



Canadian Tire Corporation, Limited

2025 Annual Information Form

February 18, 2026

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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.

In this document:

“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 (PHL) and Party City names and trademarks.

“CT REIT” refers to CT Real Estate Investment Trust and its subsidiaries, including CT REIT Limited Partnership (CT REIT LP), unless the context otherwise requires.

“Financial Services” refers to the financial services businesses carried on by the subsidiaries of CTFS Holdings Limited, namely Canadian Tire Bank (CTB) and CTFS Bermuda Ltd. (CTFS Bermuda), a Bermuda reinsurance company.

“Helly Hansen” refers to the international wholesale and retail businesses carried on under the Helly Hansen and Musto names and trademarks which were sold to Kontoor Brands, Inc. on May 31, 2025.

“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.

“Owned Brands” refers to brands owned by the Company and sold at the Company’s retail banners.

“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.

“Retail” refers to the retail businesses carried on by the Company under the Company’s retail banners, which include Canadian Tire, SportChek, Mark’s, PartSource, Party City and PHL, as well as Petroleum.

“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 January 3, 2026 (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 January 3, 2026 (Annual MD&A) and Annual Consolidated Financial Statements for the year ended January 3, 2026 (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.

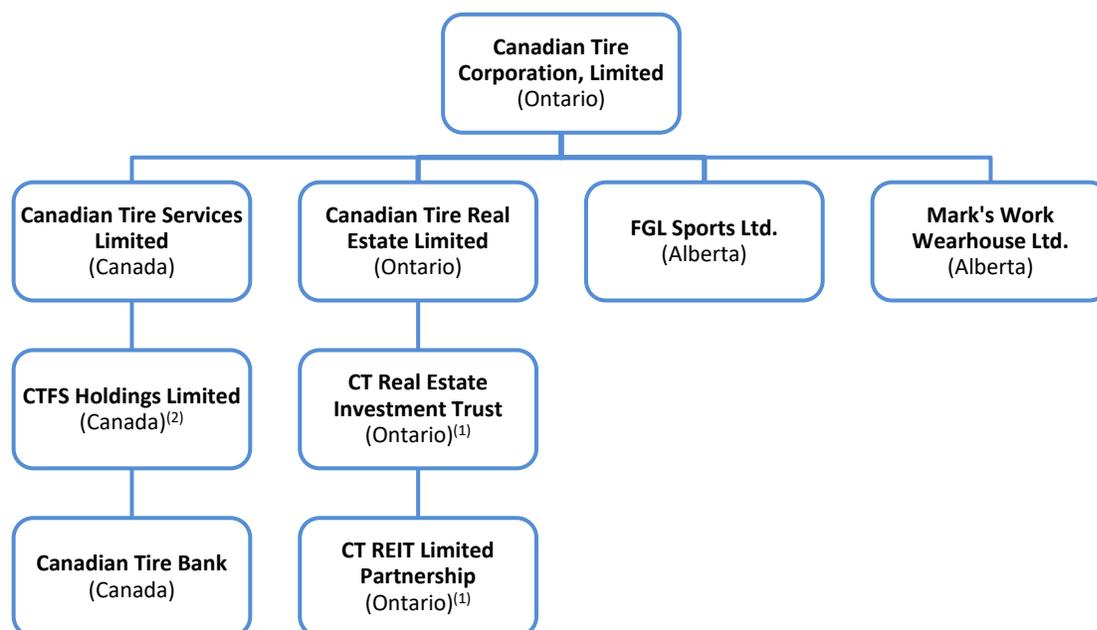
This Annual Information Form contains information that may constitute forward-looking information within the meaning of applicable securities laws. Forward-looking information provides insights regarding management's current expectations and plans and allows investors and others to better understand 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, trademarks and service marks of CTC and other organizations, all of which are the property of their respective owners. Solely for convenience, the trade names, trademarks 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, Toronto, Ontario, M4S 2B9. 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, 68.1% 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 CTFS Holdings Limited is a wholly-owned subsidiary of the Company, with 20% of the Company's interest held directly and the remaining 80% interest held through its wholly-owned subsidiary, Canadian Tire Services Limited.

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 in 1922 by brothers A.J. and J.W. Billes, 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 more than 1,400 stores, one of the country's largest loyalty programs, Triangle Rewards, with 12.2 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 more than 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 the Company's decisions and strategy. Maintaining strong customer trust is critical to fulfilling CTC's Brand Purpose and the Company's vision to know, reward and serve Canadians better.

In March 2025, CTC launched a four-year transformative growth strategy called *True North*.

True North upholds CTC's Brand Purpose and is designed to drive core retail growth through four strategic cornerstones, putting customers at the core of the strategy, enhancing the Triangle Rewards loyalty program, and applying privileged data, enabled by technology and artificial intelligence (AI), to deliver enhanced digital and store experiences. The strategy is being delivered by a newly designed senior leadership team and organizational structure, supporting CTC's transition from a holding company structure to a more integrated operating model that is agile, can operate with scale, and deliver customer value. CTC expects to invest more than \$2 billion in True North over the 2025-2028 period.

The True North strategy has four cornerstones:

- **Retail Forward:** Elevating the retail experience to meet evolving customer expectations through investments in omnichannel network expansion and new data analytics expected to drive retail performance.
- **Triangle Powered, Every Day:** Leveraging and expanding the Triangle Rewards loyalty program, including through loyalty partnerships, to deepen engagement with customers and support personalized member value.
- **Customer Insights in Action:** Using privileged first-party data, enabled by technology, analytics and AI for enhanced customer insights to drive retail growth.
- **One Team, Agile and Scaled:** Building an enterprise culture of speed, collaboration and adaptability by using processes, systems, and data and AI to generate efficiency and competitive scale.

CTC expects the successful execution of the True North strategy to generate stronger connections with customers, higher financial performance, and leading shareholder value above historic levels.

For additional information with respect to the Company's strategy, see section 4.0 entitled "Company Strategy" of the Annual MD&A.

Artificial Intelligence

With AI expected to change the retail landscape and customer expectations over time, and present opportunities to streamline business models and operations, CTC is prioritizing the adoption and utilization of AI, including generative AI, to stay at the forefront of AI developments, and in support of elements of the Company's True North strategy. CTC is working to leverage AI to improve the customer experience (including through AI-based search), re-engineer and simplify workflows, and enhance employee productivity, with AI tools being rolled out to corporate employees on a phased basis. Existing AI deployments have included customer-facing and internal use cases, such as an AI-enabled shopping assistant and tools to optimize pricing and margin. Following a pilot in 2025, CTC also plans to scale a retail intelligence platform, leveraging customer insights to detect and identify demand patterns to generate insights into customer occasions. CTC's growing in-house AI capabilities are being supplemented with support from strategic partners, where appropriate. The Company has also made significant investments in data infrastructure and readiness to support analytics and AI-related use cases. Responsible use of AI and protection of customer and employee data are important elements of CTC's AI deployment.

CTC Segments

CTC operates through three reportable segments:

- The Retail segment offers Canadians a breadth of differentiated and innovative products and services through convenient online and in-store shopping experiences. CTC's retail network includes more than 1,400 stores and more than 275 gas bars across Canada.
- The Financial Services segment provides financial and other ancillary products and services, with 2.3 million 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 that owns, manages and develops income-producing commercial properties located in all ten provinces and in two territories across Canada. CTC is CT REIT's most significant tenant.

Transactions between reportable segments, such as those between the Retail and Financial Services segments, as well as those between the Retail and CT REIT segments, are eliminated on consolidation of the Company's financial results.

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

2.1 Retail Segment

The Retail segment includes Canadian Tire Retail, SportChek, Mark's, and Petroleum. Descriptions of these businesses are set out below.

Canadian Tire Retail

Canadian Tire Retail is comprised of the Canadian Tire, PartSource, Party City and PHL banners. CTR is a leading market player in many of its categories, and the operation of Canadian Tire and Party City stores by Canadian Tire Associate Dealers (Dealers) is a key differentiator in understanding and servicing local needs in communities across Canada.

Canadian Tire

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 Dealers and its online digital channels, Canadian Tire provides Canadians with access to one of the

country's largest breadth of national brand and Owned Brand products, with more than 186,000 products in 212 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.

Divisions

The products and services offered at Canadian Tire 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, and substantially all Canadian Tire stores also provide a variety of automotive services. Canadian Tire also offers a roadside assistance membership program covering over 207,000 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 Owned Brands.

Canadian Tire Associate Dealers

Canadian Tire's 502 stores are operated by Dealers, who 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 a retail business under the Canadian Tire name and to use best efforts to manage their store at its maximum capacity and efficiency. Individual Dealer contracts are in a standard form, each of which generally expires on December 31, 2039. 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 special-purpose entity sponsored by a third-party bank that originates and services loans to certain Dealers for their purchases of inventory and fixed assets. For information concerning Franchise Trust, see note 20 entitled "Loans" of the notes to the Annual Financial Statements.

Other Banners

PartSource is a specialty automotive parts chain with 82 stores which provides access to unique automotive parts and products. Its stores are staffed by automotive experts and cater to “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.

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

Pro Hockey Life is a specialty retailer with 21 stores that sell an assortment of high-end hockey products.

Store Network

As at the end of 2025, 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	1*
Manitoba	15	5	2	1
Ontario	202	53*	40	13
Quebec	100	-	-	-
New Brunswick	19	1*	2	-
Nova Scotia	22	3	2	1
Prince Edward Island	2	-	-	-
Newfoundland and Labrador	13	-	1	-
Yukon	1	-	-	-
Northwest Territories	1	-	-	-
Total	502	81	69	21

* In 2025, one PartSource store was opened in New Brunswick and one PHL store was opened in Saskatchewan.

Canadian Tire stores range in size from approximately 3,200 to 136,000 retail sq. ft. As at the end of 2025, total square footage of Canadian Tire’s 502 stores was 23.2 million retail sq. ft.

The Company has continued to invest in the Canadian Tire store network, with 151 store refreshments, expansions and replacements since 2022. The refreshed stores feature elements such as an updated and modernized exterior, a dedicated eCommerce pickup area, a category and department merchandising reset, and new technology including deployment of electronic shelf labels.

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 Dealers. Of the 502 stores, 34 are located on properties owned by the Company, 337 are located on properties leased to the Company by CT REIT, and the remaining 131 are located on properties leased to either the Company or individual Dealers by third parties. PartSource, Party City and PHL store premises are primarily leased from third parties.

Competitive Conditions

Canadian Tire Retail is a leading market player in many of its categories and competes online and in-store with international, national and regional retailers, including omnichannel, online-only and brick-and-mortar retailers as well as discount and warehouse stores, mass merchandisers, and specialty retailers.

Canadian Tire is an iconic and trusted brand with deep local knowledge and understanding of the Canadian consumer landscape, which offers an unparalleled depth and breadth of assortment. No single competitor competes directly with Canadian Tire across all its categories of product and services, reflecting Canadian Tire's unique position in the retail marketplace.

SportChek

SportChek is a leading Canadian omnichannel retailer in sporting goods and activewear. It operates mainly under the SportChek and Sports Experts banners.

Through its corporate stores and online presence, the SportChek banner offers a wide assortment of athletic, outdoor, leisure and recreational footwear, apparel and accessories, along with sports equipment and wellness products. Its comprehensive assortment includes national brands Adidas, Nike, The North Face and Under Armour, as well as Owned Brands such as Diamondback, Forward With Design (FWD), Ripzone, Sherwood and Woods.

SportChek also has franchise-operated stores, mainly located in Quebec, for a number of its retail banners, including Sports Experts, Atmosphere, and Le Trio Hockey.

- Sports Experts offers equipment, apparel, footwear and accessories, and is the largest sporting goods retailer in Quebec.
- Atmosphere is a specialty retailer offering high-end outdoor technical gear, outerwear, footwear and accessories.
- Le Trio Hockey (which operates as Hockey Experts, Sports Rousseau and L'Entrepôt du Hockey) specializes in hockey equipment, apparel and accessories.

As at the end of 2025, the number of SportChek corporate and franchise stores by applicable province and territory in Canada were as follows:

Province or Territory	Corporate stores	Franchise stores**		
	SportChek	Sports Experts	Atmosphere	Le Trio Hockey
British Columbia	32	1*	-	-
Alberta	32	2	-	-
Saskatchewan	11	-	-	-
Manitoba	7	-	-	-
Ontario	84	1	-	-
Quebec	-	82*	44*	29*
New Brunswick	5	4	-	-
Nova Scotia	11	-	-	-
Prince Edward Island	2	-	-	-
Newfoundland and Labrador	6	-	-	-
Yukon	-	1	-	-
Total	190	91	44	29

* In 2025, two Sports Experts stores in British Columbia and Quebec, and one Atmosphere franchise store in Quebec, were closed, along with all 17 Atmosphere corporate stores which were closed in connection with the Company's True North strategy. In addition, three Le Trio Hockey stores opened in Quebec in 2025.

** Include instances where stores are co-located.

The premises for these stores are primarily leased from third parties.

In 2025, SportChek introduced its new Destination Sport store format for SportChek stores, featuring a redesigned floor plan, an elevated footwear wall, upgraded fitting rooms, merchandising displays that effectively showcase key strategic brands, and integrated store technology to enhance both in-store and omnichannel shopping experiences.

Competitive Conditions – The Canadian sporting goods retail industry in which SportChek operates includes specialty retailers, mass merchants, online retailers, and national brands selling directly to consumers, as well as discount and outlet channels. SportChek is distinguished from its competitors through its broad geographic coverage in Canada and the selection of merchandise and brands it offers, which include Owned Brands.

Mark's

Mark's is a leading Canadian omnichannel retailer in casual and industrial apparel and footwear, known for offering quality and innovative products from both national brands and Owned Brands. The store network consists of corporate-owned stores, including industrial-exclusive stores branded Mark's WorkPro, and franchise stores. In Quebec, Mark's operates under the names L'Équipeur and L'Équipeur Pro.

Innovative Owned Brands carried at Mark's include Dakota WorkPro, Denver Hayes and WindRiver. These brands are complemented by nationally recognized brands such as Carhartt, Columbia, Helly Hansen, 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 confident.

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.

As at the end of 2025, 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	66*	1
Saskatchewan	14	2
Manitoba	13	-
Ontario	133*	7
Quebec	43*	8
New Brunswick	13	-
Nova Scotia	15	-
Prince Edward Island	2	-
Newfoundland and Labrador	5	2
Yukon	1	-
Northwest Territories	1	-
Total	357	29

* In 2025, three Mark's / L'Équipeur stores were opened in Alberta, 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.

The Mark's Bigger Bolder Better large store format, which is found in key Canadian markets, offers an enhanced customer experience, expanded assortments, shop-in-shops with top national brand partners, and an omnichannel experience with self-serve pick-up lockers.

Competitive Conditions – Mark's is a leading market player in workwear apparel and safety footwear in Canada. The business also has strong offerings in 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.

Petroleum

CTC's Petroleum business is one of Canada's largest independent retailers of gasoline, with more than 275 gas bars and associated convenience stores, generally operated under the Canadian Tire Gas+ or Petro-Canada names.

147 gas bars are located adjacent to Canadian Tire stores and 22 are located at ONroute rest stops along major Ontario highways. Car washes are also operated at 82 of the gas bars. Electric vehicle (EV) charging ports are available at 161 CTC locations, including gas bars and Canadian Tire stores, and are operated by either CTC or third parties licensing space at these locations.

CTC's strategic partnership with Petro-Canada, a business owned by Suncor Energy Inc. (Suncor), enables CTC's Triangle Rewards and Petro-Canada's Petro-Points Rewards members to collect loyalty rewards at both companies' gas stations. 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. Suncor will become the Company's primary fuel provider over time.

As at the end of 2025, the number of Petroleum gas bars and CTC locations with EV charging ports by applicable province in Canada was as follows:

Province	Petroleum gas bars*	CTC locations with EV charging ports
British Columbia	4	18*
Alberta	19	9
Saskatchewan	6	11
Manitoba	5	5
Ontario	163*	86*
Quebec	48*	23*
New Brunswick	14*	3
Nova Scotia	8	4
Newfoundland and Labrador	10	-
Prince Edward Island	-	2
Total	277	161

** In 2025, two Petroleum gas bars were closed: one in Ontario and the other in New Brunswick. In addition, ten CTC locations with EV charging ports were added in British Columbia, Ontario and Quebec. 42 gas bars were rebranded from Canadian Tire Gas+ to Petro-Canada in 2025, bringing the total number of rebranded gas bars to 61.*

While some of the gas bars are located on properties owned by CTC, the majority are located on third-party leased properties.

Competitive Conditions – Petroleum sources its fuel at competitive prices under agreements with Suncor and other fuel suppliers. It competes with other national and regional operators of gas bars, convenience stores and car washes across a majority of the provinces in Canada. Triangle Rewards members receive eCTM with fuel purchases, providing them added value.

Owned Brands

Owned Brands provide the Company with a competitive advantage and a core differentiator in its product assortment, supporting customer engagement and loyalty. CTC's expertise in brand management, product development and design has supported the development and expansion of its Owned Brand portfolio. The Company is continuously focused on strengthening its Owned Brand portfolio through internal product development, brand building and selectively pursuing acquisitions to complement key categories.

The Company's most recognized Owned Brands include Canvas, Dakota WorkPro, Denver Hayes, Diamondback, Mastercraft, MotoMaster, Noma, Outbound, Paderno, Raleigh, Ripzone, Sherwood, WindRiver and Woods, which are primarily sold at the Company's banners.

In 2025, CTC acquired Hudson's Bay Company (HBC) intellectual property assets, including brand labels and designs for the HBC Stripes, Hudson's Bay Company, The Bay, and various other HBC logos and company trademarks. This acquisition complements and enhances CTC's portfolio of Owned Brands.

Loyalty and Customer Insights

The Company's loyalty program, Triangle Rewards, connects CTC's retail banners, driving customer engagement through the collection and redemption of rewards, customer value enhancement and personalized marketing, and is a key enabler of sustained cross-banner customer engagement. Triangle-branded consumer credit cards are also an integral part of the program, allowing cardholders to collect electronic Canadian Tire Money (eCTM) at an accelerated rate across most of CTC's retail banners, as well as on eligible third-party purchases. The Company is also selectively partnering with retailers and brands to bring enhanced value and offers to Triangle Rewards members, including through its existing strategic partnerships with Petro-Canada (Petro-Points Rewards), Royal Bank of Canada (Avion Rewards), WestJet (WestJet Rewards), and Tim Hortons (Tims Rewards).

Since the launch of the Triangle Rewards program in 2018, the Company has built a substantial and growing dataset, including around the shopping and purchase behaviour of more than 12 million Triangle Rewards members.

The Company's continued focus on the responsible use of data and analytics strengthens its ability to enhance customer relevance and engagement through Triangle Rewards, while valuable customer insights help build retail strategies and inform product assortments, services and personalized offers.

Retail Sourcing

A significant amount of the Company's merchandise is sourced globally. In 2025, approximately 50 percent of Canadian Tire Retail, 33 percent of Mark's, and 21 percent of SportChek inventory purchases were sourced directly from vendors outside Canada, primarily from Asia, and denominated in U.S. dollars. 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.

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 vendor factories, primarily leveraging the amfori Business Social Compliance Initiative standards, and CTC works with the vendor and factory management to develop 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 involved in product replenishment and product information flow. 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.

Most of CTC's products are distributed to stores from its large network of 14 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.

Online order fulfillment is performed out of both stores and distribution centres that are supported by sophisticated technologies (including distributed order management, carrier selection optimization and geofencing) 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.

As at the end of 2025, 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 - Dufferin Place	630,067	CTR
	Calgary - 68th Avenue SE	454,977	SportChek / Mark's
	Calgary - Dufferin Blvd SE	351,807	CTR / SportChek
	Calgary - 64th Street SE	24,343	Mark's
Ontario	Brampton - Hurontario Street	1,298,614	SportChek / Mark's
	Brampton - Goreway Drive	1,148,972	CTR
	Brampton - Airport Road	1,118,360	CTR
	Brampton - Hereford Street	195,230	CTR
	Caledon - Healey Road	1,422,351	CTR
	Mississauga - Marcove Road	475,517	CTR
	Mississauga - Millrace Court	27,192	Mark's
British Columbia	Richmond – Zylmans Way	385,079	CTR
Quebec	Coteau-du-Lac – Rue Dupont	1,980,165	CTR
Total		10,467,487	

In 2025, CTC opened a new distribution centre in Richmond, British Columbia, which services CTR stores in the province.

The Company also holds a 25% interest in Ashcroft Terminal Ltd., which operates a 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 further information on Retail segment seasonality, see section 5.2.3 entitled "Retail Segment Seasonal Trend Analysis" in the Annual MD&A.

The following table illustrates the quarterly revenue performance within the Retail segment from continuing operations, excluding discontinued operations, over the last two years.

(C\$ in millions)	2024					2025 ⁽¹⁾				
	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	\$1,850.9	\$2,517.5	\$2,333.0	\$2,379.8	\$9,081.2
% of full year Revenue	21.3%	27.0%	25.9%	25.9%	100.0%	20.4%	27.7%	25.7%	26.2%	100.0%
SportChek										
Revenue	\$387.7	\$441.7	\$521.5	\$546.8	\$1,897.7	\$412.3	\$471.5	\$550.3	\$637.8	\$2,071.9
% of full year Revenue	20.4%	23.3%	27.5%	28.8%	100.0%	19.9%	22.8%	26.6%	30.8%	100.0%
Mark's										
Revenue	\$288.1	\$343.8	\$316.1	\$575.3	\$1,523.3	\$298.0	\$349.4	\$325.7	\$647.3	\$1,620.4
% of full year Revenue	18.9%	22.6%	20.8%	37.8%	100.0%	18.4%	21.6%	20.1%	39.9%	100.0%
Petroleum										
Revenue	\$467.9	\$550.9	\$553.1	\$504.7	\$2,076.6	\$499.2	\$468.4	\$487.2	\$482.8	\$1,937.6
% of full year Revenue	22.5%	26.5%	26.6%	24.3%	100.0%	25.8%	24.2%	25.1%	24.9%	100.0%
Retail segment⁽²⁾										
Revenue	\$2,944.5	\$3,617.5	\$3,591.9	\$3,816.7	\$13,970.6	\$3,061.8	\$3,810.3	\$3,705.8	\$4,150.7	\$14,728.6
% of full year Revenue	21.1%	25.9%	25.7%	27.3%	100.0%	20.8%	25.9%	25.2%	28.2%	100.0%

1) The 2025 fiscal year consisted of 53 weeks, whereas the 2024 fiscal year consisted of 52 weeks.

2) Revenue reported for CTR, SportChek, Mark's and Petroleum include inter-segment revenue. Therefore, in aggregate, revenue for CTR, SportChek, Mark's, and Petroleum 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.

CTB, a Canadian federally regulated Schedule I bank that is the marketer and issuer of CTC credit cards, 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. With the granting of credit to cardholders through CTC credit cards, CTB assumes certain risks with respect to the ability and willingness of its customers to repay debt. CTB manages this risk through comprehensive policies and sophisticated systems and processes, including credit-scoring models. CTB regularly 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, uses technology to support the effectiveness of its collection processes, and monitors the macroeconomic environment, especially with respect to consumer debt levels, interest rates, inflation, employment levels and income levels.

Competitive Conditions – CTB was the seventh largest issuer of credit cards in Canada in 2025 based on outstanding receivables. Its credit 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. Competition in the credit card market is influenced by the breadth of available products, rewards programs, customer service and overall value propositions. Non-traditional entrants and newer technologies such as mobile payments are impacting the competitive landscape. 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.

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 and which is consolidated for accounting purposes in the Company's financial statements. GCCT issues debt to third-party investors to fund its purchases of such co-ownership interests. 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.

Seasonality – Quarterly income before income taxes and revenue of the Financial Services segment are affected by seasonality. For information on Financial Services segment seasonality, see section 5.3.3 entitled "Financial Services Segment Seasonal Trend Analysis" in the Annual MD&A.

Foreign Operations – CTFS Bermuda reinsures the creditor insurance that is marketed by CTB through reinsurance agreements with two insurers with significant Canadian operations. These insurers underwrite insurance products offered 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.

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 many of the expenses, including real estate taxes, building insurance, and maintenance costs. CT REIT's geographically diversified portfolio is comprised of stand-alone properties (typically occupied by a Canadian Tire store), multi-tenanted properties (typically anchored by a Canadian Tire store), industrial properties and one or more development properties. The principal objective of CT REIT, as a real estate investment trust investing primarily in net lease single tenant retail 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 are traded under the symbol "CRT.UN". CTC indirectly beneficially owns, or controls or directs, 68.1% of the voting securities of CT REIT.

Overview of the Property Portfolio – As at December 31, 2025, CT REIT's portfolio was comprised of 378 properties, including 13 properties situated on ground leases. The portfolio primarily consists of net leased assets and is made up of 372 retail properties, five industrial properties and one development property (which includes CTC's head office). Together, the retail properties and industrial properties contain approximately 31.7 million sq. ft. of GLA, excluding properties under development. The retail properties are made up of 289 single tenant properties (263 of which are Canadian Tire single tenant properties and 26 of which are other single tenant properties), and 83 multi-tenant properties (74 of which are anchored by a Canadian Tire store and nine of which are not anchored by a Canadian Tire store). The 337 Canadian Tire stores leased by CT REIT to CTC 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 (including gas bars), stores operated under other CTC retail banners and CTC industrial properties representing 92.1% of CT REIT's total GLA and 90.7% of its annualized base minimum rent.

CT REIT's properties are well located within their respective markets and its portfolio has stable characteristics, including 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 owners, investors, developers 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 2025 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 and Party City, are important assets of CTC and are enforced vigorously where appropriate. The Company’s trademarks have expiry dates ranging from 2026 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 2026 to 2044. 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 483 Dealers, each of which generally expires on December 31, 2039, unless terminated earlier in accordance with terms of the contract. CTC routinely engages in discussions with Dealers on amendments to the standard form contract to reflect changing business conditions and other matters affecting the relationship with 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, under the heading “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 to identify, assess, manage, monitor, escalate and report 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 ownership and responsibility of risk management processes 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 organization's internal and external stakeholders.

Risk Governance – The foundation of the 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.

The ERC provides direct oversight of key risks. 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. Exceptions to the ERM Policy and Framework 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 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 of these key risks for 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 January 3, 2026, CTC employed 11,877 full-time and 17,050 part-time permanent employees. The figures do not include employees at Canadian Tire and Party City stores, SportChek franchise stores, Mark's franchise stores, Petroleum gas bars or CT REIT. As at December 31, 2025, CT REIT had 67 employees.

2.8 Environmental, Social and Governance Matters

CTC's Brand Purpose, *We Are Here to Make Life in Canada Better*, informs its decisions and strategy, which includes its 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 manages the associated risks and opportunities.

The Company's management of risks with respect to its priority ESG topics is supported by its ERM Policy and Framework. The Company has in place policies and operating directives to address certain 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.

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 2025 General Development of the Business

2025 Corporate and Business Developments

- The Company announced its four-year transformative growth strategy, True North, focused on data-driven customer relationships, core retail growth, an expanded Triangle Rewards loyalty system, and focused capital allocation. In connection with True North, CTC completed a restructuring and implemented a new operating structure with senior leadership team changes, including the appointment of Darren Myers as EVP & Chief Financial Officer. In addition, CTC negotiated amendments to its contracts with Dealers, strengthening joint alignment on the True North strategic priorities. CTC expects to invest more than \$2 billion over four years in the True North strategy.
- The Company continued to invest in its existing store network with 52 store enhancement projects in 2025, enhancing omni-channel capabilities and contributing to a net addition of approximately 0.1 million sq. ft. to the network compared to 2024.
- The Company completed the sale of the Helly Hansen business to Kontoor Brands, Inc. for approximately \$1.3 billion, reflecting the Company's increasing focus on its Canadian retail portfolio.
- The Company announced strategic loyalty partnerships with Royal Bank of Canada (Avion Rewards), WestJet (WestJet Rewards), and Tim Hortons (Tims Rewards), expanding the reach of Triangle Rewards and enabling broader eCTM earning opportunities.
- The Company acquired HBC intellectual property assets, including brand labels and designs for the HBC Stripes, Hudson's Bay Company, The Bay, and various other HBC logos and company trademarks for approximately \$30 million.
- CT REIT and Oxford Properties Group (Oxford) announced, in partnership with CTC, a transformative investment to retrofit the existing office buildings at Canada Square, a key midtown Toronto hub, which include the Company's corporate headquarters. The redevelopment project represents a combined investment of over \$200 million by Canada Square co-owners, CT REIT and Oxford.

- CT REIT completed three acquisitions, seven intensifications, two developments and two re-developments. The total spend in 2025 on the acquisitions, intensifications, developments and re-developments, including any transaction costs, together with investments made in ongoing developments, was approximately \$235 million.

2025 Finance Developments

- The Company increased its annual dividend for the 16th consecutive year, to \$7.20 per share, an increase of 1.4% from the previous year.
- In connection with the sale of Helly Hansen, the Company increased its previously announced 2025 share repurchase intention from up to \$200 million to up to \$400 million of its Class A Non-Voting Shares, in excess of the amount required for anti-dilutive purposes. The Company repurchased \$400 million of its Class A Non-Voting Shares, fulfilling this intention.
- The Company announced its intention to repurchase up to \$400 million of its Class A Non-Voting Shares, in excess of the amount required for anti-dilutive purposes, by the end of 2026 (the 2025-26 Share Repurchase Intention), subject to regulatory approval of the renewal of the Company's normal course issuer bid (NCIB). By the end of 2025, the Company had repurchased approximately \$42 million of its Class A Non-Voting Shares under this intention.
- The Company exercised its option to redeem, at par, \$200 million of unsecured medium-term notes (Series H) due September 14, 2026.
- CTB entered into a funding commitment with Royal Bank of Canada, including a \$300 million secured bank line of credit and a \$1.2 billion securitized note purchase facility (NPF) for senior and subordinated credit card asset-backed notes issued by GCCT. This funding commitment expires on April 30, 2028 and replaces the \$700 million NPF and \$400 million bank line of credit funding commitments previously provided by Scotiabank to CTB.
- The \$1.0 billion unsecured committed bank line of credit previously provided by five Canadian financial institutions to the Company expired during the year.
- CT REIT issued \$200 million of senior unsecured debentures, with a coupon rate of 4.292%, due June 9, 2030 (Series J). The net proceeds were used for the repayment of existing indebtedness.

3.2 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, including any transaction costs, together with investments made in ongoing developments, was approximately \$176 million.

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 prepaid 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 Limited in October 2023. The term loan was originally set to mature in 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, in 2025.

3.3 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 Limited, 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. Catharines, 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, including any transaction costs, 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 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 Limited, 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 a \$700 million NPF, expiring 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.

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 49,524,531 Class A Non-Voting Shares and 3,423,366 Common Shares were issued and outstanding as at January 3, 2026. 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. For any occasion where 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), based on the number of Common Shares and Class A Non-Voting Shares outstanding as at January 3, 2026, the Class A Non-Voting Shares would represent 93.5% 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 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>.

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 2025 fiscal year were as follows:

	Common Shares (CTC)		Volume Traded
	High (\$)	Low (\$)	
January 2025	245.80	192.10	13,674
February 2025	237.00	213.63	4,874
March 2025	239.00	201.12	7,186
April 2025	222.00	203.25	3,547
May 2025	249.00	219.00	5,378
June 2025	274.01	245.01	10,224
July 2025	266.99	252.00	5,318
August 2025	260.00	230.03	7,401
September 2025	267.55	237.64	7,063
October 2025	267.55	246.00	4,317
November 2025	250.50	234.61	4,649
December 2025	240.00	220.00	5,130

Class A Non-Voting Shares (CTC.A)

	High (\$)	Low (\$)	Volume Traded
January 2025	169.27	151.37	6,441,635
February 2025	162.16	139.88	7,911,491
March 2025	152.65	139.50	6,327,035
April 2025	153.50	139.52	7,600,440
May 2025	174.79	150.30	6,647,480
June 2025	185.69	171.36	4,469,587
July 2025	194.39	181.63	4,930,039
August 2025	186.64	158.15	6,036,554
September 2025	172.85	163.09	5,904,344
October 2025	175.95	159.86	5,461,522
November 2025	175.03	159.20	6,727,577
December 2025	174.31	164.75	4,488,600

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 11, 2025, and is in effect until March 10, 2026 (the 2025-26 NCIB). Under the 2025-26 NCIB, the Company may repurchase up to 4.9 million Class A Non-Voting Shares by means of open market transactions through the TSX and/or alternative Canadian trading systems, if eligible, 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 and applicable securities laws. Class A Non-Voting Shares repurchased by the Company pursuant to the 2025-26 NCIB are restored to the status of authorized but unissued shares.

For additional information concerning the Company's 2025-26 NCIB, including related share repurchase intentions, 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, 2025, 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. All 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*
2023	\$6.9250	\$6.9000
2024	\$7.0250	\$7.0000
2025	\$7.1250	\$7.1000

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

In November 2025, the Company increased its annual dividend for the 16th consecutive year, to \$7.20 per share, an increase of 1.4% from the previous year. The next quarterly dividend of \$1.80 will be paid on March 1, 2026.

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 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 2025 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	-	-	-
Issuer (short-term)	-	-	A-2	-	P-2	-

* S&P assigns both long-term and short-term issuer ratings to CTC (for both local and foreign currencies), whereas Moody's assigns a short-term rating solely to CTC's U.S. commercial paper program.

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 the 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 2025 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).

Computershare Advantage Trust of Canada (CATC) is the registrar and transfer agent for CTC’s medium-term notes. CATC 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 January 3, 2026:

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
Nadir Patel Ontario, Canada	2021	Strategic Business Advisor and Corporate Director
Christine Rupp Ohio, U.S.A.	2022	Corporate Director

Name, Province or State and Country of Residence	Year First Elected/Appointed ¹	Principal Occupation ²
Sowmyanarayan Sampath ⁴ New Jersey, U.S.A.	2022	CEO, Verizon Consumer Group, a telecommunications company
Cynthia Trudell Florida, U.S.A.	2019	Corporate Director
Justin Young British Columbia, Canada	2025	President, J. & S. Young Merchants Ltd., which operates a Canadian Tire store

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) D. Murray, who prior to February 2023 operated a Canadian Tire store in Red Deer, Alberta;

(c) N. Patel, who prior to October 2021 served as Canada's High Commissioner for the Republic of India, and Ambassador to Nepal and Bhutan; and

(d) C. Rupp, who from October 2024 to February 2025 served as Chief Executive Officer at Vitruvian, from September 2022 to October 2024 served as Chief Customer Officer at Victoria's Secret and from November 2019 to July 2022 served as Chief Customer and Digital 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 Subsequent to year-end, Verizon announced that S. Sampath would be stepping down from his role as CEO, Verizon Consumer Group, at the end of March 2026.

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	C. Rupp	C. Trudell	N. Patel
			J. Young

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 Strategic Business Advisor 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 several senior government positions over a distinguished career in Canada's public service. Most recently, he served as High Commissioner for Canada in

Member	Experience
	<p>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 LiftLab. Dr. Anderson previously served as Chair of the Marketing Department and Director of the Kellogg-McCormick MBA 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 2018. Her roles at BMO included Treasurer of BMO Financial Group, 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 Canadian Tire Bank, where she serves as Chair of the board and Chair of its audit committee, Toromont Industries, where she serves as Chair of its audit committee, and Ontario Teachers' Pension Plan, and has previously served on the board of Royal St. George's College. She also serves on the C.D. Howe Institute's Domestic Stability Buffer Council and previously was a member of the Advisory Panel on Resolution for the Canada Deposit Insurance Corporation. 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 the outgoing 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. Mr. Sampath has served in various other senior positions at</p>

Member	Experience
	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 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 January 3, 2026:

Name, Province and Country of Residence	Principal Occupation ¹
Greg Hicks Ontario, Canada	President and CEO
Darren Myers Ontario, Canada	Executive Vice-President and Chief Financial Officer
Lisa Damiani Ontario, Canada	Executive Vice-President and Chief Legal Officer
TJ Flood Ontario, Canada	Executive Vice-President and Chief Operating Officer
Bob Hakeem Ontario, Canada	Executive Vice-President and Chief Human Resources Officer
Darryl Jenkins Ontario, Canada	Executive Vice-President and Chief Corporate Development Officer
Matt Moore Ontario, Canada	Executive Vice-President and Chief Commercial Officer
Susan O'Brien Ontario, Canada	Executive Vice-President and Chief Transformation Officer

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, and from January 2021 to March 2021 served as Special Interim Counsel at Altus Group;
 - (b) D. Myers, who from August 2022 to April 2025 served as Chief Financial Officer at Algonquin Power & Utilities and from September 2017 to May 2021 served as Chief Financial Officer at Loblaws; and
 - (c) M. Moore, who from February 2022 to March 2025 served as Chief Operating Officer at Tim Hortons and from November 2019 to February 2022 served as Chief Digital Officer at Tim Hortons.

8.3 Securities Held

As at January 3, 2026, the directors and executive officers of CTC, as a group, beneficially owned, directly or indirectly, or exercised control or direction over, 2,101,150 Common Shares of CTC (representing 61.4% of the issued and outstanding Common Shares) and 819,957 Class A Non-Voting Shares of CTC (representing 1.7% of the issued and outstanding Class A Non-Voting Shares). Through two privately held companies, Tire 'N' Me Pty. Ltd. and Albikin Management Inc, Martha Billes and Owen Billes beneficially own, control or direct, in aggregate, 2,101,150 Common Shares of CTC.

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 January 3, 2026, the DPSP held 419,280 of the Common Shares of CTC (representing 12% of the issued and outstanding Common Shares) and 225,225 of the Class A Non-Voting Shares of CTC (representing 0.5% of the issued and outstanding Class A Non-Voting Shares).

As at January 3, 2026, the directors and executive officers of CTC, as a group, beneficially owned, directly or indirectly, or exercised control or direction over 33,800 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. Three directors are Dealers. CTC is a party to a contract with each such director pursuant to which each operates the retail business of a Canadian Tire store. In addition, one director is a former Dealer. Directors who are Dealers recuse themselves from voting on contractual arrangements between the Company and Dealers. Mr. Flood, the Executive Vice-President and Chief Operating 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 January 3, 2026, and December 28, 2024, respectively:

	Year Ended January 3, 2026 ¹	Year Ended December 28, 2024 ¹
Audit Fees ²	\$5,777,000	\$5,571,000
Audit-Related Fees ³	\$2,054,000	\$1,573,000
Tax Fees ⁴	\$1,530,000	\$5,000
All Other Fees ⁵	\$1,102,000	\$333,000
Total	\$10,463,000	\$7,482,000

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 matters associated with the divestiture of Helly Hansen (2025 – \$1,400,000), statutory audits of components not being relied on for the consolidated audit (2024 – \$859,000), accounting advisory, due diligence and limited 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.

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

In the ordinary course of business, CTC is a party to a number of legal and regulatory proceedings which may involve monetary damages and other relief. CTC cannot determine the ultimate outcome of all outstanding proceedings, but believes that their ultimate disposition will not have a material adverse effect on its consolidated earnings, cash flows 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 8, 2025, 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 impacts of the Company's True North strategy, including expected capital investments in sections 2 and 3.1;
- scaling the Company's retail intelligence platform in section 2; and
- the Company's intention to repurchase its Class A Non-Voting Shares in section 3.1.

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, and except where noted, Management has assumed that there will be no material adverse changes to 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 its True North strategy, acquisitions, projects, investments and cost saving measures, as well as associated transformation-related risks;
- 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, quotas, tariffs and other import-related taxes, changes in government commitments and international conflicts;
- failure to attract, retain and develop its workforce, including executives and other key personnel;
- 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 civil or regulatory actions, investigations or 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 interest 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.