GEORGE WESTON LIMITED

MANAGEMENT PROXY CIRCULAR

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SECTION 1

Voting Information

About this Document and Related Proxy Materials

We are providing this Management Proxy Circular (the "Circular") and proxy materials to you in connection with the Annual Meeting of Shareholders (the "Meeting") of George Weston Limited (the "Corporation") to be held on Wednesday, May 11, 2005, at 11:00 a.m. (local time), in Constitution Hall, Room 107 of the Metro Toronto Convention Centre, 255 Front Street West, Toronto, Ontario, M5V 2W6, or any adjournment thereof.

This Circular describes the items to be voted on at the Meeting and the voting process, and provides information about executive compensation and our corporate governance practices.

Please see the "Voting Questions and Answers" section below for an explanation of how you can vote on the matters to be considered at the Meeting, whether or not you decide to attend the Meeting.

Unless otherwise indicated, all amounts in this Circular are in Canadian dollars and information is as of March 11, 2005.

Voting Questions and Answers

What is the business of the Meeting?
At the Meeting, shareholders are voting on three items: (1) the election of directors, (2) the re-appointment of the auditor, and (3) the shareholder proposal attached as Schedule B. We are not aware of any other matters to be considered at the Meeting. However, you may also vote on any other business that may properly come before the Meeting.

In addition, the Corporation's management will report on the performance of the Corporation and respond to questions from shareholders.

Who can vote?
Holders of common shares of the Corporation ("Common Shares") as at the close of business on March 30, 2005 are entitled to vote. Each Common Share is entitled to one vote. On March 11, 2005 the Corporation had 129,038,226 Common Shares issued and outstanding.

How do I vote?

- You are a registered shareholder if your name appears on your share certificates. If you are a registered shareholder, you can either vote:
  - in person at the Meeting; or
  - by submitting your voting instructions by proxy, which means that you give another person authority to vote on your behalf.
- You are a non-registered shareholder if your name does not appear on your share certificates. For example, you are a non-registered shareholder if your shares are held in the name of an intermediary (such as a bank, trust company, securities broker, trustee or custodian) or in the name of a clearing agency (such as ADP Investor Communication Services) in which the intermediary participates. If you are a non-registered shareholder, please see below for information on how to vote your shares.

SECTION 1

Voting Information (continued)

If I am a registered shareholder, how do I vote in person?
You do not need to do anything, except attend the Meeting. Do not complete or return the proxy form, as your vote will be taken at the Meeting. You must register with the Corporation's transfer agent, Computershare Trust Company of Canada ("Computershare"), when you arrive at the Meeting. If you wish to vote shares registered in the name of a corporation, the corporation must submit a properly executed proxy to Computershare authorizing you to vote the shares on behalf of the corporation.

If I am a registered shareholder, how do I vote by proxy?
If it is not convenient for you to attend the Meeting, you may vote by proxy on the matters to be considered at the Meeting in one of two ways:

- You can authorize the management representatives named in the enclosed proxy form or through the internet at www.computershare.com/ca/proxy to vote your shares. If returning the proxy by mail, complete the enclosed proxy form by indicating how you want your shares voted. Sign, date and return the proxy form in the envelope provided. Computershare's address for receiving proxies is 100 University Avenue, 9th Floor, Toronto, Ontario, M5J 2Y1.
- You may appoint another person to attend the Meeting on your behalf and vote your shares. If you choose this option, print the person's name in the blank space provided on the back of the enclosed proxy form and you may indicate how you want your shares voted. If returning the proxy form by mail, please use the envelope provided as described above. You may choose anyone to be your proxyholder; the person does not have to be another shareholder. The person you appoint must attend the Meeting and vote on your behalf in order for your votes to be counted. Proxyholders must register with representatives of Computershare when they arrive at the Meeting.

Please remember that your proxy or voting instructions must be received by 5:00 p.m. local time on May 9, 2005 or before any adjournment of the Meeting at which the proxy is to be used.

If I am a non-registered shareholder, how do I vote my shares?
There are two ways that you can vote your shares:

- *In person.* If you wish to attend the Meeting and vote in person, you should do one of the following:
  - If you have received a proxy form from your intermediary, insert your own name in the blank space provided in the proxy form to appoint yourself as proxyholder. If the intermediary has not signed the form, you must sign and date it. Follow your intermediary's instructions for returning the proxy form. Do not otherwise complete the form as your vote will be taken at the Meeting; or
  - If you have received a voting instruction form from your intermediary, follow your intermediary's instructions for completing the form.
- *By proxy.* If it is not convenient for you to attend the Meeting, you should do one of the following:
  - If you have received a proxy form from your intermediary, you may vote by authorizing the management representatives named on the form to vote your shares. If you choose this option, you may complete the proxy form by indicating how you want your shares to be voted. If the intermediary has not signed the

SECTION 1

Voting Information (continued)

proxy form, you must sign and date it. Return the completed proxy form as indicated on the form. Alternatively, you may appoint another person to attend the Meeting on your behalf and vote your shares by printing that person's name in the blank space on the form and indicating how you want your shares to be voted. The person you choose does not have to be another shareholder. The person named on the form must attend the Meeting and vote on your behalf in order for your votes to be counted; or

- If you have received a voting instruction form from your intermediary, follow your intermediary's instructions for completing the form.

How will my shares be voted if I appoint a proxyholder?
Your proxyholder must vote your shares in accordance with your instructions if you have completed and signed the enclosed proxy form correctly and delivered it to Computershare.

If you have not specified how to vote on a particular matter, then your proxyholder can vote your shares as he or she sees fit. If you have appointed the management representatives named on the enclosed form of proxy as your proxyholder, and you have not specified how you want to vote, your shares will be voted as follows:

- **FOR the election of the directors;**
- **FOR the re-appointment of the auditor; and**
- **AGAINST the shareholder proposal attached as Schedule B.**

What happens if any amendments are made to these matters or if other matters are properly brought before the Meeting?
Your proxyholder will have discretionary authority to vote your shares as he or she sees fit. As of the date of this Circular, management knows of no such amendment, variation or other matter expected to come before the Meeting.

If I change my mind, how do I revoke my proxy or voting instructions?
If you are a registered shareholder and have returned a proxy form or given voting instructions, you may revoke them in any of the following ways:

- By completing and signing a proxy form with a later date than the proxy form you previously returned, and delivering it to Computershare;
- By delivering a written statement signed by you or your attorney authorized in writing:
  - at the offices of Computershare at any time before the close of business on May 9, 2005 or, if the Meeting is adjourned before 5:00 p.m. EST on the second last business day or before any adjournment thereof; or
  - in person to the Secretary of the Meeting before the Meeting starts; or
- In any other manner permitted by law.

SECTION 1

Voting Information (continued)

How many votes are 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.

Who is soliciting my proxy?
Management of the Corporation is soliciting proxies for use at the Meeting and any adjourned meeting. The Corporation is soliciting proxies by mail and its employees may also solicit them personally. The cost of such solicitation will be borne by the Corporation.

Is my vote confidential?
Yes. Computershare independently counts and tabulates the proxies to preserve the confidentiality of individual shareholder votes. 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.

Controlling Shareholder

Mr. W. Galen Weston beneficially owns directly and indirectly through Wittington Investments, Limited and other companies which he controls 80,684,148 Common Shares representing 62.53% of the outstanding Common Shares of the Corporation.

SECTION 2

Business of the Meeting

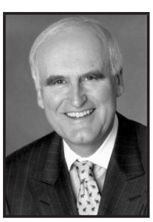
Financial Statements and Auditor's Report

The consolidated financial statements of the Corporation for the financial year ended December 31, 2004 and the auditor's report thereon are included in the 2004 Annual Report which has been mailed to shareholders with this Circular.

Election of Directors

On March 11, 2005 the board of directors of the Corporation (the "Board"), in accordance with the Corporation's by-laws, determined that the number of directors to be elected at the Meeting will be 13. It is proposed that the persons named below be nominated for election as directors of the Corporation. All are currently directors of the Corporation and all nominees have established their eligibility and willingness to serve as directors. Management does not believe that any of the nominees will be unable to serve as director, 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 following pages set out the names of proposed nominees for election as directors, together with their age, municipality and place of residence, year first elected or appointed as a director, principal occupation, other principal directorships and Committee memberships. Also indicated for each person proposed as a director is the number of Common Shares beneficially owned by him or her or over which he or she exercises control or direction and the number of other securities of the Corporation and Loblaw Companies Limited ("Loblaw") held by him or her on March 11, 2005.



A. Charles Baillie, 65
Toronto, Ontario

Common Shares: 15,000
Deferred Share Units: 1,182
Securities of Loblaw Companies Limited: 5,000(iii)

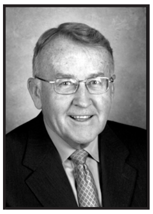
Mr. Baillie, (Corporate Director) is the retired Chairman of the Board and the former Chairman and Chief Executive Officer of Toronto Dominion Bank. He graduated from the University of Toronto with a B.A. and from Harvard Business School with an M.B.A.

Mr. Baillie is also a Director of Dana Corporation, Ballard Power Systems Inc., Canadian National Railway Company and Telus Corporation. 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.

George Weston Board Details:
- Director since 2003
- Independent Director
- Member: Audit Committee (Alternate Chair)
- Meets share ownership guidelines

SECTION 2

Business of the Meeting (continued)



Robert J. Dart, F.C.A; 66
Toronto, Ontario

Common Shares: 28,000
Other securities of George Weston Limited: 2000[i]/4,000[ii]
Securities of Loblaw Companies Limited: 5,000[iii]

Mr. Dart is Vice Chairman of Wittington Investments, Limited (an affiliate of the Corporation and investment company) and was formerly President of Wittington Investments, Limited. He is a former senior tax partner of Price Waterhouse Canada. He graduated from the University of Toronto with a B.Comm. Mr. Dart is a chartered accountant.

Mr. Dart is also a Director of Loblaw Companies Limited, Holt, Renfrew & Co., Limited and Brown Thomas Group Limited.

George Weston Board Details:
- Director since 1994
- Non-Independent Director, Executive Officer of Wittington Investments, Limited
- Meets share ownership guidelines

Peter B. M. Eby, 66
Toronto, Ontario

Common Shares: 2,000
Deferred Share Units: 2,604
Securities of Loblaw Companies Limited: 5,000[iii]

Mr. Eby, (Corporate Director) 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. He graduated from the University of Toronto with a B.Comm. and from University of California — Berkeley with an M.B.A.

Mr. Eby is also a Director of Leon's Furniture Limited, Provigo Inc., Sixty Split Corporation, R. Split II Corporation and TD Waterhouse Inc. U.S. Family of Funds.

George Weston Board Details:
- Director since 2000
- Independent Director
- Member: Audit Committee; Executive Committee and Governance, Human Resource, Nominating and Compensation Committee (Chair)
- Meets share ownership guidelines

SECTION 2

Business of the Meeting (continued)

Phillip W. Farmer, 66
Melbourne, Florida

Common Shares: 500
Deferred Share Units: 1,146

Mr. Farmer is the retired Chairman of the Board, President and Chief Executive Officer of Harris Corporation (communications and equipment company) located in Melbourne, Florida and held several senior positions with that company since 1982. Mr. Farmer is a past Chairman of the Executive Committee of the Manufacturer's Alliance. He graduated from Duke University with a B.Sc.

He is also a Director of Vulcan Materials Company, AuthenTec, Inc. and a former Governor of the Aerospace Industries Association. Mr. Farmer is a former member of the U.S. Secretary of Defense's Defense Policy Advisory Committee on Trade and is Vice Chairman of the Board of Trustees of the Florida Institute of Technology.

George Weston Board Details:
- Director since 2003
- Independent Director
- Member: Audit Committee; and Environmental, Health and Safety Committee
- Complying with share ownership guidelines by receiving all director fees in Deferred Share Units.

Anne L. Fraser, 64
Calgary, Alberta

Common Shares: 1,500
Deferred Share Units: 1,065
Other securities of George Weston Limited: 500[i]
Securities of Loblaw Companies Limited: 500[iii]/2,100[iv]

Mrs. Fraser, (Corporate Director) is an Education Consultant with the University of Victoria, an Associate Governor of Dalhousie University and an Associate, Faculties of Management, Education, Engineering, Law and Fine Arts at the University of Calgary and President of EnerG Enterprises Inc. She is a former broadcaster with CBC. Mrs. Fraser graduated from Acadia University with a B.Sc.

Mrs. Fraser is currently a Director of Loblaw Companies Limited, Neuroscience Canada Foundation, Bamfield Marine Research Centre and Pier 21 Society.

George Weston Board Details:
- Director since 1995
- Independent Director
- Member: Environmental, Health and Safety Committee (Chair)
- Meets share ownership guidelines

SECTION 2

Business of the Meeting (continued)

Anthony R. Graham, 48
Toronto, Ontario

Common Shares: 10,000
Deferred Share Units: 1,653
Securities of Loblaw Companies Limited: 10,000[iii]/2,810[iv]

Mr. Graham is a Director and President of Wittington Investments, Limited and President and Chief Executive Officer of Sumarria Inc. Mr. Graham was formerly Vice-Chairman of National Bank Financial and Senior Executive Vice President and Managing Director of Lévesque Beaubien Geoffrion Inc.

Mr. Graham is also Chairman and a Director of both Graymont Limited and President's Choice Bank (a subsidiary of the Corporation). He is also a Director of Loblaw Companies Limited, Brown Thomas Group Limited, Holt, Renfrew & Co., Limited, Power Corporation of Canada, Power Financial Corporation, Provigo Inc. (a subsidiary of the Corporation), and Selfridges & Co. Ltd.

George Weston Board Details:
- Director since 1996
- Non-Independent Director, Executive Officer of Wittington Investments, Limited
- Member: Executive Committee; Governance, Human Resource, Nominating and Compensation Committee and the Pension and Benefits Committee (Chair)
- Meets share ownership guidelines

Mark Hoffman, 66
London, England

Common Shares: 36,000
Securities of Loblaw Companies Limited: 6[iii]

Mr. Hoffman is Chairman of Cambridge Research Group, (technology transfer and investment company) and of Guinness Flight Venture Capital Trust plc in the U.K. He graduated from Cambridge University with a B.A. and an M.A. in Economics and from Harvard University with an A.B. in Engineering and Applied Physics and an M.B.A.

Mr. Hoffman is also a Director of Millipore Corporation and Advent International Corporation and of Hermes Focus Asset Management Limited in the U.K. and of Glenhuron Bank Limited and Glenmaple Reinsurance Limited (both subsidiaries of the Corporation).

George Weston Board Details
- Director since 1975
- Independent Director
- Member: Environmental, Health and Safety Committee; and Pension and Benefits Committee
- Meets share ownership guidelines

SECTION 2

Business of the Meeting (continued)

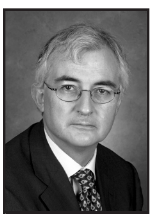
Allan L. Leighton, 51
London, England

Common Shares: 1,000
Deferred Share Units: 1,906

Mr. Leighton is Chairman of Royal Mail Group (U.K. postal service). He is the 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 attended Magdalen College School and Harvard University.

Mr. Leighton is also a Director of BHS Ltd., BskyB plc and Selfridges & Co. Ltd.

George Weston Board Details:
- Director since 2000
- Non-Independent Director, a consultant to the Corporation.
- Member: Pension and Benefits Committee
- Meets share ownership guidelines



John C. Makinson, CBE, 50
London, England

Common Shares: 1,380
Deferred Share Units: 2,443

Mr. Makinson is Chairman and Chief Executive Officer of The Penguin Group, (international media company) and former Group Finance Director of Pearson plc. He is a former Managing Director of the Financial Times newspaper. He graduated from Cambridge University with a B.A.

He is also a Director of Pearson plc, Recoletos SA and Interactive Data Corporation Inc.

George Weston Board Details:
- Director since 1997
- Independent Director
- Member: Audit Committee
- Meets share ownership guidelines

J. Robert S. Prichard, O.C., O.ONT., 56
Toronto, Ontario

Common Shares: 2,000
Deferred Share Units: 2,069

Mr. Prichard is President and Chief Executive Officer and a Director of Torstar Corporation (media and newspaper company). He is President Emeritus of the University of Toronto where he served as the University's thirteenth president from 1990 to 2000. He graduated from the University of Chicago with an M.B.A. from the University of Toronto with an LL.B and from Yale Law School with an LL.M.

He is also a Director of Bank of Montreal, Onex Corporation and Four Seasons Hotels.

George Weston Board Details:
- Director since 2000
- Independent Director
- Member: Governance, Human Resource, Nominating and Compensation Committee
- Meets share ownership guidelines

SECTION 2

Business of the Meeting (continued)

M. D. Wendy Rebanks, 73
Toronto, Ontario

Common Shares: 494,547
Other securities of George Weston Limited: 43,300[i]/60,000[ii]
Securities of Loblaw Companies Limited: 20,380[iii]

Mrs. Rebanks, (Corporate Director) is Treasurer of The W. Garfield Weston Foundation and a Trustee of the American Museum Trustee Association and of the University of Toronto Art Centre. She graduated from McGill University with a B.A. and from London University with a Certificate in Education and from New York University with a Certificate in Retailing.

She is also a Director of The Canadian Merit Scholarship Foundation.

George Weston Board Details:

- Director since 1994
- Non-independent Director and related to Mr. W. Galen Weston
- Member: Environmental, Health and Safety Committee and Pension and Benefits Committee
- Meets share ownership guidelines

Galen G. Weston, 32
Toronto, Ontario

Common Shares: 255,000
Securities of Loblaw Companies Limited: 290,000[iii]

Mr. Weston is Senior Vice President, Corporate Development of Loblaw Companies Limited (retail supermarket and food distribution company). He was previously Vice President, Operations, No Frills and Senior Director of e-Commerce Development for Loblaw Companies Limited prior to which he was manager of Retail Execution at President's Choice Financial and an Investment Banking Analyst for Salomon Brothers in the U.K. He graduated from Harvard University with a B.A. and from Columbia University with an M.B.A.

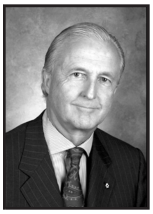
Mr. Weston is also a Director of Wittington Investments, Limited. He is a trustee of The W. Garfield Weston Foundation and a Governor of the Shaw Festival.

George Weston Board Details:

- Director since 2003
- Non-independent Director, Executive Officer of Loblaw Companies Limited and related to Mr. W. Galen Weston
- Meets share ownership guidelines

SECTION 2

Business of the Meeting (continued)



W. Galen Weston, O.C., 64
Toronto, Ontario

Common Shares: 80,684,148
Securities of Loblaw Companies Limited: 173,316,835[iii]

Mr. Weston is Chairman and President of the Corporation and has been Chairman of Loblaw Companies Limited since 1976. He received a B.A. and was awarded an Honorary Doctor of Laws Degree from the University of Western Ontario.

Mr. Weston is also Chairman of Holt, Renfrew & Co., Limited, Brown Thomas Group Limited and Selfridges & Co. Ltd. He is President of The W. Garfield Weston Foundation.

Mr. Weston is also a Director of Associated British Foods plc, and is a Member of the Advisory Board of Columbia University.

George Weston Board Details:
- Director since: 1967
- Non-independent Director, Chief Executive Officer of the Corporation.
- Member: Executive Committee (Chair)
- Meets share ownership guidelines

(i) Preferred Shares Series I of the Corporation

(ii) Preferred Shares Series II of the Corporation

(iii) Common Shares of Loblaw Companies Limited

(iv) Deferred Share Units of Loblaw Companies Limited

SECTION 2

Business of the Meeting (continued)

Appointment of Auditor

The directors propose that the firm of KPMG LLP be appointed as the auditor of the Corporation for the 2005 fiscal year. As part of the Corporation's corporate governance practices, the Board has acted to ensure a policy is in place limiting the auditor from providing consulting services unrelated to the audit unless such non-audit services provided by the auditor are pre-approved by the Audit Committee.

The aggregate fees of KPMG LLP for professional services rendered for the audit of the Corporation's financial statements and other services for the fiscal years 2004 and 2003 are as follows.

	2004 $(000's)	2003 $(000's)
Audit fees(1)	3,416	3,171
Audit-related fees(2)	973	958
Tax consultant fees(3)	82	433
All other fees(4)	37	929
Total Fees	4,508	5,491

(1) Audit fees include fees for services related to the audit of the Corporation's consolidated financial statements.

(2) Audit-related fees include assurance and related services that are performed by the Corporation's auditors. These services include accounting consultations in connection with the review of quarterly reports to shareholders, pension plans, comfort letters and the interpretation of accounting and financial reporting standards.

(3) Tax consultant fees include fees for assistance with tax planning, including commodity tax issues.

(4) Other fees include fees for risk management services, labour relations, internal control documentation, legislative and/or regulatory compliance services.

Shareholder Proposals

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

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 2006 is December 24, 2005.

SECTION 3

Board of Directors Compensation and Attendance

Directors' Compensation

Directors who are also officers of the Corporation receive no additional remuneration as directors.

Annual retainers paid quarterly and attendance fees were paid to other members of the Board on the following basis during fiscal 2004:

TYPE OF FEE	AMOUNT
	$
Annual Retainer	
• board member	50,000
• non-audit committee chair	3,000
• non-audit committee member*(1)*	4,000
• audit committee chair	10,000
• audit committee member*(1)*	5,000
Attendance Fees	
• board or committee meeting	2,000
• meeting of half day or more attended at the request of the Board or a Committee	2,000

(1) including committee chairs

Through the Governance, Human Resource, Nominating and Compensation Committee (the "Governance Committee"), the Board assesses the adequacy and form of compensation paid to directors. A meeting of independent directors is held to review these issues along with other governance issues raised by directors. Periodically, the Governance Committee benchmarks directors' compensation against compensation paid by major Canadian public companies in order to ensure that their compensation reflects their responsibilities in being a director of the Corporation.

Deferred Share Units

To ensure that directors' compensation is aligned with shareholder interests, directors may receive up to 100% of their fees in Deferred Share Units ("DSUs"). A DSU is an amount owed by the Corporation to directors having the same value as one Common Share determined at the time the fees are earned but is not paid until such time as the director leaves the Board, thereby providing an ongoing equity stake in the Corporation throughout the director's period of Board service. Payment of DSUs is in Common Shares purchased on the open market.

In fiscal 2004, 7 directors elected to take all or part of their annual retainer and meeting fees in DSUs. As at December 31, 2004 the amount owing in respect of DSUs currently outstanding to Board members was $1,884,406.

Compensation and Attendance Information

Under share ownership guidelines adopted by the Board, directors are required to hold Common Shares of the Corporation and/or of Loblaw or DSUs with a value of not less than $250,000. Until this position is achieved, directors must take a portion of their compensation from the Corporation in the form of DSUs. All current directors meet these share ownership guidelines. Mr. P. Farmer who was elected to the Board on August 28, 2003 is receiving all his director fees in DSUs and is complying with the guidelines.

SECTION 3

Board of Directors Compensation and Attendance (continued)

The following table reflects compensation earned by non-management directors in respect of fiscal 2004[(a)]:

Name	Board Retainer	Committee Chair Retainer	Committee Member Retainer	Board Attendance Fees	Committee and Other Attendance Fees	Total Fees
	($)	($)	($)	($)	($)	($)
A. Charles Baillie	50,000		5,000	12,000	12,000	79,000
Peter B.M. Eby	50,000	3,000	9,000	12,000	40,000	114,000
Phillip W. Farmer	50,000		9,000	12,000	18,000	87,000
Anne L. Fraser	50,000	3,000	4,000	10,000	6,000	75,000
R. Donald Fullerton	50,000	10,000	9,000	10,000	22,000	101,000
Mark Hoffman[(b)]	50,000		8,000	10,000	16,000	84,000
Allan L. Leighton[(c)]	50,000		4,000	10,000	8,000	72,000
John C. Makinson	50,000		5,000	8,000	14,000	77,000
J. Robert S. Prichard	50,000		4,000	12,000	10,000	76,000
M. D. Wendy Rebanks	50,000		8,000	12,000	12,000	82,000
Total:	500,000	16,000	65,000	108,000	158,000	847,000

Notes:

(a) Directors are reimbursed for transportation and other expenses incurred for attendance at Board and Committee meetings.

(b) During 2004, Mr. Hoffman received additional director fees from Glenhuron Bank Limited and Glenhuron Re-insurance Limited in the amount of US$14,000.

(c) During 2004, Mr. Leighton earned consulting fees from the Corporation in the amount of $500,000 and will be eligible for a performance based fee consistent with senior executives of the Corporation.

SECTION 3

Board of Directors Compensation and Attendance (continued)

Summary of Attendance

The following table provides a summary of attendance for each Board and Committee member during fiscal 2004.

Director	Board Meetings Attended	Audit Committee Meetings Attended	Environmental, Health and Safety Committee Meetings Attended	Governance, Human Resource, Nominating and Compensation Committee Meetings Attended	Pension and Benefits Committee Meetings Attended
A. Charles Baillie	6 of 6	6 of 7			
Robert J. Dart	5 of 6				
Peter B.M. Eby	6 of 6	6 of 7		4 of 4	
Phillip W. Farmer	5 of 6	6 of 7	3 of 4*		
Anne L. Fraser	6 of 6		3 of 4		
R. Donald Fullerton	5 of 6	7 of 7		4 of 4	
Anthony R. Graham	6 of 6			4 of 4	4 of 4
Mark Hoffman	5 of 6		4 of 4		4 of 4
Allan L. Leighton	5 of 6				2 of 4
John C. Makinson	4 of 6	7 of 7			
J. Robert S. Prichard	6 of 6		1 of 4**	4 of 4	
M. D. Wendy Rebanks	6 of 6		3 of 4		3 of 4
Galen G. Weston	5 of 6				
W. Galen Weston	6 of 6				

* Mr. P. Farmer joined the Audit Committee and Environmental, Health and Safety Committee May 12, 2004 and has attended all Audit Committee and Environmental, Health and Safety Committee Meetings since his appointment.

** Mr. R. Prichard joined the Governance, Human Resource, Nominating and Compensation Committee on May 12, 2004 and resigned from the Environmental, Health and Safety Committee on May 12, 2004. He attended all meetings of the Environmental, Health and Safety Committee prior to his resignation from that Committee.

SECTION 4

Executive Compensation

Report on Executive Compensation

The responsibilities of the Governance Committee are summarized under "Statement of Corporate Governance Practices" on page 27. Among other matters, the Governance Committee is responsible for reviewing and approving overall compensation policies and reviewing, approving and recommending compensation for senior employees of the Corporation and its operating subsidiaries and forms of compensation, including for those Named Executive Officers listed in the Summary Compensation Table on page 23.

As of March 11, 2005, the members of the Governance Committee were Peter B. M. Eby (Chairman), R. Donald Fullerton, Anthony R. Graham and J. Robert S. Prichard. All members of the Governance Committee are independent except for Mr. Graham who is an executive officer of Wittington Investments, Limited the Corporation's controlling shareholder.

Compensation Philosophy

The Corporation's compensation arrangements for its senior employees are intended to attract, retain and motivate high caliber employees who can effectively contribute to the long-term success and objectives of the Corporation. Senior employees 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 employees, including base salary, annual cash incentives and long-term equity incentives, within the first quartile (75^{th} percentile) of that paid by companies in the comparator group described below, for positions with equivalent responsibilities and scope.

Independent Advice and Comparator Group

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

In determining compensation for senior employees, including the Named Executive Officers, the Governance Committee considers the compensation practices of a comparator group of Canadian and U.S. companies in the food manufacturing and retail industries. In determining compensation for the Named Executive Officers, the Governance 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. This information is compiled and analyzed by a third party consultant retained by the Governance Committee which then provides the information to the Governance Committee along with its recommendations.

Components of Total Compensation

The aggregate compensation of senior employees of the Corporation, including the Named Executive Officers, consists of four components: base salary, annual cash incentives, long-term equity-based incentives and retirement arrangements. The Corporation aims to ensure that each senior employee's compensation consists of base salary, annual cash incentives, and long term equity-based incentives with greater total emphasis on the variable components of compensation.

SECTION 4

Executive Compensation (continued)

For fiscal 2005, the Governance Committee approved a shift in the mix of executive compensation for senior employees of the Corporation. The changes reduce the use of stock options by approximately one-third compared to previous years and introduce new performance criteria for future options to be granted under the Corporation's Stock Option Plan (''Option Plan''). Vesting of options granted after January 1, 2005 to Weston Foods' Canadian and U.S. employees will be dependent on the Weston Foods businesses achieving targeted levels of operating income performance during the vesting period of the options. In addition, a new long term equity-based incentive in the form of Restricted Share Units (''RSUs'') will be introduced. Lastly, an annual incentive bonus based on similar economic value added principles as described below and determined for Weston Foods' Canadian and U.S. businesses will be implemented in 2005.

Base Salary

The Governance Committee reviews base salaries for senior employees, including the Named Executive Officers, every 2 or 3 years (other than the base salary of the Chairman and President, which is reviewed annually). Base salaries are set with reference to the criteria and competitive benchmarks reviewed and provided by third party consultants and approved by the Governance Committee. The Corporation's compensation philosophy with respect to base salaries is to maintain levels at approximately the market median (50^{th} percentile) and to place more upside opportunities on the discretionary performance-related incentives of annual cash incentives and long-term equity based incentives. Accordingly, although base salaries are reviewed on a regular multi-year basis, they are relatively de-emphasized.

Annual Cash Incentives

In 2004, management intended to introduce an economic value added (''EVA'') bonus program similar to that of Loblaw as described below. As a result of the significant decline in profitability of the Weston Foods U.S. business, a decision was made to defer the introduction of the EVA bonus plan until approval of a revised three year strategic plan for the business by the Board of Directors which was completed in December 2004.

Therefore, similar to prior years, in 2004 bonuses for senior operating employees of the Canadian operations were based, on the achievement of a targeted level of operating income for the Canadian business. The level of bonus received was dependent on position, years of service and level of responsibility. The Weston Foods' Canadian business met targeted budgets and therefore actual bonuses earned for 2004 ranging from 30% to 50% of base salary were paid to eligible Weston Foods' employees. Ralph A. Robinson, as President of Weston Foods Canada, earned a bonus of $421,076 for 2004 as approved by the Governance Committee.

Senior operating employees of the U.S. operations, with the exception of Mr. Prince who elected not to receive a bonus for 2004, received discretionary bonuses, which, given the decline in the profitability of the U.S. business, were based primarily on individual performance. Generally, these bonuses were at a level of 25% of the bonuses paid to the employees in prior years.

Including the bonus paid to Mr. Robinson, bonuses for 2004 were paid to a total of 27 senior operating employees in Weston Foods' Canadian and U.S. operations in the approximate amount of $2.2 million.

For fiscal 2005, senior employees of Weston Foods Canada and U.S. will participate in an EVA bonus plan which is based on factors similar to those set out in the description of the Loblaw EVA plan below. EVA targets will be based on budgeted levels of operating income and capital expenditures as stated in the 3 year (2005-2007) strategic plan

SECTION 4

Executive Compensation (continued)

approved by the Board. Bonuses paid to Canadian employees will be based on targets approved for the Canadian business while those paid to U.S. employees will be based on targets approved for the U.S. business.

As a result, a significant portion (up to approximately 50%) of each senior operating employees' annual total cash compensation over the 3 year plan period is linked to the EVA generated by each of the Weston Foods' businesses. The EVA bonus plan more closely aligns the bonus component of the senior employees' compensation with long-term shareholder objectives of producing sustainable long-term returns above the cost of capital.

Senior employees of Loblaw participate in an annual cash bonus plan based on EVA principles which measures the economic value generated by the assets employed by Loblaw. Using this measure for purposes of calculating payments under the bonus plan allows the Governance Committee to:

- measure and link bonuses earned to capital investment decisions and operating results which, over time, create shareholder value;
- measure the effectiveness of allocation of capital; and
- focus on longer term value creation.

EVA reflects the operating performance of Loblaw while taking into account the cost of capital employed to generate operating income. Cost of capital is the economic cost of all capital employed in Loblaw's businesses and includes working capital, cost of debt (including off-balance sheet items such as types of leases) and cost of equity. Revenue enhancements and cost reduction programs requiring no additional capital investment increase return on capital employed and increase EVA. Capital reductions where existing assets are earning less than the cost of capital and investing additional capital for growth where the return exceeds the cost of capital generate positive EVA results.

As a result of the annual bonus plan, a significant portion (not to exceed 50%) of each senior employee's annual total short term compensation is linked to the EVA generated by Loblaw's businesses. The application of EVA in the annual bonus plan more closely aligns the bonus component of the senior employee's compensation with long-term shareholder objectives of producing sustainable long-term returns above the cost of capital. By measuring the economic value added, EVA integrates the combined productivity of all factors of production which focuses both on operating income generation and the efficient management of assets.

The EVA bonus earned in any year is paid out in cash over a 3-year period, with one-third being paid in each year commencing with the year immediately after the bonus is earned. As a result of the payout mechanism, subsequent years' EVA bonuses earned can either increase or decrease the amount of the net payment received by the senior employees and therefore ensures that long-term performance is not sacrificed by decisions to enhance profitability for the short term.

Equity-Based Incentives

Senior employees of the Corporation participate in the Corporation's Option Plan and will participate in the Corporation's Restricted Share Unit Plan ("RSU Plan"). Allocations under these plans are intended to provide strong incentives for superior long-term future performance consistent with shareholders objectives. The Option Plan and RSU Plan link compensation to shareholders' interests because the value of the awards is directly related

SECTION 4

Executive Compensation (continued)

to the Corporation's future stock price. Loblaw also has a Stock Option Plan and an RSU Plan for the majority of its senior employees, details of which are provided in the Loblaw Management Proxy Circular filed on SEDAR.

The Corporation's equity-based incentive plans have 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 to reward individuals for long-term performance and expected future performance.

(i) Option Plan

Options granted in years prior to 2005 vest over a period of five years at 20% per year. Options to be granted after January 1, 2005 to Weston Foods' Canadian and U.S. employees will vest over a period of five years at 20% per year, provided that in any such year at least 90% of the operating income target in the 3 year strategic plan approved by the Board of Director's for the Weston Foods business (both Canadian and U.S. operations combined) is achieved. These performance targets have been set for the next 3 years by the Board based on Weston Foods' 3 year strategic plan and will be set for years 4 and 5 of the vesting period based on the next 3-year strategic plan as approved by the Board in 2007. In the event that the operating income target for any one year in the vesting period is not met, the options do not vest. However, vesting will occur if the cumulative operating income targets for the vesting period are met.

The Corporation maintains the total number of Common Shares reserved for issuance under the Option Plan, at 5% or less of the total number of issued and outstanding Common Shares of the Corporation. In addition, in most cases (other than for grants made to U.S. participants after January 1, 2005), recipients receive cash representing the share appreciation value, not shares. This avoids the dilutive effect of increasing the number of Common Shares in respect of the Option Plan. Stock options are granted to most employees executives which does not result in any significant concentration of options held by any one employee.

Options are awarded as part of total compensation without reference to outstanding option grants held by a particular employee 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 Governance Committee examines stock options granted by companies in the comparator group described above to ensure that such option grants to the Corporation's senior employees are competitive.

Options are granted to senior employees based upon an option value at the time of grant which is a multiple of base salary reflecting their position, length of service and responsibility. Historically, the multiple ranges from 10 times salary for the operating Presidents to 1 times salary dependant on position, years of service and responsibility. Options are not granted every year and are reviewed by the Governance Committee as part of its regular review of compensation, generally on a 3 year cycle. Messrs. W. Galen Weston, John A. Lederer and Richard P. Mavrinac participate in the Loblaw Option Plan and RSU Plan, details of which are provided in the Loblaw Management Proxy Circular.

The maximum number of Common Shares issuable under the Option Plan at any time without first obtaining shareholder approval cannot exceed 7,061,985. Stock option grants of the Corporation as at March 11, 2005 had

SECTION 4

Executive Compensation (continued)

total unexercised options outstanding of 1,083,910 Common Shares or .8% of issued and outstanding Common Shares.

The Corporation intends to grant additional stock options to senior employees in 2005 in accordance with the Option Plan.

(ii) RSU Plan

On March 11, 2005, the Governance Committee approved the RSU Plan for senior employees of the Corporation and its affiliates to ensure that compensation remains competitive and to foster retention. Restricted Share Units (RSUs) give the holders no rights to Common Shares, but are units which entitle the holder under certain conditions to a cash payment during the third calendar year following the date of their award. This payment will be the equivalent of the average closing price of a Common Share on the TSX for the ten days preceding the date which is the end of the performance period times the number of RSUs held by the employee.

The Corporation intends to grant RSUs to senior employees in 2005 in accordance with the RSU Plan.

Share Ownership Guidelines

To encourage stock ownership by senior employees of the Corporation and its operating subsidiaries, effective January 1, 2003, the Corporation adopted share ownership guidelines to be achieved over a 5-year period. Certain senior executives are required to hold a minimum level of ownership of Common Shares of the Corporation and/or of Loblaw set as a percentage of base salary. Requirements are generally at the following aggregate levels: President — 5 times base salary, other Named Executive Officers — 3 times base salary and certain senior vice presidents — 2 times base salary.

The beneficial share ownership of each Named Executive Officer other than for the significant shareholder is:

John A. Lederer — 75,000 Common Shares of Loblaw; Gary J. Prince — 29,000 Common Shares of the Corporation; Richard P. Mavrinac — 3,798 Common Shares of the Corporation and 8,149 Common Shares of Loblaw; and Ralph A. Robinson — 13,400 Common Shares of the Corporation and 100 Common Shares of Loblaw.

Retirement Plans

Senior employees participate in the Corporation's Designated Executive Pension Plan. In addition, senior employees 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 26.

Employment and Retirement Arrangements

Messrs. Prince and Robinson each entered into employment arrangements with the Corporation effective January 1, 2003 which, among other things, determined at that time their base salaries to be US$1 million and $450,000, respectively, and entitled each of them to an annual bonus of up to a maximum of 100% of base salary based upon achieving budget or other performance targets consistent with other senior employees' bonus plans. Mr. Mavrinac also entered into an employment arrangement with the Corporation effective January 1, 2003 which fixed his base salary at that time at $500,000 and entitles him to a targeted annual bonus of 75% based on

SECTION 4

Executive Compensation (continued)

EVA not to exceed 100% of base salary. Upon ceasing to be employed by the Corporation, Messrs. Mavrinac, Prince and Robinson may be entitled to a maximum aggregate termination payment of up to $5 million, U.S. $5 million and $4 million respectively, subject to certain non-competition covenants.

Mr. Lederer was appointed President of Loblaw on January 1, 2001 and entered into an employment arrangement with Loblaw which was amended on January 1, 2004. In accordance with his contract, Mr. Lederer's base salary was reviewed at that time by the Loblaw Governance, Employee Development, Nominating and Compensation Committee ("Loblaw Governance Committee"). As a result of that review, his salary was increased to $1.35 million annually for a 3 year period. His bonus was increased to a target of 75% of salary based on EVA not to exceed 100% of base salary consistent with all senior Loblaw employees plus up to an additional maximum of $250,000 per annum at the discretion of the Loblaw Governance Committee based upon, among other things, personal performance in achieving the Corporation's approved strategies. Upon ceasing to be employed by Loblaw, Mr. Lederer may be entitled to a payment of a maximum of $10 million, subject to certain non-competition covenants.

Chairman and President's Compensation

The Chairman and President's compensation is considered and determined by the Governance Committee with the assistance of comparator information provided by third party consultants. The Chairman and President does not participate in the Governance Committee's or the Board's decisions, relating to his compensation.

In establishing the Chairman and President's total compensation, the Governance 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 including competitor companies. In establishing the Chairman and President's compensation entitlements, the Governance Committee also considers the relative compensation of other Named Executive Officers based on the achievement of the Corporation's financial targets and allocation of EVA targets and budget previously approved by the Board including those related to Loblaw. In addition, the Governance Committee assesses and considers Mr. Weston's contribution to the Corporation and Loblaw in terms of leadership in the management of the Corporation and its subsidiaries, the financial results obtained by the Corporation, increases in shareholder value, the effective development and growth of the Corporation and the development of new growth opportunities for the Corporation and its subsidiaries.

The compensation of the Chairman and President consists of three components: base salary, annual cash incentives, and long-term equity based incentives. The Governance Committee aims to ensure that the compensation is balanced among these three components. The portion of Mr. Weston's salary and bonus paid by Loblaw is reviewed and considered by the Loblaw Governance Committee and later is considered by the Weston Governance Committee in determining his overall compensation from the Corporation.

In 2004, Mr. Weston's base salary was $1.6 million which includes $800,000 paid by Loblaw and the Governance Committee awarded him a bonus of $200,000 based upon the Corporation's performance and achievement of the strategic and operating plans approved by the Board and his overall leadership of the Corporation in addition to his bonus received from Loblaw in the amount of $500,000. In reviewing Mr. Weston's salary and bonus, the Governance Committee took into account his compensation as Chairman of Loblaw.

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

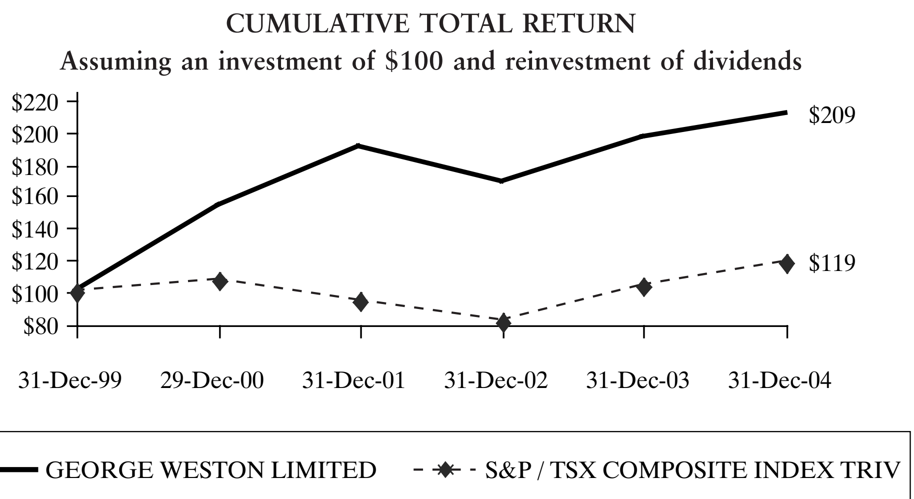
Peter B. M. Eby (Chairman), R. Donald Fullerton, Anthony R. Graham and J. Robert S. Prichard.

SECTION 4

Executive Compensation (continued)

Performance Graph

The graph below compares the cumulative total shareholder return on $100 invested in Common Shares on December 31, 1999 with the cumulative total return of the S&P/TSX Composite Index over the same period.



	31-Dec-99	29-Dec-00	31-Dec-01	31-Dec-02	31-Dec-03	31-Dec-04
S&P / TSX COMPOSITE INDEX TRIV	$100	$107	$94	$82	$104	$119
GEORGE WESTON LIMITED	**$100**	**$154**	**$191**	**$168**	**$195**	**$209**

	31-Dec-99	29-Dec-00	31-Dec-01	31-Dec-02	31-Dec-03	31-Dec-04
S&P / TSX COMPOSITE INDEX TRIV	17,977.46	19,309.36	16,881.75	14,782.01	18,732.48	21,444.89

SECTION 4

Executive Compensation (continued)

Summary Compensation Table

The following table sets forth compensation received by the Chairman and President and the Chief Financial Officer and the three most highly compensated executive officers of the Corporation and its principal subsidiaries as required by applicable rules (collectively the "Named Executive Officers") for services rendered in all capacities to the Corporation or a subsidiary for the years 2004, 2003 and 2002.

		Annual Compensation		Long-Term Compensation		
				Awards	Payouts	
Name and Principal Position	Year	Salary ($)	Bonus ($)	Securities Under Options/SARs Granted (#)	LTIP Payouts ($)	All Other Compensation ($)
W. Galen Weston	2004	1,600,000(3)	700,000(3)	–	–	–
Chairman and President	2003	1,600,000(3)	1,000,000(3)	85,699(1)	–	–
of the Corporation				149,254(2)		
	2002	1,600,000(3)	1,000,000(3)	–	–	–
John A. Lederer	2004	1,350,000(4)	997,900(4)	–	–	–
President,	2003	1,200,000(4)	851,750(4)	42,849(1)	–	–
Loblaw Companies Limited				149,254(2)		
	2002	1,200,000(4)	781,500(4)	–	–	–
Richard P. Mavrinac	2004	500,000(3)	339,726(3)	–	–	–
Chief Financial Officer	2003	500,000(3)	284,916(3)	26,781(1)	–	–
of the Corporation				46,642(2)		
	2002	275,000(3)	233,750(3)	–	–	–
Gary J. Prince	2004	1,000,000(5)	–	–	–	–
President,	2003	1,000,000(5)	512,000(5)	107,124(1)	–	–
Weston Foods, Inc. (U.S.)	2002	1,000,000(5)	750,000(5)	40,000(1)	–	–
Ralph A. Robinson	2004	550,000	421,076	–	–	–
President,	2003	450,000	312,556	48,206(1)	–	–
Weston Foods Inc. (Canada)	2002	350,000	295,859	–	–	–

(1) Common Shares of the Corporation

(2) Common Shares of Loblaw Companies Limited

(3) Includes a portion paid by Loblaw Companies Limited

(4) Paid by Loblaw Companies Limited

(5) U.S. Dollars

Option/SAR Grants During the Most Recently Completed Financial Year (2004)

Under its 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 date of the grant. Stock options have a 7 year term, are exercisable at the market price of the Common Shares on the date immediately prior to the date of the grant, and vest 20% on each of the first, second, third, fourth and fifth anniversaries of the date of the grant.

SECTION 4

Executive Compensation (continued)

No Grants were issued to Named Executive Officers during the year 2004.

Subsequent to year-end Mr. W. Galen Weston, Mr. John A. Lederer and Richard P. Mavrinac were granted stock options under the January 20, 2005 Stock Option Plan of Loblaw at the market price of $69.63. These options are for a period of seven (7) years and expire on January 20, 2012 and are the same in nature as the Corporation's Option Plan grants. Loblaw options granted are as follows: W. Galen Weston, 114,893 shares; John A. Lederer, 145,411 shares; and Richard P. Mavrinac, 28,723 shares.

Subsequent to year-end, Loblaw adopted a Restricted Share Unit Plan ("RSUs"). Details of the RSUs are provided in the Loblaw Management Proxy Circular.

Loblaw RSUs were granted on January 20, 2005 to the following Named Executive Officers: W. Galen Weston, 20,106; John A. Lederer, 25,447 and Richard P. Mavrinac, 5,027.

The following table sets forth, where applicable, options exercised during 2004 and unexercised options at year end December 31, 2004 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/ SAR's Acquired on Exercise #	Aggregate Value Realized $(3)	Unexercised Options/SAR's at Financial Year End # Exercisable	Unexercisable	Date Option/ SAR Granted	Value of Unexercised in the Money Options/SAR's at Financial Year End ($) Exercisable	Unexercisable
W. Galen Weston	–	–	121,647	–	Jan. 30/98*	8,763,814	–(1)
	–	–	24,200	12,100	Jan. 11/00	1,452,242	726,121(1)
	–	–	40,584	40,584	Jan. 08/01	1,252,422	1,252,422(1)
	–	–	17,140	68,559	Jan. 15/03	280,410	1,121,625(1)
	–	–	75,000	37,500	Jan. 11/00	3,001,500	1,500,750(2)
	–	–	24,744	16,496	Jan. 08/01	581,978	387,985(2)
	–	–	29,851	119,403	Jan. 15/03	549,855	2,199,403(2)
John A. Lederer	12,000	812,796	–	–	Jan. 30/98*	–	–(1)
	2,715	136,157	–	–	Jan. 13/99	–	–(1)
	14,490	807,093	–	4,830	Jan. 11/00	–	289,848(1)
	15,219	404,064	–	10,146	Jan. 08/01	–	313,105(1)
	–	–	8,570	34,279	Jan. 15/03	142,690	560,804(1)
	70,064	3,201,224	–	–	Jan. 30/98*	–	–(2)
	–	–	14,045	–	Jan. 13/99	511,578	–(2)
	–	–	150,000	37,500	Jan. 11/00	6,003,000	1,500,750(2)
	–	–	98,970	65,980	Jan. 08/01	2,327,774	1,551,849(2)
	–	–	29,851	119,403	Jan. 15/03	549,855	2,199,403(2)

SECTION 4

Executive Compensation (continued)

Name	Securities/ SAR's Acquired on Exercise #	Aggregate Value Realized $[3]	Unexercised Options/SAR's at Financial Year End # Exercisable	Unexercisable	Date Option/ SAR Granted	Value of Unexercised in the Money Options/SAR's at Financial Year End ($) Exercisable	Unexercisable
Richard P. Mavrinac	593	32,958	–	–	Jan. 13/99	–	–[1]
	1,800	110,034	–	1,800	Jan. 11/00	–	108,018[1]
	5,356	93,622	–	21,425	Jan. 15/03	–	350,513[1]
	1,404	49,589	–	–	Jan. 13/99	–	–[2]
	7,520	292,678	–	7,520	Jan. 11/00	–	300,950[2]
	9,328	161,560	–	37,314	Jan. 15/03	–	687,323[2]
Gary J. Prince	–	–	1,800	–	Jan. 13/99	98,028	–[1]
	–	–	19,320	19,320	Jan. 11/00	1,159,343	1,159,343[1]
	–	–	16,000	24,000	Jan. 11/02	155,360	233,040[1]
	–	–	21,425	85,699	Jan. 15/03	350,513	1,402,035[1]
Ralph A. Robinson	1,800	76,438	–	–	Jan. 13/99	–	–[1]
	12,680	608,842	–	12,680	Jan. 11/00	–	760,926[1]
	–	–	9,641	38,565	Jan. 15/03	157,726	630,923[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.

* Plan expired January 30, 2005

Subsequent to year-end, W. Galen Weston exercised options to acquire 121,647 Common Shares under the Corporation's Option Plan.

Subsequent to year-end, John A. Lederer exercised 27,043 Common Shares under the Corporation's Option Plans and 41,200 common shares under the Loblaw Option Plans. In addition, Mr. Lederer acquired 25,000 Loblaw common shares.

Subsequent to year-end, Ralph A. Robinson exercised 31,962 Common Shares under the Corporation's Option Plan and acquired 3,000 Common Shares.

Equity Compensation Plans as at December 31, 2004

	Number of securities to be issued upon exercise of outstanding options, warrants and rights	Weighted-average exercise price of outstanding options, warrants and rights $	Number of securities remaining available for future issuance under equity compensation plans (excluding securities reflected in column)
Stock Option Plan	1,333,487	79.30	1,341,734

SECTION 4

Executive Compensation (continued)

Indebtedness of Directors, Executive Officers, and Employees

As at March 11, 2005, there was no indebtedness (other than ''routine indebtedness'' under applicable Canadian securities laws) to the Corporation or any of its subsidiaries of any directors, executive officers, or employees or former directors, executive officers, or employees of the Corporation or any of its subsidiaries.

Pension Plan and Long Service Executive Arrangements

Senior employees, of the Corporation, including the Named Executive Officers, participate on a non-contributory basis, in the Corporation's Designated Executive Pension Plan. The annual pension payable under the Corporation's Pension Plan are capped at $2,000 per year of service. The amount of pension expected at various salary rates and years of service are set out in the following table:

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	30,000	40,000	50,000	60,000	70,000
125 and above	30,000	40,000	50,000	60,000	70,000

The Corporation has entered into individual retirement arrangements to provide non-registered, unfunded supplemental pensions (''SERP'') to certain senior employees, including the Named Executive Officers.

Messrs. Weston, Lederer, Prince, Mavrinac and Robinson have 32.0, 27.3, 30.5, 22.6 and 30.1 years of service, respectively. Under the terms of the existing retirement arrangements, and based on fiscal 2004 compensation, estimated annual pension benefits payable to them at normal retirement age are as follows: $500,000(1), $500,000, US$500,000, $250,000 and $225,000 respectively.

The estimated cost of future SERP benefits for each of the Named Executive Officers, is calculated each year by the Corporation's independent actuaries, based on the same method and assumptions used to determine year-end pension plan obligations as disclosed in Note 13 of the 2004 consolidated financial statements of the Corporation.

Name	Accrued obligation at December 31, 2004 $	Estimated Fiscal 2004 pension expense $
W. Galen Weston(1)	3,146,408	334,800
John A. Lederer	3,692,600	355,300
Gary J. Prince(3)	2,524,000	325,000
Richard P. Mavrinac(2)	1,489,300	146,200
Ralph A. Robinson	1,737,700	153,500

(1) For the purposes of this calculation only Mr. W. Galen Weston is presumed to receive a pension of $500,000 per annum at age 70.

(2) Mr. Richard Mavrinac particpates in the Loblaw executive Pension Plan but a portion of the accrued obligation and pension expense is allocated to the Corporation.

(3) US dollars.

SECTION 5

Corporate Governance

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 seeks to attain high standards of corporate governance and believes that it has adopted ''best practices'' in developing its approach to corporate governance.

The Corporation's approach to corporate governance meets the Guidelines for Corporate Governance adopted by the TSX (the ''TSX Guidelines''). A report with specific reference to each of the TSX Guidelines is attached as Schedule A. In addition, the Governance Committee has been reviewing its approach to corporate governance in light of proposed National Policy 58-201 — Corporate Governance Guidelines and proposed National Instrument 58-101 — Disclosure of Corporate Governance Practices (the ''Proposals''). The Board believes its practices are substantially in compliance with the Proposals. Once the Proposals are adopted in final form, the Governance Committee will review its corporate governance practices and consider any changes necessary to maintain the Corporation's high standards of corporate governance.

Additional information about the Corporation's system of governance can be found on pages 20 and 21 of its Annual Report. The Corporation's website www.weston.ca sets out additional governance information including the Code of Business Conduct, the Mandates of the Board and its Committees together with this Statement of Corporate Governance Practices and the report attached as Schedule ''A''.

Director Independence

The Governance Committee has reviewed each proposed director's factual circumstances and relationships with the Corporation to determine whether he or she is related or unrelated within the meaning of the TSX Guidelines and independent within the meaning of the Proposals. The Governance Committee has concluded that the following directors standing for re-election are unrelated and independent: A. Charles Baillie, Peter B. M. Eby, Phillip W. Farmer, Anne L. Fraser, Mark Hoffman, John C. Makinson and J. Robert S. Prichard. The Governance Committee believes this reflects the interest of all shareholders.

The Corporation is controlled by W. Galen Weston, who beneficially owns or controls approximately 62% 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. Weston and Mr. Galen G. Weston is an executive officer of Loblaw and a relative of Mr. Weston and they are therefore not considered independent. Mr. Leighton provides and is compensated for consulting services to the Corporation and is therefore not considered independent.

For purposes of the TSX Guidelines, all of the directors who have been determined by the Board to be independent would also qualify as ''unrelated''.

Board 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. A copy of the Board's written mandate is available on the Corporation's website www.weston.ca. The Board reviews the Corporation's direction, assigns

SECTION 5

Corporate Governance (continued)

responsibility to management for achievement of that direction, develops and approves 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 to management directly and through Committees of the Board.

The Board approves the Corporation's corporate goals and objectives, operating budgets and strategies 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. Each division presents a complete review of its activities and its outlook and strategies for the long term. In addition, management's strengths and weaknesses are discussed. Through the Audit Committee, the Board oversees the Corporation's risk management framework and assesses and evaluates the integrity of the Corporation's internal control over financial reporting and management information systems. Through the Governance Committee, the Board oversees succession planning and compensation for senior management as well as Board nominees.

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 addition, the lead director chairs regular sessions attended by the independent directors. Individual directors may, with the approval of the Chairman of the Governance Committee who is the lead director, retain an outside advisor at the expense of the Corporation.

The Governance Committee has implemented and reviews from time to time, a process to annually assess the performance and effectiveness of the Board and Committees. This process may include questionnaires completed by each of the directors addressing issues such as supervision of senior management, strategic planning, risk management, financial reporting, disclosure and governance issues.

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, 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 non-operational matters, including insurance, pensions, corporate governance, health and safety and treasury matters.

The Chairman and President directs the operations of the Board. He is responsible for establishing the agenda for meetings and ensuring that the Board has sufficient resources and information to make decisions in the best interests of all shareholders. The lead director chairs meetings of the independent directors, consults with the Chairman and President on the effectiveness of Committees ensures that independent directors have adequate opportunity to discuss issues without management present, ensures that the Board's agenda will enable it to successfully carry out its duties and acts in other circumstances where required or appropriate.

SECTION 5

Corporate Governance (continued)

Code of Business Conduct

The Corporation's Code of Business Conduct (the "Code") sets out the Corporation's long-standing commitment of requiring adherence to high standards of ethical conduct and business practices. All directors, officers and employees of the Corporation are required to comply with the Code. The Code is available on the Corporation's website www.weston.ca under "Privacy/Legal". The Audit Committee receives regular compliance reports with respect to the Code.

Disclosure Controls and Procedures

The Board has reviewed and adopted a corporate Disclosure Policy to deal with the timely dissemination of all material information. A copy of the Disclosure Policy is available on the Corporation's website. The Disclosure Policy, which is reviewed annually, establishes consistent guidelines for determining what information is material and how it is to be disclosed to avoid selective disclosure to ensure wide dissemination. The Board, directly and through its Committees, reviews and approves the contents of major disclosure documents, including unaudited interim and audited consolidated financial statements, the Annual Report, the Annual Information Form, Management's Discussion and Analysis and this Circular. The Corporation seeks to communicate to its shareholders though these channels as well as by means of news releases, its website and investor relations meetings.

A Disclosure Committee comprised of senior management of the Corporation supervises the Corporation's disclosure process as outlined in the Disclosure Policy. The Disclosure Committee's mandate includes ensuring that effective controls and procedures are in place to allow the Corporation to satisfy all of its continuous disclosure obligations including the certification requirements. The Disclosure Committee is also responsible for ensuring that the policies and procedures contained in the Corporation's Disclosure Policy are in compliance with regulatory requirements.

Board Committees

There are 5 Committees of the Board: Audit; Governance, Human Resource, Nominating and Compensation; Pension and Benefits; Environmental, Health and Safety and Executive.

All Committees are comprised solely of non-management directors, in each case, with a majority of members being independent directors except for the Executive and Pension and Benefits Committees. The Board believes that the composition of its Committees allows them to operate independently from management such that shareholders' interests are protected.

Each Committee has a formal mandate established by the Board which is reviewed annually. Copies of the Committees' mandates are available on the Corporation's website.

Every year, the Governance Committee undertakes a review process to assess the performance of the Board and its Committees and each Board member evaluates the Board's and Committees' performance. The resulting data is presented to and reviewed by the Governance Committee. The Governance Committee also reviews the experience and performance of nominees proposed for election to the Board and the appointment of directors to Committees.

SECTION 5

Corporate Governance (continued)

The following is a brief summary of some of the responsibilities of each Committee:

Audit Committee

The Audit Committee, whose members are all independent and financially literate as required under applicable rules, is responsible for supporting the Board in overseeing the integrity of the Corporation's financial reporting and internal controls over financial reporting, disclosure controls, internal audit function and its compliance with legal and regulatory requirements. The Audit Committee's responsibilities include:

- 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 and evaluating with management the adequacy and effectiveness of the internal controls over financial reporting and financial disclosure controls and reviewing any proposed corrective actions;
- reviewing and monitoring the Corporation's policies relating to ethics and conflicts of interests;
- overseeing procedures for the receipt, retention and follow up of complaints regarding the Corporation's accounting, internal controls and auditing matters and the confidential anonymous submission by employees of concerns regarding such matters;
- reviewing and monitoring the internal audit function of the Corporation;
- reviewing the integrity of the Corporation's management of 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 Annual Information Form;
- reviewing disclosure containing financial information based on the Corporation's financial statements; and
- identifying and reviewing the principle risks of the Corporation's business and the systems implemented to manage these risks.

Governance, Human Resource, Nominating and Compensation Committee

The Governance Committee is responsible for developing and maintaining governance practices consistent with high standards of corporate governance. As part of its mandate, the Governance Committee identifies and recommends candidates for nomination to the Board as directors, monitors the orientation program for new directors and maintains a process for assessing the performance of the Board and its Committees as well as the performance of individual directors and discharging the Board's responsibilities relating to compensation and succession planning for the Corporation's senior employees. The Governance Committee's specific responsibilities include:

- identifying candidates for membership on the Board and evaluating the independence of the directors;

SECTION 5

Corporate Governance (continued)

- assisting in directors' orientation with respect to the Corporation's activities and assessing their performance as directors 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 employees.

The Board appoints the Chairman of the Governance Committee, who is an independent director, to serve as Lead Director.

Pension and Benefits Committee
The Pension and Benefits 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 the performance of pooled pension fund managers;
- reviewing and approving the assumptions used, the funded status and amendments to the Corporation's and its subsidiaries' pension plans; and
- receiving reports regarding level, types and cost of the Corporation's employee benefit plans.

Environmental, Health and Safety Committee
The Environmental, Health and Safety Committee is responsible for reviewing and monitoring environmental, food safety and workplace 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.

SECTION 6

Other Information

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 the duties of their positions. The Corporation believes that coverage limits and deductibles are in line with those maintained by other corporations similar to the Corporation. The Corporation's annual insurance premium is $1,101,048[(1)]. The insurance limit is $100 million per annum on an aggregate basis or per occurrence basis. There is no deductible in the case of directors and officers and up to a maximum of $1 million deductible for the Corporation.

(1) this premium is shared with Loblaw

Additional Information

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 2004 together with the report of the auditor on those statements along with the MD&A and any financial statements for periods after 2004 and this Circular can be obtained upon request from the Senior Vice President, Investor Relations and Public Affairs of the Corporation at 22 St. Clair Avenue East, Suite 1800, Toronto, Ontario M4T 2S8. Additional information about or relating to the Corporation can also be found at www.weston.ca and www.sedar.com or through dialing in for regularly scheduled conference calls. Additional information with regard to Loblaw Companies Limited can be found at www.loblaw.com and www.sedar.com.

Contacting the Board of Directors

Shareholders, employees and other interested parties may communicate directly with the Board of Directors through the Lead Director by writing to:

Lead Director
George Weston Limited, Suite 2001
22 St. Clair Avenue East
Toronto, Ontario M4T 2S7

Directors' Approval

The contents and sending of this Circular have been approved by the Board.

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

Dated in Toronto, Canada March 11, 2005

SCHEDULE A

Corporate Governance Practices — (TSX Guidelines)

Extensive regulatory changes have come into effect and further changes have been proposed with respect to governance matters. The Corporation has reviewed its governance practices as these regulatory changes have come into effect and will continue to monitor the proposed changes and consider amendments to its governance practices as appropriate.

The Corporation's governance practices are consistent with the TSX Guidelines and the Proposals. A comparison of the Corporation's governance practices with the TSX Guidelines is set out below.

Throughout the schedule, references to documents and information available on the Corporation's website can be found at www.weston.ca.

Summary of TSX and Proposed Guidelines	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") either directly or through Board Committees is responsible for management or supervision of management of the Corporation's business and affairs with the objective of enhancing long-term shareholder value. The roles and responsibilities of the Board and each of its Committees are set out in formal written mandates, the full text of which can be found on the Corporation's website. These mandates are reviewed annually to ensure they reflect best practices as well as any applicable regulatory requirements. A report on the activities of each Committee is included on page 30 and 31 of this Management Proxy Circular. The Board's mandate defines its role and responsibilities. The Board makes major policy decisions, delegates to management the authority and responsibility for day-to-day affairs and reviews management's performance and effectiveness. The Corporation's comprehensive Code of Business Conduct provides a framework for all, directors, officers and employees on the conduct and ethical decision making integral to their work. The Code of Business Conduct is available on the Corporation's website.
(a) adoption of a strategic planning process;	The Board reviews and approves annually the Corporation's strategic plans and receives regular updates at Board meetings. In addition to addressing key initiatives these plans include details of opportunities, risks, competitive position, financial projections and other key performance indicators for each of the principal business groups of the Corporation. In addition to regular updates, an annual day-long strategy meeting is held with senior management to discuss and review strategic plans enabling the Directors to gain a fuller appreciation of planning priorities and the progress being made in relation to the strategic plan throughout the year. Directors have an opportunity to give constructive feedback on the strategic plans to management.

SCHEDULE A

Corporate Governance Practices — (TSX Guidelines) (continued)

Summary of TSX and Proposed Guidelines	Corporation's Governance Practices
(b) 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 risk management systems are implemented and are effectively managed. The Audit Committee reviews risk management policies and processes with internal and external auditors. The Audit Committee reviews reports from the internal audit group and reviews internal controls and risk management policies and processes.
(c) succession planning, including appointing, training and monitoring senior management;	The Governance, Human Resource, Nominating and Compensation Committee (the "Governance Committee") reviews succession planning for senior management and makes recommendations to the Board. The Governance Committee on behalf of the Board, and when necessary with the Board, reviews succession plans for senior management.
(d) communications policy; and	The Board has reviewed and adopted a corporate Disclosure Policy, covering the timely dissemination of all material information. The Disclosure Policy which is reviewed annually establishes consistent guidelines for determining what information is material and how it is to be disclosed to avoid selective disclosure ensuring wide dissemination and the Board, directly and through its Committees, 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. The Corporation seeks to communicate to its shareholders though these channels as well as by means of news releases, its website and investor relations meetings. • An investor relations group is responsible for 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 through the investor relations web site at www.weston.ca; and

SCHEDULE A

Corporate Governance Practices — (TSX Guidelines) (continued)

Summary of TSX and Proposed Guidelines	Corporation's Governance Practices
(e) integrity of internal control and management information systems.	The Audit Committee requires management to implement and maintain appropriate systems of internal control and information systems. The internal audit group reports at least quarterly to the Audit Committee on the quality of the internal control processes. The Audit Committee meets regularly with the internal auditor and the external auditor and management to assess the adequacy and effectiveness of these systems.
2. a majority of directors should be "unrelated"	Based on information provided by the directors as to their individual circumstances 7 of the 13 proposed directors are unrelated pursuant to the TSX Guidelines. The Corporation is controlled by W. Galen Weston, who beneficially owns or controls approximately 62% 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. The 7 nominee directors who are unrelated do not have interests in or relationships with either the Corporation or the significant shareholder. The Board believes its composition fairly reflects the investment in the Corporation by shareholders other than the significant shareholder.
3. The board has the responsibility for applying the definition of "unrelated" and independent director to each individual director and for disclosing annually the analysis of the application of the principles supporting this definition and whether the Board has a majority of unrelated directors. Under the TSX Guidelines, an "unrelated director" is a director who is 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 other than interests or relationships arising from shareholdings.	Of the 6 related directors: • Mr. Weston is a related director because he is Chairman and President of the Corporation; • Messrs. Dart and Graham are related directors because they are executive officers of Wittington Investments, Limited the company through with Mr. Weston holds a controlling ownership interest in the Corporation; • Mr. Leighton is a related director because he provides consulting services to the Corporation; • Mrs. Rebanks is a related director because she is a relative of Mr. Weston; and • Mr. Galen G. Weston is a related director because he is an executive officer of Loblaw Companies Limited and is also a relative of Mr. Weston.

SCHEDULE A

Corporate Governance Practices — (TSX Guidelines) (continued)

Summary of TSX and Proposed Guidelines	Corporation's Governance Practices
4. The board should appoint a committee of directors composed exclusively of non-management 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 Committee, composed exclusively of non-management directors all of whom are "unrelated and independent" except Mr. Graham is responsible for identifying and recommending to the Board suitable director candidates. The Governance 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 responsibilities of the Governance Committee are summarized under the heading "Statement of Corporate Governance Practices" in this Management Proxy Circular.
5. 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.	Each year, the Governance Committee undertakes a review process to assess the performance and effectiveness of the Board and its Committees. The process covers the operation of the Board and its Committees, the adequacy of information provided to directors, Board structure, agenda planning for Board meetings, effectiveness of the Chairman in managing Board meetings, effectiveness of the lead director, and any other issues a director may wish to discuss. Each year the Governance Committee assesses the performance of the Chairman and President and reviews the results with the Board.
6. The board should establish an orientation and education program for new directors	The Governance Committee is responsible for the orientation and education of new directors about the business of the Corporation. New directors are provided with a Directors' Handbook containing details of the Corporation's operations, the structure of the Board and its Committees, the Board's Mandate, compliance requirements for directors, corporate policies, as well as agendas and minutes for recent Board and Committee meetings. One-on-one meetings can be arranged with the heads of each of the Corporation's principal business groups for a new director to learn about the various functions and activities of the Corporation. On an ongoing basis, as part of regular Board meetings directors are given presentations on various aspects of the Corporation's operations.
7. The board should examine its size and undertake, where appropriate, a program to establish a board size which facilitates effective decision- making.	At the Annual Meeting on May 11, 2005, 13 directors will stand for election for a one-year period. The matter of Board size is considered formally on an ongoing basis by the Governance Committee. The Board is of the view that its current membership has the necessary breadth and diversity of experience and is of an appropriate size to provide for effective decision-making and staffing of Committees and to address succession planning requirements.

SCHEDULE A

Corporate Governance Practices — (TSX Guidelines) (continued)

Summary of TSX and Proposed Guidelines	Corporation's Governance Practices
8. 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 Committee annually reviews directors' compensation to ensure it is competitive and consistent with the responsibilities and risks involved in being an effective director. Details of directors' compensation are disclosed on page 13. The Board continues to require a director to hold the equivalent of $250,000 in either Common Shares or Deferred Share Units of the Corporation or its subsidiary and until such time as this threshold is achieved, directors are required to take all or a portion of their remuneration in the form of Deferred Share Units. Current shareholdings of directors are shown as part of Election of Directors on pages 5 through 11.
9. Committees of the board should generally be composed of non-management directors, a majority of whom are unrelated.	Each Committee, except the Executive and Pension and Benefits Committees, is composed solely of non-management directors, a majority of whom are unrelated and independent.
10. The board should assume responsibility for, or assign to a committee of directors, responsibility for developing the corporation's approach to corporate governance matters.	The Governance Committee monitors best practices for governance and annually reviews the Corporation's governance practices to ensure that the Corporation continues to exemplify high standards of corporate governance. The Governance Committee recently completed a review of all Committee Mandates to ensure that they meet all applicable regulatory requirements as well as best practices. The full text of the mandates can be found on the Corporation's website. The Governance Committee is also responsible for the Corporation's disclosure with respect to the TSX Guidelines.
11. 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	The Board's Mandate defines the role and responsibility of the Board and sets out those matters requiring Board approval and those of which the Board must be advised following action by management.
The board should approve or develop the corporate objectives for which the CEO is responsible.	Following an annual review by the Governance Committee, the Board considers any amendments to its Mandate. The position description of the Chairman and President is the responsibility of the Governance Committee.

SCHEDULE A

Corporate Governance Practices — (TSX Guidelines) (continued)

Summary of TSX and Proposed Guidelines	Corporation's Governance Practices
12. The board should implement structures and procedures so that it can function independently of management. An appropriate structure would be to (i) appoint a chair of the board who is not a member of management with responsibility to ensure the board discharges its responsibilities or (ii) adopt alternate means such as assigning this responsibility to a committee of the board or to a director, sometimes referred to as the "lead director". Appropriate procedures may 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 formally adopted the practice of having a lead director and appoints the Chair of the Governance Committee to this role. The lead director provides leadership to the Board. He ensures that the Board operates independently of management and that directors have an independent leadership contact. As part of his responsibilities, the lead director meets annually with non-management directors to obtain insight as to areas where the Board and its Committees could be operating more effectively. Periodically at Board meetings a session is held at which only non-management directors are present. It is also the practice of each Committee to meet without management present during the course of its meetings.

SCHEDULE A

Corporate Governance Practices — (TSX Guidelines) (continued)

Summary of TSX and Proposed Guidelines	Corporation's Governance Practices
13. The audit committee should be composed entirely of non-management directors. The roles and responsibilities of the audit committee should be specifically defined so as to provide appropriate guidance to audit committee members as to their duties. 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'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 of internal control, it is the responsibility of the audit committee to ensure that management has done so.	The Audit Committee is composed entirely of independent directors who are financially literate as required by applicable rules. The role and responsibilities of the Audit Committee are set out in the Audit Committee's Mandate, which was reviewed and updated in 2004 to ensure compliance with applicable regulatory requirements as well as best practices in today's governance environment. The Audit Committee Mandate is reviewed by the Audit Committee and the Board at least annually, as are all other committee mandates. At each meeting of the Audit Committee, members of the Audit Committee meet separately (without management present) with the internal and external auditors to review specific issues. As outlined in its Mandate, the Audit Committee requires management to implement and maintain appropriate internal controls. Annually the Audit Committee reviews and approves the internal control policy and corporate audit plan. The Audit Committee meets quarterly with the internal auditor and management on matters of internal control. The Audit Committee pre-approves all non-audit fees paid to the external auditor. The Audit Committee is also responsible for reviewing with the external auditor any audit problems or difficulties with management's response. The Audit Committee reviews: • the annual consolidated financial statements and unaudited interim consolidated financial statements, the Annual Information Form and Management's Discussion and Analysis; • prospectuses relating to the issuance of securities by the Corporation; • all press releases containing financial information based upon the Corporation's consolidated financial statements and all other financial statements that require approval by the Board; and • any significant issues reported to management by the external auditor and management's responses to any such reports.

SCHEDULE A

Corporate Governance Practices — (TSX Guidelines) (continued)

Summary of TSX and Proposed Guidelines	Corporation's Governance Practices
14. 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 Lead Director, engage outside advisors at the expense of the Corporation. The Governance Committee co-ordinates such requests. There were no requests to hire outside advisors during fiscal 2004. In addition, Committees are entitled to engage outside advisors to assist them in fulfilling their committee duties and responsibilities as necessary. During the year, 2004, the Governance Committee engaged an outside consultant to assist in the review of compensation levels and practices and to perform a corporate survey for use in determining senior management compensation.

SCHEDULE B

Shareholder Proposal

Shareholder Proposal

The following Shareholder Proposal has been submitted for consideration at the Annual Meeting by Real Assets Investment Management Inc., Suite 801, 1166 Alberni Street, Vancouver, British Colombia V6E 3Z3. The proposal and statement of support are set out in italics.

Resolved: *that the Board issue a comprehensive report to shareholders, at reasonable cost and omitting proprietary information, describing and commenting on the adequacy and effectiveness of policies, plans and strategies to address market risks and opportunities arising from changes in consumer attitudes towards nutrition, quality and safety.*

Supporting Statement:
In the 2003 Annual Information report the Company stated:

"Consumers' needs drive changes in the industry, which is impacted by changing demographic and economic trends such as changes in disposable income, increasing ethnic diversity, nutritional awareness and time availability. Over the last several years, consumers have demanded more quality, value and convenience."

We agree with the Company's statement on consumer driven change. However, today's consumers are also dealing with a variety of complex facts, information and opinions regarding food nutrition, quality and safety. In particular consumers' purchasing choices, and demand for the Company's products, are potentially being influenced by issues and concerns related to:

- *Environmental and human health implications of producing and consuming farmed salmon.*
- *Health consequences of food products containing trans fatty acids.*
- *Ecological imbalances due to production of genetically engineered food.*

For consumers each of these issues is validated by contemporary sources of information. Scientists are engaged in on-going public debate on the benefits and impacts of farmed salmon. Governments have begun the process of establishing limits for the amount of trans fatty acids in food products. Public interest groups are continuing to advocate for labeling of genetically engineered foods.

As the Board is aware, risks and opportunities arising from consumer concerns regarding health and environmental issues need to be strategically evaluated and considered in order to preserve and enhance market share. In addition shareholders need to know that the Board is pro-actively addressing changes in consumer attitudes in a manner that will contribute to long-term shareholder value.

We urge shareholders to vote YES for this proposal.

SCHEDULE B

Shareholder Proposal (continued)

Response to Shareholder Proposal

THE BOARD OF DIRECTORS OF THE CORPORATION RECOMMENDS A VOTE "AGAINST" THIS PROPOSAL FOR THE FOLLOWING REASONS:

The issues raised in the shareholder proposal dealing with policies, plans and strategies to address market risks and opportunities arising from changes in consumer attitudes, have already been addressed by the Corporation in its many reports including previous annual reports and securities' filings (MD&A/AIF) as well as this year's filings. In addition, through webcasts, analysts meetings and other publicly disclosed information, these issues are dealt with. Accordingly, given that the Corporation has and is currently reporting to shareholders on these matters in several different areas, the Board does not believe any additional reports are required or necessary and recommends shareholders vote against the shareholder proposal.

Comments:

The Board of Directors is well aware of and recognizes the changes occurring in the industries in which the Corporation participates and as referred to in the proposal. The Corporation and the Board of Directors, as in the past, has strategically evaluated and considered the many factors affecting its current and future opportunities including food safety, health matters and environmental concerns and reports in the Annual Report, MD&A, Annual Information Form ("AIF") securities filings and webcasts. The Corporation has had an Environmental, Health and Safety policy for many years, which addresses many of the environmental and health and safety concerns facing the Corporation as referred to in the proposal. In addition, each of its major operating subsidiaries have a senior officer dedicated to health and safety issues and are leaders in developing new trans fat free and nutritional products under the President's Choice, PC Mini Chefs and Blue Menu brands. The Corporation has also been a leader in developing new and alternative products to satisfy consumer demands in Weston Foods' divisions such as Country Harvest breads, Arnold Carb-Counter breads, the Wonder Fresh breads, Oroweat Carb Counting breads, Weight Watchers breads, Kellogg's Raisin Bran bread and All Bran as well as the Neilson Dairy OH! milk.

As indicated in last year's annual report (2003 Annual Report, page. 37):

> "Weston Foods has responded with the introduction of convenient "On the Go" hand-held products as well as the production and development of no cholesterol, no trans fat, reduced fat and organic products. In addition, with the increased popularity of lower carbohydrate ("low-carb") diets across North America, Weston Foods has developed low-carb products across may of its popular brands that have been well received by customers and consumers. This included entering an exclusive North American agreement to market reduced carbohydrate bakery products with Atkins Nutritionals, Inc."

This report is updated in the 2004 Annual Report, where the Corporation discusses the long range strategies and results of operations and changes in consumer trends.

The Corporation and management will continue to assess and evaluate consumer attitudes and concerns including those affecting health and safety issues to ensure it is not only aware of the risks and opportunities facing the business but is in a position to avoid the risks and take advantage of the opportunities and will continue to report in its Annual Report and other filings which are sent to shareholders on a regular basis. As a result, given that the Corporation's current and past practices are consistent with the proposal, the Board believes no additional reports are necessary and therefore unanimously recommends voting against the shareholder proposal.