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Weston
George Weston Limited

Management Proxy Circular

Solicitation of Proxies

This Management Proxy Circular (the "Circular") is furnished in connection with the solicitation by the management of GEORGE WESTON LIMITED (the "Corporation") of proxies to be used at the Annual Meeting of Shareholders of the Corporation (the "Meeting") to be held on Wednesday, May 7, 2003, at 11:00 a.m. (local time), in Constitution Hall, Room 105 of the Metro Toronto Convention Centre, 255 Front Street West, Toronto, Ontario, M5V 2W6, or any adjournment thereof. The cost of such solicitation will be borne by the Corporation.

At the Meeting, shareholders will act upon the matters outlined in the Notice of Annual Meeting accompanying this Circular including the election of directors, the re-appointment of the auditor and the shareholder proposal attached as Schedule C. In addition, the Corporation's management will report on the performance of the Corporation and respond to questions from shareholders.

Revocation of Proxies

A registered shareholder who has given a proxy may revoke the proxy by an instrument in writing executed by him/her or by his/her attorney authorized in writing or, if the shareholder is a corporation by its duly authorized officer(s) or attorney authorized in writing and deposited either at the registered office of the Corporation, Suite 1901, 22 St. Clair Avenue East, Toronto, Ontario M4T 2S7, or at the offices of the Corporation's transfer agent Computershare Trust Company of Canada, 100 University Avenue, 8th Floor, Toronto, Ontario, M5J 2Y1 (the "Transfer Agent"), at any time up to and including the last business day preceding the day of the Meeting or any adjournment thereof at which the proxy is to be used, or with the Chairman of the Meeting on the day of the Meeting or adjournment thereof prior to the commencement of the Meeting.

A Non-registered Shareholder (as defined below) may revoke a voting instruction form or a waiver of the right to receive meeting materials and to vote given to an intermediary at any time by written notice to the intermediary, except that an intermediary is not required to act on a revocation of a voting instruction form or of a waiver of the right to receive materials and to vote that is not received by the intermediary at least 7 days prior to the Meeting.

Non-Registered Shareholders

If common shares of the Corporation ("Common Shares") are not registered in the name of the shareholder ("Non-registered Shareholder"), they will be held in the name of a "nominee", which is usually a trust company, securities broker or other financial institution. The nominee is required to seek the instructions from the Non-registered Shareholder as to how to vote such Common Shares. For that reason, Non-registered Shareholders should have received this Circular from their respective nominees, together with a voting instruction form. Each nominee has its own signing and return instructions, which Non-registered Shareholders should follow carefully to ensure their shares will be voted in accordance with their instructions.

Since the Corporation does not have access to the names of its Non-registered Shareholders, if a Non-registered Shareholder wishes to attend the Meeting, the Corporation will have no record of the Non-registered Shareholder's shareholdings or of their entitlement to vote, unless the nominee has appointed the Non-registered Shareholder as proxyholder. Therefore, if a Non-registered Shareholder wishes to attend and vote in person at the Meeting, a Non-registered Shareholder's name should be placed in the space provided on the voting instruction form sent by respective nominees. By doing so, a Non-registered Shareholder is instructing the nominee to appoint such Non-registered Shareholder as proxyholder. Non-registered Shareholders should sign and follow the return instructions provided by individual nominees. Non-registered Shareholders who will be voting at the Meeting need not complete the instruction portion of the form.

Non-registered Shareholders should follow the instructions on the forms they receive and contact their intermediaries promptly if they need assistance.

Voting and Exercise of Discretion by Proxyholder

The Common Shares represented by properly executed and returned proxies in favour of the persons designated in the printed portion of the enclosed form of proxy will be voted or not voted on any ballot that may be called for with respect to any matter referred to therein in accordance with the instructions made in the proxy. **In the absence of such instructions, such Common Shares will be voted for the election of the directors, for the re-appointment of the auditor and against the Shareholder Proposal attached as Schedule C.**

The proxy confers discretionary authority upon the persons named therein with respect to any amendments or variations to matters identified in the Notice of Annual Meeting and with respect to any other matters which may properly come before the Meeting. **The Common Shares represented by proxies in favour of management nominees will be voted with respect to any such matter in the manner directed by management.** The management of the Corporation is not aware of any amendments or variations or other matters to come before the Meeting.

Record Date for Voting

Holders of Common Shares as at the close of business on April 8, 2003 (the "Record Date") are entitled to one vote at the Meeting for each Common Share shown as registered in such holder's name on such date.

Voting Securities

The Corporation currently has 132,281,634 Common Shares issued and outstanding.

Controlling Shareholder

Mr. W. Galen Weston beneficially owns or controls through Wittington Investments, Limited and affiliated companies 82,693,979 or 62.5% of the outstanding Common Shares.

Votes Required for Approval

A majority of votes cast, in person or by proxy, is required to approve each of the items specified in the Notice of Annual Meeting which accompanies this Circular.

Voting Confidentiality

In order to preserve the confidentiality of individual shareholder votes, proxies are counted and tabulated by the Transfer Agent. This function is performed independently of the Corporation. Proxies are only referred to the Corporation in cases where a shareholder clearly intends to communicate an individual position to management or when it is necessary to do so to meet the requirements of applicable law.

Election of Directors

On March 7, 2003, the Board of Directors, in accordance with the by-laws of the Corporation, determined that the number of directors to be elected at the Meeting will be 12. It is proposed that the persons named below be nominated for election as directors of the Corporation. With the exception of Mr. A. Charles Baillie, all of the proposed nominees are currently members of the Board of Directors and have been since the dates indicated below. Management does not believe that any of the nominees will be unable to serve as directors, but if that should occur for any reason prior to the Meeting, **the persons named in the enclosed form of proxy reserve the right to vote for any other nominee at their discretion.** Each director will hold office until the next annual meeting or until the director resigns or a successor is elected or appointed.

The table below provides information with respect to each of the nominees, including the number of Common Shares beneficially owned by them or over which they exercise control or direction and the number of other securities of the Corporation and its subsidiary held by them on March 7, 2003. Biographies and current committee responsibilities of these nominees are attached as Schedule A. The independence and relatedness of directors is discussed under Statement of Corporate Governance Practices.

Information as to Proposed Nominees for Election as Directors

	Age	Director Since	Common Shares	Deferred Share Units	Other Securities of George Weston Limited	Securities of Loblaw Companies Limited
A. Charles Baillie,[1] Toronto, Ontario Chairman, Toronto Dominion Bank (banking and financial services company)	63	Proposed nominee	–	–	–	–
Robert J. Dart, Toronto, Ontario Vice Chairman of Wittington Investments, Limited (an affiliate of the Corporation and investment company)	64	1994	35,000	–	2,000[i] 4,000[ii]	5,000
Peter B. M. Eby, Toronto, Ontario Corporate Director	64	2000	2,000	889	–	4,000
Anne L. Fraser, Calgary, Alberta Corporate Director	62	1995	1,500	1,065	500[i]	500
R. Donald Fullerton, Toronto, Ontario Corporate Director	70	1991	3,000	1,172	–	–
Anthony R. Graham, Toronto, Ontario President of Wittington Investments, Limited (an affiliate of the Corporation and investment company)	46	1996	10,000	1,156	–	10,000 2,005[iii]
Mark Hoffman, London, England Chairman of Cambridge Research Group Limited (U.K. technology transfer and investment company)	64	1975	36,000	–	–	6
Allan L. Leighton, Leeds, England Chairman of Royal Mail plc	49	2000	–	623	–	–

	Age	Director Since	Common Shares	Deferred Share Units	Other Securities of George Weston Limited	Securities of Loblaw Companies Limited
John C. Makinson, London, England Chairman and Chief Executive Officer of The Penguin Group (international media company)	48	1997	1,380	1,065	–	–
J. Robert S. Prichard, Toronto, Ontario President and Chief Executive Officer, Torstar Corporation (media newspaper company)	54	2000	2,000	623	–	–
M. D. Wendy Rebanks, Toronto, Ontario Corporate Director	71	1994	494,547	–	43,300[i] 60,000[ii]	14,074
W. Galen Weston, Toronto, Ontario Chairman and President of the Corporation	62	1967	82,693,979	–	–	173,544,635

1 Mr. Baillie has been the Chairman of the Board of Toronto Dominion Bank since December, 2002 and was previously Chairman and Chief Executive Officer for at least the previous five years.

i Preferred Shares Series I of the Corporation
ii Preferred Shares Series II of the Corporation
iii Deferred Share Units of Loblaw Companies Limited

Re-Appointment of Auditor

It is proposed that KPMG LLP Chartered Accountants be re-appointed as auditor of the Corporation to hold office until the next annual meeting of shareholders in 2004. KPMG LLP have served as auditor of the Corporation for more than 10 years.

For the years 2002 and 2001, KPMG LLP and its affiliates received fees as detailed below:

	2002	2001
		($Millions)
KPMG LLP		
Audit Services	3.3	2.7
Audit-related services	0.8	1.8
Tax Related services	0.5	0.1
Other services	0.1	0.3
Total Fees	4.7	4.9

Shareholder Proposal

Set out in Schedule C to this Circular is a shareholder proposal that has been submitted for consideration at the Meeting and the response of management and the Board of Directors. The proposal would require a simple majority of the votes cast at the Meeting in order to be approved.

Shareholder Proposals for Next Year's Annual Meeting

The *Canada Business Corporations Act* permits certain eligible shareholders of the Corporation to submit shareholder proposals to the Corporation, which proposals may be included in a management proxy circular relating to an annual meeting of shareholders. The final date by which the Corporation must receive shareholder proposals for the annual meeting of shareholders to be held in 2004 is December 21, 2003.

Executive Compensation

The following table sets forth compensation paid by the Corporation and its subsidiaries to the persons who were at the end of 2002 the five most highly compensated policy making executive officers of the Corporation and its principal subsidiaries as required by applicable legislation (collectively the "Named Executive Officers") for services rendered in all capacities to the Corporation or a subsidiary for the years 2002, 2001 and 2000.

Summary Compensation Table

		Annual Compensation			Long-Term Compensation		
					Awards	Payouts	
Name and Principal Position	Year	Salary ($)	Bonus ($)	Other Annual Compensation ($)	Securities Under Options/ SARs Granted (#)(1)(2)	Long-Term Incentive Plan Payouts ($)	All Other Compensation ($)
W. Galen Weston	2002	1,600,000(4)	1,000,000(4)	–	–	–	–
Chairman and President of the Corporation	2001	1,600,000(4)	1,000,000(4)	–	101,460(1) 41,240(2)	–	–
	2000	1,600,000(4)	1,000,000(4)	–	60,500(1) 187,500(2)	–	–
John A. Lederer	2002	1,200,000(5)	781,500(5)	–	–	–	–
President, Loblaw Companies Limited	2001	1,200,000(5)	630,732(5)	–	25,365(1) 164,950(2)	–	–
	2000	600,000(5)	473,385(5)	–	24,150(1) 187,500(2)	–	–
Gary J. Prince	2002	1,000,000(3)	750,000(3)	–	40,000(1)	–	–
President, Weston	2001	566,667(3)	600,000(3)	–	–	–	–
Foods, Inc. (U.S)	2000	400,000(3)	457,600(3)	–	96,600(1)	–	–
Donald G. Reid	2002	600,000(5)	393,566(5)	–	40,000(1)	–	–
President, President's	2001	500,000(5)	388,833(5)	–	–	–	–
Choice Bank	2000	450,000(5)	400,787(5)	–	28,000(1) 125,250(2)	–	–
Ralph A. Robinson	2002	350,000	295,859	–	–	–	–
President, Weston	2001	350,000	208,004	–	–	–	–
Foods Inc. (Canada)	2000	350,000	400,400	–	63,400(1)	–	–
Richard J. Currie	*2002*	*504,103*	*208,333*	–	–	–	–
Retired President of the	*2001*	*1,450,000*	*500,000*	–	–	–	–
*Corporation**	*2000*	*1,450,000(4)*	*1,000,000(4)*	–	–	–	–

(1) Common Shares of the Corporation

(2) Common Shares of Loblaw Companies Limited

(3) U.S. Dollars

(4) Includes a portion paid by Loblaw Companies Limited

(5) Paid by Loblaw Companies Limited

* Retired May 8, 2002

Option/SAR Grants During the Most Recently Completed Financial Year (2002)

Under its Stock Option Plan ("Option Plan"), the Corporation may grant options to buy Common Shares or receive stock appreciation rights attaching to option grants that are valued based on the fair market value of the Common Shares at the close of business on the day before the grant. Stock options have a 7 year term, are exercisable at the market price of the Common Shares on the date prior to the grant, and vest 20% on each of the first, second, third, fourth and fifth anniversaries of the date of the grant.

The following table sets forth grants of options of the Corporation or any of its subsidiaries made during 2002 to Named Executive Officers:

Name	Securities Under Options/SARs Granted *(#)*[(1)]	% of Total Options/SARs Granted to Employees on in Financial Year	Exercise or Base Price ($/Security)	Market Value of Securities Underlying Options/SARs on the Date of Grant ($/Security)	Expiration Date
Gary J. Prince	40,000	16.878%	$100	$100	January 11, 2009
Donald G. Reid	40,000	16.878%	$100	$100	January 11, 2009

(1) Common Shares of Corporation

Option/SAR Grants Subsequent to the Most Recently Completed Financial Year (2002)

The following table sets forth grants of options made on January 15, 2003 at market price to Named Executive Officers:

Name	Securities Under Options/SARs Granted *(#)*	% of Total Options/SARs Granted to Employees on January 15, 2003	Exercise or Base Price ($/Security)	Market Value of Securities Underlying Options/SARs on the Date of Grant ($/Security)	Expiration Date
W. Galen Weston	85,699[(1)] 149,254[(2)]	12.51% 6.3%	$93.35 $53.60	$93.35 $53.60	January 15, 2010
John A. Lederer	42,849[(1)] 149,254[(2)]	6.25% 6.3%	$93.35 $53.60	$93.35 $53.60	January 15, 2010
Gary J. Prince	107,124[(1)]	15.64%	$93.35	$93.35	January 15, 2010
Donald G. Reid	55,970[(2)]	2.36%	$53.60	$53.60	January 15, 2010
Ralph A. Robinson	48,206[(1)]	7.04%	$93.35	$93.35	January 15, 2010

(1) Common Shares of the Corporation
(2) Common Shares of Loblaw Companies Limited

The following table sets forth, where applicable, options on Common Shares exercised during 2002 and unexercised options at fiscal year end December 31, 2002 for each of the Named Executive Officers:

Option/SAR Exercises During the Most Recently Completed Financial Year and Financial Year-end Option/SAR Values

Name	Securities/ SARs Acquired on Exercise (#)	Aggregate Value Realized $ [3]	Unexercised Options/SARs at Financial Year End (#) Exercisable/Unexercisable		Date Option/ SAR Granted	Value of Unexercised in the Money Options/SARs at Financial Year End $ Exercisable/Unexercisable	
W. Galen Weston	486,588	26,489,850	–	121,647	Jan. 30/98	–	6,396,564 (1)
	24,200	1,026,249	–	36,300	Jan. 11/00	–	1,471,965 (1)
	20,292	269,011	–	81,168	Jan. 08/01	–	925,315 (1)
	75,000	1,611,075	–	112,500	Jan. 11/00	–	2,475,000 (2)
	–	–	8,248	32,992	Jan. 08/01	45,364	181,456 (2)
John A. Lederer	–	–	6,000	6,000	Jan. 30/98	315,498	315,498 (1)
	–	–	905	1,810	Jan. 13/99	31,675	63,350 (1)
	–	–	4,830	14,490	Jan. 11/00	195,856	587,569 (1)
	–	–	5,073	20,292	Jan. 08/01	57,832	231,328 (1)
	–	–	12,632	–	Jan. 03/97	502,122	– (2)
	–	–	55,832	31,600	Jan. 30/98	1,647,044	932,200 (2)
	–	–	8,427	5,618	Jan. 13/99	155,056	103,371 (2)
	–	–	75,000	112,500	Jan. 11/00	1,650,000	2,475,000 (2)
	–	–	32,990	131,960	Jan. 08/01	181,445	725,780 (2)
Gary J. Prince	–	–	12,000	12,000	Jan. 30/98	630,996	630,996 (1)
	–	–	1,800	3,600	Jan. 13/99	63,000	126,000 (1)
	–	–	19,320	57,960	Jan. 11/00	783,426	2,350,278 (1)
	–	–	–	40,000	Jan. 11/02	–	– (1)
Donald G. Reid	7,200	521,287	–	7,200	Jan. 30/98	–	378,597 (1)
	905	49,610	–	1,810	Jan. 13/99	–	63,350 (1)
	5,600	338,060	–	16,800	Jan. 11/00	–	681,240 (1)
	–	–	–	40,000	Jan. 11/02	–	– (1)
	11,228	494,032	–	–	Jan. 03/97	–	– (2)
	4,000	135,000	–	4,000	Jan. 30/98	–	118,000 (2)
	1,404	31,800	–	2,808	Jan. 13/99	–	51,667 (2)
	25,050	657,562	–	75,150	Jan. 11/00	–	1,653,300 (2)
Ralph A. Robinson	9,600	695,049	–	9,600	Jan. 30/98	–	504,796 (1)
	–	–	5,400	3,600	Jan. 13/99	189,000	126,000 (1)
	25,360	1,530,932	–	38,040	Jan. 11/00	–	1,542,522 (1)
Richard J. Currie *	*608,235*	*47,345,620*	–	–	*Jan. 30/98*	–	– (1)

(1) Common Shares of the Corporation
(2) Common Shares of Loblaw Companies Limited
(3) Pretax value accrued since date option granted to date of exercise.
* Retired May 8, 2002

Pension Plan and Long Service Executive Arrangements

The following table illustrates the estimated annual benefit payable at normal retirement age for all senior executives participating in the Corporation's Designated Executive Pension Plan (the "Plan"). The annual benefit does not include bridge benefits for the Canada Pension Plan and Old Age Security. In calculating the annual benefit, the pension formula incorporates the senior executive's average annual base salary and years of service.

Pension Plan Table

Annual Base Salary					Years of Service
$(000's)	15	20	25	30	35
75	22,500	30,000	37,500	45,000	52,500
100	25,833	34,444	43,055	51,666	60,277
125 and above	25,833	34,444	43,055	51,666	60,277

In addition, senior executives of the Corporation are entitled to receive an annual retirement allowance under a Supplementary Employee Retirement Plan ("SERP") up to a maximum of 50% of their final salary to a maximum of $100,000, inclusive of any and all pensions payable from all Corporation sources. Pursuant to the SERP, each of Messrs. John Lederer, Gary Prince, Donald Reid and Ralph Robinson will be entitled to receive an annual retirement allowance at his normal retirement date. The retirement allowance is based on length of service at the rate of 2% per year, to a maximum of 50% of his best three years' average base salary as defined in the Plan. Messrs. John Lederer, Gary Prince, Donald Reid and Ralph Robinson are entitled to a maximum aggregate annual retirement allowance at age 60 of $500,000, $500,000(US), $300,000 and $225,000 respectively, depending on length of service. Mr. Currie currently receives an aggregate pension from the Corporation and its subsidiaries of $500,000 per annum. In addition, he received a payment of $10 million on retirement in recognition of his long service and contribution. These payments are inclusive of any annual amount payable from the Plan, the SERP and/or any pension plan of an affiliate. The Plan rules otherwise applicable to the Plan apply to this annual retirement allowance.

The estimated total credited years of service for each Named Executive Officer at normal retirement date are: W. Galen Weston (27.8); John Lederer (34.2); Gary Prince (37.8); Donald Reid (29.8); and Ralph Robinson (33.7).

Employment and Retirement Arrangements

Mr. Lederer was appointed President of Loblaw Companies Limited ("Loblaw") on January 1, 2001 and entered into an employment contract with Loblaw which, among other things, fixed Mr. Lederer's annual base salary at $1.2 million for 3 years and entitles him to a bonus of up to $1 million per annum upon achieving certain objectives and an initial grant of options on 164,950 Common Shares, which were granted at market price on January 8, 2001. Upon ceasing to be employed by Loblaw, Mr. Lederer will be entitled to a payment of a maximum of $10 million, subject to certain non-competition covenants.

Messers. Prince and Robinson each entered into an employment contract with the Corporation effective January 1, 2003 which, among other things, fixed their annual base salary at $1 million US and $450,000 respectively, for 3 years and entitles each of them to an annual bonus of up to a maximum of 100% of base salary based upon EVA and achieving certain objectives. Upon ceasing to be employed by the Corporation, Messers. Prince and Robinson may be entitled to a maximum payment of up to $5 million US and $4 million respectively, subject to certain non-competition covenants.

Mr. Reid, as President of President's Choice Bank entered into a contract effective January 1, 2003 with respect to that position. Mr. Reid's base salary was fixed at $600,000 for the years 2003 and 2004. Upon ceasing to be employed by the Corporation and its affiliates, the contract provides that Mr. Reid will be eligible for a payment of a maximum of 2 times base salary, subject to certain non-competition covenants.

Report On Executive Compensation

The mandate of the Governance and Compensation Committee (the "Committee") is summarized under "Statement of Corporate Governance Practices" on page 12. Among other matters, the Committee is responsible for reviewing and approving overall compensation policies and reviewing, approving and recommending compensation for senior officers of the Corporation and its operating subsidiaries, including those Named Executive Officers listed in the Summary Compensation Table on page 5.

As of March 7, 2003, the members of the Committee were R. Donald Fullerton (Chairman), Robert J. Dart, Peter B.M. Eby, and Anthony R. Graham, all of whom are unrelated within the meaning of the Toronto Stock Exchange corporate governance guidelines as modified by the November 2002 proposed amendments. Two members of the Committee are independent. Messrs. Dart and Graham are not independent solely because they are executive officers of Wittington Investments, Limited. Mr. Eby joined the Committee on February 20, 2003.

Compensation Philosophy

The Corporation's compensation arrangements for its senior officers are intended to attract, retain and motivate individuals who can effectively contribute to the long-term success and objectives of the Corporation. Senior officers receive compensation based on their level of individual responsibility and experience, the market value of the job they perform and the success of the Corporation in meeting its objectives and creating shareholder value.

The Corporation seeks to position total compensation for its senior officers, including base salary, annual cash incentives and equity incentives, at the first quartile (75^{th} percentile) of that paid by companies in the comparator group described below, for positions with equivalent responsibilities and scope.

Comparator Group

In determining compensation for senior officers, including the Named Executive Officers, the Corporation considers the compensation practices of a comparator group of similarly-sized Canadian and U.S. companies in the food manufacturing business and retail industry. In determining compensation for the Named Executive Officers, the Committee also considers publicly-disclosed executive compensation information of various Canadian public companies whose revenues, profitability and market capitalization are comparable to those of the Corporation.

On a regular basis, the Committee retains external compensation consultants to analyze total compensation paid by the Corporation and its form to ensure that such compensation is competitive with that paid by companies in the comparator group described above and is effective in achieving the objectives established by the Corporation.

Components of Total Compensation

The aggregate compensation of senior officers of the Corporation, including the Named Executive Officers, consists of four components: base salary, annual cash incentives, equity incentives and retirement plans. The Corporation aims to ensure that each senior officer's compensation is balanced among these four components.

(i) Base Salary

The Committee reviews base salaries for senior officers, including the Named Executive Officers, on a two or three-year basis. Base salaries are set with reference to the criteria and competitive benchmarks set forth above. The Corporation's compensation philosophy with respect to base salaries is to maintain levels at approximately the market median (50th percentile) and to place more upside opportunities on the discretionary incentives. Accordingly, although base salaries are reviewed on a regular multi-year basis, they are relatively de-emphasized and are increased relatively infrequently except in the case of a change of responsibility or promotion.

(ii) Annual Cash Incentives

The senior officers participate in bonus plans based on Economic Value Added (''EVA'') principles, operating performances and quantitative results as determined by the Committee. EVA, for purposes of the bonus plans, is a performance measure of the economic value generated by the assets employed by the Corporation. The determination of EVA evaluates the return generated by the operating performance of the Corporation over the cost of capital, for both debt and equity, employed to generate operating earnings. As a result of the bonus plans, a significant portion of each senior officer's annual compensation is linked to the EVA generated by the business. The EVA bonus plans more closely aligns the bonus aspect of the senior officers' compensation with long-term shareholder objectives of producing sustainable long-term returns well above the cost of capital.

The EVA bonus earned in any year is paid out over a 3-year period, one-third in each subsequent year, commencing with the immediate following year after it is earned. As a result of the payout mechanism, subsequent years' EVA bonus earned impact on the amount of the EVA received by the senior officers and therefore ensures that long-term performance is not sacrificed by decisions to enhance profitability for the short term.

(iii) Equity Incentives

Senior officers participate in the Corporation's Option Plan. Allocations under the Option Plan are intended to provide strong incentives for superior long-term future performance. The Option Plan links compensation to shareholders' interests because the value of the awards is directly related to the Corporation's future stock price.

The Corporation's Option Plan has two objectives:

- to give each option holder an interest in preserving and maximizing shareholder value over the long term; and
- to enable the Corporation to attract and retain individuals with experience and ability and reward individuals for long-term performance and expected future performance.

Options are granted to senior officers based upon a multiple of base salary reflecting their position, length of service and responsibility. For the fiscal year ending December 31, 2002, the multiple ranged from 10 times salary at the most senior levels to 1 times salary at the subsidiary operating level. Options are not granted every year and are reviewed by the Committee as part of its regular review.

Under the Option Plan, individuals can elect to take up Common Shares or the share appreciation value in accordance with the terms of the Option Plan. Options are awarded as part of total compensation without reference to outstanding option grants held by a particular officer although total unvested option entitlements are reviewed at the time of option grants to ensure that the Corporation is within its target of no more than 5% of outstanding Common Shares being subject to options at any time. The Committee examines stock options granted by companies in the comparator group described above to ensure that such option grants to the Corporation's senior officers are competitive. To hold stock options, an individual must be an officer or employee of the Corporation, or of a subsidiary or affiliate of the Corporation.

The maximum number of Common Shares issuable under the Option Plan at any time without first obtaining shareholder approval cannot exceed 7,061,985. As indicated, the Corporation has a target of a maximum of 5% of outstanding Common Shares at any time.

On January 11, 2002 options on 237,000 Common Shares were granted at market price to 19 employees of the Corporation. On January 15, 2003, options on 685,129 Common Shares were granted at market price to 91 employees of the Corporation. Stock option grants of the Corporation as at March 7, 2003 had total unexercised options outstanding of 1,891,135 Common Shares or 1.43% of issued and outstanding Common Shares.

To encourage stock ownership by senior officers of the Corporation and its operating subsidiaries, the Corporation has introduced share ownership guidelines that require a minimum level of ownership of shares of the Corporation and Loblaw set as a percentage of base salary to be achieved over a 5-year period. Requirements are generally at the following aggregate levels: president – 5 times base salary, executive vice presidents – 3 times base salary and senior vice presidents – 2 times base salary.

(iv) Retirement Plans

Senior officers participate in the Corporation's Designated Executive Pension Plan. In addition, senior executives of the Corporation, including the Named Executive Officers, are entitled to a Supplementary Employee Retirement Plan. Information on these plans can be found under "Pension Plan and Long Service Executive Arrangements" on page 7.

Chairman and President's Compensation

The Chairman and President's compensation is considered and determined annually by the Committee. The Chairman and President does not participate in the Committee's or the Board's decisions or votes relating to his compensation.

The aggregate compensation of the Chairman and President consists of four components: base salary, annual cash incentives, equity incentives and retirement plans. The Committee aims to ensure that the compensation is balanced among these four components.

Mr. Weston's salary and bonus were reviewed by the Committee in 2002. Mr. Weston's base salary was $1,600,000 in 2002 and he received a bonus of $1,000,000 based on the financial performance of the Corporation and its subsidiaries.

In establishing the Chairman and President's salary, the Committee considers the publicly-disclosed compensation of chief executive officers of companies whose revenues, profitability and market capitalization are comparable to those of the Corporation. In establishing the Chairman and President's other compensation entitlements, the Committee considers the bonus provided to senior officers based on the achievement of the Corporation's financial targets as reviewed by the Board. In addition, the Committee considers Mr. Weston's contribution to the Corporation in terms of leadership in the management of the Corporation and its subsidiaries, increases in shareholder value, the financial performance of subsidiaries, the effective development and growth of the Corporation, completed acquisitions, and the development of new growth opportunities for the Corporation and its subsidiaries.

This report on executive compensation is presented by the Governance and Compensation Committee of the Board of Directors.

R. Donald Fullerton (Chairman), Robert J. Dart, Peter B.M. Eby and Anthony R. Graham

Governance and Compensation Committee Interlock

During the last year, no executive officer of the Corporation served as (i) a member of the compensation committee (or other committee of the Board performing equivalent functions, or in the absence of any such committee, the entire Board) of another entity, one of whose executive officers served on the Committee of the Corporation; (ii) a director of another entity, one of whose executive officers served on the Committee of the Corporation; or (iii) a member of the compensation committee (or other committee of the Board of Directors performing equivalent functions or in the absence of any such committee, the entire Board of Directors) of another entity, one of whose executive officers served as a director of the Corporation.

Compensation of Directors

In 2002 annual retainers and attendance fees were paid to non-management members of the Board on the following basis: (i) $30,000 annual retainer; (ii) $3,000 for each committee member; (iii) $3,000 for each committee Chairman and (iv) $500 for each Board and Committee meeting attended. Directors who are also officers of the Corporation receive no remuneration as directors.

Effective January 1, 2003, annual retainers and fees were increased as follows: (i) $35,000 annual retainer; (ii) $4,000 for each non-audit committee member; (iii) $3,000 for non-audit committee Chairman; (iv) $5,000 for audit committee member (v) $10,000 audit committee Chairman and (vi) $1,500 for each Board and Committee meeting attended.

In order to align the interests of directors with those of shareholders, directors can elect annually to take all or a portion of their annual retainer(s) and fees in the form of deferred share units. If a director elects to receive deferred share units, units each representing the value of the Common Shares are credited to the director's account each quarter based on the market value of a Common Share. Deferred share units are paid to the director following termination of Board service. Payment will be made in Common Shares, based on the market value of the Common Shares on the date of payment.

The Board recently approved share ownership guidelines for the directors equal to a target shareholding of $250,000. Directors are required to take their annual retainers and fees in deferred share units until they reach this threshold.

Statement of Corporate Governance Practices

The Corporation's Board and management believe that sound corporate governance practices will contribute to the effective management of the Corporation and its achievement of strategic and operational plans, goals and objectives. The Corporation's approach to corporate governance is in full compliance with the Guidelines for Corporate Governance adopted by the TSX in 1995 (the "TSX Guidelines"). The TSX published proposed amendments to the TSX Guidelines in November 2002 which have not yet been adopted.

The Corporation seeks to attain high standards of corporate governance and believes that it has adopted "best practices" in developing its approach to corporate governance. The Committee continues to monitor the proposed amendments to the TSX Guidelines and other changes to applicable laws to ensure that the Corporation's commitment to exemplary corporate governance practice is maintained. A report with specific reference to each of the TSX Guidelines as modified by the November 2002 proposed amendments is attached as Schedule B.

Board of Directors

Independence

The Committee reviews the factual circumstances and relationships of each director nominee to determine whether he or she is related or unrelated within the meaning of the TSX Guidelines as modified by the November 2002 proposed amendments. The Committee believes there will be within the meaning of the TSX Guidelines 7 unrelated and independent director nominees.

These 7 directors, after election, will not have any relationship with Wittington Investments, Limited or W. Galen Weston, the direct and indirect significant shareholders of the Corporation and therefore are considered unrelated and independent.

Accordingly, a majority of the board will be unrelated and independent. The Committee believes this reflects the interest of all shareholders. The following directors will be unrelated and independent: A. Charles Baillie, Peter B.M. Eby, Anne L. Fraser, R. Donald Fullerton, Mark Hoffman, John C. Makinson and J. Robert S. Prichard.

The Corporation is controlled by W. Galen Weston, who owns or controls approximately 62.5% of the total outstanding Common Shares of the Corporation and is a "significant shareholder" within the meaning of the TSX Guidelines. Mr. Weston has a significant common interest with other shareholders with respect to value creation, the well being of the Corporation and the performance of its publicly listed securities. In addition Messrs. Dart and Graham are executive officers of Wittington Investments, Limited and Mrs. Rebanks is a relative of Mr. W. Galen Weston and they are therefore not considered independent. Mr. Leighton provides consulting services to Wittington Investments, Limited and is therefore not considered independent.

Responsibilities and Duties

The Board, directly and through its committees, supervises the management of the business and affairs of the Corporation with the goal of enhancing long-term shareholder value. The Board has adopted a formal mandate and makes major policy decisions, delegates to management the authority and responsibility in day-to-day affairs and reviews management's performance and effectiveness. The Board's expectations of management are communicated directly to management and through committees of the Board.

The Board approves the Corporation's operating budgets which take into account the opportunities and risks of its businesses. Members of the Board attend an annual all-day strategy session with management to discuss and review the Corporation's strategic plans and opportunities. Through the Audit Committee, the Board oversees the Corporation's risk management framework and ensures the integrity of the Corporation's internal control and management information systems. Through the Committee, the Board oversees succession planning and compensation for senior management.

At each Board meeting, the Board meets without management present, to ensure that the Board is able to discharge its responsibilities independently of management. In appropriate circumstances, a director can retain outside advisors with the approval of the Chairman of the Committee.

The Board is also responsible for having in place a process that ensures the effectiveness and accountability of the Board as a whole as well as the committees of the Board. Through the Committee, the Board assesses its performance and the adequacy and form of compensation paid to directors. Each year, the Committee benchmarks directors' compensation against compensation paid by major Canadian public companies in order to ensure that their compensation reflects the responsibilities involved in being a director.

The Board requires that management seek directors' review and approval of:

- strategic corporate direction and corporate performance objectives;
- multi-year and annual business, capital and operating plans and budgets;
- material capital expenditures, acquisitions and divestitures, and restructurings; and
- investment outside of the ordinary course of business.

These matters are in addition to those matters which are required by law to receive Board consideration and approval.

The Board regularly receives reports on the operating results of the Corporation, as well as timely reports on certain operational matters, including insurance, pensions, corporate governance, health and safety and treasury matters.

Code of Business Conduct

The Corporation has a Code of Business Conduct applicable to all officers, directors and employees. In accordance with the Code of Business Conduct requirements, the Audit Committee receives regular compliance reports.

Committee Structure and Mandates

There are 5 committees of the Board: Audit, Governance and Compensation, Pension, Environmental, Health and Safety and Executive. With the exception of the Executive Committee, all of these committees are comprised solely of non-management directors. The Board believes that the composition of its committees ensures that they operate independently from management such that shareholders' interests are protected. Each of the committees has a formal charter established by the Board which is reviewed annually. The committee memberships of the directors are listed in Schedule A.

The following is a brief summary of the committees' responsibilities:

Audit Committee

The Audit Committee, whose members are all financially literate and which includes at least one individual with accounting or related financial experience, is responsible for:

- recommending the appointment of the external auditor;
- reviewing the arrangements for and scope of the audit by the external auditor;
- reviewing the independence of the external auditor;
- considering the adequacy of the systems of internal accounting controls and reviewing any proposed corrective actions;
- reviewing and monitoring the Corporation's policies relating to ethics and conflicts of interests;
- establishing a procedure for the receipt, retention and follow up of complaints regarding the Corporation's accounting internal controls and auditing matters;
- reviewing and monitoring the internal audit function of the Corporation;

- reviewing the integrity of the Corporation's management and information systems;
- reviewing and approving the audit fees paid to the external auditor and pre-approval of non-audit related fees to the external auditor;
- discussing and reviewing with management and the external auditor the Corporation's annual and interim consolidated financial statements, key reporting matters and Management's Discussion and Analysis; and
- approving the Corporation's annual and interim consolidated financial statements and Management's Discussion and Analysis.

Governance and Compensation Committee
The Governance and Compensation Committee is responsible for:

- identifying candidates for membership on the Board;
- assisting in educating directors and assessing their performance on an on-going basis;
- shaping the Corporation's approach to corporate governance and recommending to the Board, corporate governance principles to be followed by the Corporation; and
- discharging the Board's responsibilities relating to compensation and succession planning of the Corporation's senior executives.

The Pension Committee
The Pension Committee is responsible for:

- reviewing the performance of the Corporation's and its subsidiaries' pension plans and the Corporation's pooled pension fund;
- reviewing and recommending managers for the pooled pension fund's portfolio;
- reviewing performance of pooled pension fund managers; and
- reviewing and approving the assumptions used, the funded status and amendments to the Corporation's and its subsidiaries' pension plans.

Environmental, Health and Safety Committee
The Environmental, Health and Safety Committee is responsible for reviewing and monitoring environmental, health and safety policies, procedures, practices and compliance.

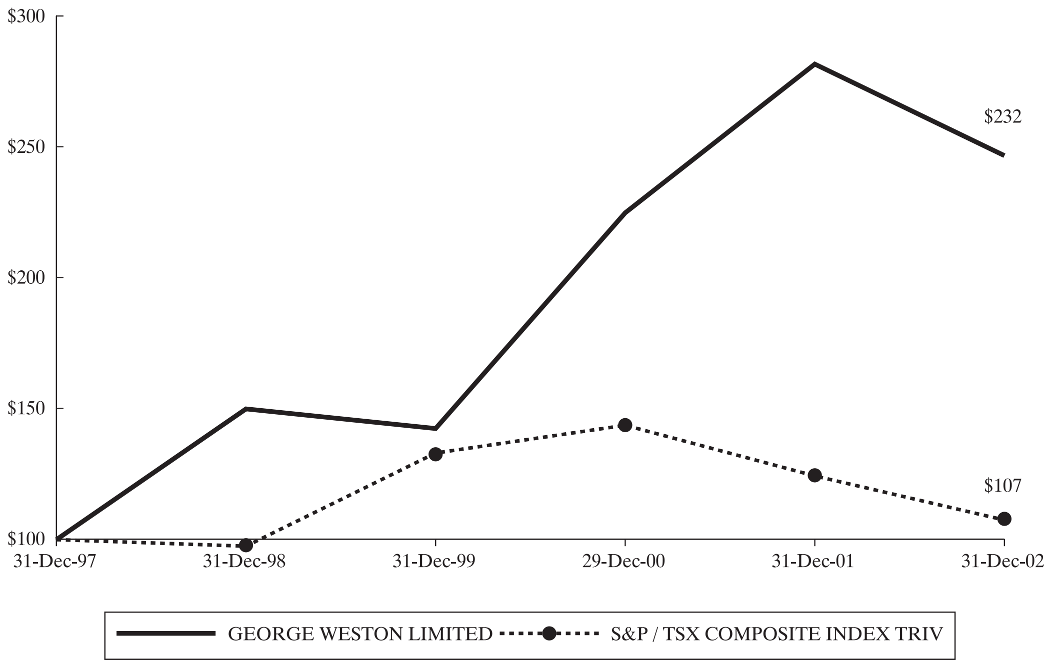
Executive Committee
The Executive Committee possesses all of the powers of the Board except the power to declare common dividends and certain other powers specifically reserved by applicable law to the Board. The Executive Committee acts only when it is not practicable for the full Board to meet.

Disclosure Policy
The Committee has reviewed and adopted a disclosure policy, which provides for interaction with analysts, shareholders and the public to ensure compliance with regulatory requirements and disclosure of information on a timely basis to all shareholders.

Performance Graph

The graph below compares the cumulative total shareholder return on $100 invested in Common Shares on December 31, 1997 with the cumulative total return of the S&P/TSX Composite Index over the same period.

CUMULATIVE TOTAL RETURN
Cumulative Value of a Cdn. $100 Investment Assuming Reinvestment of Dividends



	31-Dec-97	31-Dec-98	31-Dec-99	29-Dec-00	31-Dec-01	31-Dec-02
S&P / TSX COMPOSITE INDEX TRIV	$100	$98	$130	$139	$122	$107
GEORGE WESTON LIMITED	**$100**	**$145**	**$138**	**$212**	**$263**	**$232**

	31-Dec-97	31-Dec-98	31-Dec-99	29-Dec-00	31-Dec-01	31-Dec-02
S&P / TSX COMPOSITE INDEX TRIV	13,868.54	13,648.84	17,977.46	19,309.36	16,881.75	14,782.01

Director and Officer Liability Insurance

The Corporation maintains insurance for the benefit of its directors and officers and the directors and officers of its subsidiaries, as a group, in respect of the performance by them of their duties of their offices. The Corporation believes that coverage limits and deductibles are in line with those maintained by other corporations similar to the Corporation. The annual insurance premium of $205,937 is paid by the Corporation. The insurance limit is $300 million per annum on an aggregate basis or per occurrence basis. There is no deductible in the case of directors and officers and a $250,000 deductible for the Corporation.

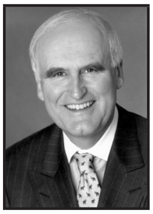
General

Information contained herein, save and except where indicated, is given as of March 7, 2003. The contents and sending of this Circular have been approved by the Board.

Additional copies of the Corporation's latest annual information form (together with the documents or pertinent pages of documents incorporated by reference), the Corporation's consolidated financial statements for 2002 together with the report of the auditor on those statements, any financial statements for periods after 2002 and this Circular can be obtained upon request from the Vice President, Industry and Investor Relations of the Corporation at 22 St. Clair Avenue East, Suite 1800, Toronto, Ontario M4T 2S8. Additional information about the Corporation can also be found at www.weston.ca.

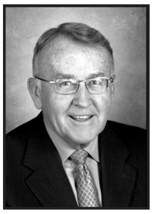
Stewart E. Green
Senior Vice President, Secretary and General Counsel

Schedule A — Directors' Biographies



A. CHARLES BAILLIE, B.A., M.B.A.

Mr. Baillie is Chairman of the Board of Toronto Dominion Bank and was previously Chairman and Chief Executive Officer. Mr. Baillie is a director of Dana Corporation and Ballard Power Systems Inc. He is Chancellor of Queen's University, President of the Art Gallery of Ontario's Board of Trustees and Honorary Chairman of the Canadian Council of Chief Executives.



ROBERT J. DART, B.Comm., F.C.A.

Mr. Dart is Vice Chairman of Wittington Investments, Limited and was formerly President of Wittington Investments, Limited. Mr. Dart was a former senior tax partner of Price Waterhouse Canada. He is a Director of Loblaw Companies Limited, Holt Renfrew & Co., Limited, Brown Thomas Group Limited and Canadian Arthritis Network.

Member of the Audit, Executive and Governance and Compensation Committees

PETER B. M. EBY, B.Comm., M.B.A.

Mr. Eby is a former Vice Chairman and Director of Nesbitt Burns Inc. He was associated with Nesbitt Burns Inc. and its predecessor companies for 38 years in several senior capacities. He is a former Chairman of the Olympic Trust. Mr. Eby is a Director of Westfair Foods Ltd., Leon's Furniture Limited and TD Waterhouse Inc. U.S. Family of Funds.

Member of the Audit and Governance and Compensation Committees

ANNE L. FRASER, B.Sc., LL.D.

Mrs. Fraser is an Education Consultant with the University of Victoria, an Associate Governor of Dalhousie University and an Associate, Faculties of Management, Education, Engineering and Fine Arts at the University of Calgary. She is a Director of Loblaw Companies Limited, Neuroscience Canada Foundation, Bamfield Marine Research Centre and Pier 21 Society.

Chairperson of the Environmental, Health and Safety Committee

R. DONALD FULLERTON, B.A.

Mr. Fullerton retired as Chairman and Chief Executive Officer of Canadian Imperial Bank of Commerce in 1992 and was Chairman of Canadian Imperial Bank of Commerce's Executive Committee until 1999. Mr. Fullerton is a Director of Canadian Imperial Bank of Commerce, Asia Satellite Telecommunications Holdings Ltd., Hollinger Inc., Westcoast Energy Inc. and Partner Communications Company Ltd. He has served on the Boards of many other medical, cultural, educational and business entities during his career.

Chairman of the Audit and Governance and Compensation Committees

ANTHONY R. GRAHAM

Mr. Graham is President and a Director of Wittington Investments, Limited and President and Chief Executive Officer of Sumarria Inc. (Investment management company). Mr. Graham was formerly Vice-Chairman and Director of National Bank Financial and Senior Executive Vice President and Managing Director of Lévesque Beaubien Geoffrion Inc. Mr. Graham is Chairman and a Director of President's Choice Bank and is a Director of Loblaw Companies Limited, Holt Renfrew & Co., Limited, Power Corporation, Power Financial Corporation, Provigo Inc. and Graymont Ltd.

Chairman of the Pension Committee and Member of the Executive and Governance and Compensation Committees

MARK HOFFMAN, B.A., M.A., A.B., M.B.A.

Mr. Hoffman is Chairman of Cambridge Research Group, a technology transfer and investment company and of Guinness Flight Venture Capital Trust plc in the UK. Mr. Hoffman is also a Director of Millipore Corporation and Advent International Corporation in the United States and of Hermes Focus Asset Management Limited, a corporate governance funds manager in the UK of which he was the first Chairman.

Member of the Environmental, Health and Safety and Pension Committees

ALLAN L. LEIGHTON

Mr. Leighton is Chairman of Royal Mail plc, Wilson Connolly Ltd., lastminute.com plc., Cannons Ltd. and former President and Chief Executive Officer of Wal-Mart Europe. Mr. Leighton held executive positions with Asda Stores Ltd. from 1992 to 2000 including Chief Executive. Mr. Leighton is also Deputy Chairman of Leeds Sporting plc and a Director of BSKYB plc, and Dyson Ltd.

Member of the Pension Committee

JOHN C. MAKINSON, B.A., CBE

Mr. Makinson is Chairman and Chief Executive Officer of The Penguin Group and former Group Finance Director of Pearson plc. He is a former Managing Director of Financial Times Newspaper.

Member of the Audit Committee

J. ROBERT S. PRICHARD, O.C., O.Ont.

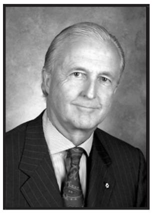
Mr. Prichard is President and Chief Executive Officer and a Director of Torstar Corporation. He is President Emeritus of the University of Toronto where he served as the University's thirteenth president from 1990 to 2000. He is a Director of Bank of Montreal, Onex Corporation, Four Seasons Hotels and Historica.

Member of the Environmental, Health and Safety Committee

M.D. WENDY REBANKS, B.A.

Mrs. Rebanks is Treasurer of The W. Garfield Weston Foundation and a Trustee of the American Museum Trustee Association and the University of Toronto Art Centre. She is a Director of The Canadian Merit Scholarship Foundation. Mrs. Rebanks holds Post Graduate Certificates in Education and Retailing.

Member of the Pension and Environmental, Health and Safety Committees



W. GALEN WESTON, O.C., B.A., LL.D.

Mr. Weston is Chairman and President of George Weston Limited and has been Chairman of Loblaw Companies Limited since 1976. Mr. Weston is also Chairman of Holt Renfrew & Co., Limited and Brown Thomas Group Limited and is President of The W. Garfield Weston Foundation. He is a Director of Associated British Foods plc, Canadian Imperial Bank of Commerce and is a member of the Advisory Board of Columbia University.

Chairman of the Executive Committee

Schedule B — Corporate Governance Practice — (TSX Guidelines)

Summary of TSX proposed guidelines for improved corporate governance	Corporation's Governance Practices
1. The board should explicitly assume responsibility for stewardship of the Corporation and specifically for:	The Board of Directors (the "Board") supervises the management of the Corporation's business and affairs with the goal of enhancing long-term shareholder value. It makes major policy decisions, delegates to management the authority and responsibility for day-to-day affairs and reviews management's performance and effectiveness.
(i) adoption of a strategic planning process and approval of a strategic plan which takes into account, among other things, the opportunities and risks of the business;	The Board approves the Corporation's operating budgets which takes into account the opportunities and risks of the business. A day-long meeting is held every year with senior management and the Board to discuss and review strategic planning and opportunities for the Corporation.
(ii) identification of the principal risks of the Corporation's business and ensuring implementation of appropriate systems to manage those risks;	The Board, through its Audit Committee, reviews the principal risks of the Corporation's businesses and ensures that those risks are effectively managed. The Audit Committee reviews risk management policies and processes. The Audit Committee reviews reports from the internal audit group and reviews internal controls and risk management policies and processes.
(iii) succession planning, including appointing, training and monitoring senior management;	The Governance and Compensation Committee reviews succession planning for senior management, reports from senior management on staffing, organizational structure and succession planning matters.
(iv) communication policy; and	The Governance and Compensation Committee has approved a Corporate Disclosure Policy. The Board reviews and approves the contents of major disclosure documents, including the Annual Report, the Annual Information Form, Management's Discussion and Analysis and this Management Proxy Circular. • procedures are in place to provide timely information to investors and potential investors and to respond to investor inquiries and concerns; • an investor relations group has the responsibility of maintaining communications with the investing public in accordance with policies and procedures and legal disclosure requirements; • the Chairman and President, the Chief Financial Officer and other senior executives meet periodically with financial analysts and institutional investors; • investor relations' staff are available to shareholders by telephone and fax and the investor relations web site at www.weston.ca;

	• quarterly conference calls are broadcast live over the Internet and are accessible on a live and recorded basis via telephone.
(v) integrity of internal control and management information systems.	The Audit Committee requires management to implement and maintain appropriate systems of internal control and assess the adequacy and effectiveness of those systems. Regular reports are provided to the Audit Committee.
2. A majority of directors should be "unrelated" (independent of management and free from any business or other relationship which could, or could reasonably be perceived to, materially interfere with the director's ability to act with a view to the best interests of the Corporation).	Currently, as determined pursuant to the TSX Guidelines, 7 of the persons proposed for election to the Board are "unrelated and independent":
The board has the responsibility for applying the definition of "unrelated" directors for each director.	• The Chairman and President is a "related" director; • Messrs. Dart and Graham are executives of Wittington Investments, Limited and Mrs. Rebanks is a relative of Mr. Weston and they are therefore not considered independent; and • Mr. Leighton receives consulting fees from Wittington Investments, Limited and is therefore not considered independent.
3. The board should appoint a committee of directors composed exclusively of outside directors, a majority of whom are unrelated directors, with responsibility for proposing new nominees to the board and for assessing directors on an ongoing basis.	The Governance and Compensation Committee, composed entirely of non-management directors, identifies, evaluates and recommends nominees for the Board. The Governance and Compensation Committee determines what competencies, skills and personal qualities it should seek in new board members and periodically retains outside consultants to conduct searches for appropriate nominees. The mandate of the Governance and Compensation Committee is summarized under the heading "Statement of Corporate Governance Practices" in this Management Proxy Circular.
4. The board should implement a process, to be carried out by an appropriate committee, for assessing the effectiveness of the board, its committees and the contribution of individual directors.	Every year, the Governance and Compensation Committee reviews the experience and performance of nominees proposed for election to the Board. In addition, a meeting of outside/unrelated directors chaired by the Lead Director is held annually to discuss and review governance matters and any other issues which directors wish to discuss.
5. The board should establish an orientation and education program for new directors.	The Corporation prepares a binder of all relevant material and policies for new directors. The Board ensures that prospective candidates fully understand the role of the Board and its committees and the contribution that individual directors are expected to make, including, the commitment of time required.

Summary of TSX proposed guidelines for improved corporate governance	Corporation's Governance Practices
6. The board should examine its size and undertake, where appropriate, a program to establish a board size which facilitates effective decision-making.	The Board has examined issues related to its size.
7. The board should review the adequacy and form of compensation of directors in light of the risks and responsibilities involved in being a director.	The Governance and Compensation Committee reviews the amount and the form of compensation of directors. In making recommendations, the Governance and Compensation Committee considers the time commitment, responsibilities of directors, as well as comparative data prepared and analyzed by an outside consultant.
8. Committees of the board should generally be composed of non-management directors, a majority of whom are unrelated.	Each committee of the Board except the Executive Committee is composed solely of non-management directors, a majority of whom are unrelated.
9. The board should assume responsibility for, or assign to a committee of directors responsibility for, developing the Corporation's approach to corporate governance issues.	The Governance and Compensation Committee advises and assists the Board in applying governance principles and practices, and tracks developments in corporate governance, adopting best practices where applicable. It also recommends suitable candidates for election to the Board.
10. The board, together with the CEO, should develop position descriptions for the board and for the CEO, including the definition of the limits to management's responsibilities.	Position descriptions or mandates have been developed for the Board, its committees and the Chairman and President. Delegations of authority have been put in place by the Board, to define the limits of management's authority and responsibilities.
11. The board should implement structures and procedures so that it can function independently of management.	The Corporation has a significant shareholder and has established committees composed entirely of non-management directors with specific mandates. In addition, the Board has appointed a Lead Director to act in situations where required or appropriate.
12. The Audit Committee should be composed entirely of unrelated directors.	The Audit Committee is composed entirely of unrelated directors.
All of the members of the Audit Committee should be financially literate and at least one member should have accounting or related financial expertise.	All members of the Audit Committee are financially literate and at least one member has accounting or related financial expertise.
The board shall determine the definition of and criteria for "financial literacy" and "accounting or related financial expertise."	In considering criteria for determinations of financial literacy, the Board looks at the ability to read and understand a balance sheet, an income statement and a cash flow statement.
The board should adopt a charter for the Audit Committee which sets out roles and responsibilities of the Audit Committee which should be specifically defined so as to provide appropriate guidance to Audit Committee members as to their duties.	The charter of the Audit Committee has been approved by the Board and is reviewed annually. It is summarized under the heading "Statement of Corporate Governance Practices in the Circular. The Audit Committee is directly responsible for the oversight of the work of the external auditor.

Summary of TSX proposed guidelines for improved corporate governance	Corporation's Governance Practices
The Audit Committee charter also specifies that the external auditor is accountable to the board and the Audit Committee as representatives of the Shareholders.	The Audit Committee has the sole authority to approve all audit engagement fees and terms as well as the provision of any legally permissible non-audit services provided by the external auditor. The Audit Committee is responsible for reviewing the independence and objectivity of the external auditor, including reviewing relationships between the external auditor and the Corporation which may impact on their independence and objectivity. The Audit Committee also is responsible for reviewing with the external auditor any audit problems or difficulties and management's response. The Committee reviews: • the annual and quarterly financial statements, Annual Information Form and Management's Discussion and Analysis; • prospectuses and press releases relating to the issuance of securities by the Corporation; and • any significant issues reported to management by the internal auditor and management's responses to any such reports.
The Audit Committee should have direct communication channels with the internal and the external auditor to discuss and review specific issues as appropriate.	The Audit Committee mandate provides that the Audit Committee will, at least quarterly, meet separately with the external auditor, the Internal Auditor and senior management, to discuss and review specific issues as appropriate.
The Audit Committee's duties should include oversight responsibility for management reporting on internal control. While it is management's responsibility to design and implement an effective system or internal control, it is the responsibility of the Audit Committee to ensure that management has done so.	The Audit Committee, which has oversight responsibility for management reporting on internal controls, requires that management implement and maintain appropriate internal control procedures. The Audit Committee meets with the internal auditor and with management to assess the adequacy and effectiveness of these systems of internal control.
13. The board should implement a system to enable an individual director to engage an outside advisor, at the Corporation's expense, in appropriate circumstances. The engagement of the outside advisor should be subject to the approval of an appropriate committee of the board.	Individual directors may, with the approval of the Chairman of the Governance and Compensation Committee, engage outside advisors at the expense of the Corporation. The Board's mandate provides that the Board acts in a supervisory role and that any responsibilities not delegated to management remain with the Board. The scope of the Board's supervisory role expressly includes such matters as the strategic planning process, identification and management of risks, succession planning, communications policy, internal controls and governance.
The board should approve or develop the corporate objectives which the CEO is responsible for meeting and assess the CEO against these objectives.	The Board annually approves an operating plan and budget and reviews the performance of the Chairman and President against the achievement of these plans and achievement of stated financial targets.

Summary of TSX proposed guidelines for improved corporate governance	Corporation's Governance Practices
14. The board should implement structures and procedures to ensure that it can function independently of management. The chair or lead director should ensure that the board carries out its responsibilities effectively which will involve the board meeting on a regular basis without management present and may involve assigning responsibility for administering the board's relationship to management to a committee of the board.	The Board is composed of a majority of non-management directors and unrelated directors. In addition, when necessary the Chairman of the Governance and Compensation Committee may serve as a Lead Director. The Board meets independently from management at every Board meeting.

Schedule C — Shareholder Proposal

The following Shareholder Proposal has been submitted for consideration at the Annual Meeting by the Carpenters' Local 27 Benefit Trust Funds, 230 Norseman Street, Etobicoke, Ontario M8Z 6A2. The proposal and statement of support are set out in italics.

Auditor Independence Proposal: *Resolved, that the shareholders of George Weston Limited ("Company") request that the Board of Directors adopt an auditor independence policy providing for the following:*

(1) *That the public accounting firm retained by our Company to provide audit services, or any affiliated company, should not also be retained to provide any consulting or other non-audit services to our Company; and*

(2) *That the proxy circular distributed by our Company disclose all fees paid by the Company to the public accounting firm retained to provide audit services, including a sufficient breakdown of the services so that shareholders can ascertain whether our Company is engaging the firm to provide any consulting or other non-audit services.*

Statement of Support: *The role of independent auditors in ensuring the integrity of the financial statements of public corporations is fundamentally important to the efficient and effective operation of the financial markets. The Public Interest and Integrity Committee of the Canadian Institute of Chartered Accountants ("CICA") recently issued an Exposure Draft of Proposed Canadian Independence Standards for auditors ("Exposure Draft"). In the Foreward, the Committee noted:*

> *Audited financial statements form the cornerstone of the capital markets and independence forms the cornerstone of the audit. Independence is the avoidance of situations that might impair or be seen to impair judgment and objectivity; and maintaining independence is crucial for auditors to have the impartiality required for the dependability of the audited financial statements.*

We believe that today investors seriously question whether auditors are independent of the company and corporate management that retain them. A major reason for this skepticism, we believe, is that management of once admired companies such as Enron, Tyco, and WorldCom have misled investors and their auditors have either been complicit or simply inept. Over the last year hundreds of billions of dollars in market value have vanished as investors have lost confidence in the integrity of markets. A key reason for this lack of confidence is the skepticism investors have in companies' financial statements.

The Exposure Draft recognizes that the provision of certain non-assurance services is incompatible with the independence required when providing an assurance service. The standards proceed to identify a range of services which audit firms would be prohibited from providing their audit clients, including: financial statement preparation services and bookkeeping services; valuation services; internal audit services; hardware of software system design; and legal services, among others.

Notably absent, though, is any outright ban on auditors providing consulting services to audit clients. We believe that utilizing auditors to provide consulting services gives rise to potentially enormous conflicts of interest and significantly compromises an auditor's independence.

Many companies, including ours, either engage their auditors to provide consulting services or provide inadequate disclosure in their proxy statements to ascertain whether they engage their auditors for consulting services. We urge your support for this resolution asking the Board to cease engaging auditors for consulting or other non-audit services and to provide adequate disclosure to ensure investors that it is doing so.

THE BOARD OF DIRECTORS RECOMMENDS SHAREHOLDERS VOTE AGAINST THE PROPOSAL FOR THE FOLLOWING REASONS:

The Corporation, as a publicly listed Corporation, is subject to the rules of various securities agencies, commissions and stock exchanges. The Toronto Stock Exchange (''TSX'') also has a series of guidelines which are clearly outlined in the Corporation's Management Proxy Circular and which the Corporation is in compliance with. Under these proposed rules and guidelines, most of which will come into effect in 2003, the Corporation's Auditor will not be able to provide the following services:

- appraisal or valuation services, or fairness opinions;
- actuarial services;
- internal audit outsourcing services;
- management functions or human resources;
- broker or dealer, investment advisor or investment banking services; and
- legal services and expert services unrelated to the audit.

The Audit Committee of the Corporation has adopted a charter which includes provisions that the Corporation not engage the Auditor in prohibited categories of non-audit services and which also requires pre-approval of the Audit Committee for other permissible categories of non-audit services, performed by the Auditor.

It should also be noted that these rules and guidelines effectively recognize that the external auditor may be the best equipped to render certain categories of services to the Corporation in an efficient and economical manner. The Board of Directors believes that it is appropriate for the Corporation, through its Audit Committee, to preserve its ability to retain its external Auditor for non-audit services in the permitted categories and for other services after review.

In addition, the Board's Audit Committee annually reviews with the Auditor their qualifications, independence and objectivity, including formal written statements delineating all relationships between the Auditor, their affiliates and the Corporation that may impact the Auditor's independence and objectivity.

In light of the restrictions that have already been implemented to ensure auditor independence, the Board of Directors does not believe that an outright prohibition of all non-audit services, as presented in the proposal, is appropriate. The additional information requested in the shareholder proposal is already disclosed in the Corporation's Management Proxy Circular.

Accordingly, the Board of Directors recommends voting against the shareholder proposal.