

## **27. RELATED PARTY TRANSACTIONS**

The Company's majority shareholder, Wittington Investments, Limited ("Wittington"), and its affiliates are related parties.

The Company, in the normal course of business, has routine transactions with these related parties, including the rental of office space at market prices from Wittington. Rental payments to Wittington amounted to approximately \$3 (2006 – \$6) in 2007.

During 2006, Loblaw purchased from Wittington a property designated for future development for consideration of \$8, which was prepaid in accordance with a former ground lease between the parties. It is the Company's policy to conduct all transactions and settle balances with related parties on market terms and conditions.

From time to time, the Company and Wittington may make elections that are permitted or required under applicable income tax legislation with respect to affiliated corporations and, as a result, may enter into agreements in that regard. These elections and any accompanying agreements do not have any material impact on the Company.