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# EDITED TRANSCRIPT

CTC.A.TO - Canadian Tire Corporation Ltd Annual Shareholders Meeting

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## CORPORATE PARTICIPANTS

**Debbie Champion**

**Eleni Damianakis**

**Lisa Greatrix** *Canadian Tire Corporation, Limited - SVP of Finance & IR*

**Maureen Joanne Sabia** *Canadian Tire Corporation, Limited - Non-Executive Chairman of the Board*

**Stephen G. Wetmore** *Canadian Tire Corporation, Limited - CEO, President & Non-Independent Director*

**William Zeyl**

## PRESENTATION

**Maureen Joanne Sabia** - *Canadian Tire Corporation, Limited - Non-Executive Chairman of the Board*

(presentation)

Well, I hope that video gives you some indication why over the past year we've been recognized as the most admired Company in Canada, named one of the world's most sustainable companies and named the strongest retail brand in Canada. We also rose to the top 10 in the University of Victoria's brand trust index. I think those are quite a nice list of accomplishments. And it was Stephen's vision for our brand 10 years ago that has allowed us to achieve what we've achieved today and you saw on that video.

I think also that I want to say a word of congratulations to Jane Shaw and her events team because that kitchen display out there is fantastic, all of our own products. And I'm trying to get them to come and stage my kitchen so it looks like that. But so far, they have not agreed to do that.

Good morning. A very cordial welcome to our shareholders, our employees, our advisers and the analysts who follow us and the members of the media. It's a great pleasure to see you here this morning at the Annual General Meeting, and I hope to have a chance to talk to many of you.

We have some business to conduct this morning. And once we have concluded that business, Stephen will talk to us and take your questions. Of course, if you have any questions for me, I'll do my best to try to answer them.

But first, I'd like to share a few thoughts with you. At the very outset, I want to say that the Board and I are very proud to have participated in another great year of accomplishment at Canadian Tire.

I want to talk to you about the future, though. For me, the future is not a gift. It's an achievement. It is a result of vision, hard work, commitment to long-term success. It is about having the talent needed to achieve the future. And it's about holding ourselves accountable for that future. It is about having the courage to rethink everything we do. It is about exorcising the phrase that's the way we have always done it from our thinking and consigning it to the history books. It means the vision to take advantage of the opportunities that the changing world of retail offers us. It means investment for growth and a relentless focus on innovation, digital and e-commerce while keeping in the forefront of our minds what matters most, the loyalty and the trust of our customers. It means never losing sight of the values that have allowed us to hold a unique place in the minds and hearts of Canadians.

The future is also about having the courage to take some risk, prudently managed risk but risk nonetheless. Our Helly Hansen acquisition is a good example. It's now our fastest-growing asset. And neither the Board nor our management doubted that for a moment.

Launching the new loyalty program, Triangle, was not without some risk, but it has proven to be a great success, having had a strong and positive customer response.

Our eyes must be firmly on the decade ahead, and that is what our shareholders should expect of both the Board and the management. And I know you're going to hear more about this from Stephen this morning.



And speaking of Stephen, I want to congratulate him on a successful year, very successful year. I hope our shareholders agree and join me in recognizing his outstanding leadership. His strategic leadership is really quite remarkable. He always thinks 5 steps ahead. And I cannot stress how important that is in a world that is changing at digital speed. And nowhere is this more apparent than in the world of retail and financial services. It will come as no surprise that the 2 industries making the most investments in artificial intelligence are retail and financial services.

While I'm on the subject of management, I want to recognize the talented and hardworking members of the executive management group and the truly gifted people they lead. Despite the challenges of an ever-changing retail environment, your management is more than ready to face those challenges head on.

Again, on the subject of management, I want to congratulate Dean McCann on his very successful career at Canadian Tire. Dean has indicated that he would like to retire at the end of the year. Dean, a former president of our bank, a CFO of the year and a long-serving senior executive at the corporation, will be greatly missed. I want to wish Dean every good fortune as and when he takes his much-deserved retirement. His commitment to staying with us to ensure a smooth transition to his successor is a testament to his commitment to Canadian Tire, and we are delighted that he will remain on our bank Board and on the Board of CT REIT.

As I've said before, the status quo is not the way forward. Our world is extremely complex, and opportunities for change must happen. We must meet that challenge. We must continue to design an organization that is agile, courageous and creative enough to embrace the changes that will define our success in the future. For success over the long term, it is imperative that we attract and hire the best talent, focus on investment for growth and innovation.

And on the topic of talent, I'd like to acknowledge the tremendous amount of work that has been done over the last year in building our talent approach. The Board, along with its MRCC Committee, management resources and compensation, has overseen a complete redesign of our talent strategy by ensuring the disciplined development of talent within the organization. We have developed the future organizational structure and defined the critical executive roles needed to support our business, including international operations. Our talent assessment and development practices will enable the right succession planning for our critical roles. Your Board is also committed to continually planning for succession for the CEO, the most critical job in the company.

When an industry is evolving rapidly, the Board of Directors has an even greater responsibility to provide experienced guidance and advice to management. Martha and Owen Billes are adamant about this and very supportive of Board renewal to ensure that we have the expertise for today's challenges.

Let me explain the Board's thinking on renewal over the last few years. We wanted to support management's priorities of strategy, people, the importance of data analytics, international expansion and e-commerce, to mention just a few of our priorities. So we brought onboard David Court from McKinsey; Eric Anderson, a leading data scientist from the Kellogg School of Management; and Pat Connolly of Williams-Sonoma, who take Williams-Sonoma into the digital and e-commerce world. Norman Jaskolka has also recently just joined our Board, and his experience in driving Aldo's international expansion will benefit us greatly. Since we know that our most important asset is people, we are delighted to welcome Cynthia Trudell to the Board, with, of course, the consent of the shareholders this morning. Cynthia has had a very distinguished global career, most recently heading up global talent at PepsiCo.

I should also mention that your Board is continuing to ensure that our meetings and our decision-making processes are as efficient as we can make them. Reviewing our committee mandates, streamlining membership on the committees and ensuring more focused agendas have all contributed faster and better decisions and outcomes. I am sure that Stephen and his executives would attest that we're a demanding Board of Directors, but I believe that our management is up to that challenge.

Over the past year, there have been 2 retirements from our board. After 11 years of invaluable service to Canadian Tire, Tim Price decided to retire. I want to say a few words about Tim's enormous contribution to Canadian Tire.

As a business pioneer and an icon in Canadian business, having Tim as a Board member is a testament to CTC's place in Canadian business. He was our elder statesman, providing us with wisdom, ideas and solutions. Tim will be greatly missed by both management and the Board.



I also want to thank Anatol von Hahn, who has decided not to stand for reelection today. We will miss his positivity and his perspectives. He made a valuable contribution to our deliberations and was full of ideas that he never hesitated to share with management.

Without a careful rethink about what changes that this hugely successful and iconic company are critical to ensure its growth and its sustainable success into the future, we as your Board and your management would not be fulfilling our responsibilities to our shareholders. Fortunately, both of us are doing the thinking and making the decisions that will keep Canadian Tire the most admired company and one of the world's most successful retailers long into the future. We believe that our winning strategies must be future oriented, must be transformational, but they must never be far from the Billes brothers' beliefs that our job 1 is to make things better.

And now I would like to turn to the formal business of the meeting. As Chairman of the Board, I will act as chairman of the meeting. I have asked Eleni Damianakis, the Corporate Secretary, to act as secretary to the meeting. And I appoint Amanda Castellano and Lise-Anne Thomas of Computershare Trust Company of Canada to act as scrutineers.

I am advised that notice calling the meeting, together with the information circular dated March 14, 2019, and the formal proxy, were mailed on April 2, 2019, to shareholders of record as of the close of business on March 21, 2019. I direct the secretary to keep a copy of the notice calling the meeting and the proof of mailing of the meeting notice, the information circular and the formal proxy with the minutes of this meeting.

The scrutineers' report has been received, and I am advised that a quorum of holders of both the common shares and Class A nonvoting shares of the corporation is present. I therefore declared this meeting duly constituted for the transaction of business.

The scrutineers' report, which will indicate the number of shares represented at this meeting, will be read by the secretary at the end of the meeting.

To make the best use of our time, I have arranged in advance for certain shareholders to move and second the motions required at this meeting. These arrangements are in no way intended to influence or discourage discussion of the motions. However, please hold your questions not directed to the formal business of the meeting until the question period following Stephen's remarks.

I would also ask that any person who wishes to speak, please come to a microphone so everyone can hear you, and then give your name and advise the meeting whether or not you are a registered shareholder or a proxy for a registered shareholder.

The first item of business is for shareholders to receive the consolidated financial statements of the corporation as and at the year ended December 29, 2018, and the auditor's report thereon, both of which can be found in our 2018 Report to Shareholders. The report was sent to shareholders who requested a copy and was also filed on SEDAR and on our website.

The next item of business is the election of 13 directors by the holders of common shares. I will ask Will Zeyl to nominate the 13 directors named in the information circular to be elected by the holders of common shares.

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### **William Zeyl**

Madam Chairman, I nominate Eric T. Anderson, Martha G. Billes, Owen G. Billes, Diana L. Chant, Patrick J. Connolly, David C. Court, Mark E. Derbyshire, John A. F. Furlong, Claude L'Heureux, Donald A. Murray, Maureen J. Sabia, Cynthia M. Trudell and Stephen G. Wetmore for election as directors of the corporation by holders of common shares to hold office until the next annual election of directors.

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### **Maureen Joanne Sabia - Canadian Tire Corporation, Limited - Non-Executive Chairman of the Board**

Are there any further nominations?

There being no further nominations, I declare that nominations are closed. Holders of common shares have been provided with the opportunity to vote for each individual director nominee or withhold their vote.



As proxy holder, I am advised that sufficient votes in favor of the election of each individual director nominee were cast prior to the meeting. Accordingly, I propose that we proceed with a single vote by show of hands to elect the persons nominated.

We have a show of hands?

(Voting)

Thank you.

Only registered holders of common shares and their proxy holders are entitled to vote. As you know, everyone -- sorry, I jumped ahead. Everyone in favor, please raise your hand.

(Voting)

Are any shareholders opposed?

(Voting)

I declare that the 13 persons nominated for election by the holders of common shares are duly elected as directors of the corporation to hold office until the next Annual Meeting of Shareholders.

I will now turn to the election of 3 directors by the holders of Class A nonvoting shares. And I will ask Debbie Champion to nominate the 3 directors named in the information circular to be elected by the Class A nonvoting shares.

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**Debbie Champion**

Madam Chairman, I nominate Pierre Boivin, James L. Goodfellow and Norman Jaskolka for election as directors of the corporation by the holders of Class A nonvoting shares to hold office until the next annual election of directors.

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**Maureen Joanne Sabia** - *Canadian Tire Corporation, Limited - Non-Executive Chairman of the Board*

Are there any further nominations?

There being no further nominations, I declare nominations closed. Holders of class A nonvoting shares had been provided with the opportunity to vote for each individual director nominee or withhold their vote. As proxy holder, I am advised that sufficient votes in favor of the election of each individual director nominee were cast prior to the meeting. Accordingly, I propose that we proceed with a single vote by show of hands to elect the persons nominated. Only registered holders of Class A nonvoting shares and their proxy holders are entitled to vote on the election of these directors.

Everyone in favor of the election of these directors, please raise your hand.

(Voting)

Opposed, if any?

(Voting)

I declare that the 3 persons nominated for election by the holders of Class A nonvoting shares are duly elected as directors of the corporation to hold office until the next Annual Meeting of Shareholders.

And now, ladies and gentlemen, it is my pleasure to introduce you to all of your directors for the coming year. I will call upon each of my fellow directors to stand and be recognized. Eric Anderson; Martha Billes; Owen Billes; Pierre Boivin; Diana Chant; Patrick Colony -- Connolly, sorry, Pat; David Court; Mark Derbyshire; John Furlong; James Goodfellow; Norman Jaskolka; Claude L'Heureux; Donald Murray; Cynthia Trudell and Stephen Wetmore, who is here at the front, who needs no introduction.

The next item of business is the appointment of the auditor of the corporation and the authority of the directors to fix the remuneration of the auditors. The directors of the corporation recommend the reappointment of Deloitte LLP, chartered professional accountants, as the corporation's auditor for the ensuing year.

I will ask Lisa Greatrix to make a motion appointing Deloitte LLP as the auditor of the corporation and authorizing the Board of Directors to set the auditor's compensation.

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**Lisa Greatrix** - *Canadian Tire Corporation, Limited - SVP of Finance & IR*

Madam Chairman, I move that Deloitte LLP, chartered professional accountants, be appointed the auditor of the corporation to hold office until the close of the next Annual Meeting of Shareholders of the corporation with compensation to be fixed by the Board of Directors, the directors being hereby authorized to fix such compensation.

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**Maureen Joanne Sabia** - *Canadian Tire Corporation, Limited - Non-Executive Chairman of the Board*

May I have a seconder for that motion?

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**William Zeyl**

I second the motion.

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**Maureen Joanne Sabia** - *Canadian Tire Corporation, Limited - Non-Executive Chairman of the Board*

Thank you. Only registered holders of common shares and their proxy holders are entitled to vote on this motion. Holders of common shares had been provided with the opportunity to vote for the motion or to withhold their vote.

As proxy holder, I am advised that sufficient votes in favor of the motion were cast prior to the meeting, so we will now proceed to vote by a show of hands. Everyone in favor of the motion, please raise your hand.

(Voting)

Opposed, if any?

(Voting)

I declare the motion carry. Deloitte LLP is hereby reappointed as the corporation's auditor for the ensuing year, and the Board of Directors is hereby authorized to set the auditor's compensation.

I will now ask Eleni, the secretary of the company, to read the scrutineers' report on attendance.

**Eleni Damianakis**

Madam Chairman, there are 39 holders of common shares present in person or represented by proxy, representing 3,140,977 common shares or 91.75% of the issued common shares of the corporation. There are 279 holders of Class A nonvoting shares present in person or represented by proxy, representing 37,520,690 Class A nonvoting shares or 64.3% of the issued Class A nonvoting shares of the corporation. These figures are subject to amendment to cover late arrivals and to correct any clerical errors or omissions.

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**Maureen Joanne Sabia** - *Canadian Tire Corporation, Limited - Non-Executive Chairman of the Board*

Thank you. This completes the formal business for which this meeting was called. If there is no further business, may I have a motion to terminate the meeting?

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**William Zeyl**

Madam Chairman, I move that this meeting be terminated.

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**Maureen Joanne Sabia** - *Canadian Tire Corporation, Limited - Non-Executive Chairman of the Board*

And may I have a seconder for that motion?

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**Lisa Greatrix** - *Canadian Tire Corporation, Limited - SVP of Finance & IR*

I second the motion.

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**Maureen Joanne Sabia** - *Canadian Tire Corporation, Limited - Non-Executive Chairman of the Board*

Everyone in favor of the motion, please raise your hand.

(Voting)

Opposed, if any?

(Voting)

The motion is carried, and the meeting is terminated.

And now it is my pleasure to introduce Stephen Wetmore, who will address the meeting.

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**Stephen G. Wetmore** - *Canadian Tire Corporation, Limited - CEO, President & Non-Independent Director*

Thank you, Maureen, and good morning, everyone. I'm very pleased to start my comments this morning to report that our goal of becoming the #1 retail brand in Canada is moving forward on schedule.

We believe our recent brand awards are in recognition of the outcomes we are achieving by focusing on the 4 main pillars of our strategy: first, we're creating a unique retail marketplace bound together with Canada's most iconic loyalty program; second, we are innovating to provide our

customers with the latest and greatest products; and third, we are creating new platforms for growth; and lastly, achieving our stated financial aspirations.

In 2017 at our AGM, we set a new path for Canadian Tire called One Company, One Customer. Our company, Canadian Tire, Sport Chek, Mark's, Financial Services and all our banners working together to serve our common customer. Our vision meant building on the strengths of our banners' relationships with Canadians and reinventing what has made Canadian Tire so iconic, including the legendary Canadian Tire Money loyalty program, and our long history of building successful consumer brands. We believe Canadian Tire had to challenge the way retail traditionally operates and embrace new digital capabilities and channels and create a unique marketplace.

Today, I'd like to share our progress on this journey and outline what we believe should be our priorities as we look ahead to the next chapter.

It's been one year since we announced the launch of Triangle Rewards program, which I contend is one of the most strategically important initiatives of the past 5 years. Triangle Rewards is the framework that makes our One Company, One Customer strategy possible. It's a common brand that unites our retail, consumer brands and Financial Services divisions as a single Canadian tire marketplace. And it exemplifies a new world of retail, one where data and insights enable personalized customer relationships. It's everything that's new about Canadian Tire.

Canadian Tire Bank, along with Mark's, Sport Chek and Canadian Tire Retail make over 90% of our profits. And Triangle Rewards has also been critical to driving our recent growth in our core Canadian assets. The vision of one company, collaborating to challenge itself to work together to focus on one customer, requires substantial cultural and structural change. This wouldn't have been possible without Allan MacDonald's leadership as President of our Canadian Retail Assets in transforming our Canadian businesses to operate as one company. Combining our retail banners, marketing and consumer brands into a single Canadian retail operation was essential for the transformation of 8 independent banners into the Triangle marketplace. This strategy was at the core of our decision to relaunch our credit card under the Triangle brand. Today, 1 year later, Triangle Rewards has become one of the fastest-growing credit cards in Canada. Our customers love it and it's driving record growth.

Our quiet little bank has transformed into the backbone of many of our retailing initiatives, like the \$350 million provided through in-store financing. Canadian Tire Financial Services generates 35% of our profits, distinguishes us from our competitors and has a growth profile that exceeds our stated financial aspirations for CTC. Greg Craig and his team at Financial Services have done an exceptional job of making life easier for our customers.

But Triangle Rewards wasn't just about the credit card. We also transformed our iconic Canadian Tire money into the Triangle Rewards loyalty program. This bold step created a new identity for our Canadian marketplace and rewarded Canadians for their loyalty across all our banners. I'm very pleased we have the courage to reinvent something so iconic. We have attracted over 2 million new customers since launch, and now more than 9 million active loyalty members are being rewarded for shopping across our banners. We have half of our customers at Mark's, Sport Chek and Canadian Tire Retail using Triangle Rewards. That's over 100 million transactions over the past year and the beginning of a whole new world of opportunities for the company and our dealers to use the power of data and insights to serve our customers better.

Great retailers have one thing in common: great products and great brands. That's what we believed when we announced the creation of our Consumer Brands division in 2016. We set out to establish that Canadian Tire is also a consumer brands company. Today, our own brands account for over \$4 billion of retail revenue. In 2018, we continued to grow existing brands like Woods, Paderno and Canvas while expanding our portfolio with the acquisition of Vermont Castings and Golfgreen. And with the acquisition of Helly Hansen, we've accelerated our ability to distribute our current and future own brands internationally. This strategy has been very successful, and we are committed to continue to invest in our Consumer Brands portfolio.

Our continuous innovation and reinvention are perhaps the secret to our longevity and the key ingredient that has made Canadian Tire Retail so successful. CTR is and always has been the core asset supporting our growth at CTC. For the past 20 quarters in a row, we reported positive top line sales growth at CTR. During that time, we managed through all the headlines. Consumer debt is too high. Oil prices are volatile. NAFTA is still in motion. Trade wars are the headlines. Target is coming. Walmart is expanding. And oh, yes, The Rainforest Company is creating a cloud over everyone. And yet through all this activity and pessimism, our big engine has turned in 5 years of growth quarter after quarter. This past quarter wasn't too bad either with 7% year-over-year growth, spectacular work by Greg Hicks and his team at CTR.



It's also been a year since we announced our acquisition of Helly Hansen and Musto. The executive team has managed the transition very well. And today, performance is exceeding our expectations. Helly Hansen has provided our Canadian Consumer Brands team with an international view to brand development. And here in Canada, the Helly Hansen and Canadian retail and marketing teams have executed an impressive campaign with new marketing, merchandising and assortments that will take Helly Hansen sales in Canada from \$75 million in 2018 to \$130 million this year. Along with our international growth, we are well on our way to creating our first billion-dollar brand.

Of course, the best products in the world are worthless if you don't have the execution behind them. Our success in 2018 wouldn't have happened without our management team, which I believe is obviously the best in retail. They haven't just accepted our strategy. They have embraced it and they've made it their own. Since the launch of One Company, they have executed with passion and delivered every step of the way. I know our Associate Dealers share my views, and you'd only look to the launch of Triangle Rewards or our successful rollout of deliver-to-home to know that throughout this journey, we have never let tradition or our contracts stand in the way of progress. We remain united in our vision for the future, and our brand rewards -- or awards belong to the whole enterprise.

We are quickly heading towards our goal of becoming the #1 retail brand in Canada and recently have also been named 1 of the 100 most sustainable companies in the world. Our banners are united in our commitment to a healthier planet. We set a goal to reduce our greenhouse gas emissions from our buildings and operations by 22% and keep our emissions from transportation flat even as we grow our e-commerce and home delivery businesses. We're testing many innovations to achieve our goals, like producing hydrogen to power our vehicles in our distribution centers, the first retail implementation of its kind in Canada. In addition, we remain committed to bringing innovative and eco-friendly products to our customers. As founding members of the Circular Economy Leadership Coalition, we're working with other leaders and approaches to reduce plastic waste. This is a global issue. We have lots of work ahead of us, but we are committed to playing our part in identifying science-based action that is bold, that is achievable.

Along with our commitment to sustainability, we are making investments in digital technologies and new capabilities which enable more sophisticated decision-making across the business from assortment and inventory planning to one-on-one promotions in digital marketing. Our e-commerce and digital teams are led by John Koryl, who has led world-class companies like Williams-Sonoma and eBay's e-commerce and digital teams through some of the most disruptive times in retail. This team is tasked with taking Canadian Tire to the next level by expanding the e-commerce business within our marketplace, enhancing our digital properties and leading the integration of data and analytics across the company. And if you were to ask Koryl -- he's right down there, he'll tell you he's -- that if he has to work with assets like this, then there's not many companies that put together such an asset base.

I could also go on at length about our marketing organization and their accomplishments. They are transforming CTC into a world-class, data-driven marketing organization. The technical infrastructure which makes all this possible did not exist 24 months ago. It's been expensive but essential. We've been investing in the right capabilities methodically and deliberately with an eye to results and not headlines. So our approach was to build new business capabilities first alongside our traditional teams and processes. Transformation, especially within a complex retailer like Canadian Tire, takes time. And initiatives like Triangle Rewards and the establishment of Consumer Brands could not be jeopardized by too many priorities. This is why now is the right time to transition out of legacy aspects of our business.

Our One Company approach of doing things once and having a single view must now be focused on building a more efficient retail organization. This will allow us to drop more margin to the bottom line and our decision-making and execution faster and more efficient. We said many times over the past few years that we are walking a fine line between generating earnings growth and investing for the future. I would never trade the progress we've made for better short-term earnings. As Dean McCann has mentioned in past quarters, we are making a major shift to bottom line earnings performance. Our target of 10%-plus return on our invested capital has to be achieved, and we will have more to share on this over the coming months.

There's probably no better time to say a few words about my partner, Dean McCann, than when I'm talking about financial performance. We do still have quite a few months of receiving Dean's advice before he starts spending his time on other endeavors, endeavors, I hear, where his passion far exceeds his skill. Dean, thank you for your incredible service to the company and the many achievements that our Chairman noted earlier. You served our shareholders well with integrity and professionalism. You are a friend to us all, and we can't thank you enough for all that you have done.



In finishing, congratulations to our remarkable charity, Jumpstart, an amazing year. They hit a milestone in helping 2 million children get in the game. And our inclusive Play Finds A Way initiative is well underway, with playgrounds being constructed and accessibility grants awarded. We are grateful to our dealers whose commitment to Jumpstart is unwavering, and we thank them for their partnership and their collaboration. Thank you, John. Thank you, Scott. And thanks to all of you for making kids happy across the country.

I'd also like to thank our employees across the country and around the world for your hard work and the dedication to the Triangle.

So ladies and gentlemen, another great year for your company. Thank you, Maureen Sabia, and our talented Board for your support and guidance. With One Company focused on a common customer, we are well on our way to becoming the #1 retail brand through the eyes of our customers, our employees and our shareholders. Thank you very much.

But I think it's also my responsibility to now open up the mics for our question-and-answer period. Should anybody have any questions for us, the mics are in either side of the aisles, as you can see.

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## QUESTIONS AND ANSWERS

### Unidentified Shareholder

[I don't know if you me...]

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**Stephen G. Wetmore** - *Canadian Tire Corporation, Limited - CEO, President & Non-Independent Director*

No. No. It's good to see you.

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### Unidentified Shareholder

Anyway, [Mark Wells,] I've been a shareholder for over 25 years. Last year, I raised the notion that the Board lacked ethnic diversity. And I know it's a glacial pace to bring that about, and I take comfort in [these bone fide] people that are elected. So enough said.

I noticed there was a commercial this year on Tested for Life in Canada. There were 25-or-so individuals in a thought bubble, and it was presented with the phrase, "Look at all these beautiful Canadians" and not one visible minority. Advertising something at Canvas catalog where about 100 individuals are portrayed and less than 7 are visible minority is not the Canada that I live in. According to Statistics Canada, that is not even 30% of the reality that we live in. I'd like to see some effort made to balance the diversity in the advertising that Canadian Tire puts forward as the face of Canada.

Second, and one thing I would like to bring up. In the Jumpstart program, can it be found a mechanism whereby those shareholders who wish to contribute may elect to have their shares, dividend paid into Jumpstart directly?

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**Stephen G. Wetmore** - *Canadian Tire Corporation, Limited - CEO, President & Non-Independent Director*

Wonderful.

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### Unidentified Shareholder

With the exception of any dividend declared that should be in the form of shares.

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**Stephen G. Wetmore** - *Canadian Tire Corporation, Limited - CEO, President & Non-Independent Director*

Yes. Let me deal with the latter first. It's a little bit easier. The -- it's probably complex, but there's no reason why we can't look into the shareholders being able to donate their dividends. But a straight movement from us into Jumpstart, I -- might be a little bit complex but that is...

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**Unidentified Shareholder**

It would be a transfer...

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**Stephen G. Wetmore** - *Canadian Tire Corporation, Limited - CEO, President & Non-Independent Director*

Yes. That's beside the point. What we should look is look into it. And I think the suggestion is extremely well received. And thank you very much for suggesting it. So we will look into it.

On your former question, if we made a mistake in representing the minorities in the proper percentages within our advertising, all I can say is sorry. It's certainly not our intent. We try very, very hard to represent it properly, and it's something that we take very, very seriously, obviously. And if statistically we've missed out, then we're going to have to go back to the drawing board and ensure we do a better job going forward.

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**Unidentified Shareholder**

There was no malice taken...

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**Stephen G. Wetmore** - *Canadian Tire Corporation, Limited - CEO, President & Non-Independent Director*

No. No, I understand.

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**Unidentified Shareholder**

Or intended. It comes to when you have 25 people visible in a commercial and not 1 visible minority, it's really, really apparent. And if that -- maybe it's not a balance issue. It's not a numbers game, but it's just the absence that's so obvious to me. I don't know if other people feel the same way, but when you look at other companies' commercials, if I name brands, you find them much more ethnically diverse space.

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**Stephen G. Wetmore** - *Canadian Tire Corporation, Limited - CEO, President & Non-Independent Director*

Yes. We have to keep it in mind. It's our country, and I totally agree with you. So...

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**Unidentified Participant**

Mr. Wetmore, I hope you can hear me.

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**Stephen G. Wetmore** - *Canadian Tire Corporation, Limited - CEO, President & Non-Independent Director*

I can, yes, because the mic's kind of high, yes.

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**Unidentified Participant**

And don't worry. I'm not going to ask for a former employee's discount card. What I would like to say -- it's a comment actually. When we get older, as we all know, we reminisce about years prior. And it just occurred to me that it was over 40 years ago that I was an employee at Canadian Tire and lovingly about it. I was under the roof of Mr. Muncaster and A.J. Billes. Mr. Billes used to tip his head off to me every morning and whenever. And back then, I stole a commercial from Speedy Muffler King saying, "They really treat you like a somebody." After 40 years, I can say with some of the places that I've worked, Canadian Tire had really treated me like a somebody. So I thank everybody at Canadian Tire for that. And it was like a homecoming party every time I would come to the shareholders' meeting. And it's sad that the only person I recognize is Mr. McCann. Thank you.

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**Stephen G. Wetmore** - *Canadian Tire Corporation, Limited - CEO, President & Non-Independent Director*

Thank you very, very much. That's very kind of you to say it. It's -- I think it's the soul of our brands. So thank you very, very much for saying it. We have one more?

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**Unidentified Shareholder**

I'm not usurping anybody else with some question.

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**Stephen G. Wetmore** - *Canadian Tire Corporation, Limited - CEO, President & Non-Independent Director*

No. No. Go ahead.

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**Unidentified Shareholder**

Good. I'm [Paul Robinson]. I'm the proxy holder for a beneficial holder of common shares. And I've been noticing that over the last decade, there has been an increasing movement towards commentary on dual-class structures, and a number of noteworthy cases quoted that I don't have to repeat. Having said that, recently, the Financial Post reported on the concern over a number of bigger institution of shareholders in the dual-class structure of Bombardier. Reasons don't really matter. There are serious reasons for that, I know. Having said that though, I'm more interested in knowing whether or not there have been repercussions that have reached Canadian Tire's Board. Have there been inquiries about the structures and so forth? And secondly, I'd be interested in hearing from you on what discussions, if any, are taking place -- have taken place recently and internally?

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**Stephen G. Wetmore** - *Canadian Tire Corporation, Limited - CEO, President & Non-Independent Director*

[Chairman,] do you want to address it, yes?

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**Maureen Joanne Sabia** - *Canadian Tire Corporation, Limited - Non-Executive Chairman of the Board*

I'll help if you get...

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**Stephen G. Wetmore** - *Canadian Tire Corporation, Limited - CEO, President & Non-Independent Director*

Yes. Yes. I know you can kick in. I'm sure I'll miss something, but the shareholder structure issues have been around a long period of time. Most of the tech companies actually that are going onto the market over the last 10 years or so, even longer than that, have all implemented kind of dual-class share voting structures as well. The -- in many of them -- and none of them probably hold more true than Canadian Tire, but the idea is to try to keep the original trust of the organization, the brand, the determination to be successful, the supporting structure and values of the



organization intact from the original founders. And with that guidance, most of the companies in Canada -- and there's always exceptions to the rule, most of the companies in Canada that have a dual-class share structure have performed better than their counterparts. And they performed better, I think, because of the focus and the responsibility that the shareholder imparts to the Board and the shareholder imparts to the management of the company. You stay focused on the long term. You're interested in the long term. You're not doing things for short-term earnings, which I was trying to get across in my remarks as well.

The bar that the Billes family has always held us to is extremely, extremely high. When I joined the company actually 10 years ago, I asked Martha what did she want Canadian Tire to be. And I think today, Canadian Tire is starting to represent what she wanted and what she saw in the potential of Canadian Tire in trying to be Canada's best company, representative of the values of the country and investing for the long, long term. We don't have -- I had -- I have never had a call from Martha on business matters in 10 years that I've been at Canadian Tire. So the company runs as the organization should run with the oversight of the founding family, which I believe gives us the kind of vision for the future.

So I can only speak in Canadian Tire terms. The governance that we use and the Board uses in order to put new directors on the Board is totally independent. It's like a normal, independent, widely held organization, and they're all -- none of them went beyond the Board if there was any undue influence from the majority shareholder. They're more than strong individuals in their own rights. And as management, we receive no interference from the controlling family. We see it as a benefit. And I attribute a huge amount of success to the fact that the Billes family still stays involved with the organization. So I'm fully, fully supportive of it. Not talking about other organizations, I'm talking about Canadian Tire Corporation.

Are there any other questions from the floor? If not, ladies and gentlemen, thank you very, very much for attending this morning. We appreciate it. And I hope I get a chance to speak to many of you here over the next few minutes. And on behalf of the Chairman and Eleni and I, thank you very, very much for joining us. Thank you.

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