

DATED AS OF MARCH 30, 2015

CANADIAN TIRE CORPORATION, LIMITED

and

BNY TRUST COMPANY OF CANADA as successor to CIBC Mellon Trust Company,  
formerly The R-M Trust Company

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SEVENTH SUPPLEMENTAL TRUST INDENTURE

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CASSELS BROCK & BLACKWELL LLP  
Barristers & Solicitors  
Suite 2100  
40 King Street West  
Toronto, Ontario  
M5H 3C2

THIS SEVENTH SUPPLEMENTAL TRUST INDENTURE dated as of March 30, 2015.

B E T W E E N:

**CANADIAN TIRE CORPORATION, LIMITED**, a company incorporated under the laws of the Province of Ontario and having its head office in the City of Toronto, in the said Province,

(hereinafter called the "**Company**"),

OF THE FIRST PART,

- and -

**BNY TRUST COMPANY OF CANADA**, a trust company incorporated under the laws of Canada, and having its head office in the City of Toronto, in the Province of Ontario, as successor to CIBC Mellon Trust Company, formerly The R-M Trust Company,

(hereinafter called the "**Trustee**")

OF THE SECOND PART.

WHEREAS by a Trust Indenture dated as of June 4, 1993 between the parties hereto (hereinafter called the "**Original Trust Indenture**") provision was made for the issue of unsecured medium term notes of the Company;

AND WHEREAS by a First Supplemental Trust Indenture dated as of December 2, 1994 between the parties hereto (hereinafter called the "**First Supplemental Indenture**") provision was made to amend the Original Trust Indenture and for the issue of Additional MTNs (as defined in the Original Trust Indenture), under the provisions of the Original Trust Indenture, by way of Series 2 Notes having the attributes and characteristics set forth in the First Supplemental Indenture;

AND WHEREAS pursuant to the First Supplemental Indenture provision was also made for the issue of medium term notes in the form of fully registered global medium term notes ("**Global Notes**") to be held by, or on behalf of, The Canadian Depository for Securities Limited or another corporation performing similar services that is acceptable to the Trustee (the "**Depository**") as custodian of the Global Notes and, in such event, medium term notes are to be registered in the name of the Depository or its nominee;

AND WHEREAS by a Second Supplemental Trust Indenture dated as of December 5, 1996 between the parties hereto (hereinafter called the "**Second Supplemental Indenture**") provision was made to amend the First Supplemental

Indenture, to issue Series 2 Notes in denominations of \$1,000 or more in Canadian currency or the approximate equivalent amount in other currencies at the time of issue, and to approve forms of notes in relation thereto;

AND WHEREAS by a Third Supplemental Trust Indenture dated as of April 13, 1998 between the parties hereto (hereinafter called the “**Third Supplemental Indenture**”) provision was made for a redemption feature in connection with Series 2 Notes issued from time to time;

AND WHEREAS by a Fourth Supplemental Trust Indenture dated as of December 8, 2000 between the parties hereto (hereinafter called the “**Fourth Supplemental Indenture**”) the defeasance section of the Original Trust Indenture was amended to reflect revised credit rating designations by Canadian Bond Rating Service Limited;

AND WHEREAS by a Fifth Supplemental Trust Indenture dated as of October 7, 2011 between the parties hereto (hereinafter called the “**Fifth Supplemental Indenture**”) certain terms were amended in relation to the issuance of Guaranteed Investment Certificates by the Company and its Subsidiaries and to clarify the effect of the International Financial Reporting Standards which became applicable to the Company as of January 1, 2011;

AND WHEREAS by a Sixth Supplemental Trust Indenture dated as of August 16, 2013 between the parties hereto (hereinafter called the “**Sixth Supplemental Indenture**”) the definition of the term “Subsidiary” and a provision regarding corporate reorganizations involving Subsidiaries were amended;

AND WHEREAS the Original Trust Indenture, as supplemented and amended by the First Supplemental Indenture, the Second Supplemental Indenture, the Third Supplemental Indenture, the Fourth Supplemental Indenture, the Fifth Supplemental Indenture and the Sixth Supplemental Indenture is hereinafter referred to as the “**Current Trust Indenture**”;

AND WHEREAS the only outstanding MTNs under the Current Trust Indenture are the \$150,000,000 aggregate principal amount of 6.25% Medium Term Notes, Series 2, due April 13, 2028 (CUSIP 13668ZAD0) (the “**2028 MTNs**”) and the \$200,000,000 aggregate principal amount of 6.32% Medium Term Notes, Series 2, due February 24, 2034 (CUSIP 13668ZAL2) (the “**2034 MTNs**” and together with the 2028 MTNs, the “**Existing MTNs**”);

AND WHEREAS the Company does not intend to issue further MTNs under the Current Trust Indenture, and as such the Current Trust Indenture is expected to lapse once both of the Existing MTNs have been fully repaid;

AND WHEREAS in order to harmonize certain substantive covenants of the Current Trust Indenture with the corresponding substantive covenants of the trust

indenture dated as of March 14, 2005 between the Company and the Trustee, as amended and supplemented to date (the “**2005 Indenture**”) pursuant to which the Company has other outstanding medium term notes, the Company desires, among other things, to amend the provisions related to the negative pledge, the events of default and the restriction on sale and leaseback transactions under the Current Trust Indenture and delete the restriction on incurring funded obligations under the Current Trust Indenture;

AND WHEREAS in consideration of certain provisions of the Current Trust Indenture being amended or deleted, the Company has agreed to provide Noteholders with the benefit of certain change of control and interest rate adjustment provisions;

AND WHEREAS the Current Trust Indenture provides in Sections 14.11(f) and (h) of the Current Trust Indenture that at a meeting of Noteholders duly convened at which a quorum is present, Noteholders may by Extraordinary Resolution sanction any modification, abrogation, alteration, compromise or arrangement of the rights of Noteholders against the Company and to assent to any modification of or change in or omission from or addition to the provisions contained in the Current Trust Indenture which shall be agreed to by the Company, and to authorize the entering into of any indenture supplemental to the Current Trust Indenture embodying any such modification, change, omission or addition;

AND WHEREAS on March 30, 2015, at a meeting of Noteholders duly convened and held in accordance with the Current Trust Indenture under Article XIV of the Current Trust Indenture, the Noteholders approved by Extraordinary Resolution the modifications, changes, alterations and additions to the Existing MTNs and the Current Trust Indenture contemplated by this Seventh Supplemental Trust Indenture and, among other things, authorized the Trustee to enter into this Seventh Supplemental Trust Indenture;

AND WHEREAS the terms of this Seventh Supplemental Trust Indenture are binding on all Noteholders;

AND WHEREAS this Seventh Supplemental Trust Indenture is supplemental to the Current Trust Indenture and permitted under Section 15.01 of the Current Trust Indenture;

AND WHEREAS the foregoing recitals are made as representations and statements of fact by the Company and not by the Trustee;

AND WHEREAS the Trustee represents to the Company that there exists no material conflict of interest in the role of the Trustee as a fiduciary hereunder;

NOW THEREFORE THIS SEVENTH SUPPLEMENTAL TRUST INDENTURE WITNESSETH and it is hereby covenanted, agreed and declared as follows:

## **ARTICLE I** **INTERPRETATION**

SECTION 1.01 In this Seventh Supplemental Trust Indenture, unless there is something in the subject matter or context inconsistent therewith, “**this Supplemental Indenture**”, “**this Seventh Supplemental Indenture**”, “**this Supplemental Trust Deed**”, “**these presents**”, “**hereto**”, “**herein**”, “**hereof**”, “**hereby**”, “**hereunder**” and similar expressions refer to this Seventh Supplemental Trust Indenture and not to any particular Article, Section or other portion hereof and include any and every instrument supplemental or ancillary hereto or in implementation hereof. In this Seventh Supplemental Trust Indenture, unless there is something in the subject matter or context inconsistent therewith, “**this Indenture**” refers to the Current Trust Indenture as supplemented by this Seventh Supplemental Trust Indenture.

SECTION 1.02 All terms contained in this Supplemental Indenture which are defined in the Current Trust Indenture shall, for all purposes hereof, have the meanings given to such terms in the Current Trust Indenture unless the context otherwise specifies or requires.

SECTION 1.03 The headings of all Articles and Sections hereof and the table of contents, if any, are inserted for convenience of reference only and shall not affect the construction or interpretation of this Supplemental Indenture.

## **ARTICLE II** **AMENDMENT OF CURRENT TRUST INDENTURE**

SECTION 2.01 **Amendments.** The Current Trust Indenture is hereby amended in the following manner:

(a) by adding the following definitions thereto:

“(da) “**Average COC Market Price**” means the price for 2028 MTNs or 2034 MTNs, as applicable, calculated by the Reference Dealers as the arithmetic average of the respective Thirty-Day Average COC Market Price of the 2028 MTNs or 2034 MTNs, as applicable, as determined by two Reference Dealers;”

“(db) “**Average Effective Date Market Price**” means the price for 2028 MTNs or 2034 MTNs, as applicable, equal to the Thirty-Day Average

Effective Date Market Price of the 2028 MTNs or 2034 MTNs, as applicable, as determined by the Reference Dealer;”

- “(ea) **“Change of Control”** shall mean the occurrence of any one of the following: (a) the consummation of a direct or indirect sale, transfer, conveyance, lease or other disposition (other than by way of consolidation, amalgamation, arrangement or merger), in one or a series of related transactions, of all or substantially all of the property and assets of the Company and its subsidiaries, taken as a whole, to any person or group of persons acting jointly or in concert for the purposes of such transaction (other than to the Company or one or more of its subsidiaries), provided that, for certainty, neither a Permitted Receivable Transaction nor a Permitted Sale Leaseback Transaction shall constitute a Change of Control; or (b) the consummation of any transaction including, without limitation, any consolidation, amalgamation, arrangement, merger or issue of voting shares, the result of which is that any person or group of persons acting jointly or in concert for purposes of such transaction (other than the Company and its subsidiaries or one or more Permitted Transferees) becomes the beneficial owner, directly or indirectly, of more than 50% of the Voting Shares of the Company following the consummation of such transaction, provided that the creation of a holding company, partnership, limited partnership, trust or other entity or a similar transaction that does not involve a change in the ultimate beneficial ownership of the Company or that involves a purchase, sale, transfer or other disposition (of any nature whatsoever) of the ultimate beneficial ownership of Voting Shares of the Company to a Permitted Transferee shall not constitute a Change of Control.”
- “(eb) **“Change of Control Announcement Event”** shall mean the earliest to occur of (a) the occurrence of a Change of Control and (b) public notice of the occurrence of a Change of Control or of the Corporation’s intention or agreement to effect a Change of Control;”
- “(ec) **“Change of Control Offer”** has the meaning given to such term in Section 4.11(a) of this Indenture;”
- “(ed) **“Change of Control Payment Date”** has the meaning given to such term in Section 4.11(b) of this Indenture;”
- “(ef) **“Change of Control Triggering Event”** shall mean the occurrence of both a Change of Control and a Rating Event;”
- “(na) **“DBRS”** means DBRS Limited and its successors;”
- “(pa) **“Designated Rating Organization”** means a “designated rating organization” within the meaning of National Instrument 41-101 –

*General Prospectus Requirements* of the Canadian Securities Administrators;”

- “(qa) **“Effective Date”** means the date of execution of the Seventh Supplemental Trust Indenture between the Company and the Trustee;”
- “(qb) **“Electronic Methods”** has the meaning given to such term in Section 16.04 of this Indenture;”
- “(qc) **“Encumbrance”** means, in respect of any person, any mortgage, debenture, pledge, hypothec, lien, charge, assignment by way of security, hypothecation or security interest granted or permitted or arising by operation of law, in respect of any such person’s Property whether now owned or hereafter acquired, or capitalized lease obligation of such person as lessee or any other security agreement, trust or arrangement having the effect of security for the payment of any debt, and **“Encumbrances”**, **“Encumbrancer”**, **“Encumber”** and **“Encumbered”** shall have corresponding meanings;”
- “(ra) **“Existing MTNs”** means collectively, the 2028 MTNs and the 2034 MTNs;”
- “(sa) **“Financial Instrument Obligations”** means obligations arising under: (a) interest rate swap agreements, forward rate agreements, floor, cap or collar agreements, futures or options, insurance or other similar agreements or arrangements, or any combination thereof, entered into or guaranteed by a person of which the subject matter is interest rates or pursuant to which the price, value or amount payable thereunder is dependent or based upon interest rates in effect from time to time or fluctuations in interest rates occurring from time to time; (b) currency swap agreements, cross currency agreements, forward agreements, floor, cap or collar agreements, futures or options, insurance or other similar agreements or arrangements, or any combination thereof, entered into or guaranteed by a person of which the subject matter is currency exchange rates or pursuant to which the price, value or amount payable thereunder is dependent or based upon currency exchange rates in effect from time to time or fluctuations in currency exchange rates occurring from time to time; and (c) any agreement for the making or taking of any commodity (including natural gas, oil or electricity), commodity swap agreements, floor, cap or collar agreements, commodity futures or options or other similar agreements or arrangements, or any combination thereof, entered into by a person of which the subject matter is one or more commodities or pursuant to which the price, value or amount payable thereunder is dependent or based upon the price of one or more commodities in effect from time

to time or fluctuations in the price of one or more commodities occurring from time to time;”

“(ua) **“GAAP”** means generally accepted accounting principles from time to time approved by the Canadian Institute of Chartered Accountants, or any successor institute, as at the date on which any calculation or other determination is made or required to be made in accordance therewith;”

“(uaa) **“Indebtedness”** of any person means, without duplication, (a) all indebtedness of such person for borrowed money, (b) the deferred purchase price of assets or services that in accordance with GAAP would be classified as a liability on the balance sheet of such person, (c) the face amount of all letters of credit issued for the account of such person and, without duplication, all drafts drawn thereunder, (d) all indebtedness of a second person secured by any lien on any property owned by such first person, whether or not such indebtedness has been assumed, (e) all obligations under leases which are treated as capital leases in accordance with GAAP of such person, (f) all existing payment obligations of such persons under Financial Instrument Obligations, and (g) without duplication, any direct or indirect obligation of such person guaranteeing or agreeing or intended to guarantee any indebtedness of any other person in any manner, provided that indebtedness shall not include trade payables and accrued expenses, in each case arising in the ordinary course of business;”

“(uab) **“Interest Rate Amendment Date”** has the meaning given to such term in Section 2.18(c) of this Indenture;”

“(uc) **“Investment Grade Rating”** shall mean a rating equal to or higher than BBB- by S&P (or the equivalent of any successor rating category of S&P), BBB (low) by DBRS (or the equivalent of any successor rating category of DBRS), or the equivalent investment grade credit rating from any other Specified Rating Agency (to be determined by a recognized national investment dealer appointed by the Company);”

“(va) **“Material Subsidiary”** means each Subsidiary (a) the total assets of which at the end of the most recently ended fiscal period of the Company have a book value equal to or greater than 10% of the book value of the consolidated total assets of the Company as at the end of such fiscal period, as shown in the most recently publicly released consolidated financial statements of the Company; (b) whose gross revenues at the end of the most recently ended fiscal period of the Company are equal to or greater than 10% of the consolidated gross revenues of the Company for the same period, as shown in the most



recently publicly released consolidated financial statements of the Company; or (c) designated as a Material Subsidiary by the Company in a notice to the Trustee and the Subsidiary;”

“(cca) **“Permitted Receivable Transaction”** means any transaction pursuant to which the Company or a Material Subsidiary sells, transfers, disposes of, securitizes or enters into any other asset-backed financing of any present or future indebtedness of any persons to the Company or a Material Subsidiary, including without limitation, any accounts receivables or loans of or owing to the Company or any Material Subsidiary, and any contractual rights related thereto, in each case on customary terms for fair value as determined in good faith by the Company at or prior to the time the transaction is agreed to;”

“(ccb) **“Permitted Sale Leaseback Transaction”** means any transaction pursuant to which the Company or a Material Subsidiary sells, transfers or otherwise disposes of any Property, real or personal, and as part of such transaction, thereafter rents or leases such Property or rents or leases other Property that it intends to use for substantially the same purpose or purposes as the Property being sold, transferred or disposed, if such transaction is consummated for fair value as determined in good faith by the Company at or prior to the time the transaction is agreed to;”

“(ccc) **“Permitted Transferees”** shall mean:

- (a) Martha G. Billes;
- (b) Owen G. Billes;
- (c) any children of Martha G. Billes or Owen G. Billes;
- (d) any corporation (including, but not limited to, Tire ‘N’ Me Pty. Ltd. and Albikin Management Inc.) where (i) more than fifty percent (50%) of the voting rights attaching to all voting securities of the corporation, which, if exercised, are sufficient to elect a majority of its board of directors, or (ii) equity securities representing greater than fifty percent (50%) of the economic value of the corporation, in either circumstance, are owned, directly or indirectly, by Martha G. Billes, Owen G. Billes and/or any of their children;
- (e) any partnership, limited partnership, trust or other entity (each being referred to as an **“Entity”**) where (i) voting securities of such Entity carrying more than fifty percent (50%) of the voting rights attaching to all voting securities of the Entity or (ii) securities or other rights representing greater than fifty percent

(50%) of the economic value of the Entity, in either circumstance, are owned, directly or indirectly, by Martha G. Billes, Owen G. Billes and/or any of their children;

- (f) any other person, provided that Martha G. Billes, Owen G. Billes and/or any of their children has the ability to exercise control and direction over the activities of such person, whether as a result of the ownership of securities or other rights, by agreement, arrangement or otherwise; and
- (g) any trust, provided one or more of the persons referred to in (a) to (f) above are entitled to the majority of the beneficial interests of such trust;”

“(dda) **“Property”** means all or any portion of the Company’s or any Subsidiary’s undertaking, property and assets, both real and personal, including for greater certainty any share in the capital of any person;”

“(eea) **“Rating Event”** shall mean the rating on the Existing MTNs is lowered to below an Investment Grade Rating by both of the Specified Rating Agencies, if there are two Specified Rating Agencies, or by two out of three of the Specified Rating Agencies, if there are three Specified Rating Agencies (the **“Required Threshold”**), on any day within the 60-day period (which 60-day period will be extended so long as the rating of the Existing MTNs is under publicly announced consideration for a possible downgrade by such number of the Specified Rating Agencies which, together with Specified Rating Agencies which have already lowered their ratings on the Existing MTNs as aforesaid, would aggregate in number the Required Threshold, but only to the extent that, and for so long as, a Change of Control Triggering Event would result if such downgrade were to occur) after a Change of Control Announcement Event; provided, however, that a rating event otherwise arising by virtue of a particular reduction in rating will be deemed not to have occurred in respect of a particular Change of Control (and thus will be deemed not to be a Rating Event for purposes of the definition of Change of Control Triggering Event) if the Specified Rating Agencies making the reduction in rating to which this definition would otherwise apply do not announce or publicly confirm or inform the Trustee in writing at the Company’s or the Trustee’s request that the reduction was the result, in whole or in part, of any event or circumstance comprised of or arising as a result of, or in respect of, the applicable Change of Control (whether or not the applicable Change of Control has occurred at the time of the rating event);”

“(eeb) **“Ratings Trigger”** has the meaning given to such term in Section 2.18(c) of this Indenture;”

“(eec) **“Reference Dealer”** means any nationally recognized Canadian investment dealer selected by the Company, provided such investment dealer shall have undertaken to the Company:

- (i) to determine, the Thirty-Day Average COC Market Price or Thirty-Day Average Effective Date Market Price of the 2028 MTNs and 2034 MTNs, as applicable;
- (ii) to participate with one other Reference Dealer selected by the Company in confirming the Average COC Market Price of the 2028 MTNs and 2034 MTNs, as applicable; and
- (iii) to deliver to the Company and the Trustee, within five business days of being selected, a written report prepared and signed (jointly signed with such other Reference Dealer in the case of the Average COC Market Price) setting forth the Average COC Market Price or Average Effective Date Market Price of the 2028 MTNs and 2034 MTNs, as applicable, so calculated;”

“(eed) **“S&P”** means Standard & Poor’s, a division of The McGraw-Hill Companies (Canada), and its successors;”

“(eee) **“Shareholders’ Equity”** means, at any time, the amount of shareholders’ equity of the Company as set forth in the consolidated balance sheet contained in the most recent audited consolidated statement of financial position of the Company prepared in accordance with GAAP;”

“(eef) **“Specified Rating Agencies”** shall mean each of S&P and DBRS and, if a rating of the Existing MTNs is obtained from any other Designated Rating Organizations selected by the Company, such other Designated Rating Organizations; provided that if one or more of such entities ceases to rate the Existing MTNs or fails to make a rating of the Existing MTNs publicly available for reasons outside of the Company’s control such that only one publicly available rating remains outstanding, the Company shall use its commercially reasonable efforts to obtain a rating of the Existing MTNs from a Substitute Rating Agency to the extent one exists;”

“(ffa) **“Substitute Rating Agency”** means, if only one rating from a Specified Rating Agency is publicly available for reasons outside the Company’s control, another Designated Rating Organization selected by the Company as a replacement rating agency for the last Specified Rating Agency that ceased to rate the Notes or ceased to make the

ratings of the Notes publicly available for reasons outside the Company's control;"

"(gga) **"Thirty-Day Average COC Market Price"** means the price calculated as the arithmetic average of the closing prices of the 2028 Notes and 2034 Notes, as applicable, on each of the thirty consecutive business days ending on the business day immediately prior to the date of the Change of Control Announcement Event, in each case as determined by the particular Reference Dealer;"

"(ggb) **"Thirty-Day Average Effective Date Market Price"** means the price calculated as the arithmetic average of the closing prices of the 2028 Notes and 2034 Notes, as applicable, on each of the thirty consecutive business days ending on the business day immediately prior to the Effective Date, in each case as determined by the Reference Dealer;"

"(ii) **"Voting Shares of the Company"** means shares of the Company which entitle the holders thereof to vote generally in the election of not less than a majority of the directors of the Company;"

"(jj) **"2028 MTNs"** means the \$150,000,000 aggregate principal amount of 6.25% Medium Term Notes, Series 2, due April 13, 2028 (CUSIP 13668ZAD0) outstanding as MTNs under the Indenture;"

"(kk) **"2034 MTNs"** means the \$200,000,000 aggregate principal amount of 6.32% Medium Term Notes, Series 2, due February 24, 2034 (CUSIP 13668ZAL2) outstanding as MTNs under the Indenture;"

(b) by deleting the definitions "Consolidated Funded Obligations", "Consolidated Net Tangible Assets", "GAAP/IFRS Modification" and "One Year Guaranteed Investment Certificate";

(c) by deleting the definition of "Funded Obligations" in its entirety and replacing it with the following:

**"Funded Obligation"** means any indebtedness, the principal amount of which by its terms is not payable on demand and the due date of payment of which, after giving effect to any right of extension or renewal exercisable unilaterally on the part of the obligor, is more than 18 months from the date of the creation, issue or incurring of the same;"

(d) by deleting the definition of "Permitted Encumbrances" in its entirety and replacing it with the following:

**"Permitted Encumbrances"** means:

- (a) liens or privileges for taxes, rates, assessments, other governmental charges or levies, which are being contested diligently and in good faith and for the payment of which appropriate provision has been made in accordance with GAAP;
- (b) undetermined or inchoate liens, rights of distress and charges incidental to current operations which have not at such time been filed or which relate to obligations not due or payable;
- (c) reservations, limitations, provisos and conditions expressed in any original grants from the Crown or other grants of real or immovable property, or interests therein, which do not materially affect the use of the affected land for the purpose for which it is used including, without limitation zoning laws and ordinances, municipal by-laws and regulations, ground leases, leases and sub-leases;
- (d) licences, easements, rights-of-way and rights in the nature of easements (including, without limiting the generality of the foregoing, licences, partywall agreements, servitudes, easements, rights-of-way and rights in the nature of easements for railways, sidewalks, public ways, sewers, drains, oil and gas pipelines, gas, steam and water mains or electric light and power, or telephone and telegraph or cable television conduits, poles, wires and cables) which do not materially impair the use of the affected land for the purpose for which it is used;
- (e) title defects, or irregularities or other matters relating to title which are of a minor nature and which in the aggregate do not materially impair the use of the affected Property for the purpose for which it is used;
- (f) the right reserved to or vested in any municipality or governmental or other public authority by the terms of any lease, licence, franchise, grant or permit acquired or by any statutory provision to terminate any such lease, licence, franchise, grant or permit, or to require annual or other payments as a condition to the continuance thereof;
- (g) Encumbrances in connection with contracts, tenders or expropriation proceedings, or to secure workmen's compensation, employment insurance, liens and claims incidental to current construction, mechanics', warehousemen's, carriers' and other similar liens, and public, statutory and other like obligations incurred in the ordinary course of business, provided that, in the case of liens in respect of which payment is alleged to be due, the validity thereof is being contested diligently and in good faith and appropriate provision has been made for the payment thereof in accordance with GAAP;
- (h) security given to a public utility or any municipality or governmental authority when required by such utility or authority in connection with

the operations of the Company or a Material Subsidiary in the ordinary course of its business;

- (i) any Encumbrance on a Property or asset acquired by the Company or a Material Subsidiary that secures the obligations of a person, whether or not that obligation is assumed by the acquiring person, which Encumbrance exists at the time that Property or asset is acquired and which (a) was not incurred in contemplation of that Property or asset being acquired and (b) does not attach to the other Properties or assets of the Company or a Material Subsidiary;
- (j) security given by a Material Subsidiary prior to the date on which it becomes a Subsidiary and security given thereafter pursuant to an obligation to give security set out in an indenture, agreement or other instrument entered into by a Material Subsidiary prior to the date on which it becomes a Subsidiary, provided that any such security on assets of such Material Subsidiary is limited to the assets of such Material Subsidiary on the date on which it becomes a Subsidiary (unless otherwise permitted in this Indenture in respect of other assets);
- (k) any Encumbrance on or against cash or marketable securities pledged to secure Financial Instrument Obligations;
- (l) any Purchase Money Obligation;
- (m) zoning bylaws and other land use restrictions including without limitation site plan agreements, development agreements, and contract zoning agreements;
- (n) restrictive covenants, private deed restrictions or other agreements which relate to the use of real property;
- (o) any Encumbrances on the funds or securities deposited with the Trustee in connection with any defeasance under this Indenture;
- (p) rates, assessments or governmental charges or levies for which final assessments have not been received over and above the amount of such taxes, rates, assessments or governmental charges or levies as estimated by an officer of the Company;
- (q) any Encumbrance payment of which has been provided for by the deposit with the Trustee of an amount in cash sufficient to pay same in principal and interest until the date of its maturity; and
- (r) such other Encumbrances as are agreed to in writing by the Trustee from time to time relying on the advice of Counsel;"

- (e) by deleting the definition of “person” in its entirety and replacing it with the following:

““**person**” means an individual, a corporation, a partnership, a joint venture, a firm, a trust, a trustee or an unincorporated organization, and pronouns have a similarly extended meaning;”

- (f) by deleting all references in the Current Trust Indenture to “encumbrances”, “encumbrance” and “encumbrancer” and replacing them with, respectively, “Encumbrances, “Encumbrance” and “Encumbrancer”;

- (g) by amending Section 1.08 by deleting the following words therefrom:

“, other than in relation to the GAAP/IFRS Modification,”

- (h) by adding the following as Section 2.18:

**“SECTION 2.18. Interest Rate Adjustment.**

- (a) ***Initial Interest Rate Increase.*** As of the Effective Date, the interest rate applicable to each of the 2028 MTNs and 2034 MTNs shall be increased by an amount equal to 0.125% to 6.375% and 6.445% respectively, per annum from and after the Effective Date with such additional interest being payable on the regular interest payment dates for such Existing MTNs.
- (b) The interest rate per annum payable on the Existing MTNs shall also be subject to adjustment from time to time, in the manner described in this Section 2.18 below.
- (c) Each time after the Effective Date that there is a change of one or both of the highest two ratings publicly issued by the Specified Rating Agencies on any of the Existing MTNs, whether such change consists of an upgrade or a downgrade, such that the two highest ratings publicly issued by the Specified Rating Agencies (if there are at least two Specified Rating Agencies) on any of the Existing MTNs correspond with any combination of ratings set forth in the table below (or the equivalent to such other rating (as determined by a recognized national investment dealer appointed by the Company)) (a “**Ratings Trigger**”), the interest rate per annum payable on such Existing MTNs shall increase or decrease such that it shall equal the sum of (i) the interest rate payable on such Existing MTNs on the Effective Date (after giving effect to subsection (a) above) *plus* (ii) the percentage set forth below opposite the applicable rating combinations:

Highest Rating*	2nd Highest Rating*	Percentage Points
BBB	BBB	0.125%
BBB	BBB- or BBB (low)	0.250%
BBB	BB+ or BB (high)	0.500%
BBB	BB	0.750%
BBB	BB- or below or BB (low) or below	1.000%
BBB- or BBB (low)	BBB- or BBB (low)	0.375%
BBB- or BBB (low)	BB+ or BB (high)	0.625%
BBB- or BBB (low)	BB	0.875%
BBB- or BBB (low)	BB- or below or BB (low) or below	1.125%
BB+ or BB (high)	BB+ or BB (high)	0.875%
BB+ or BB (high)	BB	1.125%
BB+ or BB (high)	BB- or below or BB (low) or below	1.375%
BB	BB	1.375%
BB	BB- or below or BB (low) or below	1.625%
BB- or below or BB (low) or below	BB- or below or BB (low) or below	1.875%

\*or the equivalent of such Specified Rating Agency

The increase or decrease to the interest rate payable on such Existing MTNs shall become effective on the day after the next regularly scheduled interest payment date for such Existing MTNs following the date of the change of the ratings (the “**Interest Rate Amendment Date**”). If there are one or more subsequent changes to the ratings prior to an Interest Rate Amendment Date, the amendment to the interest rate, if any, to be made on such Interest Rate Amendment Date shall reflect the most recent change of the ratings to occur prior to the Interest Rate Amendment Date. In the event there is a change of one or both of the highest two ratings publicly issued by the Specified Rating Agencies on any of the Existing MTNs such that the two highest ratings publicly issued by the Specified Rating Agencies (if there are at least two Specified Rating Agencies) on any of the Existing MTNs do not correspond with any combination of ratings set



forth in the table in Section 2.18(c) of this Indenture (or the equivalent to such other rating (as determined by a recognized national investment dealer appointed by the Company)), the interest rate per annum payable on such Existing MTNs shall be equal to the interest rate payable on such Existing MTNs on the Effective Date (after giving effect to subsection (a) above).

- (d) For so long as only one Specified Rating Agency provides a rating of any of the Existing MTNs, and no Substitute Rating Agency has yet to publicly issue a replacement rating, the rating of such Specified Rating Agency shall constitute both the highest rating and 2<sup>nd</sup> highest rating in the table in subsection (c) above. In the event that there is no Specified Rating Agency that rates any of the Existing MTNs or such Specified Rating Agency fails to make a rating of the Existing MTNs publicly available, in each case due to circumstances beyond the Company's control, the interest rate payable on such Existing MTNs shall continue to be the interest rate that was payable on the date the last Specified Rating Agency provided a rating of such Existing MTNs until such time as one or more Specified Rating Agencies rates such Existing MTNs and makes such rating publicly available, whereupon the other provisions of this Section 2.18 shall thereafter become applicable. The Company shall use its commercially reasonable efforts to ensure that at least one Specified Rating Agency provides a rating on each of the Existing MTNs for purposes of this Section 2.18. In the event that there is no Specified Rating Agency that rates any of the Existing MTNs or such Specified Rating Agency fails to make a rating of the Existing MTNs publicly available, in each case due to the failure of the Company to use its commercially reasonable efforts to ensure that at least one Specified Rating Agency provides a rating on each of the Existing MTNs, the interest rate per annum payable on such Existing MTNs shall increase (or stay the same) such that it shall equal the sum of (i) the interest rate payable on such Existing MTNs on the Effective Date (after giving effect to subsection (a) above) plus (ii) 1.875%, until such time as one or more Specified Rating Agencies rates such Existing MTNs and makes such rating publicly available, whereupon the other provisions of this Section 2.18 shall thereafter become applicable.
- (e) Within the earlier of (i) five (5) business days of a Ratings Trigger and (ii) an Interest Rate Amendment Date in respect of such Ratings Trigger, the Company shall provide (A) the Trustee an officer's certificate to the effect that the interest rate payable on such Existing MTNs has changed in accordance with this Section 2.18 setting forth (x) the amount of the related increase or decrease, (y) the new interest rate payable on such Existing MTNs and (z) the Interest Rate Amendment Date for such Existing MTNs and (B) notice of the same to the Noteholders of such Existing MTNs. The Trustee shall not be

responsible for monitoring the ratings of any of the Existing MTNs to determine whether there has been any increase or decrease in such rating or for calculating the new interest rate payable on any of the Existing MTNs in the event of any increase or decrease in the ratings of any of the Existing MTNs. The Trustee shall be fully protected in reliance upon the Company for all information pertaining to any change in the interest rate payable on any of the Existing MTNs as provided in this Section 2.18.

- (f) For certainty, if the interest rate payable on any of the Existing MTNs is modified as a result of any amendment to the interest rate contemplated by subsection (b) above, the term “interest”, as used with respect to such Existing MTNs, shall be deemed to include any such modified interest unless the context otherwise requires.”
- (i) by adding the following as Section 4.11:

**“SECTION 4.11. Repurchase of Existing MTNs Upon Change of Control.**

- (a) ***Repurchase upon Change of Control Triggering Event.*** If a Change of Control Triggering Event occurs, the Company will be required to make an offer to repurchase all or, at the option of the Noteholder, any part (equal to \$1,000 or an integral multiple thereof) of each Noteholder’s Existing MTNs pursuant to the offer described below (a “**Change of Control Offer**”) on the terms set forth in this Indenture. In the Change of Control Offer, the Company will be required to offer, in respect of each of the Existing MTNs, payment in cash equal to the greater of: (i) 101% of the aggregate principal amount of the particular Existing MTNs to be repurchased and (ii) the lesser of (A) the Average COC Market Price of the 2028 MTNs or 2034 MTNs, as applicable and (B) 101% of the Average Effective Date Market Price of the 2028 MTNs or 2034 MTNs, as applicable (recognizing, in each case the 2028 MTNs and the 2034 MTNs are likely to each have a different Average COC Market Price and Average Effective Date Market Price and thus may be repurchased at different prices) to be repurchased, together in each case with accrued and unpaid interest on such Existing MTNs to the date of purchase.

The Trustee shall be under no obligation to ascertain the occurrence of a Change in Control Triggering Event. The Trustee may conclusively assume, in the absence of receiving written notice of same, that no Change in Control Triggering Event has occurred.

- (b) ***Notice.*** Within 30 days following any Change of Control Triggering Event, the Company will be required to give written notice to Noteholders holding Existing MTNs (with a copy to the Trustee)

describing the transaction or transactions that constitute the Change of Control Triggering Event and offering to repurchase the Existing MTNs on the date specified in the notice, which date will be no earlier than 30 days and no later than 60 days from the date such notice is given (the “**Change of Control Payment Date**”). The Company must comply with the requirements of applicable securities laws and regulations in connection with the repurchase of the Existing MTNs as a result of a Change of Control Triggering Event. To the extent that the provisions of any such applicable securities laws and regulations conflict with the provisions described in this Indenture relating to a Change of Control, the Company will be required to comply with such laws and regulations and will be deemed not to have breached its obligations to repurchase the Existing MTNs by virtue of such conflict.

- (c) **Third Party Offers.** The Company will not be required to make a Change of Control Offer upon a Change of Control Triggering Event if a third party makes such an offer substantially in the manner, at the times and in compliance with the requirements for a Change of Control Offer (and for at least the same purchase price payable in cash) and such third party purchases all Existing MTNs properly tendered and not withdrawn under its offer.
- (d) **Application of Section 7.02(c) and Article XIII.** In the event a Change of Control Triggering Event occurs and the Company complies with the provisions of this Section 4.11 of this Indenture, the Company shall not have any obligation to comply with the provisions of Section 7.02(c) and Article XIII of the Indenture and shall be deemed not to be in breach of the provisions of Section 7.01(a) of the Indenture, in each case in relation to the transaction referred to in the definition of “Change of Control” giving rise to such Change of Control Triggering Event.
- (e) **Calculation of Average COC Market Price.** In the event a Change of Control Triggering Event occurs, the Company shall forthwith select two Reference Dealers and instruct them:
  - (i) to each determine the Thirty-Day Average COC Market Price of the 2028 MTNs and 2034 MTNs, as applicable;
  - (ii) to participate with the other Reference Dealer selected by the Company in confirming the Average COC Market Price of the 2028 MTNs and 2034 MTNs, as applicable; and
  - (iii) to deliver to the Company and the Trustee, within five business days of being selected, a written report prepared and jointly signed with such other Reference Dealer setting forth the Average COC Market Price of the 2028 MTNs and 2034 MTNs, as applicable, so calculated.

- (f) **Calculation of Average Effective Date Market Price.** On the Effective Date, the Company shall forthwith select one Reference Dealer and instruct them:
- (i) to determine the Thirty-Day Average Effective Date Market Price of the 2028 MTNs and 2034 MTNs, as applicable; and
  - (ii) to deliver to the Company and the Trustee, within five business days of being selected, a written report prepared and signed by such Reference Dealer setting forth the Average Effective Date Market Price of the 2028 MTNs and 2034 MTNs, as applicable, so calculated.
- (g) **Substitute Rating Agencies.** If only one rating of the Existing MTNs from a Specified Rating Agency is publicly available for reasons outside the Company's control, the Company shall use its commercially reasonable efforts to obtain a rating of the Existing MTNs from a Substitute Rating Agency to the extent one exists."
- (j) by deleting the second Section 7.01(i) in its entirety and replacing it with the following:
- "(j) it will not and will not permit its Material Subsidiaries to create, incur or assume or permit to subsist, any Encumbrance upon any part of its Property, whether now owned or hereafter acquired, to secure any Indebtedness, unless at the same time, or as soon as reasonably practicable thereafter, the Company secures all the MTNs then outstanding on an equal basis, provided that this covenant shall not apply to:
- (a) the giving of security (except on fixed assets, land and shares of Material Subsidiaries) to any bank or other lending institution or others to secure indebtedness incurred in the ordinary course of business that is not a Funded Obligation;
  - (b) the giving by any Material Subsidiary of security to the Company or any other Material Subsidiary to secure indebtedness of such Material Subsidiary to the Company or such other Material Subsidiary;
  - (c) the creation, incurrence or assumption, or the permitting to subsist, of Permitted Encumbrances by the Company or a Material Subsidiary;
  - (d) the Company or a Material Subsidiary extending, renewing or refunding any security permitted under Section 7.01(j)(a), (b) or

(c) above, provided that the principal amount of the Indebtedness secured thereby is not in excess of the principal amount thereof on the date of such extension, renewal or refunding, the security does not extend to any additional Property, and immediately after such extension, renewal or refunding, no event of default would exist; or

- (e) the creation, incurrence or assumption, or permitting to subsist of Encumbrances not otherwise permitted pursuant to the provisions in Section 7.01(j)(a) through (d) above and not exceeding 10%, in the aggregate, of Shareholders' Equity at the time such Encumbrances are created, incurred or assumed, or are first permitted to subsist.

Notwithstanding the foregoing, upon the request of the Company to the Noteholders, the Noteholders may direct the Trustee to grant permission for the Company or a Material Subsidiary to create, issue or assume any Encumbrance without providing to the Trustee (for the benefit of the Noteholders) an Encumbrance of a substantially similar nature, and ranking rateably and pari passu therewith, provided such direction is first approved by Extraordinary Resolution."

- (k) by adding the following Section 7.01(l):

**"To Notify**

- (l) on becoming aware, at any time, of any event of default, the Company shall promptly notify the Trustee in writing."

- (l) by deleting Section 7.02(a) in its entirety and replacing it with the following:

"(a) Intentionally deleted."

- (m) by deleting Section 7.02(d) in its entirety and replacing it with the following:

"(d) Notwithstanding any other term of this Indenture, the Company or a Material Subsidiary may enter into a Permitted Sale Leaseback Transaction."

- (n) by adding the following Section 7.02(e):

**"Permitted Receivable Transactions**

- (e) Notwithstanding any other term of this Indenture, the Company or a Material Subsidiary may enter into a Permitted Receivable Transaction."

- (o) by deleting Section 7.03 in its entirety and replacing it with the following:

“SECTION 7.03. Intentionally deleted.”

- (p) by deleting Section 8.01(g) in its entirety and replacing it with the following:

“(g) if any Indebtedness of the Company or a Material Subsidiary in a principal amount exceeding the greater of: (i) \$25,000,000; and (ii) 2% of Shareholders’ Equity is accelerated as a result of the failure of the Company or any Material Subsidiary to perform any covenant or agreement applicable to such Indebtedness, unless such acceleration is rescinded within 60 days.”

- (q) by deleting Section 13.02(b) in its entirety and replacing it with the following:

“(b) Intentionally deleted.”

- (r) by deleting Section 13.04 in its entirety and replacing it with the following:

“SECTION 13.04. Intentionally deleted.”

- (s) by amending Section 16.03 by replacing the following words:

*“393 University Avenue, 5<sup>th</sup> Floor, Toronto, Ontario M5G 1E6 (Attention: Assistant Vice-President, Corporate Trust Services)”*

with the words:

*“320 Bay Street, 11<sup>th</sup> Floor, Toronto, Ontario M5H 4A6 (Attention: Corporate Trust Administration)”*

- (t) by adding the following Section 16.04:

“SECTION 16.04. **Electronic Communications to Trustee.** The Trustee shall be entitled to treat a facsimile, pdf or e-mail communication or communication by other similar electronic means in a form satisfactory to the Trustee (“**Electronic Methods**”) from a person purporting to be (and whom such Trustee, acting reasonably, believes in good faith to be) the authorized representative of the Company, as sufficient instructions and authority of the Company for the Trustee to act and shall have no duty to verify or confirm that person is so authorized. The Company acknowledges that it is fully informed of the protections and risks associated with the various methods of transmitting instructions to the Trustee and that there may be more secure methods of transmitting instructions than Electronic Methods.”

**ARTICLE III**  
**INDENTURE SUPPLEMENTAL TO PRINCIPAL INDENTURE**

SECTION 3.01 **Supplemental Indenture.** This Supplemental Indenture is supplemental to the Current Trust Indenture and the Current Trust Indenture and the MTNs issued thereunder shall henceforth be read in conjunction with this Supplemental Indenture and the Current Trust Indenture and this Supplemental Indenture shall henceforth have effect, so far as practicable, as if all the provisions of the Current Trust Indenture and of this Supplemental Indenture were contained in one instrument.

**ARTICLE IV**  
**CONFIRMATION OF CURRENT TRUST INDENTURE**

SECTION 4.01 **Confirmation.** The Current Trust Indenture as amended and supplemented by this Supplemental Indenture is in all respects confirmed.

**ARTICLE V**  
**ACCEPTANCE OF TRUST BY TRUSTEE**

SECTION 5.01 **Acceptance.** The Trustee hereby accepts the trusts in this Supplemental Indenture declared and created and agrees to perform the same upon the terms and conditions hereinbefore set forth but subject to the provisions of the Current Trust Indenture, as amended and supplemented by this Supplemental Indenture.

**ARTICLE VI**  
**EXECUTION OF COUNTERPARTS**

SECTION 6.01. **Counterparts.** This Supplemental Indenture may be executed in several counterparts each of which so executed shall be deemed to be original and such counterparts together shall constitute one and the same instrument and notwithstanding the date of execution shall be deemed to be dated as of March 30, 2015.

*(signature page follows)*

**IN WITNESS WHEREOF** the parties hereto have executed this Indenture under their respective corporate seals and the hands of their proper officers in that behalf.

**CANADIAN TIRE CORPORATION,  
LIMITED**

Per: “Dean McCann”

Name: Dean McCann  
Title: Executive Vice-President  
and Chief Financial  
Officer and Authorized  
Signing Officer



Per: “Robyn Collver”  
Name: Robyn Collver  
Title: Senior Vice-President,  
Risk and Regulatory  
Affairs

**BNY TRUST COMPANY OF CANADA,  
as Trustee**

Per: “J. Steven Broade”  
J. Steven Broade  
Authorized Signatory