



Canadian Tire Corporation, Limited

2024 Annual Information Form

February 12, 2025

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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.

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

“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.

“CTB” and the “Bank” refer to Canadian Tire Bank, a subsidiary of CTFS Holdings.

“CTFS Bermuda” refers to CTFS Bermuda Ltd., a subsidiary of CTFS Holdings.

“CTFS Holdings” refers to CTFS Holdings Limited.

“CT REIT” refers to CT Real Estate Investment Trust and its subsidiaries, including CT REIT LP.

“CT REIT LP” refers to CT REIT Limited Partnership, a subsidiary of CT REIT.

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

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

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

“Petroleum” refers to the retail petroleum business carried on under the Canadian Tire Gas+ name and trademarks, in addition to the Petro-Canada and other branded gas stations owned by CTC.

“SportChek” refers to the retail businesses carried on by FGL Sports Ltd. under the SportChek, Sports Experts, Atmosphere, Sports Rousseau, Hockey Experts, and L’Entrepôt du Hockey 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 December 28, 2024 (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 for the fourth quarter and full-year ended December 28, 2024 (Annual MD&A) and Annual Consolidated Financial Statements for the year ended December 28, 2024 (Annual Financial Statements), which are available on the System for Electronic Document Analysis and Retrieval+ (SEDAR+) at <https://sedarplus.ca> and on the Company’s website at <https://corp.canadiantire.ca>, and are incorporated by reference herein.

This Annual Information Form contains information that may constitute forward-looking information within the meaning of applicable securities laws. Forward-looking information provides insights regarding management’s current expectations and plans and allows investors and others to better understand the Company’s anticipated financial position, results of operations and operating environment. Readers are cautioned that such information may not be appropriate for other purposes. Although the Company believes

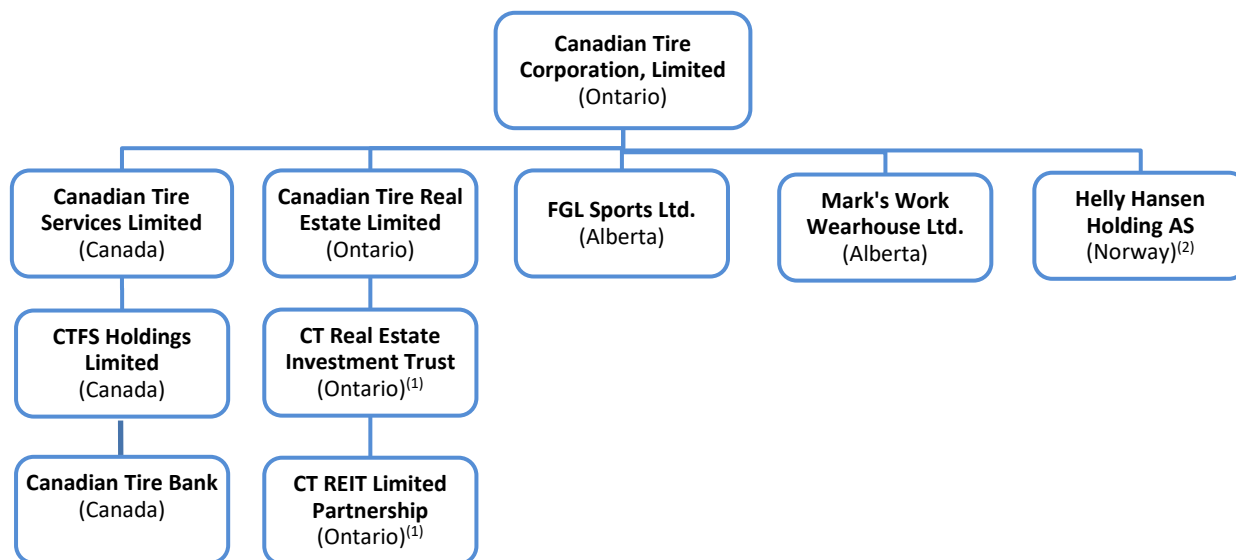
that the forward-looking information in this Annual Information Form is based on information, estimates and assumptions that are reasonable, such information is necessarily subject to a number of risks, uncertainties and other factors that could cause actual results to differ materially from those expressed or implied in such forward-looking information. For a more detailed discussion of the Company's use of forward-looking information, see section 12 entitled "Forward-Looking Information".

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 head and registered 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 <https://corp.canadiantire.ca>. Set out below are the principal legal entities through which CTC conducts its businesses and their applicable governing corporate jurisdictions. Except as described below, CTC beneficially owns, or controls or directs, directly or indirectly, 100% of the voting securities of each entity:



¹ The Company indirectly beneficially owns, or controls or directs, 68.4% of the voting securities of CT REIT 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 accompanied by one Special Voting Unit of CT REIT and are economically equivalent to, and exchangeable for, Units of CT REIT. CTC also owns all of the issued and outstanding non-voting Class C Limited Partnership Units of CT REIT LP. CT REIT wholly owns the general partner of CT REIT LP, CT REIT GP Corp., and all of the issued and outstanding Class A Limited Partnership Units of CT REIT LP, which represent the voting securities of CT REIT LP.

² 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

For over a century, the Company has been guided by the innovative and entrepreneurial spirit of its founders. Starting from a single garage established by A.J. and J.W. Billes in 1922, CTC has grown to one of the country's most recognized brands and group of companies, ensuring Canadians have access to the products, services and support they need for life in Canada.

Today, the Company has one of the largest retail store networks in Canada, with over 1,400 stores, one of the country's largest loyalty programs, Triangle Rewards, with 11.7 million active members, and a credit card portfolio with 2.3 million active credit cardholders. The Company also holds a majority interest in CT REIT, which owns, manages and develops income-producing commercial properties, representing approximately 31.0 million square feet (sq. ft.) of gross leasable area (GLA) in all ten provinces and in two territories across Canada.

CTC Brand Purpose and Strategy

CTC's Brand Purpose, *We Are Here to Make Life in Canada Better*, informs all decisions the Company makes, including with respect to its strategy. Since 2022, CTC has been executing its *Better Connected* strategy, modernizing core retail foundational elements by investing in the business.

The strategy is supported by the five strategic pillars described below, each of which has informed the Company's strategic initiatives and investment decisions:

1. **Customer:** creating valuable relationships through the Company's Triangle Rewards program
2. **Experience:** delivering Canada's best omnichannel experience through store and digital channels
3. **Product:** designing and delivering world-class products
4. **Community:** furthering the Company's positive impact on Canada through strong community, sustainability and diversity efforts
5. **People & Enablers:** changing the way the Company works to develop its people, capabilities, and systems to deliver its strategic objectives

The Company has made investments to update close to a quarter of its 502 Canadian Tire stores, bolstered its digital capabilities, continued to strengthen the Owned Brands portfolio across its banners, grown its base of active registered Triangle Rewards members, transformed its supply chain network, and invested in IT network modernization and resilience. For additional information with respect to the Company's strategy and investments, see section 4.0 entitled "Company Strategy" of the Annual MD&A.

CTC Segments

CTC operates through three reportable segments – the Retail segment, the Financial Services segment, and the CT REIT segment.

The Retail segment, which includes Canadian Tire, SportChek, Mark's, PartSource, Helly Hansen, Party City and Petroleum, is a network of more than 1,400 stores and more than 275 gas bars across Canada.

The Financial Services segment comprises the wholly owned operating subsidiaries of CTFS Holdings (CTB and CTFS Bermuda) and provides financial and other ancillary products and services, including Triangle-branded and other Canadian Tire-branded consumer credit cards (CTC credit cards).

The CT REIT segment reflects CTC's majority interest in CT REIT, an unincorporated, closed-end real estate investment trust which owns, manages and develops income-producing commercial properties located in all ten provinces and in two territories across Canada, with CTC as its most significant tenant.

Further details on each of CTC's three reportable segments are described below.

2.1 Retail Segment

The retail businesses offer customers a breadth of differentiated and innovative products and services through convenient in-store and online shopping experiences. The Company's loyalty program, Triangle Rewards, connects CTC's Canadian retail banners, driving customer engagement through the collection and redemption of rewards, as well as personalized offers.

Canadian Tire Retail

Canadian Tire Retail represents the Canadian Tire, PartSource, Pro Hockey Life (PHL) and Party City banners.

Banners

Canadian Tire is one of the country's most recognized general merchandise retailers, easily identified by the Canadian Tire name and trademark. Through a network of 502 stores across the country operated by Canadian Tire Associate Dealers (Dealers) and its online digital channels, Canadian Tire provides Canadians with access to the country's largest breadth of national and owned brand products, with more than 186,000 products in 211 product categories across five divisions: Automotive, Fixing, Living, Playing, and Seasonal & Gardening. Among the well-known owned brands carried at Canadian Tire are Mastercraft, MotoMaster, Noma, Paderno, Sherwood, Simoniz and Yardworks. Substantially all Canadian Tire stores also provide a variety of automotive services.

PartSource is a specialty automotive parts chain, with 80 Canadian stores owned and operated by CTC, which provides access to unique automotive parts and products. Its stores are staffed by automotive 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 automotive service centres, other retailers and commercial customers.

Pro Hockey Life is a specialty retailer with 20 Canadian stores owned and operated by CTC that sell an assortment of high-end hockey products.

Party City is a leading, one-stop shopping destination for party supplies with 69 Canadian stores operated by Dealers. An assortment of party supplies sold at Party City stores is also available at all Canadian Tire stores.

Divisions

The products and services offered at Canadian Tire, PartSource, PHL and Party City are categorized and/or managed under the following divisions, as applicable:

The **Automotive** division is responsible for automotive products and services, including automotive maintenance products and accessories, parts and tires, as well as automotive services such as oil changes, tire installations and repairs. Canadian Tire stores house over 5,600 automotive service bays. Canadian Tire also offers a roadside assistance membership program covering over 202,000 members in all ten provinces and in two territories across Canada.

The **Fixing** division includes electrical, hardware, paint, plumbing, and tool products.

The **Living** division includes cleaning, food & drink, home décor, home essentials, home organization, home environment, kitchen, and pet care products.

The **Playing** division includes camping, exercise, hockey, hunting, fishing, seasonal recreation, and team sports & golf products.

The **Seasonal & Gardening** division includes backyard living, backyard fun, cycling, gardening, outdoor tools, seasonal, and toy products.

CTC employs category business management teams (or merchants) to build compelling, seasonally relevant assortments through category reviews, continuous refinement of product selections and the introduction of new and innovative brands and product assortments, including exclusive owned brands.

Store Network

As at the end of 2024, the number of Canadian Tire Retail stores by banner and applicable province and territory in Canada was as follows:

Province or Territory	Canadian Tire	PartSource	Party City	PHL
British Columbia	53	1	9	1
Alberta	58	14	10	4
Saskatchewan	16	5	3	-
Manitoba	15	5	2*	1
Ontario	202	52	40*	13*
Quebec	100	-	-	-
New Brunswick	19	-	2	-
Nova Scotia	22	3	2	1
Prince Edward Island	2	-	-	-
Newfoundland and Labrador	13	-	1	-
Yukon	1	-	-	-
Northwest Territories	1	-	-	-
Total	502	80	69	20

* In 2024, four Party City stores were opened in Manitoba and Ontario, and four PHL stores were opened in Ontario.

Canadian Tire stores range in size from approximately 3,200 to 136,000 retail sq. ft. As at the end of 2024, total retail sq. ft. was 23.1 million retail sq. ft. across 502 stores. In support of the *Better Connected* strategy, the Company has invested in the Canadian Tire store network, with 120 store refreshments, expansions and replacements since 2022.

Generally, the premises on which Canadian Tire stores are located are owned by the Company or leased to the Company by CT REIT or third-party landlords, and then licensed to individual Dealers. Of the 502 stores, 335 stores are leased by CT REIT to the Company, 36 are located on properties owned by the Company and the remaining 131 are located on properties leased to the Company by third parties.

Canadian Tire Associate Dealers – Canadian Tire’s 502 stores are operated by Dealers, which are independent third parties that own the fixtures, equipment, and inventory of the stores they operate, employ the store staff, and are responsible for store operating expenses. CTC’s relationship with each Dealer is governed by an individual Dealer contract pursuant to which the 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 in a standard form, each of which generally expires on December 31, 2029. Each Dealer agrees to comply with prescribed policies, marketing plans and operating standards, which among other things, include purchasing merchandise primarily from CTC, while maintaining the decision-making behind customizing their assortments to meet the demands of the communities in which they operate, and offering merchandise for sale to consumers at prices not exceeding those set by the Company.

CTC performs a variety of functions to support Dealers, including category business management, marketing, purchasing, product curation and distribution. CTC also supports Dealers with administrative, financial, and IT services, as well as operational support, which includes programs to improve the in-store customer experience, retail concept implementation, monitoring of operational and financial performance,

and management of Dealer mobility and changeover. CTC also provides Dealers with access to Franchise Trust, a program offering financing to Dealers for their store operations. For information concerning Franchise Trust, see note 9 entitled “Loans Receivable” of the notes to the Annual Financial Statements.

Competitive Conditions – CTR competes with international, national and regional retailers. Among its competitors are omnichannel, online-only and brick-and-mortar retailers, including discount and warehouse stores, mass merchandisers, and specialty retailers. CTR is a leading market player in many of its categories, and the operation of Canadian Tire and Party City stores by the Dealers is a key differentiator in understanding and servicing local needs in communities across Canada. While the vast majority of CTR’s sales continue to come from its brick-and-mortar channel, digital channels play an increasingly important role in customers’ shopping experiences, with banners, including Canadian Tire, offering in-store pick-up and ship-to-home order fulfilment. In-store pick-up at Canadian Tire is facilitated through one of the country’s most extensive deployments of self-serve lockers.

SportChek

SportChek operates a group of sporting goods and activewear retailers in Canada under various banners, including SportChek, Sports Experts and Atmosphere.

The banners offer an extensive range of active apparel and sporting goods at various price points that appeal to a broad range of consumers looking to lead a healthy, active lifestyle. They feature a comprehensive assortment which includes both national and owned brands. The Company’s highly competitive owned brands portfolio available within the SportChek banners includes brands such as Diamondback, Forward With Design (FWD), Helly Hansen, Ripzone, Sherwood and Woods. The banners offer online retailing through their websites with online order fulfilment through in-store pick-up and ship-to-home.

Corporate Store Operations – Corporate-owned stores operate under the SportChek and Atmosphere 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.
- Atmosphere is a specialty retailer offering high-end outdoor technical gear, outerwear, footwear and accessories.

As at the end of 2024, the number of SportChek and Atmosphere corporate stores by applicable province in Canada was as follows:

Province	SportChek	Atmosphere
British Columbia	32	8
Alberta	32	7
Saskatchewan	11	2
Manitoba	7*	-
Ontario	84*	-
New Brunswick	5	-
Nova Scotia	11	-
Prince Edward Island	2	-
Newfoundland and Labrador	6	-
Total	190	17

* In 2024, two SportChek stores were closed in Manitoba and Ontario.

The corporate-owned retail banners offer the full assortment and extended aisle products through their websites.

Franchise Operations – SportChek also has franchise-operated stores for a number of its retail banners, including Sports Experts, Atmosphere, and Le Trio Hockey (which operates as Hockey Experts, Sports Rousseau and L'Entrepôt du Hockey).

- Sports Experts is the largest sporting goods retailer in Quebec, offering equipment, apparel, footwear and accessories.
- Atmosphere, which is described above and is corporately operated in other provinces, is a franchise operation in Quebec.
- Le Trio Hockey specializes in hockey equipment, apparel and accessories.

In addition to the franchisee-operated stores, there are several 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.

As at the end of 2024, the number of SportChek franchise stores by applicable province and territory in Canada was as follows:

Province or Territory	Sports Experts	Atmosphere	Le Trio Hockey
British Columbia	2	-	-
Alberta	2*	-	-
Ontario	1	-	-
Quebec	83*	45*	26
New Brunswick	4	-	-
Newfoundland and Labrador	-	-	-
Yukon	1	-	-
Total	93	45	26

* In 2024, one Sports Experts store was closed in Alberta and one was opened in Quebec. One Atmosphere store was also opened in Quebec.

The premises for stores operated under the SportChek banners are primarily leased from third parties.

Competitive Conditions – The sporting goods retail industry in Canada is highly fragmented and includes specialty retailers, mass merchants, online retailers, and national brands selling directly to consumers, as well as discount and outlet channels. Competitive differentiators include price, quality, service, selection and fashion, as well as online presence and store location and environment. SportChek is distinguished from its competitors through the broad geographic coverage in Canada provided by its corporate and franchise stores and the merchandise and brands it offers, which include owned brands. Its banners' websites and order fulfillment options also allow it to compete against online-only retailers.

Mark's

Mark's is one of Canada's largest casual and industrial apparel and footwear omnichannel retailers, known for offering quality and innovative products from both owned and national brands. The store network consists of corporate-owned stores, including industrial-exclusive stores branded Mark's WorkPro, and franchise stores. Owned brands carried at Mark's include Dakota WorkPro, Denver Hayes, Helly Hansen and WindRiver. These brands are complemented by nationally recognized brands such as Carhartt, Columbia, Levi's, Silver, Skechers and Timberland. Mark's is continually developing and introducing new products utilizing innovative technologies intended to keep Canadians warmer, drier, safer and more comfortable. Mark's operates under the names L'Équipeur and L'Équipeur Pro in Quebec. It offers online retailing through its websites with online order fulfillment through in-store pick-up and ship-to-home.

As at the end of 2024, the number of Mark's corporate and franchise stores by applicable province and territory in Canada was as follows:

Province or Territory	Corporate stores	Franchise stores
British Columbia	51	9
Alberta	65	1
Saskatchewan	14	2
Manitoba	13	-
Ontario	132*	7
Quebec	42*	8
New Brunswick	13	-
Nova Scotia	15	-
Prince Edward Island	2	-
Newfoundland and Labrador	5	2
Yukon	1	-
Northwest Territories	1	-
Total	354	29

* In 2024, three Mark's / L'Équipeur stores were opened in Ontario and Quebec.

The premises for Mark's franchise stores are primarily leased from third parties, while corporate stores consist of a mix of owned properties and third-party leases.

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 employee safety and workwear needs.

Competitive Conditions – Mark's is a leading market player in workwear apparel and safety footwear in Canada, and has strong offerings in men's casual apparel, denim and footwear. Mark's competes against

omnichannel, brick-and-mortar and online-only retailers, including mass merchants, department stores, national brands which sell directly to consumers, off-price stores, and other specialty apparel stores.

Helly Hansen

Helly Hansen is a leading global brand, based in Oslo, Norway, with an international wholesale and retail business in outerwear, base-layer, apparel and footwear, and workwear.

Founded in 1877, Helly Hansen is known for its professional grade gear and 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 nearly 150 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.

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

Helly Hansen products are sold in more than 40 countries, including core markets in Norway, Sweden, Canada, the United Kingdom, and the United States, through third-party retailers and 58 Helly Hansen and Musto stores and outlets owned and operated by Helly Hansen, including 19 stores in North America. The Company has also formed a Helly Hansen joint venture in China.

Wholesale and Retail Operations – Helly Hansen sells sportswear and workwear products through wholesale channels as well as retail channels. Helly Hansen's wholesale channels consist of specialty sporting goods, workwear and department store retailers. In addition, Helly Hansen operates branded stores and outlets in Europe and North America, with the primary purpose of promoting its brands in support of its wholesale business. Helly Hansen also operates branded websites in various regions, including across Europe, Canada, and the United States.

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 distinguishes itself from its competitors through technically advanced and innovative products, professional quality, brand authenticity and a customer reach that spans wholesale partners, retail locations and websites. 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 primarily against European and North American brands that offer premium, functional, and stylish protective wear.

Petroleum

Petroleum is one of Canada's largest independent retailers of gasoline, with 279 gas bars and associated convenience stores, of which 150 are located adjacent to Canadian Tire stores and 22 are located at ONroute rest stops along major Ontario highways (Highway 401 and 400). Car washes are also operated at 85 of the gas bars. The gas bars are operated under the Canadian Tire Gas+ or Petro-Canada names by independent retailers pursuant to agreements governing the sale of petroleum products. A number of the gas bars are located on properties owned by CTC, with the majority of the gas bars, including the ONroute sites, located on leased properties.

Electric vehicle (EV) charging stations are available at 151 CTC locations (Canadian Tire stores operated by Dealers and Petroleum gas bars operated by independent retailers, including ONroute locations). These charging stations are operated by either CTC or third parties licensing space at these locations.

As at the end of 2024, the number of Petroleum gas bars (including sites that have been rebranded to Petro-Canada) and locations with EV charging stations by applicable province in Canada was as follows:

Province	Petroleum gas bars	CTC locations with EV charging stations
British Columbia	4	17*
Alberta	19	9*
Saskatchewan	6	11
Manitoba	5*	5
Ontario	165*	84*
Quebec	47*	16*
New Brunswick	15	3*
Nova Scotia	8*	4*
Newfoundland and Labrador	10	-
Prince Edward Island	-	2
Total	279	151

** In 2024, one Petroleum gas bar was opened in Ontario and three were closed in Manitoba, Quebec, and Nova Scotia. In addition, 21 new CTC locations with EV charging stations were added in British Columbia, Alberta, Ontario, Quebec, New Brunswick, and Nova Scotia.*

In 2023, the Company entered into a strategic partnership with Petro-Canada, a business owned by Suncor Energy Inc., to drive additional value for CTC's Triangle Rewards and Petro-Canada's Petro-Points loyalty programs by allowing members of each program to earn points at both companies' gas stations. The partnership established a competitive fuel source for CTC, with Suncor to become the Company's primary fuel provider over time. Through the partnership, a total of over 200 of the Company's Canadian Tire Gas+ gas bars are planned for rebranding into Petro-Canada stations while maintaining CTC ownership.

In 2024, CTC made significant progress in executing key elements of the partnership. The loyalty partnership was launched in April, with an integrated mass marketing campaign to create national awareness. By the end of 2024, 19 Canadian Tire Gas+ gas bars in Ontario and Alberta were rebranded to Petro-Canada stations. In addition, CTC began its fuel supply transition to Suncor.

Competitive Conditions – Petroleum sources its fuel at competitive prices. It competes with other national and regional operators of gas bars, convenience stores and car washes. 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. For information on the Company's commodity price risk, see section 11.1 entitled "Business and Operational Risks" in the Annual MD&A.

Digital Channels and Customer Engagement

CTC remains committed to offering customers the choice of how to shop at the Company's banners. While customers today more often transact in-store at the Company's more than 1,400 store locations, their shopping journeys often begin through websites or mobile applications.

The Company's cloud-based website platform, One Digital Platform, provides a fast, consistent, personalized and reliable online shopping experience and mobile application. In addition to enabling search, checkout and fulfillment functions, the cloud-based solution also enhances site stability and facilitates higher transaction volumes. The Company also offers a variety of fulfilment options for those transacting online, including in-store pick-up and ship-to-home across its banners (including same-day delivery at the majority of its banners).

Canadian Tire's mobile application also enhances the in-store customer experience. It is integrated with the Triangle Rewards program and is equipped with in-store functionality, including assisting customers with locating items through links to in-store electronic shelf labels, simplifying in-store pick-up through integrations with lockers and service counters, and offering in-store electronic Canadian Tire Money (eCTM) redemption and scanning of QR codes.

Roller Labs Ventures

Roller Labs Ventures is the corporate venture fund of CTC that primarily invests in early-stage companies, independently or in partnership with leading venture capital funds. These investments are based on defined investment and governance criteria, and enable such companies to grow, commercialize their solutions, and compete both domestically and globally. CTC invests in companies that provide CTC with the opportunity to bring digital improvements to its business and accelerate its strategic capabilities in areas such as customer insights and experience, product innovation and operational efficiency. Roller Labs Ventures has made investments in the Inovia Discovery Fund I, a venture platform supporting emerging managers and their portfolio companies across Canada, Sanctuary, a general purpose robotics company, Catch & Release, a user-generated content licensing platform, and OfferFit, an automated lifecycle marketing platform.

Owned Brands

Owned brands provide the Company with a competitive advantage and a core differentiator in its product assortment, which increases customer engagement and loyalty. CTC's expertise in brand management, product development and design has contributed to the successful execution of owned brand strategies. The Company is continuously focused on strengthening its owned brand portfolio through internal product development and selectively pursuing acquisitions to complement key categories.

The Company's most recognized owned brands include Canvas, Dakota, Denver Hayes, Diamondback, Mastercraft, MotoMaster, Noma, Outbound, Paderno, Raleigh, Ripzone, Sherwood, WindRiver and Woods, which are primarily sold at the Company's banners. The Company also owns Helly Hansen, a leading global brand with an international wholesale and retail business in outerwear, base-layer, apparel and footwear, and workwear, based in Oslo, Norway.

Triangle Rewards

The Company's 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, enabling them to collect and redeem eCTM, subject to certain exceptions, across most of CTC's Canadian retail banners. Triangle-branded consumer credit cards offered through CTB are also an integral part of the program, allowing cardholders to collect eCTM at an accelerated rate across most of CTC's Canadian retail banners, as well as collect eCTM on eligible third-party purchases. For additional information on CTB's credit card business, see section 2.2 entitled "Financial Services Segment".

Triangle Rewards is a key enabler of sustained cross-banner customer engagement and personalized marketing. The Company's continued focus on data and analytics enhances its ability to provide marketing communications to create enhanced customer relevance and engagement through the Triangle Rewards program. Triangle Rewards also provides valuable customer insights to help build retail strategies, inform product assortments and services, and identify opportunities to selectively partner with Canadian retailers and brands to bring enhanced value and offers to Triangle Rewards members. The Company's strategic partnership with Petro-Canada delivers additional value for members of CTC's Triangle Rewards and Petro-Canada's Petro-Points loyalty programs by allowing them to earn points at both companies' gas stations.

To further enhance the Triangle Rewards program, Triangle Select was launched nationally in 2023 as an accelerator product to deliver enhanced value to customers. Triangle Select is an annual fee-based

subscription program through which Triangle Rewards members earn stackable, bonus eCTM on eligible purchases in-store at Canadian Tire, SportChek, and Mark's.

Retail Sourcing

A significant amount of the Company's merchandise is sourced globally. In 2024, approximately 49 percent of Canadian Tire Retail, 35 percent of Mark's, and 19 percent of SportChek inventory purchases were sourced directly from vendors outside Canada, primarily from Asia and denominated in U.S. dollars. Helly Hansen also sources most of its inventory purchases from vendors in Asia, and such purchases are denominated in U.S. dollars and Euros.

CTC operates retail sourcing offices abroad, including in Bangladesh, Hong Kong, Vietnam and China. CTC is also supported by third-party sourcing service providers in India and Mexico. These operations provide access to foreign manufacturers and import sourcing support.

CTC generally uses its own internal resources and third-party logistics providers to manage supply chain technology and the movement of foreign-sourced goods from vendors 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, foreign currency, geopolitical, supply chain and responsible sourcing. For information on these risks, see section 11.0 entitled "Risks and Risk Management" in the Annual MD&A. 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. The Company also proactively pursues alternative sourcing methods to ensure resiliency.

The Supplier Code of Business Conduct (the Supplier Code) outlines the standards that CTC's vendors must adhere to, covering topics such as occupational health and safety, child labour, forced or involuntary labour, compensation and human rights. All merchandise vendors are expected to either sign the Supplier Code or provide a copy of their internal code of conduct that meets or exceeds CTC's standards. In addition, third-party audits are conducted for its owned brand vendors, primarily leveraging the amfori Business Social Compliance Initiative standards, and CTC implements corrective action plans for any non-conformances.

Retail Supply Chain and Distribution Network

CTC's supply chain function is responsible for managing the flow of products between vendors, supply chain service providers, CTC's distribution centres and 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 several distribution channels, facilities and modes of transportation, including third-party transportation and logistics providers, and railway transit, and is involved in most aspects of product replenishment and product information flow.

Most of CTC's products are distributed to stores from its large network of 13 distribution centres which occupy more than 10 million sq. ft. of warehouse space across Canada and are operated by either CTC or a third party. Select products are distributed directly from vendors.

As at the end of 2024, the Company's distribution centres across Canada were as follows:

Province	Location	Area (sq. ft.)	Servicing
Alberta	Calgary - 114th Avenue SE	954,813	CTR
	Calgary - 64th Street SE	24,343	Mark's
	Calgary - 68th Avenue SE	454,977	SportChek / Mark's
	Calgary - 5500 Dufferin Blvd SE	351,807	CTR / SportChek
	Calgary - Dufferin Place	630,067	CTR
Ontario	Brampton - Airport Road	1,118,360	CTR
	Brampton - Goreway Drive	1,148,972	CTR
	Brampton - Hereford Street	195,230	CTR
	Brampton - Hurontario Street	1,298,614	SportChek / Mark's
	Caledon - Healey Road	1,422,351	CTR
	Mississauga - Marcove Road	475,517	CTR
	Mississauga - Millrace Court	27,192	Mark's
Quebec	Coteau-du-Lac - Dupont	1,980,165	CTR
Total		10,082,408	

The Company's Brampton Steeles Distribution Centre (1,424,108 sq. ft.) was utilized during a portion of the year and was sold in December 2024. The Calgary 5500 Dufferin Blvd SE Distribution Centre (351,807 sq. ft.) was launched in 2024 and as a result, the Calgary 72nd Ave SE Distribution Centre (498,618 sq. ft.) previously operated by the Company has been sub-leased to a third party. The Vaughan Express Auto Parts Distribution Centre (224,190 sq. ft.) previously operated by the Company is no longer being leased, and its operations have been amalgamated into the Brampton Airport Road Distribution Centre.

The Company is also investing in its distribution centre capacity, including a new 385,000 sq. ft. facility in Richmond, British Columbia currently under construction.

In addition to the Canadian distribution network, the Company operates two international distribution centres in Sumner, Washington and Born, Netherlands, which service Helly Hansen. These distribution centres represent over 400,000 sq. ft. of warehouse space. The Company also holds a 25% interest in Ashcroft Terminal Ltd., which operates a 320-acre transload facility and storage terminal in inland British Columbia, providing the Company with cross-Canadian rail access from the terminal in support of its supply chain operations.

Seasonality of the Retail Segment

Quarterly Retail revenue is affected by seasonality. The fourth quarter typically generates the greatest contribution to revenue, and the first quarter the least. For information on the Company's seasonality risk, see section 11.1 entitled "Business and Operational Risks" in the Annual MD&A.

The following table illustrates the quarterly revenue performance within the Retail segment over the last two years.

(C\$ in millions)	2024					2023				
	Q1	Q2	Q3	Q4	Total	Q1	Q2	Q3	Q4	Total
Canadian Tire Retail										
Revenue	\$1,798.0	\$2,278.1	\$2,189.3	\$2,187.2	\$8,452.6	\$1,931.7	\$2,394.0	\$2,201.0	\$2,172.6	\$8,699.3
% of full year Revenue	21.3%	27.0%	25.9%	25.9%	100.0%	22.2%	27.5%	25.3%	25.0%	100.0%
SportChek										
Revenue	\$387.7	\$441.7	\$521.5	\$546.8	\$1,897.7	\$420.8	\$461.0	\$518.3	\$552.2	\$1,952.3
% of full year Revenue	20.4%	23.3%	27.5%	28.8%	100.0%	21.6%	23.6%	26.5%	28.3%	100.0%
Mark's										
Revenue	\$288.1	\$343.8	\$316.1	\$575.3	\$1,523.3	\$294.0	\$353.9	\$322.4	\$561.7	\$1,532.0
% of full year Revenue	18.9%	22.6%	20.8%	37.8%	100.0%	19.2%	23.1%	21.0%	36.7%	100.0%
Helly Hansen										
Revenue	\$192.2	\$137.3	\$205.7	\$306.5	\$841.7	\$208.4	\$135.6	\$219.2	\$274.0	\$837.2
% of full year Revenue	22.8%	16.3%	24.4%	36.4%	100.0%	24.9%	16.2%	26.2%	32.7%	100.0%
Petroleum										
Revenue	\$467.9	\$550.9	\$553.1	\$504.7	\$2,076.6	\$481.4	\$549.0	\$597.6	\$503.1	\$2,131.1
% of full year Revenue	22.5%	26.5%	26.6%	24.3%	100.0%	22.6%	25.8%	28.0%	23.6%	100.0%
Retail segment										
Revenue	\$3,136.6	\$3,754.8	\$3,797.8	\$4,123.2	\$14,812.4	\$3,337.9	\$3,896.1	\$3,867.3	\$4,070.0	\$15,171.3
% of full year Revenue	21.2%	25.3%	25.6%	27.8%	100.0%	22.0%	25.7%	25.5%	26.8%	100.0%

¹ Revenue reported for CTR, SportChek, Mark's and Petroleum include inter-segment revenue. Helly Hansen revenue represents external revenue only. Therefore, in aggregate, revenue for CTR, SportChek, Mark's, Petroleum, and Helly Hansen will not equal total revenue for the Retail segment.

2.2 Financial Services Segment

Financial Services is primarily involved in issuing CTC credit cards, including Triangle-branded consumer credit cards which are an integral part of the Triangle Rewards program. Financial Services also offers in-store financing to consumers, insurance products, and retail and broker deposits. In addition, Financial Services provides settlement services and fraud prevention support to CTC and its affiliates. CTFHS Holdings is the holding company of the operating entities comprising the Financial Services segment (CTB and CTFB Bermuda).

CTB is a Canadian federally regulated Schedule I bank that is the marketer and issuer of CTC credit cards, including the Triangle Mastercard and Triangle World Elite Mastercard, as well as the Cash Advantage Mastercard. CTB acquires new accounts across CTC's retail banners and through online channels, accelerating the issuance of the Company's loyalty currency, eCTM, to credit card holders.

CTB is also a deposit-taking institution, offering high interest savings accounts and guaranteed investment certificates (GICs), with GICs marketed both directly and through third-party brokers.

Lending – CTB grants credit to its customers on CTC 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 using proprietary and third-party credit information to make informed credit decisions for each customer account to limit credit risk exposure, adopts technology to improve the effectiveness of the collection process, and monitors the macroeconomic environment, especially with respect to consumer debt levels, interest rates, inflation, employment levels and income levels.

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. CTC 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 additional information related to GCCT may be found on SEDAR+ at <https://sedarplus.ca>, which is not incorporated herein by reference.

Foreign Operations – CTFS Bermuda is a Bermuda-based reinsurance company regulated by the Bermuda Monetary Authority. CTFS Bermuda reinsures the creditor insurance that is marketed by CTB as well as a closed block of warranty business. 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 retains established and reputable actuarial and administrative service organizations to assist in the evaluation of the portfolio's risk and management of its operations.

Competitive Conditions – CTB was the seventh largest issuer of credit cards in Canada in 2024 based on outstanding receivables. The cards 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 programs that reward them for their loyalty, exceptional service, and overall value. 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. Canadian Tire-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.

2.3 CT REIT Segment

CT REIT is an unincorporated, closed-end real estate investment trust formed in 2013 which owns, manages and develops income-producing commercial properties located in all ten provinces and in two territories across Canada. CT REIT is primarily focused on triple-net, long-term leases to investment grade tenants. With triple-net leases, the tenant is responsible for paying all the expenses of the property, including real estate taxes, building insurance, and maintenance costs. CT REIT's geographically diversified portfolio is comprised of stand-alone properties (typically occupied by Canadian Tire stores), multi-tenanted properties (typically anchored by a Canadian Tire store), industrial properties, a mixed-use commercial property and one or more development properties. The principal objective of CT REIT, as a real estate investment trust investing primarily in net lease assets, is to create unitholder value over the long-term by generating reliable, durable and growing monthly cash distributions on a tax-efficient basis. CT REIT's trust units are listed on the Toronto Stock Exchange (TSX) and trade under the symbol "CRT.UN". As at December 31, 2024, CTC held a 68.4% effective interest in CT REIT.

Overview of the Property Portfolio – As at December 31, 2024, CT REIT’s portfolio was comprised of 376 properties, including 12 properties situated on ground leases. The portfolio primarily consists of net leased assets and is made up of 369 retail properties, five industrial properties, one mixed-use commercial property (which includes CTC’s head office) and one development property. Together, the retail properties, industrial properties and mixed-use commercial property contain approximately 31.0 million sq. ft. of GLA, excluding properties under development. The retail properties are made up of 290 single tenant retail properties (264 of which are Canadian Tire single tenant properties and 26 of which are other single tenant properties), 71 multi-tenant properties anchored by a Canadian Tire store and eight multi-tenant properties not anchored by a Canadian Tire store. The 335 Canadian Tire stores leased by CT REIT to the Company range in size from 12,000 sq. ft. of GLA to 198,000 sq. ft. 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 CTC industrial properties representing 92.8% of CT REIT’s total GLA and 91.7% of its annualized base minimum rent.

CT REIT’s properties are well located within their respective markets and its portfolio has stable characteristics, which include high occupancy, staggered lease maturities and strong retailing attributes, including high traffic locations, visibility, frontage, signage 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, which serve to attract high volumes of customers.

Competitive Conditions – CT REIT competes with other investors, developers, owners and operators 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. 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. While certain competitors may have greater financial and other resources and/or greater operating flexibility than CT REIT, it has the advantage of having and maintaining an established relationship with its most significant anchor tenant, CTC. CT REIT also relies on its sites, which are generally well-located with favourable retailing attributes, and on its strong balance sheet in order to compete in the Canadian real estate sector.

The Company is considered a “promoter” of CT REIT within the meaning of applicable Canadian securities legislation. For additional information about CT REIT’s business, see section 2 entitled “Description of the Business”, section 3 entitled “Property Portfolio”, and section 4 entitled “General Development of the Business” of CT REIT’s 2024 Annual Information Form available on SEDAR+ at <https://sedarplus.ca> and on CT REIT’s website at <https://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 CTC’s subsidiaries and banners, including Canadian Tire, Financial Services, Petroleum, PartSource, SportChek, Mark’s, Helly Hansen and Party City, are important assets of CTC and are enforced vigorously where appropriate. The Company’s trademarks have expiry dates ranging from 2025 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 2025 to 2043. Protection of the Company’s intellectual property is a high priority, and CTC has established procedures to protect and enforce intellectual property material to its business.

CTB 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. Pursuant to CTC’s strategic partnership with Petro-Canada, agreements are in place that permit CTC to use and display certain trademarks, trade names, logos and other intellectual property, including the Petro-Canada and Petro-Points trademarks, in connection with the re-branding of Canadian Tire Gas+ gas bars and the loyalty partnership.

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 485 Dealers, each of which generally 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 – Canadian Tire Associate Dealers".

2.6 Enterprise Risk Management

Enterprise Risk Management Policy and Framework – The effective management of risk is a key priority for the Board and senior management. Balanced risk-taking and effective risk management create valuable business returns and shareholder value, as well as market opportunities and competitive advantages, all of which support profitable growth over the long term. CTC has adopted an Enterprise Risk Management (ERM) Policy and Framework, Risk Appetite Statements, and other policies designed for identifying, assessing, managing, monitoring, escalating and reporting key risks.

The ERM Policy and Framework is designed to:

- Safeguard CTC's brand and reputation;
- Support the achievement of CTC's strategic objectives;
- Preserve and enhance shareholder value;
- 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;
- Provide a common risk language and framework for the identification, assessment, management, monitoring, escalation and reporting of key risks across the organization;
- Bring a common understanding and enhanced awareness of risk, risk management and risk appetite across the organization;
- Establish clear accountability and ownership of risk and foster within CTC a cultural awareness of risk management that promotes responsible risk taking; and
- Sustain credibility and confidence in risk governance and risk management by the Company's internal and external stakeholders.

Risk Governance – The foundation of CTC's ERM Policy and 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 the Audit Committee, the office of the Chief Executive Officer (CEO) (supported by senior executives and the Enterprise Risk Committee (ERC)), and the three lines of defence 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 key risks faced by CTC. Specifically, the ERC assists the CEO in discharging his responsibilities with respect to managing risk mitigation strategies in alignment with CTC's risk appetite, recommending 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 (including emerging risks) that alone, or in combination with other interrelated risks, could have a significant adverse impact on the Company’s brand, financial performance, and/or ability to achieve its strategic objectives. In addition, the Board may select certain key risks that require direct Board or Committee oversight.

For a description of the key risks as well as other risks that may have a material adverse effect on the Company, refer to section 11.0 entitled “Risks and Risk Management” of the Annual MD&A. There can be no assurance that the ERM Policy and Framework and related activities will be successful in identifying, assessing, managing, monitoring, escalating or reporting all risks.

2.7 Employees

As at December 28, 2024, the number of permanent full-time and part-time employees of CTC was as follows:

	Full-Time Employees*	Part-Time Employees*
CTC – Corporate	2,348	14
Canadian Tire Retail	4,436	1,928
Financial Services	1,281	149
SportChek	3,140	10,645
Mark’s	1,655	5,094
Helly Hansen	1,065	253
Petroleum	48	-
Total	13,973	18,083

* The foregoing figures do not include employees at Canadian Tire and Party City stores, SportChek franchised stores, Mark’s franchised stores, Petroleum gas bars or CT REIT. As at December 31, 2024, CT REIT had 71 employees.

CTC employs highly qualified individuals specializing in areas such as merchandising, marketing, product development, customer insights, supply chain, finance and retail leadership to drive and sustain its core retail business. In addition, 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 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.

The Company offers employees development opportunities through internal training and development programs, including the Company’s Triangle Learning Academy, industry insights, and professional development experiences. Through the Triangle Learning Academy, employees are able to accelerate their learning and development and gain expertise through curated content on numerous subjects. Learning content is developed around core business capabilities and leadership principles grounded in CTC’s core values, and offered through digital and hands-on experiences.

2.8 Environmental, Social and Governance Matters

CTC’s Brand Purpose, *We Are Here to Make Life in Canada Better*, guides all actions related to the Company’s business strategy, including CTC’s approach to environmental, social and governance (ESG) matters. The Company has identified the ESG topics that are most relevant to the enterprise and its stakeholders, and organized these topics into four pillars:

Environment	People & Community	Responsible Sourcing	Governance
Climate Change	Talent, Culture & Belonging	Supply Chain: People	Corporate Governance
Circularity: Product, Packaging & Operational Waste	Community Impact	Supply Chain: Planet Product Safety & Quality	Business Ethics Privacy & Cyber Security

ESG Governance

At the Board, primary oversight of CTC's ESG strategies and risk management is delegated to the Brand and Corporate Responsibility Committee. The Brand and Corporate Responsibility Committee's ESG responsibilities include, but are not limited to:

- monitoring emerging trends, risks, issues and regulatory developments in relation to ESG matters;
- overseeing the Company's management of its priority ESG topics (including strategies and targets) and the impacts of these topics on the Company's brand and reputation; and
- approving the Company's ESG reporting.

Certain ESG topics are delegated by the Board to its other Committees, and the Brand and Corporate Responsibility Committee coordinates with the Board and its other Committees as needed. For example, the Management Resources and Compensation Committee oversees talent, culture and belonging, the Audit Committee oversees business ethics and cyber security, and the Governance Committee oversees the Board's approach to corporate governance.

Within management, the Executive ESG Council, which is made up of cross-functional CTC leaders, oversees the development, execution and measurement of strategies for each of the Company's priority ESG topics and reviews the Company's ESG reporting. The Executive ESG Council's knowledge and oversight of the Company's ESG efforts support the continued integration of ESG across the organization.

The Company's management of risks to its brand, including risks with respect to its priority ESG topics, is supported by its ERM Policy and Framework and its crisis management capabilities. The Company has in place policies and operating directives to address issues of importance to its stakeholders, including ethical conduct, health and safety, the environment, product safety, privacy, cyber security and other matters. Each such policy sets out accountabilities for managing compliance, escalation processes and other procedures.

ESG Reporting

CTC publishes an annual ESG Report which outlines its approach to ESG, including underlying strategies and targets. The report includes a Climate Data Index and disclosures against the Sustainability Accounting Standards Board (SASB) standards. The Company also publishes reports on specific ESG matters, including an annual Forced Labour and Child Labour Report and an annual Diversity, Inclusion & Belonging Year-in-Review. These reports are available on the Company's website at <https://corp.canadiantire.ca/Environmental-Social-Governance>, and are not incorporated by reference herein.

3 General Development of the Business

3.1 2024 General Development of the Business

2024 Corporate and Business Developments

- The Company and Petro-Canada launched the Triangle Rewards and Petro-Points loyalty partnership, providing more value and convenience to millions of loyalty members at the more than 1,800 Petroleum gas bars and Petro-Canada locations across the country. Through this partnership, Triangle Rewards members can earn eCTM at Petro-Canada, and Petro-Points members can earn and redeem Petro-Points at Petroleum gas bars.
- The Company completed a review of strategic alternatives for its Financial Services business and announced that it would retain 100% ownership of CTB to build upon its strong return profile and meaningful earnings stream and maximize its contribution to CTC's retail portfolio.
- The Company sold a 90-acre industrial property in the Greater Toronto Area for \$258 million. The property, located at the corner of Bramalea and Steeles in Brampton, Ontario, included 1.5 million sq. ft. of industrial real estate no longer needed for CTC's distribution centre requirements as a result of strategic supply chain investments and consolidation in recent years.
- The Company continued to invest in its existing store network with refreshes, expansions or replacements of 39 Canadian Tire stores in 2024. The Company also expanded its store network by adding four PHL stores, four Party City stores, and three Mark's stores.
- CT REIT completed three acquisitions, three intensifications and two dispositions. The total spend in 2024 on the acquisitions and intensifications, together with investments made in ongoing developments, was approximately \$176 million.

Subsequent to year end, on January 20, 2025, the Company announced that Gregory Craig will retire as Executive Vice-President and Chief Financial Officer (CFO) effective March 31, 2025. The Company also announced that Darren Myers will join the organization as Executive Vice-President and CFO effective April 1, 2025. To ensure a seamless transition, Mr. Craig will remain an executive advisor until June 30, 2025.

2024 Finance Developments

- The Company increased its annual dividend for the 15th consecutive year, to \$7.10 per share, an increase of 1.4% from the previous year.
- The Company repaid a \$400 million term loan that it had obtained from Desjardins Capital Markets in connection with CTC's repurchase of Scotiabank's 20% interest in CTFS Holdings in October 2023. The term loan was set to mature April 2025.
- The Company announced its intention to repurchase up to \$200 million of its Class A Non-Voting Shares, in excess of the amount required for anti-dilutive purposes, during 2025 (the 2025 Share Repurchase Intention), subject to regulatory approval of the renewal of the Company's normal course issuer bid (NCIB).

3.2 2023 General Development of the Business

2023 Corporate and Business Developments

- The Company entered into a strategic partnership with Petro-Canada, a business owned by Suncor Energy Inc., to drive additional value for CTC's Triangle Rewards and Petro-Canada's Petro-Points loyalty programs by allowing members of each program to earn points at both companies' gas stations. The partnership established a competitive fuel source for CTC, with Suncor to become the Company's primary fuel provider over time. Through the partnership, a total of over 200 of the Company's Canadian Tire Gas+ gas bars are planned for rebranding into Petro-Canada stations while maintaining CTC ownership.
- The Company announced a seven-year flagship strategic retail partnership with Microsoft, leveraging Microsoft Azure to modernize its systems and infrastructure. In addition, the partnership provides the Company with direct access to Microsoft's cloud products and solutions, expertise, and upskilling capabilities to increase the speed and efficiency of its business modernization and enhance customers' omnichannel journey and brand experiences across the Company.
- The Company completed the repurchase of Scotiabank's 20% interest in CTFS Holdings, in an all-cash transaction valued at \$895 million. The transaction provides CTC with enhanced flexibility in delivering added value to its active Triangle Rewards members and Triangle credit card holders. Concurrently with the transaction, the Company announced its intention to evaluate strategic alternatives for its Financial Services business, which review was completed in 2024, with the Company retaining 100% ownership of CTB.
- The Company was impacted by a fire on March 15, 2023, at its A.J. Billes Distribution Centre, one of CTC's largest distribution centres, which services CTR stores nationally. Operations at the facility were suspended on March 15, 2023, partially resumed on March 27, 2023, and returned to full operational shipment capacity during the second quarter. The fire resulted in cleanup and repairs costs, lost inventory, asset disposals, building damage, operating inefficiencies and a delay in first quarter shipments, some of which were mitigated by insurance recoveries.
- Given the macroeconomic environment and consumer demand which differed significantly from the Company's expectations, and further to the noticeable slowdown in Retail sales, the Company withdrew its 2022 to 2025 financial aspirations previously disclosed at its Investor Day held in March 2022. Other sales aspirations disclosed in connection with Investor Day were similarly impacted. In addition, given the changed economic conditions since early 2022 and continued softening of demand, the Company slowed the pace of previously-identified operating capital investments in 2023, prioritizing its best returning capital investments. As a result, the Company announced that it no longer expected to invest the level of operating capital expenditures during the 2022-2025 period previously announced at its Investor Day.
- The Company launched Triangle Select, an annual fee-based subscription program through which Triangle Rewards members earn eCTM on eligible purchases in-store at Canadian Tire, SportChek, and Mark's, offering stackable, bonus eCTM.
- The Company acquired 10 strategic real estate leases formerly held by Bed, Bath & Beyond in Canada, with six of the stores designated for Mark's relocations and four designated for new PHL stores.
- Mark's launched Mark's WorkPro stores and L'Équipeur Pro stores, industrial-exclusive retail destinations catering to the unique needs of work gear customers, with four stores opened in Edmonton, Alberta, St. Catharine's, Ontario, Etobicoke, Ontario and Pointe-aux-Trembles, Quebec.
- The Company announced a multi-million dollar investment in a new Women's Sport Initiative, earmarking a minimum of 50% of its sponsorship dollars towards women's professional sport by 2026.

This initiative also includes a dedicated media fund to increase the visibility of women's sport across top broadcast, digital and social platforms.

- In November 2023, the Company implemented targeted headcount reductions, reducing 3% of its full-time equivalent employees and eliminating the majority of its vacancies resulting in a further 3% reduction of its full-time equivalent employees.
- CT REIT completed one acquisition of development lands and one assignment of ground lease, four developments and nine intensifications. The total spend in 2023 on these projects, together with investments made in ongoing developments, was approximately \$151 million.

2023 Finance Developments

- The Company completed a private placement offering of \$600 million aggregate principal amount of unsecured medium-term notes. The notes consisted of \$400 million of unsecured medium-term notes, with a coupon rate of 5.372%, due September 16, 2030 (Series G) and \$200 million of floating rate unsecured medium-term notes due September 14, 2026 (Series H).
- The Company repaid \$400 million of unsecured medium-term notes issued in 2018 (Series F) in connection with the acquisition of Helly Hansen.
- The Company increased its annual dividend for the 14th consecutive year, to \$7.00 per share, an increase of 1.5% from the previous year.
- The Company repurchased \$470 million of its Class A Non-Voting Shares, in excess of the amount required for anti-dilutive purposes, in partial fulfillment of its previously announced intention to repurchase between \$500 million and \$700 million of its Class A Non-Voting Shares, by the end of fiscal 2023 (the 2022-23 Share Repurchase Intention).
- The Company announced its intention to repurchase up to \$200 million of its Class A Non-Voting Shares, in excess of the amount required for anti-dilutive purposes, during 2024. The Company did not repurchase any Class A Non-Voting Shares pursuant to this intention.
- In connection with the repurchase of Scotiabank's 20% interest in CTFS Holdings, the Company entered into a \$400 million term loan from Desjardins Capital Markets, due April 2025. CTB also amended the terms of its unsecured bank line of credit and committed securitized note purchase facility with Scotiabank. Pursuant to the amended arrangements, Scotiabank provided CTB with a \$400 million unsecured bank line of credit and \$700 million securitized GCCT note purchase facility, each of which expire in April 2025.
- The Company entered into a new unsecured bank line of credit for \$1.0 billion with five Canadian financial institutions, expiring in May 2025.
- CT REIT issued \$250 million of senior unsecured debentures, with a coupon rate of 5.828%, due June 14, 2028 (Series I). The net proceeds were used for the repayment of short-term indebtedness and for general business purposes.

3.3 2022 General Development of the Business

2022 Corporate and Business Developments

- Canadian Tire celebrated its 100th anniversary and 100 years of making life in Canada better. Starting from a single garage established by A.J. and J.W. Billes in 1922, CTC has grown into one of the country's most recognized brands and group of companies, ensuring Canadians have access to the products, services and support they need for life in Canada. The milestone was marked with events and retrospectives throughout 2022 on the significant role Canadian Tire plays in the lives of Canadians.

- At the Company's Investor Day held on March 10, 2022, the Company announced its *Better Connected* strategy and a multi-year, multi-billion dollar investment plan which aims to enhance the omnichannel customer experience, strengthen the Company's supply chain fulfillment infrastructure and automation, modernize its IT infrastructure and drive efficiency in how the Company operates. In conjunction with the announcement of its strategy, the Company also announced long-term financial aspirations, which have since been withdrawn.
- J. Michael Owens was appointed Chairman of the Board, effective May 13, 2022, succeeding Maureen Sabia. A Fellow of the Chartered Professional Accountants and former partner with Deloitte Canada, Mr. Owens joined the Board of Directors in 2020.
- The Company's Operational Efficiency program, an enterprise-wide initiative to eliminate duplicate systems and processes, drive enterprise-wide efficiencies and target internal and external expense reduction, originally announced in 2019, achieved an additional \$100 million of annualized run-rate savings, for a total of \$300+ million.
- The Company published its inaugural ESG Report which outlined its approach to ESG and focused on those ESG topics that the Company identified as being most relevant to the enterprise and its stakeholders.
- The Company launched Roller Labs Ventures, an innovation program allowing CTC to invest in primarily Canadian start-up and early-stage companies. Investments in these companies presents an opportunity for CTC to bring digital improvements to its business and accelerate its strategic capabilities in areas such as customer insights and experience, product innovation and operational efficiency.
- Kevin Salsberg was appointed President and CEO of CT REIT, effective June 1, 2022, succeeding Ken Silver as CEO. Mr. Salsberg previously served as President and Chief Operating Officer of CT REIT.
- CT REIT completed six acquisitions, two developments, one re-development and 16 intensifications. The total spend in 2022 on these projects, together with investments made in ongoing developments, was approximately \$258 million.

2022 Finance Developments

- The Company increased its annual dividend for the 13th consecutive year, to \$6.90 per share, an increase of 33% from the previous year.
- The Company completed the repurchase of \$400 million of its Class A Non-Voting Shares, in excess of the amount required for anti-dilutive purposes.
- The Company announced the 2022-23 Share Repurchase Intention to repurchase between \$500 million and \$700 million of its Class A Non-Voting Shares, in excess of the amount required for anti-dilutive purposes, by the end of fiscal 2023.
- CT REIT issued \$250 million of senior unsecured debentures, with a coupon rate of 3.029%, due February 5, 2029 (Series H). The net proceeds were partially used for the early redemption of \$150 million of CT REIT's senior unsecured debentures that were due on June 9, 2022 (Series A).

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 52,197,823 Class A Non-Voting Shares and 3,423,366 Common Shares were issued and outstanding as at December 28, 2024. For additional information with respect to CTC's outstanding share capital, see section 7.0 entitled "Equity" of the Annual MD&A and note 26 entitled "Share Capital" of the notes to the Annual Financial Statements.

Material Characteristics of Common Shares – The holders of Common Shares of CTC are entitled to vote at all meetings of holders of Common Shares, including the election of 13 of the 16 directors to be elected at the upcoming annual meeting of shareholders and the appointment of the external auditor. 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 holder 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 conditions attached to the Common Shares and is qualified by reference to CTC's articles of amendment dated December 15, 1983, which are available on SEDAR+ at <https://sedarplus.ca> and on the Company's website at <https://corp.canadiantire.ca>.

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 16 directors to be elected at the upcoming annual meeting of shareholders. 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 holders of Common Shares or is required by law or by the TSX to be made to all holders of Common Shares in Ontario (other than an offer to purchase both classes of 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 to and taken up by the party making the offer, the holders of Class A Non-Voting Shares will thereafter be entitled to one vote per share at all shareholder meetings and the Class A Non-Voting Shares shall be designated as "Class A Shares".

The Common Shares and Class A Non-Voting Shares are each generally voted separately as a class. As a result, aggregating the voting rights attached to the Common Shares and Class A Non-Voting Shares is not relevant to any corporate action currently contemplated. If an occasion should arise in which the holders of Common Shares and the holders of Class A Non-Voting Shares are entitled to vote together (rather than as a separate class) then, based on the number of Common Shares and Class A Non-Voting Shares outstanding as at December 28, 2024, the Class A Non-Voting Shares would represent 93.8% of the aggregate voting rights attached to the Common Shares and the Class A Non-Voting Shares. The foregoing is a summary of certain conditions attached to the Class A Non-Voting Shares is qualified by reference to CTC's articles of amendment dated December 15, 1983, which are available on SEDAR+ at <https://sedarplus.ca> and on the Company's website at <https://corp.canadiantire.ca>.

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 of the outstanding Common Shares in respect of 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. For additional information concerning CTC's dividend policy, see section 7.2 entitled "Dividends" of the Annual MD&A.

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 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 2024 fiscal year were as follows:

Common Shares (CTC)			
	High (\$)	Low (\$)	Volume Traded
January 2024	290.00	257.36	8,979
February 2024	275.00	241.75	13,841
March 2024	268.08	243.87	8,859
April 2024	275.36	225.01	17,388
May 2024	255.26	224.35	11,587
June 2024	233.99	208.89	9,751
July 2024	229.79	202.50	11,194
August 2024	244.44	202.00	9,426
September 2024	238.36	217.06	9,072
October 2024	236.16	220.15	8,181
November 2024	236.75	220.00	10,858
December 2024	230.44	197.47	18,298

Class A Non-Voting Shares (CTC.A)			
	High (\$)	Low (\$)	Volume Traded
January 2024	150.22	138.39	7,316,393
February 2024	146.99	128.88	8,895,207
March 2024	138.95	129.40	7,301,830
April 2024	138.73	126.20	8,139,596
May 2024	147.27	130.67	8,145,021

Class A Non-Voting Shares (CTC.A)

	High (\$)	Low (\$)	Volume Traded
June 2024	142.43	132.73	5,700,985
July 2024	144.64	134.37	6,272,990
August 2024	158.64	136.09	7,557,553
September 2024	162.46	150.83	4,865,510
October 2024	163.00	147.44	6,442,829
November 2024	155.51	147.29	7,726,153
December 2024	158.92	150.30	7,298,543

4.3 Normal Course Issuer Bid

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

CTC's current NCIB commenced on March 2, 2024, and is in effect until March 1, 2025 (the 2024-25 NCIB). Under the 2024-25 NCIB, the Company has the ability to repurchase up to 4.9 million Class A Non-Voting Shares by means of open market transactions through the facilities of the TSX and/or alternative Canadian trading systems at the market price of the Class A Non-Voting Shares at the time of repurchase 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.

For additional information concerning the Company's 2024-25 NCIB, including the 2025 Share Repurchase Intention, see section 7.1 entitled "Shares Outstanding" of the Annual MD&A. For information regarding CT REIT's NCIB program, see section 6.14 entitled "Normal Course Issuer Bid" of CT REIT's Management's Discussion and Analysis for the fourth quarter and full year ended December 31, 2024, which is not incorporated herein by reference.

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 with all other existing and future unsecured and unsubordinated indebtedness of CTC. CTC's Series H medium-term notes are redeemable, in whole or in part, at any time on or after September 14, 2024, at par value. All other medium-term notes are redeemable, in whole or in part, at any time, at the greater of par value or a formula price based upon interest rates at the time of redemption.

In the event of a change of control, CTC must make an offer to repurchase all outstanding medium-term notes. Further information is located in section 6.5 entitled "Liquidity and Financing" of the Annual MD&A.

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 unsecured short-term promissory notes in the United States. Terms to maturity for the promissory notes range from one to 270 days from the date of issue. 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. Further information is located in section 6.5 entitled "Liquidity and Financing" of the Annual MD&A.

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.

CTC declared and paid the following annual dividends per share on its Common Shares and Class A Non-Voting Shares in each of the last three years:

Year	Annual Dividends Declared*	Annual Dividends Paid*
2022	\$6.2750	\$5.8500
2023	\$6.9250	\$6.9000
2024	\$7.0250	\$7.0000

* Paid in the next quarterly period that follows the date such dividends are declared.

In November 2024, the Company increased its annual dividend for the 15th consecutive year, to \$7.10 per share, an increase of 1.4% from the previous year. The next quarterly dividend of \$1.775 will be paid on March 1, 2025.

Detailed information on dividends declared and paid by the Company is available on the Company's website at <https://corp.canadiantire.ca/investors/shareholders/dividend-information>.

The Trust Indenture dated June 4, 1993, 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 Trust Indenture dated March 14, 2005, pursuant to which CTC also issued medium-term notes due in 2026, 2030 and 2035, does not contain any restrictions concerning CTC's ability to declare and pay dividends.

For additional information concerning the Company's dividends, see section 7.2 entitled "Dividends" of the Annual MD&A.

For information regarding CT REIT distributions, see section 11 entitled "Distributions" of CT REIT's 2024 Annual Information Form, which is not incorporated herein by reference.

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 (S&P) and Moody's Investors Service (Moody's). Long-term ratings are provided by DBRS Limited (Morningstar DBRS) and S&P.

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

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

* S&P has also assigned the Company a short-term issuer rating of A-2.

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 Morningstar DBRS 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 “D” (S&P) and “not prime” (Moody’s) for the lowest quality of securities rated.

A long-term rating of “BBB” by Morningstar DBRS is within the fourth highest of its 10 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. All rating categories other than “AAA” and “D” also contain subcategories “(high)” or “(low)” which indicates relative standing within such category. The absence of either a “(high)” or “(low)” designation indicates the rating is in the middle of the category. The assignment of a “Positive”, “Stable” or “Negative” trend modifier provides guidance in respect of Morningstar DBRS’s opinion regarding the outlook for the rating in question. The rating trend indicates the direction in which Morningstar DBRS considers the rating is headed should present tendencies continue.

A long-term rating of “BBB” by S&P is within the fourth highest of its 10 long-term rating categories and indicates that the obligor has adequate capacity to meet financial commitments. However, adverse economic conditions or changing circumstances are more likely to weaken the obligor’s capacity to meet its financial commitments. A credit rating of “BBB-” or higher is an investment grade rating. Ratings from “AA” to “CCC” may be modified by the addition of a plus (+) or minus (-) sign to show relative standing within the rating categories. The outlook (“Positive”, “Stable”, “Negative” or “Developing”) assesses the potential direction of a long-term credit rating over the intermediate term, which is generally up to two years for investment grade. In determining a rating outlook, consideration is given to any changes in economic and/or fundamental business conditions.

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 than obligors in the highest rating category.

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 Morningstar DBRS, 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 Morningstar DBRS, S&P and Moody’s to obtain credit ratings and expects to pay similar fees in the future pursuant to the rating agency’s engagement letters.

For information regarding the credit ratings applicable to CT REIT, see section 12 entitled “Credit Ratings” of CT REIT’s 2024 Annual Information Form, which is not incorporated herein by reference.

7 Transfer Agents and Registrars

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 the 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 the Branch Register of Transfers at its office in the city of Montreal (Quebec), except for medium-term notes issued pursuant to the Trust Indenture dated March 14, 2005, for which the Branch Register of Transfers is in the city of Toronto (Ontario).

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 as at December 28, 2024:

Name, Province or State and Country of Residence	Year First Elected/Appointed ¹	Principal Occupation ²
J. Michael Owens Ontario, Canada	2020	Chairman of the Board, CTC and Corporate Director
Eric Anderson Illinois, U.S.A.	2016	Polk Bros. Chair in Retailing and Professor of Marketing at Northwestern University, Kellogg School of Management
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
Lyne Castonguay Florida, U.S.A.	2023	Founder & CEO, Victrice Ventures, an investment, advisory and consulting firm
Cathryn Cranston Ontario, Canada	2023	Corporate Director
Steve Frazier Washington, U.S.A.	2021	Corporate Director and Senior Consultant
Greg Hicks Ontario, Canada	2020	President and CEO, CTC
Norman Jaskolka ³ Quebec, Canada	2018	CEO, Sweet Park Capital, which manages the investments of the Bensadoun family
Sylvain Leroux Quebec, Canada	2021	President, Sylvain M. Leroux Enterprises Ltd., which operates a Canadian Tire store
Donald Murray Alberta, Canada	2017	Corporate Director and former Canadian Tire Associate Dealer
Sue Paish ⁴ British Columbia, Canada	2023	CEO, DIGITAL, a Canadian not-for-profit global innovation cluster

Name, Province or State and Country of Residence	Year First Elected/Appointed ¹	Principal Occupation ²
Nadir Patel Ontario, Canada	2021	Management Consultant and Corporate Director
Christine Rupp Ohio, U.S.A.	2022	CEO, Vitruvian, a fitness equipment company
Sowmyanarayan Sampath New Jersey, U.S.A.	2022	CEO, Verizon Consumer Group, a telecommunications company
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 director of CTC has held the position listed above or other senior management positions with the same or associated firms or organizations during the past five years, except:
 - (a) L. Castonguay who, from April 2024 to September 2024 served as Global Chief Merchant and Product Officer at Starbucks and from February 2021 to June 2022 served as President and Chief Operating Officer at Saputo's U.S. division.
 - (b) S. Frazier who, prior to June 2020 served as a Vice-President at Amazon.com.
 - (c) D. Murray who, prior to February 2023 operated a Canadian Tire store in Red Deer, Alberta.
 - (d) N. Patel who, prior to October 2021 served as Canada's High Commissioner for the Republic of India, and Ambassador to Nepal and Bhutan.
 - (e) C. Rupp who, from September 2022 to October 2024 served as Chief Customer Officer at Victoria's Secret, and prior to July 2022 served as Chief Customer Officer at Albertsons.
- 3 N. Jaskolka served on the board of directors of The Aldo Group Inc. until March 2020. The Aldo Group Inc., together with certain of its subsidiaries, obtained an order under the Companies' Creditor Arrangement Act, effective May 2020. In July 2022, the company successfully completed its restructuring process and satisfied the court-approved plan. Similar relief was provided in other jurisdictions. N. Jaskolka rejoined the board of directors of The Aldo Group Inc. on January 12, 2023.
- 4 S. Paish served as Chair of the board of directors of Imagia Canexia Health Inc. until July 2023. Imagia Canexia Health, together with its subsidiary Canexia Health Inc., were placed into receivership in August 2023.

Committees of the Board of Directors

The Board of Directors has four standing committees: the Audit Committee, the Management Resources and Compensation Committee, the Governance Committee and the Brand and Corporate Responsibility Committee.

The current members of these Committees are as follows:

Audit Committee	Management Resources and Compensation Committee	Governance Committee	Brand and Corporate Responsibility Committee
N. Patel (Chair)	C. Trudell (Chair)	N. Jaskolka (Chair)	S. Frazier (Chair)
E. Anderson	E. Anderson	M. Billes	O. Billes
C. Cranston	L. Castonguay	C. Cranston	S. Leroux
N. Jaskolka	S. Frazier	J. M. Owens	D. Murray
S. Sampath	S. Paish	C. Trudell	N. Patel
	C. Rupp		

Audit Committee

As noted above, the Audit Committee is comprised of Nadir Patel (Chair), Eric Anderson, Cathryn Cranston, Norman Jaskolka and Sowmyanarayan Sampath. The education and experience of each Audit Committee member that is relevant to the performance of their responsibilities as Audit Committee members is described below:

Member	Experience
Nadir Patel, Chair	Mr. Patel is a Management Consultant and Corporate Director. He serves as a Managing Director of Fairfax Consulting Services, Senior Strategic Advisor to Norton Rose Fulbright Canada, Chancellor of Wilfrid Laurier University, Strategic Advisor to the President of Huron University College, and Chairman of Canadian Tire Jumpstart Charities. Prior to his current roles, Mr. Patel held

Member	Experience
	<p>several senior government positions over a distinguished career in Canada's public service. Most recently, he served as High Commissioner for Canada in the Republic of India, with concurrent accreditation as Canada's Ambassador to Nepal and Bhutan until 2021. He also previously served as Senior Assistant Deputy Minister and Chief Financial Officer for Canada's Department of Foreign Affairs, Trade and Development and as Canada's Consul General in Shanghai. Mr. Patel brings a wealth of experience in strategic planning, finance, human resources, risk management, and international relations, and has served on the boards of several crown corporations and not-for-profit organizations. He began his career as a tax auditor at Revenue Canada (now Canada Revenue Agency), serving in progressively senior positions, and served as chair of the audit committees of Cellular Biomedicine Group, the Association of Professional Executives of the Public Service of Canada, and International Development Research Centre, a crown corporation. Mr. Patel holds a joint MBA from New York University's Stern School of Business, London School of Economics and Political Science, and HEC (Paris) School of Management.</p>
Eric Anderson	<p>Dr. Anderson is the Polk Bros. Chair in Retailing and Professor of Marketing at Northwestern University, Kellogg School of Management. He also serves as Founding Partner of Leadership Analytics Advisors and is an advisor of Lift Lab. Dr. Anderson previously served as Chair of the Marketing Department and Director of the Kellogg-McCormick MBAi Program at Northwestern University, Kellogg School of Management, and held appointments at the University of Chicago Booth School of Business and the W.E. Simon Graduate School of Business at the University of Rochester. He holds a Ph.D. in Management Science from the MIT Sloan School of Management.</p>
Cathryn Cranston	<p>Ms. Cranston is a Corporate Director. A former senior executive in the financial services sector, Ms. Cranston spent most of her career at BMO Financial Group prior to her retirement in 2017. Most recently, she served as Treasurer of BMO Financial Group, with prior executive roles as Head of Investor Relations, CFO of BMO's Wealth Management business and VP of Integrated Risk Management, as well as senior roles in capital markets and corporate banking. Ms. Cranston serves on numerous boards, including Toromont Industries, where she also serves as the chair of its audit committee, and Ontario Teachers' Pension Plan, and has previously served on the board of Royal St. George's College. She is a member of the Advisory Panel on Resolution for the Canada Deposit Insurance Corporation and serves on the C.D. Howe Institute's Domestic Stability Buffer Council. Ms. Cranston holds an MBA from the University of Manitoba.</p>
Norman Jaskolka	<p>Mr. Jaskolka is CEO of Sweet Park Capital, the company that manages the investments of the Bensadoun family, including The Aldo Group, a Canadian global retailer of shoes and accessories. He serves as Chairman of The Aldo Group, and previously served as President of Aldo Group International, and Vice-President, Corporate Development and Information Technology of The Aldo Group. Mr. Jaskolka 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, he was a partner at Ernst & Young where his practice focused on audit, taxation, business valuations and corporate finance. Mr. Jaskolka is also 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. He is a Fellow of the Order of Chartered Professional Accountants of Quebec.</p>
Sowmyanarayan Sampath	<p>Mr. Sampath is Executive Vice-President and CEO of Verizon Consumer Group. He is a globally recognized leader in the telecom industry with experience spanning consumer, enterprise, security and critical infrastructure.</p>

Member	Experience
	Mr. Sampath has served in various other senior positions at Verizon, including, most recently, as Executive Vice-President and CEO of Verizon Business, where he led the digitization of businesses, governments and communities globally, as well as President of Global Enterprise and Chief Product Officer. Prior to joining Verizon, he spent almost a decade at the Boston Consulting Group, where he was a Partner and Global Sector Leader for the Telecom practice area, focused on driving large scale, enterprise-wide transformations. Mr. Sampath is a Chartered Accountant and holds an MBA from Boston University Questrom School of Business.

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 external auditor for CTC must be brought to the attention of the Chair of the Audit Committee before such work commences. The Chair 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 Chair must consult with the Committee before approving the service. The Chair of the Committee is responsible for informing the Committee of all pre-approved services at its next meeting. The audit committees of CTFS Holdings, CTB and CT REIT are authorized to approve all non-audit services with respect to their applicable entities to a limit of \$100,000. If the fees exceed \$100,000 but are below \$350,000, they must be pre-approved by the Chair of the Audit Committee of the Company.

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 as at December 28, 2024:

Name, Province and Country of Residence	Principal Occupation ¹
Greg Hicks Ontario, Canada	President and CEO
Gregory Craig Ontario, Canada	Executive Vice-President and Chief Financial Officer
Lisa Damiani Ontario, Canada	Executive Vice-President and General Counsel
Bob Hakeem Ontario, Canada	Executive Vice-President and Chief Human Resources Officer
TJ Flood Ontario, Canada	Executive Vice-President, President, Canadian Tire Retail
Susan O'Brien Ontario, Canada	Executive Vice-President, Chief Brand and Customer Officer
Joe Sheldon Ontario, Canada	President, Canadian Tire Financial Services

1. Each executive officer has held the position listed above or other senior management positions with CTC during the past five years, except:
- (a) L. Damiani who, from October 2022 to September 2023 served as Executive Vice-President and (from January 2023) General Counsel at Cadillac Fairview, from March 2021 to July 2022 served as Chief Legal & Regulatory Officer and then Special Advisor to the CEO at Rogers Communications, from January 2021 to March 2021 served as Special Interim Counsel at Altus Group Limited, and prior to 2020, served as General Counsel, Executive Vice-President, Government Relations & Corporate Secretary at New Gold Inc.

8.3 Securities Held

As at December 28, 2024, the directors and executive officers of CTC, as a group, beneficially owned, directly or indirectly, or exercised control or direction over, 2,101,151 Common Shares of CTC (representing 61.4% of the issued and outstanding Common Shares) and 821,204 Class A Non-Voting Shares of CTC (representing 1.6% of the issued and outstanding Class A Non-Voting Shares). The Common Shares held by this group include 2,101,150 Common Shares beneficially owned, controlled or directed, in aggregate, by Martha Billes and Owen 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 the Class A Non-Voting Shares held in connection with CTC's Deferred Profit Sharing Plan (DPSP), in which CTC's executive officers and other employee participants have rights pursuant to a group annuity policy issued in connection with the DPSP. As at December 28, 2024, the DPSP held 419,280 of the Common Shares of CTC (representing 12.2% of the issued and outstanding Common Shares) and 333,383 of the Class A Non-Voting Shares of CTC (representing 0.6% of the issued and outstanding Class A Non-Voting Shares).

As at December 28, 2024, the directors and executive officers of CTC, as a group, beneficially owned, directly or indirectly, or exercised control or direction over 35,300 Units of CT REIT (representing less than 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. Two 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. In addition, one director is a former Dealer. Directors who are Dealers recuse themselves from voting on contractual arrangements between the Company and the Dealers. Mr. Craig, the Executive Vice-President and Chief Financial Officer of CTC, is a trustee of CT REIT and is subject to disclosure requirements and voting restrictions with respect to contracts and transactions between CT REIT and the Company and its affiliates.

9 Interests of Experts

Deloitte LLP is the external auditor of CTC and is 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 for professional services rendered by Deloitte LLP to the Company and its subsidiaries for the fiscal years ended December 28, 2024, and December 30, 2023, respectively:

	Year Ended December 28, 2024 ¹	Year Ended December 30, 2023 ¹
Audit Fees ²	\$5,571,000	\$5,528,000
Audit-Related Fees ³	\$1,573,000	\$1,440,000
Tax Fees ⁴	\$5,000	\$30,000
All Other Fees ⁵	\$333,000	\$801,000
Total	\$7,482,000	\$7,799,000

¹ Fees reported in each fiscal year represent fees billed or accrued for services provided during the applicable fiscal year.

² "Audit Fees" are the aggregate fees for audit services, including translation fees.

³ "Audit-Related Fees" are the aggregate fees for assurance and related services that were reasonably related to the performance of audit or review procedures and were not reported under "Audit Fees" in the table above. These services related primarily to statutory audits of components not being relied on for the consolidated audit (2024 – \$859,000 and 2023 – \$726,000), accounting advisory, due diligence and assurance provided over specific climate-related metrics.

⁴ "Tax Fees" include the aggregate fees for professional services related to transfer pricing, tax compliance, tax advice and tax planning. The tax services related primarily to tax advice in connection with foreign operations and the Canadian tax implications thereof.

⁵ "All Other Fees" are aggregate fees for services, other than the services reported under "Audit Fees", "Audit-Related Fees" and "Tax Fees" in the table above. These services 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.

11 Additional Information

Additional information, including directors' and named executive officers' remuneration, principal holders of CTC's securities and securities authorized for issuance under CTC's equity compensation plans, is contained in CTC's most recent Management Information Circular prepared in connection with the Annual Meeting of Shareholders of CTC that was held on May 9, 2024, which is available on SEDAR+ at <https://sedarplus.ca>. Additional financial information is provided in the Annual Financial Statements and Annual MD&A, which are also available on SEDAR+ at <https://sedarplus.ca>. Other information relating to CTC may also be obtained on SEDAR+ at <https://sedarplus.ca> and on the Company's website at <https://corp.canadiantire.ca>.

12 Forward-Looking Information

This document contains information that may constitute forward-looking information within the meaning of applicable securities laws. Forward-looking information provides insights regarding Management's current expectations and plans and allows investors and others to better understand the Company's anticipated financial position, results of operations and operating environment. Readers are cautioned that such information may not be appropriate for other purposes. Statements containing forward-looking information are neither historical facts nor assurances of future performance. Forward-looking information included or incorporated by reference in this document includes, but is not limited to, information with respect to the Company's intention to repurchase its Class A Non-Voting Shares in section 3.1 entitled "2024 General Development of the Business".

Other non-historical information may also constitute forward-looking information, including, but not limited to, information concerning Management's current expectations relating to possible or assumed prospects and results, the Company's strategic objectives and priorities, its actions and the results of those actions, and the economic and business outlook for the Company. 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", "target", "forecast", "anticipate", "aspire", "foresee", "continue", "ongoing" or the negative of these terms or variations of them or similar terminology.

By its nature, forward-looking information is based on estimates and assumptions and information currently available to Management. Among other things, except where noted, Management has assumed that there will be no material adverse changes to future regional, provincial, national and global macroeconomic conditions (such as inflation, gross domestic product and consumer income and debt levels), geopolitical conditions (including tariffs) consumer spending levels, interest rates, foreign exchange rates, regulatory environment (including taxes), and the Company's competitive position in the retail landscape, earnings prospects and liquidity. Management has also assumed that there will be no material changes to the Company's strategic and capital allocation priorities, that anticipated cost savings and operational efficiencies will be achieved, that anticipated benefits from initiatives, partnerships or acquisitions will be realized and that all required regulatory approvals will be received. There can be no assurance that the estimates and assumptions upon which forward-looking information is based will prove to be correct.

Although the Company believes that the forward-looking information in this document is based on information, estimates and assumptions that are reasonable, such information is necessarily subject to a

number of risks, uncertainties and other factors that could cause actual results to differ materially from those expressed or implied in such forward-looking information. These risks, uncertainties and other factors are set out below and include those described in section 11.0 (Risks and Risk Management) in the Annual MD&A and all subsections therein:

- failure of the Company to respond to evolving trends and developments and execute on acquisitions, divestitures, projects, investments and cost saving measures;
- poor operating or financial performance by Dealers, franchisees and independent retailers;
- damage to the Company's brand and reputation;
- adverse geopolitical conditions, including trade restrictions, tariffs (such as tariffs and retaliatory tariffs by the United States and Canada), changes in government commitments and international conflicts;
- failure to attract, retain and develop its workforce, including executives and other key employees;
- adverse macroeconomic conditions, such as increased inflation and consumer debt levels and lower gross domestic product and consumer income levels;
- increasing dependence on technology and legacy IT systems, with increased risk of system failures or outages;
- emergence of disruptive technologies, including AI;
- increasing frequency and sophistication of global cyber security threats and potential cyber security breaches;
- evolving privacy laws, which may impact the collection, use and disclosure of customer and other data that support the Company's strategy;
- reliance on third parties which are in turn subject to a variety of risks that could impact their performance;
- supply chain disruptions and product shortages;
- failure to identify human rights, worker safety, environmental or other issues in the Company's supply chain;
- failure to attract, retain and grow membership in the Company's loyalty program and expand and execute loyalty partnerships;
- failure to maintain and grow market share given the highly competitive and constantly evolving markets in which the Company operates;
- shifts in customer trends, preferences and spending patterns;
- risks associated with the seasonal nature of the Company's business, including the impact of unusual weather patterns;
- changes in laws and regulations to which the Company is subject to, and any involvement in claims, disputes or legal proceedings;
- risks associated with climate change, including physical risks and transition risks;
- risks associated with the Company's management of its priority ESG topics;
- business disruptions and challenges restoring operations and critical business services;
- credit risks from a counterparty failing to meet its contractual obligations, including financial instrument counterparty credit risk and consumer, Dealer and franchisee credit risks;
- insufficient liquidity to meet the obligations associated with the Company's indebtedness and other financial liabilities;
- the risk that changes in market prices, resulting from foreign currency rate and interests rate fluctuations, will affect the Company's income or value of its holdings of financial instruments;
- price fluctuations in the commodity price of oil; and
- the unavailability of adequate insurance coverage on reasonable terms.

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. In addition, the Company cautions that the foregoing lists of risks and assumptions are not exhaustive, and other risks, uncertainties and factors could also adversely

affect the Company's results and may cause actual results to differ materially from those expressed or implied in the forward-looking information.

The forward-looking information contained herein is based on information, estimates and assumptions as of the date hereof. The Company does not undertake to update any forward-looking information, whether written or oral, except as is required by applicable laws.

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 Chair 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, managing 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 Corporate Responsibility Committee have been delegated responsibility by the Board) and the steps management has taken to monitor, control and manage those exposures;
- (iv) quarterly, 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 reporting 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) quarterly, 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 auditor and replacement with new external auditors;
- (iv) conduct a comprehensive review of the performance of the external auditors annually, or more frequently as required, based on the assessment process approved by the Committee;
- (v) 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;
- (vi) maintain a policy with respect to the hiring of partners, employees and former partners and employees of the current and former external auditors;
- (vii) review material written communications between the external auditors and management (including management representation letters);
- (viii) 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;
- (ix) review and, if appropriate, approve the external auditors' audit plan, including 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;
- (x) 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;
- (xi) 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;

- (xii) oversee the work of the external auditors, including the resolution of disagreements between management and the external auditors with respect to financial reporting, through direct reporting by the external auditors to the Committee; and
- (xiii) 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 review the terms of his or her compensation as needed; 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

Pursuant to the External Auditor Independence Policy, all requests for permitted non-audit services to be provided by the external auditors for the Corporation and its subsidiaries and related fees not previously approved by the Committee shall be brought to the attention of the Chair of the Committee before such work is commenced. The Chair 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 Chair shall consult with the Committee before approving the service. The Chair 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 Chair.

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 Chair, 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 Chair) is entitled to one vote in Committee proceedings. For greater certainty, the Chair does not have a second or casting vote.
- (c) The Committee Chair 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 areas of focus, 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 Chair shall conduct all meetings of the Committee at which he or she is present. In the absence of the Committee Chair, the Committee members shall appoint an acting Chair of the applicable meeting(s).
- (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 Committee Chair 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 Chair of the Committee. At least every three years, the Committee shall review and update as necessary the Chair'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.