Accountants of Quebec. Mr. Jaskolka previously served as Chairman of The Aldo Group, President of Aldo Group International, and Vice-President, Corporate Development and Vice-President, Information Technology of The Aldo Group. He was a member of The Aldo Group's enterprise risk management committee, oversaw all merger and acquisition activities and also led The Aldo Group's annual budgeting process. Prior to joining The Aldo Group, Mr. Jaskolka was a partner at Ernst & Young where his practice focused on audit, taxation, business valuations and corporate finance. Mr. Jaskolka is Co-Chairman of the advisory board of the Bensadoun School of Retail Management at McGill University and is a frequent lecturer and speaker on global retail strategies, having presented at the World Retail Congress and the National Retail Federation.

Member	Experience
Cynthia Trudell	Ms. Trudell is a Corporate Director. She serves on the boards of ISS A/S (International Service System), a global facility service provider, and RenaissanceRe, a global reinsurance provider. Ms. Trudell served as Executive Vice President and Chief Human Resources Officer of PepsiCo, Inc. from 2007 until her retirement in 2017. Prior to joining PepsiCo, she served as President of Sea Ray Group, a wholly owned subsidiary of Brunswick Corporation with accountability for the Sea Ray, Boston Whaler and Baja powerboat brands. She began her career with the Ford Motor Company and then joined General Motors ("GM"), where she served in a number of progressively senior positions, including as President of IBC Vehicles, Vice President of GM and Chairman and President of Saturn Corporation. Ms. Trudell has served on the boards of PepsiCo, the Canadian Imperial Bank of Commerce, the Pepsi-Cola Bottling Group and the United States Defense Business Board.

Each member of the Audit Committee is financially literate within the meaning of such definition as set out in National Instrument 52-110 – *Audit Committees* of the Canadian Securities Administrators ("NI 52-110"). Each member of the Audit Committee is also independent within the meaning of NI 52-110.

The Audit Committee has established a policy under which all requests for permitted non-audit services to be provided by the auditors for CTC must be brought to the attention of the Chairman of the Audit Committee before such work is commenced. The Chairman is authorized to approve all such requests, but if any such service exceeds or is expected to exceed \$350,000 in fees, or the service is of a sensitive or unusual nature, the Chairman consults with the Committee before approving the service. The Chairman of the Committee has the responsibility to inform the Audit Committee of all pre-approved services at its next meeting.

The Audit Committee Mandate is attached hereto as Schedule A.

8.2 Executive Officers

The following table sets out the executive officers of CTC, including their place of residence and principal occupation:

Name, Province and Country of Residence	Principal Occupation ¹
Maureen Sabia Ontario, Canada	Non-Executive Chairman of the Board of CTC, President, Maureen Sabia International, a consulting firm, and Corporate Director
Greg Hicks Ontario, Canada	President and Chief Executive Officer of CTC
Gregory Craig Ontario, Canada	Executive Vice-President and Chief Financial Officer
James Christie Ontario, Canada	Executive Vice-President, CTC, Strategic Advisor and General Counsel
John Pershing Ontario, Canada	Executive Vice-President, Chief Human Resources Officer
Mahes Wickramasinghe Ontario, Canada	Executive Vice-President, CTC and President, Canadian Tire Financial Services and President & CEO, Canadian Tire Bank
TJ Flood Ontario, Canada	President, Canadian Tire Retail
Susan O'Brien Ontario, Canada	Chief Brand and Customer Officer

¹ Each of the executive officers has held the principal occupation indicated opposite his or her name or other positions and offices within CTC, if applicable, during the past five years except:

- (a) G. Hicks, who from November 2017 to March 2020 served as President, Canadian Tire Retail, from September 2016 to November 2017 served as Group Senior Vice-President, Consumer Products & Retail Experience and prior to September 2016 served as Senior Vice-President, Merchandising.
- (b) G. Craig, who prior to March 2020 served as President, Canadian Tire Financial Services.
- (c) T.J. Flood, who from February 2018 to April 2020 served as President, SportChek, from September 2016 to February 2018 served as Senior Vice-President, Consumer Brands Division and prior to September 2016 served as Senior Vice-President, Marketing.
- (d) S. O'Brien, who from June 2017 to July 2020 served as Senior Vice-President, Marketing, from September 2016 to June 2017 served as Senior Vice-President, Marketing & Communication and prior to September 2016 served as the Head of Corporate Affairs.
- (e) J. Pershing, who prior to July 2019 served as Executive Vice President, Human Resources of Ascena Retail Group.
- (f) M. Wickramasinghe, who from September 2016 to March 2020 served as Executive Vice-President, International and Chief Corporate Officer, and prior to September 2016 served as Chief Strategy Officer.

8.3 Securities Held

As at January 2, 2021, the directors and executive officers of CTC, as a group, beneficially owned, directly or indirectly, or exercised control or direction over 2,101,176 Common Shares of CTC (representing approximately 61.4% of the issued and outstanding Common Shares of CTC) and 820,808 Class A Non-Voting Shares of CTC (representing approximately 1.4% of the issued and outstanding Class A Non-Voting Shares of CTC). The Common Shares held by this group include 2,101,150 Common Shares beneficially owned, controlled or directed by Martha Billes through two privately held companies, Tire 'N' Me Pty. Ltd. and Albikin Management Inc.

The above figures do not include the Common Shares and Class A Non-Voting Shares held in connection with CTC's Deferred Profit Sharing Plan ("CTC DPSP"), in which certain of CTC's executive officers have rights pursuant to a group annuity policy issued in connection with the CTC DPSP. One executive officer of CTC also serves as a member of CTC's DPSP Capital Accumulation Plan Committee (the "DPSP CAP Committee") with respect to the exercise of voting and various other rights of the Company's shares held in relation to the CTC DPSP. As at January 2, 2021, the DPSP CAP Committee exercised control or direction over 419,280 of the Common Shares of CTC (representing approximately 12.2% of the issued and outstanding Common Shares of CTC) and 548,294 of the Class A Non-Voting Shares of CTC (representing approximately 1% of the issued and outstanding Class A Non-Voting Shares of CTC) held in relation to the CTC DPSP. As at January 2, 2021, the directors and executive officers of CTC, as a group, beneficially owned, directly or indirectly, or exercised control or direction over 51,200 Units of CT REIT (representing approximately 0.1% of the issued and outstanding Units of CT REIT).

8.4 Conflicts of Interest

Other than as described below, to the best of CTC's knowledge, no director or officer of the Company or its subsidiaries has an existing or potential material conflict of interest with CTC or any entities controlled by it. Three directors are Dealers. CTC is a party to a contract with each such director pursuant to which each operates the retail business of a Canadian Tire store. The three members of the Board of Directors who are also Dealers recuse themselves from voting on contractual arrangements between the Company and the Dealers. Mr. Hicks, the President and Chief Executive Officer of CTC, is a trustee of CT REIT.

9 Interests of Experts

Deloitte LLP are the auditors of CTC and are independent within the meaning of the Rules of Professional Conduct of the Chartered Professional Accountants of Ontario. The following table sets forth the aggregate fees billed for professional services rendered by Deloitte LLP to the Company and its subsidiaries for the fiscal years ended January 2, 2021 and December 28, 2019, respectively:

	Year Ended January 2, 2021	Year Ended December 28, 2019
Audit Fees ¹	\$4,859,000	\$4,967,000
Audit-Related Fees ²	\$250,000	\$735,000
Tax Fees ³	\$117,000	\$80,000
All Other Fees ⁴	\$0	\$125,000
Total	\$5,226,000	\$5,907,000

¹ "Audit Fees" are the aggregate fees billed by CTC's external auditors for audit services, including translation fees.

² "Audit-Related Fees" are the aggregate fees billed by CTC's external auditors for assurance and related services that were reasonably related to the performance of the audit or review of CTC's financial statements and were not reported under "Audit Fees" in the table above. These services are related to accounting advisory and due diligence on various projects.

³ "Tax Fees" include the aggregate fees billed by CTC's external auditors for professional services related to tax compliance, tax advice and tax planning. These services related primarily to tax advice in connection with foreign operations and the Canadian tax implications thereof, transfer pricing, tax compliance, and tax planning.

⁴ "All Other Fees" are aggregate fees billed by CTC's external auditors for services, other than the services reported under "Audit Fees", "Audit-Related Fees" and "Tax Fees" in the table above. In the 2019 fiscal year, these services were related to various consulting projects.

10 Legal Proceedings and Regulatory Actions

CTC and certain of its subsidiaries are party to a number of legal proceedings. CTC believes that each such proceeding constitutes a routine legal matter incidental to the business conducted by CTC. CTC cannot determine the ultimate outcome of all of the outstanding claims, but believes that the ultimate disposition of the proceedings will not have a material adverse effect on its consolidated earnings, cash flow or financial position.

During 2020, (i) there have been no penalties or sanctions imposed against the Company by a court relating to securities legislation or by a securities regulatory authority, (ii) there have been no other penalties or sanctions imposed by a court or regulatory body against the Company that would likely be considered important to a reasonable investor in making an investment decision, and (iii) the Company has not entered into any settlement agreements before a court relating to securities legislation or with a securities regulatory authority.

11 Additional Information

Additional information, including directors' and officers' remuneration, principal holders of CTC's securities and securities authorized for issuance under CTC's equity compensation plans, where applicable, is contained in CTC's Management Information Circular prepared in connection with the Annual Meeting of Shareholders of CTC that was held on May 7, 2020, which is available on SEDAR at www.sedar.com. Additional financial information is provided in CTC's Consolidated Financial Statements and MD&A for the financial year ended January 2, 2021, which are also available on SEDAR at www.sedar.com. Other information relating to CTC may also be obtained on SEDAR at www.sedar.com.

12 Forward Looking Information

Certain statements included or incorporated by reference in this Annual Information Form other than statements of historical facts may constitute forward-looking information, including but not limited to, statements concerning management's current expectations relating to possible or assumed future prospects and results, CTC's strategic goals and priorities, its actions and the results of those actions, and the economic and business outlook for CTC. Often, but not always, forward-looking information can be identified by the use of forward-looking terminology such as "may", "will", "expect", "intend", "believe", "estimate", "plan", "can", "could", "should", "would", "outlook", "forecast", "anticipate", "aspire", "foresee", "continue", "ongoing" or the negative of these terms or variations of them or similar terminology. Forward-looking information is based on the reasonable assumptions, estimates, analyses, beliefs and opinions of management made in light of its experience and perception of trends, current conditions and expected developments, as well as other factors that management believes to be relevant and reasonable at the date that such statements are made. Forward-looking statements provide information about management's current expectations and plans and allow investors and others to get a better understanding of the anticipated financial position, results of operations and operating environment of CTC. Readers are cautioned that such information may not be appropriate for other purposes.

By its very nature, forward-looking information requires management to make assumptions and is subject to inherent risks and uncertainties, which give rise to the possibility that management's assumptions, estimates, analyses, beliefs and opinions may not be correct and that CTC's expectations and plans will not be achieved. Examples of material assumptions and management's beliefs, which may prove to be incorrect, include, but are not limited to, the duration and impact of COVID-19, including measures adopted by governmental or public authorities in response to the pandemic, the effectiveness of certain performance measures, current and future competitive conditions and the Company's position in the competitive environment, the Company's core capabilities, and expectations around the availability of sufficient liquidity to meet the Company's contractual obligations. Although the Company believes that the forward-looking information in this document is based on information, assumptions and beliefs that are current, reasonable, and complete, such information is necessarily subject to a number of factors that could cause actual results to differ materially from management's expectations and plans as set forth in such forward-looking information. Some of the factors, many of which are beyond the Company's control and the effects of which can be difficult to predict, but may cause actual results to differ from the results expressed by the forward-looking information, include: (a) credit, market, currency, operational, liquidity and funding risks, including changes in economic conditions, interest rates or tax rates; (b) the ability of the Company to attract and retain high-quality executives and employees for all of its businesses, Dealers, Petroleum retailers, and Mark's and SportChek franchisees, as well as the Company's financial arrangements with such parties; (c) the growth of certain business categories and market segments and the willingness of customers to shop at its stores or acquire the Company's owned brands or its financial products and services; (d) the Company's margins and sales and those of its competitors; (e) the changing consumer preferences and expectations relating to eCommerce, online retailing and the introduction of new technologies; (f) the possible effects on the Company's business from international conflicts, political conditions, and other developments including changes relating to or affecting economic or trade matters as well as the outbreak of contagions or pandemic diseases; (g) risks and uncertainties relating to information management, technology, cyber threats, property management and development, environmental liabilities, supply-chain management, product safety, competition, seasonality, weather patterns, climate change, commodity prices and business continuity; (h) the Company's relationships with its Dealers, franchisees, suppliers, manufacturers, partners and other third parties; (i) changes in laws, rules, regulations and policies applicable to the Company's business; (j) the risk of damage to the Company's reputation and brand; (k) the cost of store network expansion and retrofits; (l) the Company's capital structure, funding strategy, cost management programs and share price; (m) the Company's ability to obtain all necessary regulatory approvals; (n) the Company's ability to complete any proposed acquisition; and (o) the Company's ability to realize the anticipated benefits or synergies from its acquisitions.

The material risks and uncertainties and the material factors and assumptions applied in preparing forward-looking information that could cause actual results to differ materially from predictions, forecasts, projections, expectations or conclusions are discussed in section 4.0 entitled "Events that Impacted the

Company this Year” and section 10.0 entitled “Key Risks and Risk Management” and all subsections thereunder in CTC’s MD&A for the year ended January 2, 2021. For more information, please also refer to CTC’s public filings available on SEDAR at www.sedar.com and at corp.canadiantire.ca.

CTC cautions that the foregoing list of important factors and assumptions is not exhaustive and other factors could also adversely affect its results. Investors and other readers are urged to consider the foregoing risks, uncertainties, factors and assumptions carefully in evaluating the forward-looking information and are cautioned not to place undue reliance on such forward-looking information. The forward-looking information in this Annual Information Form is based on certain factors and assumptions as of the date hereof and does not take into account the effect that transactions or non-recurring or other special items announced or occurring after the statements are made have on CTC’s business. CTC does not undertake to update any forward-looking information, whether written or oral, that may be made from time to time by it or on its behalf, to reflect new information, future events or otherwise, except as is required by applicable securities laws.

Information contained in or otherwise accessible through the websites referenced in this Annual Information Form (other than CTC’s profile on SEDAR at www.sedar.com) does not form part of this Annual Information Form and is not incorporated by reference into this Annual Information Form. All references to such websites are inactive textual references and are for information only.

SCHEDULE A
CANADIAN TIRE CORPORATION, LIMITED
AUDIT COMMITTEE MANDATE

1. Purpose of the Committee

The Board of Directors (the “Board”) of Canadian Tire Corporation, Limited (the “Corporation”) has established the Audit Committee (the “Committee”) to assist the Board with its oversight responsibilities with respect to:

- (i) the integrity of the financial statements and related disclosures;
- (ii) compliance with legal, regulatory and other requirements relating to the Corporation’s financial statements and disclosures;
- (iii) management’s responsibility for assessing and reporting on the effectiveness of internal control over financial reporting and disclosure controls and procedures;
- (iv) the qualifications, independence and appointment of the external auditors;
- (v) the performance of the external auditors and Internal Audit Services;
- (vi) the Corporation’s enterprise risk management processes; and
- (vii) such other matters as delegated by the Board.

2. Responsibilities of the Committee

The Committee shall perform the functions customarily performed by audit committees and any other functions delegated by the Board. These will include the following:

(a) Financial Reporting

Review and discuss with management and the external auditors:

- (i) major issues regarding the appropriateness of the Corporation’s accounting policies, principles, and financial statement presentation and disclosures and any significant changes;
- (ii) key estimates, judgments and reserves, including key changes and variations;
- (iii) the effect of regulatory and accounting developments on financial statement presentation and reporting;
- (iv) the annual and interim financial statements, having regard for whether such statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”);
- (v) the annual and interim Management’s Discussion and Analysis (“MD&A”);
- (vi) earnings press releases;
- (vii) whether taken together, the financial statements and MD&A constitute a fair presentation of the Corporation’s financial position and performance and if appropriate, recommend the financial statements, MD&A and earnings press release to the Board for approval; and

- (viii) the external auditors' report on the annual financial statements and their review of the interim financial statements, as well as any issues raised and management's responses.

(b) Other Financial Information

- (i) review any other news releases and investor presentations containing previously undisclosed material financial information or forward-looking financial information, and report thereon to the Board. Where Board or Audit Committee review is impractical prior to release, authority to review and approve such news releases may be exercised by the Chairman of the Audit Committee and the Chairman of the Board, acting together;
- (ii) review any material financial information, including financial statements, contained in any prospectus or other offering or publicly filed disclosure documents and report thereon to the Board; and
- (iii) review the Annual Information Form of the Corporation, and, if appropriate, recommend to the Board for approval.

(c) Oversight of Internal Control over Financial Reporting and Disclosure Controls and Procedures

- (i) review regular reports from management, Internal Audit Services and the external auditors, in order to be satisfied that the Corporation has designed and maintains an effective system of internal control over financial reporting ("ICFR") that provides reasonable assurance over the reliability of financial reporting, with such reports to include any indication of fraud and any corresponding corrective activity undertaken;
- (ii) review regular reports from management, Internal Audit Services and the external auditors, in order to be satisfied that the Corporation has designed and maintains an effective system of disclosure controls and procedures ("DC&P") that provides reasonable assurance that information required to be disclosed by the Corporation is recorded, processed, summarized and reported appropriately;
- (iii) review and discuss with the CEO and the CFO the process for the certifications to be provided in the Corporation's public disclosure documents and the basis for the CEO and CFO's conclusions; and
- (iv) annually assess that adequate procedures are in place for the review of the disclosure of financial information extracted or derived from the Corporation's financial statements to ensure that such information is fairly presented.

(d) Oversight of Risk Management

Enterprise Risk

- (i) oversee the Corporation's enterprise risk management processes for identifying, assessing, mitigating and, where required, reporting on key and emerging risk exposures;
- (ii) review and recommend to the Board for approval the Corporation's Enterprise Risk Management Policy, including the Enterprise Risk Management Framework and Risk Appetite Statement;

Key Risks

- (iii) review enterprise risk management reports and discuss with the Chief Risk Officer and other management all key enterprise risk exposures including emerging risks (with the exception of risks for which the Management Resources and Compensation Committee and the Brand

and Community Committee have been delegated responsibility by the Board) and the steps management has taken to monitor, control and mitigate those exposures;

- (iv) at least annually, report to the Board on the key risk exposures and any major issues arising from the management of these risks;

Financial and Credit Risk

- (v) review and discuss the Corporation's significant financial and credit risk exposures and the steps that management has taken to monitor, control and report such risks;

Cyber, Information Security and Data Protection Risk

- (vi) review and discuss the Corporation's cyber, information security and data protection risk exposures and the steps that management has taken to monitor, control and report such risks;

Other Risk Reports

- (vii) review and discuss the Corporation's legal risk exposures and the steps that management has taken to monitor, control and report such risks;
- (viii) review other reports from management in connection with any other risk related matters or policies, oversight of which has been delegated to the Committee;

Changes to Risk Policies

- (ix) review and recommend to the Board for approval proposed changes to all risk-related Board policies, oversight of which has been delegated to the Committee, including the Cyber Risk Management Policy, the Financial Risk Management Board Policy and the Legal Risk Management Board Policy;

Ethical Business Conduct

- (x) review regular reports from management pursuant to the Ethical Business Conduct Policy (including with respect to the Code of Conduct and Supplier Code of Conduct), including an annual review of the process for monitoring compliance with and communication of the Code of Conduct to the Corporation's employees and directors and gain reasonable assurance that such process is operating effectively;
- (xi) review and recommend to the Board for approval proposed changes to the Ethical Business Conduct Policy, Code of Conduct and Supplier Code of Conduct;
- (xii) consider, and if appropriate, grant waivers of compliance to the Code of Conduct for the benefit of any executive officer;
- (xiii) periodically monitor the Corporation's procedures for (A) the confidential receipt, retention and treatment of complaints received by the Corporation with respect to the Corporation's accounting, internal accounting controls, or auditing matters, and (B) the confidential, anonymous submission by employees of the Corporation of concerns regarding questionable accounting or auditing matters, and require that all such matters be reported to the Committee together with a description of the resolution of the complaints or concerns; and

Insurance

- (xiv) review the adequacy of insurance coverages maintained by the Corporation and approve new insurance coverage and renewals thereof, as applicable.

(e) Legal Matters, including Tax and Litigation

- (i) regularly review with management any litigation matters, claims or other contingencies, including tax assessments, that could have a material effect upon the financial position or operating results of the Corporation, and the manner in which these matters have been disclosed in the financial statements;
- (ii) discuss with the General Counsel any issues with the Corporation's compliance with laws and regulations having a material impact on the Corporation's financial statements and financial condition;
- (iii) review with management inquiries received from regulators or governmental agencies or published reports that raise issues regarding the Corporation's financial statements, continuous disclosure or accounting policies;
- (iv) review with management the status of material tax matters for the Corporation and its subsidiaries;
- (v) receive an annual confirmation from the General Counsel with respect to the filing of all material corporate and securities filings required to be made by the Corporation and its subsidiaries; and
- (vi) receive an annual confirmation from the Chief Financial Officer (A) with respect to the filing of material income and sales tax returns by the Corporation and its subsidiaries and the payment of amounts owing in a timely manner and (B) that withheld employee source deductions have been remitted in a timely manner by the Corporation and its subsidiaries.

(f) External Auditors

- (i) recommend to the Board the nomination of the external auditors;
- (ii) approve the terms of engagement of the external auditors and, subject to the approval of the shareholders authorizing the Board to do so, recommend to the Board for approval the remuneration to be paid by the Corporation to the external auditors with respect to the conduct of the annual audit;
- (iii) if necessary, recommend the removal by the shareholders of the current external auditors and replacement with new external auditors;
- (iv) review the performance of the external auditors annually or more frequently as required;
- (v) augment the annual performance assessment of the external auditors by performing a comprehensive review of such auditors every five years or more frequently as required, resulting in a recommendation to either retain or replace the external auditors;
- (vi) receive a letter annually from the external auditors with respect to their independence, such letter to include disclosure of all engagements (and fees related thereto) for non-audit services by the Corporation;
- (vii) establish and maintain a policy with respect to the hiring of partners, employees and former partners and employees of the current and former external auditors;
- (viii) review material written communications between the external auditors and management (including management representation letters);

- (ix) as required, review the timing and the process for implementing the rotation of the lead audit partner and any other audit engagement team partner and confirm their selection;
- (x) review with the external auditors the scope of the audit, the areas of special emphasis to be addressed in the audit, the extent to which the external audit can be coordinated with Internal Audit Services' activities and the materiality levels which the external auditors propose to employ;
- (xi) meet regularly with the external auditors in the absence of management to discuss any restrictions that may have been placed on the scope and extent of the audit examinations by the external auditors or the reporting of their findings to the Committee;
- (xii) establish effective communication processes with management and the external auditors to assist the Committee to monitor objectively the quality and effectiveness of the relationship among the external auditors, management and the Committee;
- (xiii) oversee the work of the external auditors, including the resolution of disagreements between management and the external auditors with respect to financial reporting; and
- (xiv) receive, at least annually, an oral and/or written report from the external auditors describing their internal quality assurance policies and procedures as well as any material issues raised in the most recent internal quality assurance reviews, quality reviews conducted by the Canadian Public Accountability Board, or any inquiry or investigation conducted by government or regulatory authorities.

(g) Internal Audit Services

- (i) review and approve the mandate, reporting relationship and resources of Internal Audit Services to determine its independence and that it has sufficient resources and qualified personnel to carry out its mandate;
- (ii) confirm with the head of Internal Audit Services that he or she is aware of his or her obligation to report directly to the Committee on matters affecting the Committee's duties, irrespective of his or her other reporting relationships;
- (iii) review and approve the annual plan of Internal Audit Services, including the planned scope of its activities, objectives, budget and resources to meet those objectives;
- (iv) review Internal Audit Services' reports with respect to those controls that mitigate strategic, financial and operational risks and any other matters appropriate to the Committee's duties and, where appropriate, review the adequacy and appropriateness of management's response, including the implementation thereof;
- (v) approve the appointment, replacement, reassignment or dismissal of the head of Internal Audit Services, and annually review the terms of his or her compensation; and
- (vi) meet regularly with the head of Internal Audit Services in the absence of management and the external auditors to understand, *inter alia*, any restrictions that may have been placed on them or other difficulties encountered in the course of their work including instructions on the scope of their work and access to requested information and the level of co-operation received from management during the performance of their work.

(h) Other Key Responsibilities

- (i) except with respect to transactions with Directors who are Associate Dealers of the Corporation occurring in the ordinary course in their capacity as Associate Dealers, review all proposed related party transactions that are not in the ordinary course and are not dealt

with by a special committee of independent Directors pursuant to securities law rules and, if appropriate, recommend to the Board for approval;

- (ii) review annually the discretionary expenses of the Chairman of the Board and the Chief Executive Officer for the purpose of gaining assurance as to the appropriateness of such expenses and the presence of any unusual items;
- (iii) periodically review and, where appropriate, recommend to the Board for approval changes to other policies of which oversight has been delegated to the Committee, including the Financial Reporting Board Policy;
- (iv) after consultation with the Chief Financial Officer and the external auditors, gain reasonable assurance, at least annually, of the quality and sufficiency of the Corporation's accounting and financial personnel and other resources, including consultants and systems;
- (v) review in advance the appointment of the Corporation's Chief Financial Officer and the Treasurer of the Corporation;
- (vi) in consultation with management and the external auditors, schedule continuing education opportunities related to the Committee's responsibilities;
- (vii) annually review and approve a report of the Committee's activities for inclusion in the Corporation's management information circular; and
- (viii) perform such other responsibilities and duties that are delegated by the Board to the Committee.

3. Pre-Approval of Non-Audit Services

The Committee shall establish and maintain a policy under which all requests for permitted non-audit services to be provided by the external auditors for the Corporation and its subsidiaries shall be brought to the attention of the Chairman of the Committee before such work is commenced. The Chairman is authorized to approve all such requests, but if any such service exceeds or is expected to exceed \$350,000 in fees, or the service is of a sensitive or unusual nature, the Chairman shall consult with the Committee before approving the service. The Chairman has the responsibility to inform the Committee of all pre-approved services at its next meeting.

4. Composition of the Committee

- (a) The Committee shall be comprised of at least five Directors, each of whom shall be an independent director as defined under the applicable requirements of the securities regulatory authorities. Directors who are employees of the Corporation may not serve as members of the Committee.
- (b) One of the Committee members shall be designated by the Governance Committee as the Committee Chairman.

5. Member Qualifications

All members of the Committee shall be financially literate which requires that all Committee members have the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Corporation's financial statements.

6. Member Appointment and Removal

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

7. Operating Procedures

- (a) The Committee shall meet four times annually and as many additional times as necessary to carry out its duties effectively. Unscheduled Committee meetings shall be held at the call of the Committee Chairman, upon the request of two Committee members or at the request of the external auditors, and a majority of the members of the Committee shall form a quorum. Notice of the meetings of the Committee shall be provided in accordance with the Corporation's By-Laws.
- (b) The powers of the Committee may be exercised at a meeting at which a quorum of the Committee is present in person or by telephone or other electronic means or by a resolution signed by all members entitled to vote on that resolution at a meeting of the Committee. Each Committee member (including the Chairman) is entitled to one vote in Committee proceedings. For greater certainty, the Chairman does not have a second or casting vote.
- (c) The Committee Chairman and the Chief Financial Officer shall develop the agenda for all meetings of the Committee as well as an annual work plan that are responsive to the Committee's responsibilities as set out in this Mandate as well as the Committee's strategic priorities, all in consultation with Committee members, management and the external auditors, as appropriate.
- (d) Unless the Committee otherwise specifies, the Corporate Secretary of the Corporation (or his or her designate) shall act as secretary of the meetings of the Committee, and minutes shall be kept for each Committee meeting.
- (e) The Committee Chairman shall conduct all meetings of the Committee at which he or she is present. In the absence of the Committee Chairman, the Committee members shall appoint an acting Chairman.
- (f) At each regularly scheduled meeting of the Committee, the members of the Committee shall meet in separate private sessions with the external auditors, management and the Committee members only. The Committee shall meet in private session with the head of Internal Audit Services and with the Chief Risk Officer as often as it deems necessary.
- (g) The Chairman of the Committee may invite any officer or employee of the Corporation or any other person to attend any Committee meetings to participate in the discussion and review of the matters considered by the Committee.
- (h) A copy of the minutes of each meeting of the Committee shall be provided to each Director.

8. Reporting to the Board

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

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

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

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

- (b) The performance of the Committee shall be evaluated at least every two years in accordance with the evaluation process developed and approved by the Governance Committee, and the results of such evaluation shall be reviewed by the Committee.
- (c) The Committee shall develop and recommend to the Governance Committee a position description for the Chairman of the Committee. At least every three years, the Committee shall review and update as necessary the Chairman's position description and recommend any changes thereto to the Governance Committee for its approval.

10. Advisors

The Committee shall have the authority to retain, at the expense of the Corporation, outside counsel and other advisors as it deems necessary.

11. Responsibilities

Nothing in this Mandate is intended to expand applicable standards of liability under statutory regulatory requirements for the directors or the members of the Committee nor to assign to the Committee the Board's responsibility regarding the Corporation's compliance with applicable laws or regulations.

It is not the duty of the Committee to plan or conduct audits, or to determine that the Corporation's financial statements are complete and accurate and are in accordance with IFRS. Such matters are the responsibility of management and the external auditors, as applicable.

Members of the Committee are entitled to rely in good faith, absent knowledge to the contrary, upon:

- (i) the integrity of the persons and organizations from whom they receive information; and
- (ii) the accuracy and completeness of the information provided.

"Good faith reliance" means that the Committee member has considered the relevant issues, questioned the information provided and assumptions used, and assessed whether the analysis provided by management or the expert is reasonable.