George Weston Limited

Management Proxy Circular

GEORGE WESTON LIMITED
ANNUAL MEETING MAY 13, 2008

THIS DOCUMENT CONTAINS

- NOTICE OF MEETING
- PROXY CIRCULAR

George Weston Limited

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March 2008

Invitation to Shareholders

Dear Shareholder,

It is my pleasure to invite you to the Annual Meeting of Shareholders, which will be held on Tuesday, May 13, 2008, at 11:00 a.m. (local time) in Constitution Hall, Room 107, at the Metro Toronto Convention Centre, 255 Front Street West, Toronto, Ontario, Canada. The Notice of Annual Meeting and related material are enclosed.

This Management Proxy Circular describes the regular Annual Meeting business matters on which you will be requested to vote. It is important that you exercise your vote, either in person at the Meeting or by completing and sending in your proxy form.

We hope you will be able to join us in person, or through our webcast, which will be available live from the Investor Zone section of the Corporation's website at www.weston.ca. A recorded version of the meeting will be available on the Corporation's website following the Annual Meeting.

Yours very truly,

W. Galen Weston
Chairman and President

Weston
George Weston Limited

Notice of Annual Meeting of Shareholders

The 2008 Annual Meeting of Shareholders of George Weston Limited will be held on Tuesday, May 13, 2008 at 11:00 a.m. (local time), in Constitution Hall, Room 107, at the Metro Toronto Convention Centre, 255 Front Street West, Toronto, Ontario, Canada for the following purposes:

1. to receive the consolidated financial statements of the Corporation for the financial year ended December 31, 2007 and the auditors' report thereon;
2. to elect the directors;
3. to appoint KPMG LLP as the Corporation's auditors and authorize the directors to fix their remuneration; and
4. to transact such other business as may properly be brought before the Annual Meeting or any adjournment thereof.

Holders of common shares of the Corporation at the close of business on March 24, 2008 are entitled to vote at the Annual Meeting.

Shareholders are entitled to vote at the Annual Meeting either in person or by proxy. Any shareholder who is unable to attend the Annual Meeting in person is requested to either complete, date, sign and return the enclosed form of proxy (in the envelope provided for that purpose) to the Corporation's transfer agent, Computershare Investor Services Inc., or vote through the Internet.

The Management Proxy Circular and form of proxy accompany this Notice of Annual Meeting.

Dated at Toronto, Ontario this 26th day of March, 2008.

BY ORDER OF THE BOARD OF DIRECTORS

Gordon A. M. Currie
Executive Vice President,
General Counsel & Secretary

Please Note:

In order to attend the Annual Meeting, all shareholders and guests should have photo identification and will require an admittance card, which will be provided at the time of registration with the transfer agent. Security measures will be in force. No cameras, parcels, knapsacks and/or bags will be allowed into the meeting.

NOTE: Registered shareholders wishing to receive (or continue to receive) interim financial statements and interim management's discussion and analysis by mail during 2008 must mark the request box at the bottom of their form of proxy, and non-registered shareholders must complete and return the enclosed interim report request form. **Unless you request them, quarterly reports will not be sent to you.** Financial results are announced by media release, and financial statements and management's discussion and analysis are available on the George Weston Limited website at www.weston.ca.

Some households may receive multiple copies of annual reports in shareholder mailings as a result of having multiple registered shareholders residing at that address. Registered shareholders may decline to receive future annual reports, containing annual financial statements and annual management's discussion and analysis, by marking the annual report box at the bottom of the form of proxy. In order to receive future annual reports, non-registered shareholders must complete and return the enclosed annual report request form. Registered shareholders who decline to receive annual reports and non-registered shareholders who do not request annual reports will continue to receive the Management Proxy Circular, form of Proxy and other shareholder mailings.

SECTION 1 Voting Information

About this Circular 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 Tuesday, May 13, 2008 at 11:00 a.m. (local time), in Constitution Hall, Room 107, at the Metro Toronto Convention Centre, 255 Front Street West, Toronto, Ontario, Canada, 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, our corporate governance practices and other matters.

Please see the "Voting Information" 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 current as of March 26, 2008.

Business of the Meeting

At the Meeting, shareholders are voting on: (i) the election of directors; and (ii) the appointment of the auditors and the authorization of the directors to fix their remuneration. 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. A simple majority of the votes cast at the Meeting in person or by proxy is required to approve each of the items specified in the notice of meeting which accompanies this Circular.

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

Voting Process

Who can vote?

Holders of common shares of the Corporation ("Common Shares") as at the close of business on March 24, 2008 are entitled to vote at the Meeting. Each Common Share is entitled to one vote. As of March 26, 2008, the Corporation had 129,074,526 Common Shares issued and outstanding.

How do I vote?

- Registered shareholders hold shares directly in their name. If you are a registered shareholder, you can vote either:
  - in person at the Meeting; or
  - you may sign the enclosed form of proxy appointing the persons named in the proxy, or some other person you choose, who need not be a shareholder to represent you as proxyholder and vote your shares at the Meeting.
- Non-registered shareholders beneficially own shares but the shares are held in the name of a nominee, such as a bank, broker or trust company. If you are a non-registered shareholder, you may vote your shares either:
  - through your nominee; or
  - in person at the Meeting.

- To vote your shares through your nominee you should follow the instructions on the voting instruction form or proxy form provided by your nominee.
- To vote your shares in person at the Meeting you should take these steps:
  - appoint yourself as the proxyholder by writing your name in the space provided on the voting instruction form or proxy form. Do not complete the voting section of the proxy form as your vote will be taken at the Meeting; and
  - return the voting instruction form or proxy form to the nominee in the envelope provided.

If you voted through your nominee and would now like to vote in person, contact your nominee to discuss whether this is possible and what procedures you need to follow.

What if I plan to attend the meeting and vote in person?

If you are a registered shareholder and plan to attend the Meeting on May 13, 2008 and wish to vote your shares in person at the Meeting, do not complete or return the form of proxy. Your vote will be taken and counted at the Meeting. Please register with the Corporation's transfer agent, Computershare Investor Services Inc. ("Computershare"), upon arrival at the Meeting.

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 (also available through the Internet at www.investorvote.com) 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 proxy form and 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 instruction form must be received by 5:00 p.m. (local time) on May 9, 2008, or if the Meeting is adjourned, before 5:00 p.m. (local time) on the second last business day before any adjournment thereof.

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 on the 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 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; and**

- **FOR the appointment of KPMG LLP as the auditors of the Corporation and the authorization of the directors to fix their remuneration.**

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 with respect to amendments or variations to matters identified in the notice of meeting which accompanies this Circular and with respect to other matters which may properly come before the Meeting. As of March 26, 2008, management of the Corporation 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:

  - to the offices of Computershare at any time before 5:00 p.m. (local time) on May 9, 2008 or, if the Meeting is adjourned, before 5:00 p.m. (local time) on the second last business day before any adjournment thereof; or

  - to the Secretary of the Meeting before the Meeting starts; or

- in any other manner permitted by law.

If you are a non-registered shareholder, you may revoke a proxy or voting instruction (or a waiver of the right to receive meeting materials and to vote) given to your intermediary by written notice to the intermediary provided that the revocation is received by the intermediary at least seven days before the Meeting. If your revocation is not received by that time, your intermediary is not required to act on it.

Who is soliciting my proxy?

Management of the Corporation is soliciting proxies for use at the Meeting and any adjournment thereof. The Corporation is soliciting proxies by mail and its employees may also solicit them personally. The costs of such solicitation will be paid by the Corporation.

Is my vote confidential?

Yes, proxies returned to Computershare are counted and tabulated to preserve the confidentiality of individual shareholder votes. Proxies are referred to the Corporation only in cases where a shareholder clearly intends to communicate with management, in the event of questions as to the validity of the proxy or where it is necessary to do so to meet applicable legal requirements. Computershare does not inform the Corporation's management about how individual shareholders have voted except when comments made by shareholders are intended for the attention of management or when required by law.

Controlling Shareholder

As at March 26, 2008, Mr. W. Galen Weston beneficially owned, directly and indirectly through other companies which he controls, including Wittington Investments, Limited ("Wittington"), a total of 80,720,448 Common Shares representing approximately 62.54% of the outstanding Common Shares. To the knowledge of the Corporation, no other person beneficially owns, directly or indirectly, or exercises control or direction over 10% or more of the outstanding Common Shares.

SECTION 2 Business of the Meeting

Financial Statements and Auditors' Report

The consolidated financial statements of the Corporation for the financial year ended December 31, 2007 and the auditors' report thereon are included in the 2007 Annual Report. A copy of the 2007 Annual Report is available on SEDAR at www.sedar.com.

Election of Directors

On March 11, 2008, 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 11. Mr. Robert J. Dart resigned as a member of the Board on September 21, 2007 in order to accomodate the appointment of Ms. Isabelle Marcoux on that date. Both Mr. Dart and Ms. Marcoux will be standing for election to the Board at the Meeting. Ms. Wendy Rebanks and Mr. Phillip Farmer are not standing for re-election as directors of the Corporation.

It is proposed that the persons named below be nominated for election as directors of the Corporation. All nominees are currently directors of the Corporation and all of the 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 a director, but if that should occur for any reason prior to the Meeting, the persons named in the enclosed form of proxy may vote for another nominee at their discretion. Each director will hold office until the next annual meeting of shareholders 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, place of residence, year first elected or appointed as a director, principal occupation and directorships of other companies. Also indicated for each nominee is the number of Common Shares and deferred share units 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 its subsidiary, Loblaw Companies Limited ("Loblaw"), held by him or her or over which he or she exercises control or direction, in each case, as of March 26, 2008.

Stephen E. Bachand, 69
Ponte Vedra Beach, Florida

Director Since: 2007
Independent Director

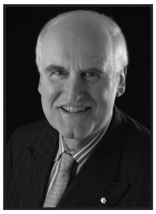
Mr. Bachand, a corporate director, is the retired President and Chief Executive Officer of Canadian Tire Corporation, Limited.

Mr. Bachand graduated from Williams College with a B.A. and from the Darden School of the University of Virginia with an M.B.A.

Mr. Bachand is a director of Canadian Pacific Railway Limited and Bank of Montreal, and a former member of the Board of Trustees of the Hospital for Sick Children.

In the past five years, Mr. Bachand has also been a director of Fairmont Hotels and Resorts Inc.

Committee Memberships	Shareholdings	March 2008	
Environmental, Health and Safety	Common	–	
Governance, Human Resource, Nominating and Compensation	DSUs	1,584	
	Loblaw Common	4,500	



A. Charles Baillie O.C., 68
Toronto, Ontario

Director Since: 2003
Independent Director
Meets share ownership guidelines

Mr. Baillie, Chair of Alberta Investment Management Company, is the retired Chairman and Chief Executive Officer of Toronto Dominion Bank.

Mr. Baillie graduated from the University of Toronto with a B.A. and from Harvard Business School with an M.B.A.

Mr. Baillie is a director of Canadian National Railway Company and TELUS Corporation. He is Chancellor of Queen's University and President of the Art Gallery of Ontario's Board of Trustees and former Chair of the Canadian Council of Chief Executives.

In the past five years, Mr. Baillie has also served as a director of The Toronto-Dominion Bank, Dana Corporation[(1)], Ballard Power Systems Inc. and Quebecor World Inc.

Committee Memberships	Shareholdings	March 2008	March 2007
Audit (Chair)	Common	20,000	20,000
Governance, Human Resource, Nominating and Compensation	DSUs	6,313	3,809
	Loblaw Common	5,000	5,000

Robert J. Dart, F.C.A., 69
Toronto, Ontario

Director from 1994 to September 2007
Non-Independent Director
Meets share ownership guidelines

Mr. Dart is a Director, Vice Chairman and former President of Wittington. He is a former senior tax partner of Price Waterhouse Canada.

Mr. Dart graduated from the University of Toronto with a B. Comm. and is a chartered accountant.

Mr. Dart is a director of Holt, Renfrew & Com., Limited and Brown Thomas Group Limited.

In the past five years, Mr. Dart has also served as a director of Loblaw.

Committee Memberships	Shareholdings	March 2008	March 2007
	Common	25,200	25,200
	DSUs	2,845	1,606
	Loblaw Common	5,851	5,851
	Preferred Shares Series I	6,000	4,000
	Preferred Shares, Series II	5,000	4,000
	Preferred Shares, Series III	6,000	6,000
	Preferred Shares, Series IV	2,000	2,000

(1) Dana Corporation filed voluntary petitions for reorganizations under Chapter 11 of the U.S. Bankruptcy Code on March 3, 2006. Dana's European, South American, Asian-Pacific, Canadian and Mexican Subsidiaries are not included in the Chapter 11 filing. Dana emerged from bankruptcy in January of 2008.

Peter B.M. Eby, 69
Toronto, Ontario

Director Since: 2000
Independent Director
Lead Director
Meets share ownership guidelines

Mr. Eby, a 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.

Mr. Eby graduated from the University of Toronto with a B.Comm. and from the University of California-Berkeley with an M.B.A.

Mr. Eby is a director of Leon's Furniture Limited, Sixty Split Corporation, R. Split II Corporation and TD Asset Management USA Funds Inc.

In the past five years, Mr. Eby has also served as a director of Provigo Inc. and Westfair Foods Ltd. (subsidiaries of the Corporation).

Committee Memberships	Shareholdings	March 2008	March 2007
Audit	Common	2,000	2,000
Executive	DSUs	7,901	5,346
Governance, Human Resource, Nominating and Compensation (Chair)	Loblaw Common	5,000	5,000

Anne L. Fraser, C.M., 67
Victoria, British Columbia

Director Since: 1995
Independent Director

Mrs. Fraser, a corporate director, is an Education Consultant with the University of Victoria, President of EnerG Enterprises Inc. and an Associate, Faculties of Management, Education, Engineering, Law and Fine Arts at the University of Calgary. She is a former syndicated broadcaster with the CBC.

Mrs. Fraser graduated from Acadia University with a B.Sc. and holds Honorary Doctor of Laws degrees from the University of Calgary and Dalhousie University. In January 2006, Mrs. Fraser was awarded the Order of Canada.

Mrs. Fraser is a director of Pier 21 Foundation and The Victoria Foundation.

In the past five years, Mrs. Fraser has also served as a director of Loblaw and Crestar Energy.

Committee Memberships	Shareholdings	March 2008	March 2007
Environmental, Health and Safety (Chair)	Common	1,500	1,500
	DSUs	1,663	1,131
	Preferred Shares, Series I	500	500
	Loblaw Common	1,488	1,488

Anthony R. Graham, 51
Toronto, Ontario

Director Since: 1996
Non-Independent Director
Meets share ownership guidelines

Mr. Graham is President and a director of Wittington and President and Chief Executive Officer of Sumarria Inc. He was a former Vice-Chairman and director of National Bank Financial and Senior Executive Vice President and Managing Director of Lévesque Beaubien Geoffrion Inc.

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

Committee Memberships	Shareholdings	March 2008	March 2007
Executive	Common	10,000	10,000
Governance, Human Resource, Nominating and Compensation	DSUs	6,413	4,153
Pension and Benefits (Chair)	Loblaw Common	10,000	10,000
	Loblaw DSUs	9,360	6,473

Allan L. Leighton, 54
Toronto, Ontario

Director from 2000 to March 2006 and since September 2006
Non-Independent Director

Mr. Leighton is Deputy Chairman of the Corporation and of Loblaw. He is also Deputy Chairman of Selfridges & Co. Ltd.

Mr. Leighton is the former President and Chief Executive Officer of Wal-Mart Europe. He held executive positions with Asda Stores Ltd. from 1992 to 2000 including Chief Executive.

Mr. Leighton graduated from the Advanced Management Program at Harvard University.

Mr. Leighton is Chairman of Royal Mail Group (U.K. Postal Service) and a director of Loblaw, BskyB plc, Selfridges & Co. Ltd., Holt, Renfrew & Co., Limited and Brown Thomas Group Limited.

In the past five years, Mr. Leighton has also served as a director of Scottish Power plc.

Mr. Leighton was a member of the board of directors of Leeds United Football, PLC. (2)

Committee Memberships	Shareholdings	March 2008	March 2007
Executive	Common	4,781	2,648
	Loblaw Common	1,711	—

(2) Mr. Leighton was a member of the board of directors of Leeds United Football, PLC when that company was subject to administrative proceedings.

Isabelle Marcoux, 38
Montreal, Quebec

Director Since: 2007
Independent Director

Ms. Marcoux is Vice Chair of the Board and Vice President, Corporate Development of Transcontinental Inc., a major Canadian printing and publishing company.

Ms. Marcoux formerly practiced corporate and securities law at McCarthy Tétrault LLP.

Ms. Marcoux has an LL.B. in Civil Law and a B.A. in Political Science and Economics from McGill University.

Ms. Marcoux is a board member of the Montreal Mayor's Foundation for Youth.

Committee Memberships	Shareholdings	March 2008	
Audit	Common	–	
	DSUs	402	

J. Robert S. Prichard,
O.C., O. Ont., 59
Toronto, Ontario

Director Since: 2000
Independent Director
Meets share ownership guidelines

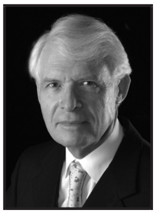
Mr. Prichard is President and Chief Executive Officer and a director of Torstar Corporation (media and newspaper company). He is President Emeritus of the University of Toronto where he served as the University's thirteenth president from 1990 to 2000.

Mr. Prichard graduated from the University of Chicago with an M.B.A., from the University of Toronto with a LL.B. and from Yale Law School with a LL.M.

Mr. Prichard is a director of Bank of Montreal and Onex Corporation. He is also Vice Chair of Canada's Science, Technology & Innovation Council, Chairman of the Visiting Committee for Harvard Law School and a director of the Toronto Community Foundation.

In the past five years, Mr. Prichard has also served as a director of Four Seasons Hotels Inc.

Committee Memberships	Shareholdings	March 2008	March 2007
Governance, Human Resource, Nominating and Compensation	Common	2,000	2,000
Pension and Benefits	DSUs	6,382	4,247



Thomas F. Rahilly, 64
Toronto, Ontario

Director Since: 2007
Independent Director

Mr. Rahilly, a corporate director, was, from 1996 until his retirement at the end of 2006, a Vice Chairman of RBC Capital Markets Inc. (investment and financial corporation), a division of Royal Bank of Canada. He worked as an investment banker for over 30 years.

Mr. Rahilly graduated from the University of Toronto with a B.A., an LL.B. and an M.A.

Mr. Rahilly is Chair of the Board of Trustees of Trinity College in the University of Toronto.

In the past five years, Mr. Rahilly has also served as a director of Wittington.

Committee Memberships	Shareholdings	March 2008	
Audit	Common	–	
Pension and Benefits	DSUs	1,564	

W. Galen Weston, O.C., 67
Toronto, Ontario

Director Since: 1967
Non-Independent Director
Meets share ownership guidelines

Mr. Weston is Chairman and President of the Corporation and was Chairman of Loblaw from 1976 until his retirement on September 19, 2006. Mr. Weston is Chairman of Brown Thomas Group Limited, Holt, Renfrew & Co., Limited, Selfridges & Co. Ltd. and is President of The W. Garfield Weston Foundation.

Mr. Weston received a B.A. and was awarded an Honorary Doctor of Laws Degree from the University of Western Ontario.

Mr. Weston is a director of Associated British Foods plc, and is a member of the Advisory Board of Columbia University.

In the past five years, Mr. Weston has served as a director of Loblaw and Canadian Imperial Bank of Commerce.

Committee Memberships	Shareholdings	March 2008	March 2007
Executive (Chair)	Common	80,720,448	80,720,448
	Loblaw Common	173,349,735	173,429,335

Appointment of Auditors

The Board is recommending that KPMG LLP be appointed as the auditors of the Corporation to hold office until the next annual meeting of shareholders of the Corporation and that the directors be authorized to fix KPMG LLP's remuneration. KPMG LLP and its predecessor companies have been the Corporation's auditors for over 25 years. As part of the Corporation's corporate governance practices, the Board has adopted a policy prohibiting the auditors from providing non-audit services to the Corporation unless such services are approved in advance by the Audit Committee.

The aggregate fees paid to KPMG LLP and its affiliates for the fiscal years 2007 and 2006 are as follows:

	2007 $(000's)	2006 $(000's)
Audit fees(1)	4,343	3,947
Audit-related fees(2)	2,654	1,570
Tax fees(3)	169	179
All other fees(4)	86	228
Total Fees	**7,252**	**5,924**

(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 the review of quarterly reports to shareholders, audit of pension plans, comfort letters and the interpretation of accounting and financial reporting standards.

(3) Tax fees include fees for tax compliance and tax advice.

(4) All other fees relate to risk management, internal control/compliance, legislative and/or regulatory compliance services.

Shareholder Proposals

The *Canada Business Corporations Act* permits eligible shareholders of the Corporation to submit shareholder proposals for consideration at the Annual Meeting of Shareholders. No proposals were received by the deadline for the 2008 Annual Meeting. The final date for submission of proposals by shareholders to the Corporation for inclusion in the Management Proxy Circular in connection with the 2009 Annual Meeting of Shareholders is December 29, 2008.

SECTION 3 Board of Directors' Attendance and Compensation

Directors' Compensation

Compensation was paid to non-management directors on the following basis during fiscal 2007. Directors who are members of management of the Corporation or its subsidiaries receive no additional remuneration in their role as directors of the Corporation.

TYPE OF FEE	AMOUNT
	$
Annual Fees	
Board retainer	50,000
Audit committee chair	25,000(1)*
Governance committee chair	25,000(2)*
Chair of other board committee	10,000(3)*
Audit committee member	5,000
Member of other board committee	4,000
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
May 2007 DSU Grant	37,800(4)

(1) The annual retainer for the Chair of the Audit Committee was increased from $10,000 to $20,000 effective May 17, 2007.

(2) The annual retainer for the Chair of the Governance Committee was increased from $3,000 to $21,000 effective May 17, 2007.

(3) The annual retainer for the Chairs of the Pension and Benefits Committee and the Environmental, Health & Safety Committee was increased from $3,000 to $6,000 effective May 17, 2007.

(4) On May 17, 2007, Directors received a grant of 500 DSUs. The closing price of the Corporation's common shares on the TSX on the grant date was $75.60.

* Includes annual fee paid as committee member

The Governance Human Resources, Nominating & Compensation Committee (the "Governance Committee") assesses the adequacy and form of compensation paid to directors in order to ensure that their compensation is competitive and reflects their responsibilities as directors. Periodically, the Governance Committee benchmarks directors' compensation against compensation paid by major Canadian public companies similar in size to the Corporation. In May, 2007, the Governance Committee reviewed the report of an external consultant, 3XCD Inc., with respect to compensation for members of the Board in terms of both type of compensation and value. The consultant's report compared the Corporation's directors' compensation arrangements to those of its peer group using both criteria. In view of increased compensation for directors of companies within the peer group, on May 17, 2007 the Governance Committee approved a grant of 500 deferred share units of the Corporation ("DSUs") having a value on that date of $37,800. Also on that date, the Governance Committee increased the annual fees of the Committee Chairs to the levels indicated above.

Deferred Share Unit Plan

To ensure that directors' compensation is aligned with shareholder interests, directors have the option to receive up to 100% of their annual fees in 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 after the director leaves the Board, thereby providing an ongoing equity stake in the Corporation throughout the director's term as a Board member. Payment of DSUs is made in Common Shares purchased on the TSX. DSUs accumulate additional units based on notional equivalents of dividends on Common Shares. Other than the accumulation of these dividend equivalents, DSUs do not entitle the holder to any voting or other shareholder rights.

In fiscal 2007, ten directors elected to receive all or a portion of their annual and attendance fees in DSUs. As at December 31, 2007, the amount owing in respect of outstanding DSUs was $2,218,508.

Share Ownership Guidelines

Pursuant to share ownership guidelines adopted by the Board, directors are expected to hold Common Shares or DSUs with a market value of not less than $400,000. This minimum was increased from $250,000 in May 2007. Directors are expected to meet this level of share ownership within five years of being initially elected or appointed to the Board. Directors who were elected prior to May 2007 have three years to increase the market value of their share holdings to $400,000. Until this level is achieved, directors must take at least 50% of their fees from the Corporation in the form of DSUs. All current directors either meet or are in the process of complying with these share ownership guidelines.

Attendance and Compensation Information

The following table provides a summary of each director's attendance at Board and Committee meetings during fiscal 2007.

Directors	Board (10 meetings)	Audit Committee (6 meetings)	Environmental, Health and Safety Committee (4 meetings)	Governance Committee (10 meetings)	Pension and Benefits Committee (4 meetings)
W. Galen Weston	10/10	—	—	—	—
Stephen E. Bachand(1)	6/6	—	3/3	5/5	—
A. Charles Baillie	9/10	6/6	—	10/10	—
Robert J. Dart(2)	7/7	—	—	—	—
Peter B.M. Eby	10/10	6/6	—	10/10	—
Phillip W. Farmer	6/10	6/6	4/4	—	—
Anne L. Fraser	9/10	—	4/4	—	—
Anthony R. Graham	9/10	—	—	10/10	4/4
Mark Hoffman(3)	4/4	—	1/1	—	1/1
Allan A. Leighton	9/10	—	—	—	—
John C. Makinson(4)	3/3	3/3	—	—	—
Isabelle Marcoux(5)	2/3	2/2	—	—	—
J. Robert S. Prichard	9/10	—	—	10/10	3/4
Thomas F. Rahilly(6)	6/6	3/3	—	—	3/3
M.D. Wendy Rebanks(7)	10/10	—	4/4	—	1/1

(1) Mr. Bachand was appointed to the Board of Directors, the Environmental, Health and Safety Committee and the Governance Committee effective May 16, 2007.

(2) Mr. Dart resigned from the Board of Directors effective September 21, 2007.

(3) Mr. Hoffman retired from the Board of Directors effective May 16, 2007.

(4) Mr. Makinson retired from the Board of Directors effective May 16, 2007.

(5) Ms. Marcoux was appointed to the Board of Directors and the Audit Committee effective September 21, 2007.

(6) Mr. Rahilly was appointed to the Board of Directors and the Audit Committee and the Pension and Benefits Committee effective May 16, 2007.

(7) Ms. Rebanks retired from the Pension and Benefits Committee effective May 16, 2007.

The following table summarizes compensation paid to non-management directors of the Corporation during the year ended December 31, 2007:

Name	Board Retainer	DSU Grant[(1)]	Committee Chair Retainer	Committee Member Retainer(s)	Board Attendance Fees	Committee and Other Attendance Fees	Total Fees*	Percentage Allocated to DSUs
	$	$	$	$	$	$	$	%
Stephen E. Bachand[(2)]	37,500	37,800	—	6,000	12,000	16,000	109,300	100
A. Charles Baillie	50,000	37,800	15,833	9,000	18,000	32,000	162,633	100
Robert J. Dart[(3)]	37,500	37,800	—	—	14,000	—	89,300	100
Peter B. M. Eby	50,000	37,800	13,500	9,000	20,000	32,000	162,300	100
Phillip W. Farmer	50,000	37,800	—	9,000	12,000	20,000	128,800	100
Anne L. Fraser	50,000	37,800	4,750	4,000	18,000	14,000	128,550	29
Anthony R. Graham[(4)]	50,000	37,800	4,750	8,000	18,000	28,000	146,550	100
Mark Hoffman[(5)]	18,750	—	—	3,000	8,000	6,000	35,750	—
John C. Makinson[(6)]	18,750	—	—	1,875	6,000	8,000	34,625	100
Isabelle Marcoux[(7)]	12,500	—	—	1,250	4,000	4,000	21,750	100
J. Robert S. Prichard	50,000	37,800	—	8,000	18,000	26,000	139,800	100
Thomas F. Rahilly[(8)]	37,500	37,800	—	6,750	12,000	12,000	106,050	100
M. D. Wendy Rebanks[(9)]	50,000	37,800	—	5,000	20,000	10,000	122,800	31
Total	**512,500**	**378,000**	**38,833**	**70,875**	**180,000**	**208,000**	**1,388,208**	

(1) An additional Board retainer was paid on May 17, 2007 in the form of DSUs. See page 12 for details of the grant.

(2) Mr. Bachand was appointed to the Board of Directors, the Environmental, Health and Safety Committee and the Governance Committee effective May 16, 2007.

(3) Mr. Dart resigned from the Board of Directors effective September 21, 2007.

(4) Mr. Graham also received director fees from Loblaw and President's Choice Bank, its wholly-owned subsidiary.

(5) Mr. Hoffman retired from the Board of Directors effective May 16, 2007. Mr. Hoffman also received additional director fees from Glenhuron Bank Limited and Glenhuron Re-insurance Limited, both subsidiaries of the Corporation.

(6) Mr. Makinson retired from the Board of Directors effective May 16, 2007.

(7) Ms. Marcoux was appointed to the Board of Directors and the Audit Committee effective September 21, 2007.

(8) Mr. Rahilly was appointed to the Board of Directors, the Audit Committee and the Pension and Benefits Committee effective May 16, 2007.

(9) Ms. Rebanks retired from the Pension and Benefits Committee effective May 16, 2007.

* Directors are reimbursed for transportation and other expenses incurred in connection with attendance at Board and Committee meetings.

SECTION 4 Executive Compensation

Report on Executive Compensation

The responsibilities of the Governance Committee are summarized under "Statement of Corporate Governance Practices" on page 29. Among other matters, the Governance Committee is responsible for reviewing and approving overall compensation policies and reviewing, approving and recommending to the Board compensation for executives of the Corporation and its operating subsidiaries, including for those Named Executive Officers listed in the Summary Compensation Table on page 23. In December 2007, the Governance Committee reviewed and approved its executive compensation program for 2008, including base salary, short-term incentive plan ("STIP") and long-term incentive plan ("LTIP") components.

The compensation of the executive officers of Loblaw is overseen by the Loblaw Board of Directors with the assistance of the Loblaw Governance Committee and is discussed in detail in the Loblaw Management Proxy Circular, which is available at www.sedar.com. Accordingly, this Report on Executive Compensation deals principally with the compensation of the executive officers of the Corporation and its subsidiaries other than Loblaw.

As of March 26, 2008, the members of the Governance Committee were Stephen Bachand, A. Charles Baillie, Peter B.M. Eby (Chair), Anthony R. Graham and J. Robert S. Prichard. All members of the Governance Committee are independent directors except for Mr. Graham, who is an executive officer of Wittington, the private holding corporation through which Mr. W. Galen Weston controls the Corporation.

Compensation Philosophy

The compensation of the Corporation's senior employees is a key area of focus for the Governance Committee. The Corporation's compensation arrangements for its senior employees are intended to:

(i) attract, retain and motivate high-calibre employees who can effectively contribute to the long-term success and objectives of the Corporation;

(ii) reward executives for achieving targeted business results; and

(iii) provide incentives for senior employees to perform in a manner that is aligned with the best interests of the shareholders.

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. Compensation is structured to provide senior employees with the opportunity for a competitive level of total compensation based, in part, on the Corporation's business results.

Comparator Group and Independent Advice

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 processing sector. In determining compensation for the Named Executive Officers, the Governance Committee also considers publicly-disclosed executive compensation information of various Canadian and U.S. public companies whose revenues, profitability and market capitalization are comparable to those of the Corporation. This information is compiled and analyzed by an external compensation consultant retained by the Governance Committee, 3XCD Inc., which then provides the information to the Governance Committee along with its recommendations. 3XCD Inc. has not been retained to perform any services for the Corporation.

Components of Total Compensation

The total compensation of senior employees of the Corporation, including the Named Executive Officers, consists of four components:

(i) base salary;

(ii) short-term incentives;

(iii) long or medium term incentives (including stock options, restricted share units and medium-term incentive plan units); and

(iv) retirement arrangements.

The Corporation aims to ensure that each senior employee's compensation is properly weighted among these components, with a greater emphasis on the variable components of compensation. The weighting of the components of total compensation is reviewed annually by the Governance Committee. The compensation structure for each level within the executive group has a specific salary range, STIP target and LTIP target, providing total direct compensation generally targeted at the median of the comparator group.

Base Salary

The Governance Committee reviews and approves base salaries for senior employees, including the Named Executive Officers. A salary range has been established for each level of senior management in the Corporation based on competitive benchmarks and is reviewed by the Governance Committee on an annual basis. Base salaries are set within the applicable ranges based on individual performance and experience. Adjustments to an executive's base salary are considered annually with reference to a number of factors, including the executive's overall performance and experience.

Annual Bonus Incentive

There are separate short-term bonus incentive plans for the senior management of each of the Weston Foods Canadian and U.S. businesses. Prior to 2007, both businesses had an economic value added ("EVA") bonus program. The EVA program was designed to reflect the operating performance of the Corporation while taking into account the cost of capital employed to generate operating income. Effective January 1, 2007 Weston Foods U.S. introduced a new short-term incentive plan ("STIP") in 2007 to replace EVA. Weston Foods Canada remained on the EVA bonus program in 2007 but adopted the STIP effective January 1, 2008. The STIP provides for target annual bonus awards, which are expressed as a percentage of base salary and determined primarily by whether predetermined annual financial performance objectives tied to the earnings before interest and taxes ("EBIT") of the applicable Weston Foods business unit for the relevant fiscal year are met. Both the target bonus awards and the financial performance objectives are set on an annual basis by the Governance Committee. This compares with the EVA plan, under which bonuses were determined based on performance targets set every three years. The STIP is designed to provide employees with an easily understood metric against which annual performance can be measured. An employee's bonus may be less or more than the targeted amount, depending on the actual performance of the relevant business unit as well as the employee's individual performance measured against pre-determined personal objectives. No bonus will be payable if the financial performance of the relevant business unit in a year is less than 90% of the target for that year. The bonus amount increases incrementally based on the amount the actual performance exceeds 90% of target performance objectives up to a maximum of 150% of the full target bonus amount, in the case of Weston Foods U.S., or 180%, in the case of Weston Foods Canada.

The short-term bonus for an employee of the Corporation who does not work directly for Weston Foods Canada or Weston Foods U.S. is determined on the basis of whether performance objectives are met or exceeded by the underlying operating businesses that the employee supports including, in some cases, Loblaw.

Long-Term Incentive Plans

The Governance Committee believes that equity based incentives are an integral component of senior employees' total compensation because they provide an incentive for employees to contribute to increasing shareholder value. Historically, the Corporation's long-term incentive plans consisted of grants of stock options and restricted share units ("RSUs"). However, the Governance Committee concluded that these equity-based incentives are ill-suited to those employees of the Corporation who are employed by the operating businesses of Weston Foods Canada or Weston Foods US, as the Corporation's share price is overwhelmingly determined by the value of the Corporation's substantial investment in Loblaw. Accordingly, in 2006, the Corporation introduced a medium term compensation plan ("MTIP") for each of Weston Foods Canada and Weston Foods US that is intended to reward employees for increases in the equity value of those businesses over time.

As a result of the introduction of the MTIPs, the participation in the Corporation's Stock Option Plan and RSU Plan is now restricted to the relatively small number of senior employees of the Corporation (approximately 40 in 2007) who do not work directly for either Weston Foods US or Weston Foods Canada, including Messrs. W. Galen Weston, Leighton and Vaux.

Beginning in 2007, most employees who are eligible for stock option and RSU grants receive them on an annual basis rather than every three years, as was previously the case. The stock-option and RSU grants are generally allocated on a 2:1 basis based on the value of the LTIP award at the time of grant. The value of the LTIP grant to executives is determined as a percentage of the mid-point of the base salary of the particular executive. All grants are reviewed and approved by the Governance Committee as part of its regular review of compensation. The specific features of the Stock Option Plan, RSU Plan and MTIP Plan are described below.

Stock Option Plan

The Governance Committee administers the Corporation's stock option plan (the "Stock Option Plan"), approves the participants, makes grants of options and establishes any limitations, restrictions and conditions upon any grants of options.

Any employee or officer of the Corporation or any of its affiliates as may be determined by the Governance Committee may be a participant under the Stock Option Plan. The number of Common Shares that may be issued to insiders of the Corporation is capped at 5% of the number of issued and outstanding Common Shares.

As of March 26, 2008, options to purchase 2,072,672 Common Shares were outstanding and 4,374,689 Common Shares were available for future option grants, representing approximately 3.4% of the number of issued and outstanding Common Shares as of that date. In order to limit the dilutive effects of stock options on share values, the Corporation seeks to maintain the total number of Common Shares issuable pursuant to the Stock Option Plan at 5% or less of the number of issued and outstanding Common Shares. The Stock Option Plan provides that Common Shares issuable pursuant to outstanding options that are, for any reason, cancelled, expired, forfeited or terminated without having been exercised will again be available for grants under the Stock Option Plan.

On March 20, 2008, 219,349 stock options with an exercise price of $46.24 were granted to 39 employees of the Corporation.

The exercise price for options granted under the Stock Option Plan may not be lower than the fair market value of the Common Shares, which is defined as the greater of: (i) the weighted average of the trading prices of the Common Shares on the TSX for the five trading days prior to the grant date; and (ii) the weighted average of the trading prices of the Common Shares on the TSX on the trading day prior to the grant date.

Options may not be exercised prior to the first anniversary of the date of the grant. The vesting of options is otherwise determined on the grant of the option. Options granted in 2007 vest over a five-year period at 20% each year and expire at the end of seven years. Each option has a term of not less than five and not more than ten years.

If the expiry date for an option occurs during a blackout period or other period during which an insider is prohibited from trading in securities of the Corporation pursuant to its insider trading policy, the expiry date will automatically be extended until ten business days after such period ends.

Instead of receiving Common Shares on the exercise of an option, the holder may elect to receive a cash payment equal to the weighted average trading price of the Common Shares for the five trading days prior to the date of exercise, minus the exercise price.

In connection with a transaction involving a change of control of the Corporation, the Board has the discretion to accelerate the vesting of the options and to provide for options that are not exercised in connection with the transaction to expire. Options are not transferable.

All unvested options are cancelled if the holder resigns or is terminated. If the holder's employment is terminated without cause, the holder has 30 days to exercise vested options. If the holder retires under a retirement plan, the holder has 90 days to exercise vested options. If the holder dies, the holder's estate has 180 days to exercise vested options.

In the event of any consolidation, subdivision or reclassification of the Common Shares, or any stock dividend of Common Shares, paid otherwise than in lieu of a normal cash dividend, or any merger, amalgamation or reorganization of the Corporation, the Board will make appropriate adjustments to the number of Common Shares subject to any option then outstanding and the exercise price thereof.

The Stock Option Plan provides that shareholder approval is not required for any amendments to the Stock Option Plan or an option granted under the Stock Option Plan, *except* for any amendment or modification that:

- increases the number of Common Shares that can be issued under the Stock Option Plan, including an increase to a fixed number of Common Shares or a change from a fixed maximum number of Common Shares to a fixed maximum percentage;
- reduces the exercise price of an option (including, without limitation, a cancellation and re-grant of an option, constituting a reduction of the exercise price of such option), except in connection with a change in the number of the Corporation's outstanding Common Shares by reason of a stock dividend or split, recapitalization, reorganization, merger, amalgamation, consolidation, combination or exchange of Common Shares, or another corporate change affecting Common Shares;
- extends the term of an option beyond its original expiry date, except where the expiry date would have occurred during a blackout period or at any other time when the holder may be prohibited from trading in securities of the Corporation pursuant to the Corporation's insider trading policy;
- changes the provisions relating to the transferability of an option;
- extends eligibility to participate in the Stock Option Plan to a non-employee director; or
- is required to be approved by shareholders under applicable laws, regulations or stock exchange rules.

Stock options are generally granted to participating employees of the Corporation yearly during the trading window period following the release of the Corporation's annual financial statements in March. Grants may also be made during the trading windows following the release of the Corporation's quarterly financial results to newly hired or promoted employees. Options generally vest over a five year period at 20% each year and expire at the end of seven years.

Restricted Share Unit Plan

The Restricted Share Unit Plan (the "RSU Plan") was introduced in 2005 and is intended to ensure that the compensation of senior employees remains competitive, foster employee retention and ensure that the long-term compensation program is aligned with the maximization of shareholder value. RSUs entitle the employee to a cash payment after the end of each performance period of up to three years following the date of the award. The RSU payment will be an amount equal to the weighted average price of a Common Share for the ten days preceding the end of the performance period for the RSUs multiplied by the number of RSUs held by the employee. The RSU Plan does not provide for the payment of any additional units in respect of dividends paid on Common Shares.

The RSU Plan provides that if a participant voluntarily resigns or is terminated for cause, his or her RSUs will be cancelled and no payment will be made. Following the first year from the date of the grant, a participant who retires or whose employment is terminated other than for cause will be entitled to receive a payment based on a prorated portion of his or her RSUs, with reference to the time remaining in the performance period. The payment is then calculated with reference to the date his or her employment ceased.

On March 20, 2008, 27,732 RSUs were granted to 38 employees of the Corporation.

Medium Term Incentive Plans

Under the Canadian and U.S. MTIPs, awards of MTIP Units are made to eligible employees on an annual basis. Each year the Governance Committee designates a new three-year performance period for each Weston Foods business and approves a three-year budget to be applied in conjunction with the new awards. The underlying principle of the MTIP is that participating employees will be paid an amount that reflects the increase in the equity value of the relevant business that is actually achieved by the end of the applicable performance period, with equity value being determined in the manner prescribed by the Plan. Each participant's share in the increase in the equity value is a function of the number of MTIP Units the participant is awarded. The size of a grant to a participating employee is generally determined on the basis of the targeted payment amount measured as a percentage of the particular employee's base salary.

If a participant voluntarily resigns or is terminated with cause, his or her MTIP Units are cancelled and no payment will be made. A participant who is terminated without cause or retires in accordance with one of the Corporation's retirement plans is entitled to pro rata payment based on the date his or her employment ceases.

In 2007, the Governance Committee approved the grants of MTIP Units to 43 employees of Weston Foods U.S. and 59 employees of Weston Foods Canada, including Messrs. Prince and Robinson. The Governance Committee also has approved grants of MTIP Units for 2008 to senior employees in each business.

Share Ownership Guidelines

The Corporation maintains share ownership guidelines to further align the interests of senior executives with those of the Corporation's shareholders. The guidelines were updated in March, 2008. Under these guidelines, senior executives are expected to own Common Shares with a value equal to a multiple of their base salary as determined by their position.

The guidelines range from three times base salary for the Deputy Chairman to one times base salary for certain other senior executives. Executives are expected to attain their ownership guidelines within five years of their appointment as an executive. Share ownership under these guidelines includes ownership of Common Shares and RSUs of the Corporation and the in-the-money value of vested stock options of the Corporation.

The beneficial share ownership of each active Named Executive Officer subject to the guidelines as at March 26, 2008, and the dollar value of such share ownership based on the closing price on the TSX on March 26, 2008 is set forth in the following table:

Name	Common Shares (#)	RSUs (#)	Total Value ($)
W. Galen Weston	80,720,448	12,686	3,798,493,955
Allan L. Leighton	4,781	—	224,946
Robert Vaux	361	11,466	556,460

As previously noted, the share price of the Corporation is not strongly co-related to the performance of the business of either Weston Foods Canada or Weston Foods U.S. because of the value of the Corporation's substantial investment in Loblaw. Accordingly, in 2008, the Governance Committee concluded that the share ownership guidelines would no longer apply to Messrs. Prince and Robinson.

Retirement Plans

The Corporation's pension plans are designed to provide a reasonable level of retirement income to executives and to reward them for continued service with the Corporation. Senior employees (other than Mr. Leighton) participate in either the Corporation's executive defined benefit pension plan (the "Executive DB Plan") or the executive defined contribution plan (the "Executive DC Plan"). In addition, senior employees of the Corporation whose pensionable earnings exceed prescribed levels, including the Named Executive Officers (other than Mr. Leighton), participate in a non-contributory supplemental executive retirement plan. Information on these plans can be found under "Pension Plan and Long Service Executive Arrangements" on page 25.

Employment and Retirement Arrangements

The following are descriptions of the employment and retirement arrangements for the Named Executive Officers.

Mr. Allan L. Leighton was appointed Deputy Chairman of the Corporation on September 19, 2006. Under his employment agreement with the Corporation, Mr. Leighton's annual base salary was initially set at $1 million. Mr. Leighton also has an employment agreement with Loblaw pursuant to which he receives an annual base salary of $1 million for his service as Deputy Chairman of Loblaw. He participates in annual executive short-term bonus plans and the Stock Options Plans of both Weston and Loblaw. In 2007, Mr. Leighton received a bonus of $500,000 from the Corporation. As was the case for all executives of Loblaw, Mr. Leighton did not receive a bonus with respect to 2007 from Loblaw. Mr. Leighton was granted 247,155 options of the Corporation on March 19, 2007 at an exercise price of $72.21 covering the three-year period 2007-2009 inclusive. On March 19, 2007, Mr. Leighton was also granted 371,839 options of Loblaw at an exercise price of $47.44 under the Loblaw Stock Option Plan also covering the three-year period 2007-2009 inclusive. In the event that Mr. Leighton's employment is terminated, he will receive accrued and unpaid salary to the date of termination and any management incentive to which he would otherwise be entitled pursuant to any bonus plan in which he participated prior to the date of termination will be prorated through the date of termination. The effect of Mr. Leighton's termination on his outstanding stock options and RSUs is described above under "Stock Option Plan" and "Restricted Share Plan". On termination, Mr. Leighton is subject to non-competition and confidentiality agreements. Mr. Leighton does not participate in any of the Corporation's or Loblaw's pension or retirement arrangements.

Mr. Prince entered into an employment agreement with the Corporation effective January 1, 2006 that provides that his base salary is US$1,250,000 and entitles him to an annual bonus of up to a maximum of 100% of base salary based upon achieving budget and other performance targets. Mr. Prince received a bonus in 2007 in the amount of US$1,250,000, representing 100% of his target bonus amount based on the performance of the Weston Foods U.S. business in that year. Mr. Prince was granted MTIP Units in accordance with the terms of his employment agreement. With respect to the MTIP grants provided to Mr. Prince in each of 2006, 2007 and 2008, the targeted payout at the end of each respective three-year period is US$1,250,000. The targets are based on pre-determined increases in the equity value of the Weston Foods U.S. business. The actual payouts will be higher or lower than the targeted amounts based on the actual performance of the Weston Foods U.S. business. Mr. Prince participates on a non-contributory basis in the Corporation's Executive DB Plan. Upon ceasing to be employed by the Corporation, Mr. Prince may be entitled to an aggregate termination payment of a maximum of US$5 million, subject to certain non-competition covenants.

Mr. Robinson entered into an employment agreement with the Corporation effective January 1, 2006 that provided that his base salary for 2006 and 2007 was $650,000. The agreement entitles him to an annual bonus of up to a maximum of 100% of base salary based upon achieving budget or other performance targets. Mr. Robinson received a bonus in 2007 of $650,000, representing 100% of his target bonus amount reflecting the achievements of the EVA target for Weston Foods Canada that year. Mr. Robinson was also granted MTIP Units in accordance with the terms of his employment agreement. With respect to the MTIP grants provided to Mr. Robinson in each of 2006 and 2007, the targeted payment amount at the end of each three-year period is $1,250,000. The targets are based on pre-determined increases in the equity value of the Weston Foods Canada business. The actual payment amount will be higher or lower than the targeted amounts based on the actual performance of the Weston Foods Canada business. Effective January 1, 2008, Mr. Robinson's employment agreement was amended to increase his base salary to $700,000 and his MTIP target payout amount was increased to $1,400,000 at the end of each new three year performance period. Mr. Robinson participates on a non-contributory basis in the Corporation's Executive DB Plan. Upon ceasing to be employed by the Corporation, Mr. Robinson may be entitled to an aggregate termination payment of a maximum of $4 million, subject to certain non-competition covenants.

Mr. Robert Vaux was appointed Chief Financial Officer of the Corporation effective May 16, 2007. Pursuant to his employment agreement, Mr. Vaux receives an annual base salary of $600,000. Mr. Vaux is eligible for an annual short-term bonus, with a target bonus equal to 100% of his base salary, based upon the Corporation achieving budget and meeting other performance targets. In 2007, Mr. Vaux received a bonus of $344,744. He also participates on a non-contributory basis in the Corporation's Executive DB Plan. On March 19, 2007, Mr. Vaux was granted 76,832 stock options at an exercise price of $72.21 and 7,245 RSUs issued under the RSU Plan. The effect of Mr. Vaux's termination on his outstanding stock options and RSUs is described above under "Stock Option Plan" and "Restricted Share Plan". On termination, Mr. Vaux is subject to certain non-competition and confidentiality agreements.

Mr. Mavrinac, former Chief Financial Officer of the Corporation, retired from the Corporation effective May 16, 2007. Pursuant to the terms of his employment contract, Mr. Mavrinac received a payment of $5 million split equally with Loblaw. Mr. Mavrinac was also entitled to amounts pursuant to the Corporation's and Loblaw's Stock Option Plans, RSU Plans and short-term bonus plans and applicable agreements upon his retirement. Mr. Mavrinac is subject to certain non-competition covenants pursuant to his employment agreement.

Compensation of the Chairman and President

The structure of the Chairman and President's compensation is similar to that of other senior executives. In setting the total compensation of the Chairman and President, the Governance Committee uses the same philosophy and guiding principles described above and refers to publicly disclosed executive compensation information to ascertain an amount is competitive with amounts paid to chief executive officers. In establishing the total compensation for the Chairman and President of the Corporation, 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 his compensation entitlements, the Governance Committee also considers the relative compensation of other members of the senior management team. In addition, the Governance Committee assesses and considers factors such as his contribution to the Corporation 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.

Mr. W. Galen Weston's salary, bonus and long-term incentive awards are determined by the Governance Committee. In 2007, Mr. Weston's base salary as Chairman and President of the Corporation remained at $1 million per year. On March 19, 2007, Mr. Weston also was granted 123,750 stock options by the Corporation at an exercise price of $72.21. These options vest at a rate of 20% per year over a five year period.

Mr. Weston did not receive a bonus under the STIP in respect of 2007.

The Governance Committee believes that Mr. Weston's compensation structure aligns his interests with those of the Corporation's shareholders and appropriately compensates him for the Corporation's long-term success.

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

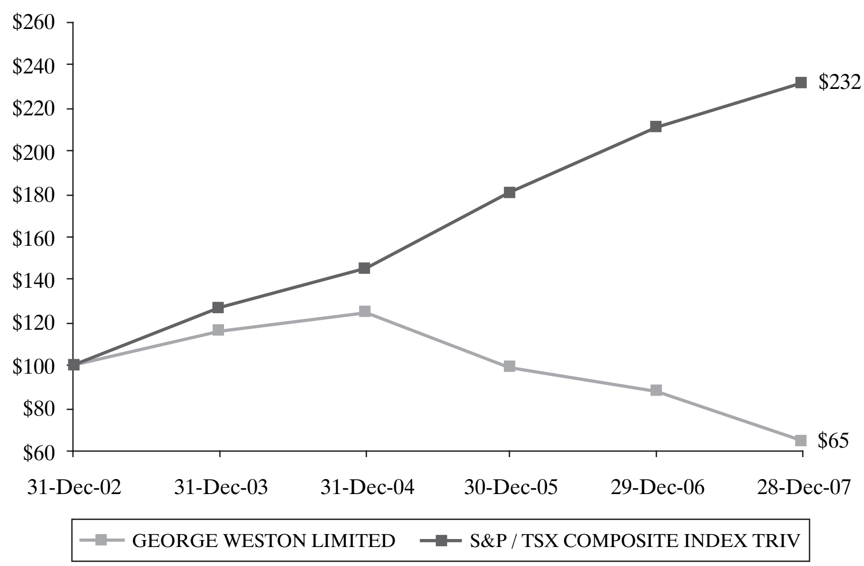
Stephen Bachand, A. Charles Baillie, Peter B.M. Eby (Chair), Anthony R. Graham and J. Robert S. Prichard.

Performance Graph

The graph below compares the cumulative total shareholder return on $100 invested in Common Shares on December 31, 2002 with the cumulative total return of the S&P/TSX Composite Index over the same period.

CUMULATIVE TOTAL RETURN

Assuming an investment of $100 and reinvestment of dividends



	31-Dec-02	31-Dec-03	31-Dec-04	30-Dec-05	29-Dec-06	28-Dec-07
S&P / TSX COMPOSITE INDEX TRIV	$100	$127	$145	$180	$211	$232
GEORGE WESTON LIMITED	**$100**	**$116**	**$125**	**$99**	**$89**	**$65**

	31-Dec-02	31-Dec-03	31-Dec-04	30-Dec-05	29-Dec-06	28-Dec-07
S&P / TSX COMPOSITE INDEX TRIV	14,782.01	18,732.48	21,444.89	26,618.80	31,213.49	34,253.31

Summary Compensation Table

The following table sets forth compensation earned during the fiscal years 2007, 2006 and 2005 by the Chairman and President, the current and former Chief Financial Officers and the three most highly compensated executive officers of the Corporation and its principal subsidiaries for 2007 (collectively the "Named Executive Officers").

		Annual Compensation			Long-Term Compensation			
					Awards		Payouts	
Name and Principal Position	Year	Salary ($)	Bonus ($)	Other Annual Compensation ($)(1)	Securities Under Options/SARs Granted (#)(2)(3)	Shares or Units subject to Resale Restrictions ($)(4)(5)	LTIP Payouts ($)	All Other Compensation ($)(6)
W. Galen Weston(7)	2007	1,000,000	–	2,388	123,750(2)	–	–	–
Chairman and President	2006	1,466,667	–	10,000	–	–	–	–
	2005	1,600,000	460,000	10,000	72,490(2)	1,412,586(4)	–	–
					114,893(3)	1,418,675(5)		
Allan L. Leighton(8)	2007	2,000,000	500,000	–	247,155(2)	–	–	–
Deputy Chairman					371,839(3)			
	2006	285,714	300,000	–	–	–	–	–
Gary J. Prince(9)(10)	2007	1,250,000	1,250,000	13,073	–	–	–	–
President, Weston	2006	1,250,000	1,000,000	10,000	–	1,459,135	–	–
Foods, Inc. (U.S.)	2005	1,000,000	1,000,000	10,000	73,333(2)	1,428,954	–	–
Ralph A. Robinson(10)	2007	650,000	650,000	26,500	–	–	–	–
President, Weston	2006	650,000	650,000	34,000	–	711,570	–	–
Foods Inc. (Canada)	2005	650,000	561,943	34,000	40,000	779,450	–	–
Robert Vaux(11)	2007	492,000	344,744	25,000	76,832(2)	523,161(4)	–	–
Chief Financial Officer								
Richard P. Mavrinac(12)	2007	227,694	–	23,000	–	–	556,184	5,330,000
Former Chief Financial	2006	600,000	–	31,000	–	268,699(4)	–	–
Officer						261,800(5)		
	2005	600,000	345,000	28,600	18,123(2)	353,090(4)	–	–
					28,723(3)	354,403(5)		

(1) Amounts under Other Annual Compensation include the value of perquisites. The aggregate value of perquisites and benefits for each Named Executive Officer is less than the lesser of $50,000 and 10% of the Named Executive Officer's total annual salary and bonus.

(2) Common Shares of the Corporation.

(3) Common Shares of Loblaw.

(4) Amounts represent the dollar value of RSUs of the Corporation awarded to the Named Executive Officer, in each case based on the closing price of the Common Shares on the grant date multiplied by the number of RSUs awarded. In 2007, the Corporation granted 7,245 RSUs to Mr. Vaux based on the closing price for the Common Shares of $72.21 on the TSX.

Based on the closing price of $54.08 of the Common Shares of the Corporation on the TSX on December 28, 2007, the last trading day of the year, Mr. W.G. Weston held an aggregate of 12,686 RSUs with a value of $686,059, Mr. Prince held an aggregate of 30,183 RSUs with a value of $1,632,297, Mr. Robinson held an aggregate of 15,461 RSUs with a value of $836,131 and Mr. Vaux held an aggregate of 11,466 RSUs with a value of $620,081.

(5) Amounts represent the dollar value of RSUs of Loblaw awarded to the Named Executive Officer, in each case based on the closing price of the Common Shares of Loblaw on the grant date multiplied by the number of RSUs awarded. RSUs of Loblaw were not awarded to any Named Executive Officer in 2007.

As of December 31, 2007, based on the closing price of $34.07 of common shares of Loblaw on the TSX on December 28, 2007, the last trading day of the year, Mr. W. Galen Weston held 20,106 Loblaw RSUs with a value of $685,011, and Mr. Vaux held 2,514 Loblaw RSUs with a value of $85,652.

RSUs of the Corporation and of Loblaw are paid out after the end of a three year performance period following the date of their grant subject to certain conditions. RSUs are not redeemable for shares and do not accumulate additional units based on notional dividends paid on the Common Shares. For a description of the terms of RSUs, see "Restricted Share Unit Plan" on page 18.

(6) Amounts under All Other Compensation include signing bonuses, relocation payments and amounts paid on termination of employment.

(7) Includes a portion paid by Loblaw for the years 2006 and 2005 except for the bonus amount in 2005 which was paid only by the Corporation.

(8) Mr. Leighton was appointed Deputy Chairman of the Corporation effective September 19, 2006. Mr. Leighton's salary amount includes $1,000,000 in compensation for service as Deputy Chairman of Loblaw.

(9) All amounts in US Dollars.

(10) Mr. Prince and Mr. Robinson received grants of MTIP Units in 2007. See "Employment and Retirement Arrangements" starting on page 20 for the terms of their respective grants.

(11) Mr. Vaux was appointed Chief Financial Officer effective May 16, 2007.

(12) Mr. Mavrinac retired from the Corporation effective May 16, 2007. Amounts include a portion paid by Loblaw.

Grant of Stock Options During the Most Recently Completed Financial Year (2007)

The following table sets out option grants to Named Executive Officers during the most recently completed financial year:

Name of Participant	Securities Under Options/SARS Granted (#)(1)	% of Total Options/SARs Granted to Employees in Financial Year	Exercise or Base price ($/Security)(2)	Market Value of Securities Underlying Options/SARs on the Date of Grant ($/Security)	Expiration Date
W. Galen Weston	123,750	17.8%	72.21	72.21	March 19, 2014
Allan L. Leighton	247,155	35.6%	72.21	72.21	March 19, 2014
Robert Vaux	76,832	11.1%	72.21	72.21	March 19, 2014

(1) Common Shares of the Corporation.

(2) The exercise price was based on the closing price of the Common Shares on the TSX on the date prior to the date of grant. Options vest 20% on each of the first, second, third, fourth and fifth anniversaries of the date of the grant.

Grants of Restricted Share Units During the Most Recently Completed Financial Year (2007)

The following table sets out RSUs granted to Named Executive Officers during the most recently completed financial year:

Name of Participant	Securities Under RSUs Granted (#)(1)	Dollar Value at date of Grant ($)	Percentage of Total RSUs Granted to Employees in Financial Year (%)	Performance Period End Date
Robert Vaux	7,245	72.21	20.1	March 19, 2010

(1) Restricted Share Units of the Corporation. See page 18 for terms of grant of Restricted Share Units for the Corporation.

The following table sets forth, where applicable, options exercised during 2007 and unexercised options at year end December 31, 2007 for each of the Named Executive Officers:

Options/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 ($)	Unexercised Options/ SARS at Financial Year End (#) Exercisable/Unexercisable		Date Option/ SAR Granted	Value of Unexercised in the Money Options/SAR's at Financial Year End ($) Exercisable/Unexercisable	
W. Galen Weston	–	–	68,560	17,139	Jan 15, 2003(1)	–	–
			28,996	43,494	May 13, 2005(1)		
			–	123,750	Mar 19, 2007(1)		
			119,404	29,850	Jan 15, 2003(2)		
			45,958	68,935	Jan 20, 2005(2)		
Robert Vaux	–	–	1,500	749	Jan 15, 2003(1)	–	–
			2,790	4,187	May 13, 2005(1)		
			–	76,832	Mar 19, 2007(1)		
			2,612	1,306	Jan 15, 2003(2)		
			4,308	6,463	Jan 20, 2005(2)		
Allan A. Leighton	–	–	–	247,155	Mar 19, 2007(1)	–	–
			–	371,839	Mar 19, 2007(2)		
Gary J. Prince	–	–	40,000	–	Jan 11, 2002(1)	–	–
			85,700	21,424	Jan 15, 2003(1)		
			29,334	43,999	May 13, 2005(1)		
Ralph A. Robinson	–	–	19,282	9,642	Jan 15, 2003(1)	–	–
			16,000	24,000	May 13, 2005(1)		

(1) Common Shares of the Corporation.
(2) Common Shares of Loblaw.

Equity Compensation Plans as at December 31, 2007

The following table provides information on the Stock Option Plan, which is the Corporation's only equity-compensation plan that provides for the issuance of Common Shares:

Plan Category	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
Stock Option Plan	1,942,321	90.28	4,505,040

Pension Plan and Long Service Executive Arrangements

Executives of the Corporation, including the Named Executive Officers (other than Mr. Leighton who does not participate in the pension plans of the Corporation or Loblaw), participate in either the Corporation's Executive DB Plan or Executive DC Plan. The Corporation's current policy is that newly hired and newly appointed executives join the Executive DC Plan.

Executive Defined Benefit Plan

For those executives who participate in the Executive DB Plan and are retiring in 2007, annual pension benefits are capped at $2,222 per year of service. In addition, the Corporation provides non-registered, supplemental executive retirement allowances ("SERP") to executives who participate in the Executive DB Plan. The SERP is an unfunded obligation of the Corporation and executives who participate in this plan must comply with the non-compete provisions in order to receive full payment.

Pension entitlements for executives in the Executive DB Plan and the SERP are based on the executive's length of service and his or her highest consecutive three-year average rate of eligible pension earnings (base salary) during his or her years of service with the Corporation. The total annual benefits paid under the Executive DB Plan and the SERP are capped at $100,000.

The cost of the estimated future SERP and pension benefits 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 16 of the 2007 annual financial statements of the Corporation. Certain accrued obligations under the SERP are secured by a stand-by letter of credit issued by a major Canadian bank.

Except with respect to certain of the Named Executive Officers as set forth below, the following table sets forth the total amount of pension entitlement expected under both the Executive DB Plan and SERP based on various salary levels and years of service:

Pension Plan Table

Annual Base Salary	Years of Service				
($)	10	15	20	25	30
150,000	30,000	45,000	60,000	75,000	75,000
175,000	35,000	52,500	70,000	87,500	87,500
200,000 and above	40,000	60,000	80,000	100,000	100,000

The following table sets forth the pension cost and estimated benefits under the Executive DB Plan and the SERP to the Named Executive Officers who participate in the Executive DB Plan:

	Years of Pension Service as at December 31, 2007	2007 Annual Cost ($)(1)	Total Accrued Pension Obligation as at December 31, 2007 ($)(2)	Estimated Annual Pension Benefits payable at Normal Retirement Age ($)
W. Galen Weston(3)	35.0	4,000	5,411,000	500,000
Gary J. Prince(4)	33.5	(156,000)	5,588,000	500,000
Ralph A. Robinson	33.1	66,000	6,162,000	442,000
Robert Vaux	25.0	127,000	1,172,000	125,000

(1) The annual cost represents the growth in the value of the projected pension benefit during the year.

(2) The total accrued pension obligation represents the value of the projected pension benefit assuming normal retirement of age 60.

(3) Mr. Weston is to receive a pension of $500,000 per year at age 70.

(4) U.S. dollars. The total accrued pension obligation for Mr. Prince includes entitlements he has in U.S. plans. The 2007 Annual Cost for Mr. Prince is a negative number as a result of changes to long-term interest rates during the year.

Executive Defined Contribution Plan

Certain executives of the Corporation participate on a non-contributory basis in the Corporation's Executive DC Plan. Contributions are set as a percentage of base salary (capped at $20,000 per year) as set forth on the following table:

Age + Years of Service	Employer Contributions as a percentage of base salary
< 50	13%
50-60	15%
61 +	17%

The Corporation provides SERP benefits to executives who participate in the Executive DC Plan. For each executive, the Corporation's contribution to the Executive DC Plan and the SERP together is capped at $35,000 for each year of service. As at March 26, 2008, there were no Named Executive Officers participating in the DC Plan.

Indebtedness of Directors, Executive Officers and Employees

As at March 26, 2008, there was no indebtedness (other than "routine indebtedness" under applicable Canadian securities laws) owing to the Corporation or any of its subsidiaries by any directors, executive officers, employees or former directors, executive officers or employees of the Corporation or any of its subsidiaries.

SECTION 5 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, 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 in 2007 was $789,000 (such premium is shared with Loblaw). The insurance limit is $100 million per year on an aggregate basis or per occurrence basis. There is no deductible in the case of directors and officers and a deductible of up to a maximum of $1 million for the Corporation.

Normal Course Issuer Bid

The Corporation has a Normal Course Issuer Bid (the "Issuer Bid") on the TSX, which allows for the purchase and cancellation of up to 5% of each class of its common and preferred shares outstanding. A copy of the Corporation's Notice of Intent filed with the TSX can be found at www.sedar.com. The current Issuer Bid expires on April 3, 2008. The Corporation intends to renew the Issuer Bid.

Additional Information

Additional copies of the Corporation's latest Annual Information Form (together with the documents or pertinent pages of documents incorporated therein by reference), the Corporation's annual consolidated financial statements for 2007 together with the report of the auditors on those statements along with Management's Discussion and Analysis and any financial statements for periods after 2007, and this Circular can be obtained upon request from the Senior Vice President, Shared Services of the Corporation at 22 St. Clair Avenue East, Suite 901, Toronto, Ontario M4T 2S7. Additional information about or relating to the Corporation can also be found at www.weston.ca and www.sedar.com or by dialing in for regularly scheduled conference calls. Additional information with regard to Loblaw can be found at www.loblaw.ca and www.sedar.com.

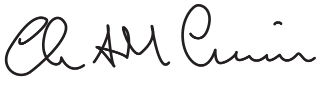
Contacting the Board of Directors

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.



Gordon A. M. Currie
Executive Vice President,
General Counsel and Secretary

Dated in Toronto, Ontario
March 26, 2008

SCHEDULE A Corporate Governance Practices

Statement of Corporate Governance Practices

The Corporation's Board and management believe that sound corporate governance practices contribute to the effective management of the Corporation and its achievement of strategic and operational plans, goals and objectives. To maintain high standards of corporate governance in a rapidly changing environment, the Corporation's governance system is subject to ongoing review and assessment. The Corporation's approach to corporate governance is consistent with Canadian Securities Administrators' Corporate Governance Guidelines (the "Guidelines"). The Governance Committee regularly reviews its corporate governance practices and considers any changes necessary to maintain the Corporation's high standards of corporate governance.

The Corporation's website, www.weston.ca, sets out additional governance information, including the Corporation's Code of Business Conduct, the Disclosure Policy and the Mandates of the Board and of its Committees.

Director Independence

The Board is comprised of a majority of independent directors and will continue to be comprised of a majority of independent directors if all the nominees proposed for election at the Meeting are elected. The Governance Committee has reviewed each existing and proposed director's factual circumstances and relationships with the Corporation to determine whether he or she is independent within the meaning of the Guidelines. The Guidelines provide that a director is independent if he or she has no material relationship with the Corporation or its affiliates that would reasonably be expected to interfere with the director's independent judgment. The following directors are independent: A. Charles Baillie, Stephen Bachand, Peter B. M. Eby, Anne L. Fraser, Isabelle Marcoux, J. Robert S. Prichard and Thomas F. Rahilly. The following directors are not independent:

- W. Galen Weston, who is an executive officer of the Corporation;
- Robert J. Dart and Anthony R. Graham who are both executive officers of Wittington, the Corporation's majority shareholder; and
- Allan L. Leighton, who is an executive officer of the Corporation and of Loblaw.

The Chairman of the Board or of a Committee meets separately with the Board or Committee members after each meeting.

Additional information relating to each director and each director nominee standing for election, including other public company boards on which they serve as well as their attendance record for all Board and Committee meetings during fiscal 2007, can be found on pages 5 through 10 and page 13 of this Circular.

Board Leadership

Mr. W. Galen Weston is Chairman of the Board and Mr. Allan L. Leighton is the Deputy Chairman of the Corporation. The Board has established a position description for each of the Chairman and the Deputy Chairman.

The Board has also appointed an independent director, Peter B. M. Eby, to serve as lead director. The lead director provides leadership to the Board and particularly to the independent directors. 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 periodically with the other directors to obtain insight as to areas where the Board and its Committees can operate more effectively and to ensure the Board is able to discharge its responsibilities independent of management. The lead director chairs meetings of the independent directors following each Board meeting and on other occasions as required or desirable. The Board has developed a position description for the lead director.

The Chairman directs the operations of the Board. He chairs each meeting of the Board and is responsible for the management and effective functioning of the Board generally and provides leadership to the Board in all matters. More specifically, the Chairman works in consultation with the other members of senior management to, among other things: set the agenda for each Board meeting; ensure that the Board has all the information it needs to discuss the matters brought to the Board; and ensure that all the Board's responsibilities, as set out in the Board mandate, are being fulfilled. The Chairman also monitors the reports from the Committees of the Board to ensure the Committees are fulfilling the responsibilities delegated to them by the Board. The Chairman also chairs meetings of shareholders and facilitates the response by management to shareholder concerns. The Chairman ensures that strategic plans are communicated to the Board and that such plans are evaluated as to their success.

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 mandate is found on pages 36 to 38 of this Circular. The Board reviews the Corporation's direction, assigns 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 the business. 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 operating division presents a 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 and members of the Board.

Individual directors may, with the approval of the lead director, retain an outside advisor at the expense of the Corporation.

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
- investments outside of the ordinary course of business.

These matters are in addition to those matters, that 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, legal and treasury matters.

Ethical 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. The Code is reviewed annually to ensure it is current and reflects best practices in the area of ethical business conduct. All directors, officers and employees of the Corporation are required to comply with the Code and must acknowledge their commitment to abide by the Code on a periodic basis. The Code is available on the Corporation's website at www.weston.ca.

The Code also deals with conflicts of interest. Should a director, officer or employee have a conflict of interest with respect to any matter, that individual is required to bring the conflict to the attention of the Ethics and Conduct Committee and, if a director has a conflict with respect to any matter, he or she may not participate in any discussion or vote on the matter. The Code also addresses such matters as the protection of confidential information and the protection and proper use of the Corporation's assets.

The Corporation has established an Ethics and Conduct Committee, comprised of senior management, which reviews all material breaches of the Code. The Ethics and Conduct Committee also oversees implementation of the Code, educating employees regarding the Code and reviews the Code annually to determine if it requires revision.

The Corporation encourages the reporting of unethical behaviour and has established an Ethics Response Line, a toll-free number that any employee or director may use to report conduct which he or she feels violates the Code or otherwise constitutes fraud or unethical conduct. A fraud reporting protocol has also been implemented to ensure that fraud is reported to senior management in a timely manner. In addition, the Audit Committee has endorsed procedures for the anonymous receipt, retention and handling of complaints regarding accounting, internal control or auditing matters. These procedures are available at www.weston.ca.

Loblaw has adopted a Vendor Code of Conduct that sets out Loblaw's expectations of its vendor community with respect to ethical conduct and social responsibilities. The Vendor Code deals with such matters as labour practices, respect for the environment and compliance with various laws.

Orientation and Continuing Education

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' guide containing details of the Corporation's operations, the structure and role 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. The goal is to ensure that new directors fully understand the nature and operation of the Corporation's businesses. 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. All Board members participate in an annual all-day Board meeting at which in-depth information regarding particular aspects of the Corporation's strategic plan is reviewed. Members of the Board also participate periodically in senior management meetings and a Loblaw strategy meeting. These meetings involve presentations by and discussions with senior executives responsible for different aspects of the businesses of the Corporation and Loblaw.

Assessment of the Board, and its Members and its Committees

Each year, the Governance Committee undertakes a review process to assess the performance and effectiveness of the Board and its Committees. In 2007, this process included a questionnaire completed by each of the directors soliciting feedback from directors on matters including the operation of the Board and its Committees, the adequacy of information provided to directors, Board structure and agenda planning for Board meetings. The survey results were reviewed by the Governance Committee and then presented to the full Board.

Following the assessment, the members of the Board made recommendations for improvements in certain areas, including the involvement of the Board with the Corporation's strategic plan and the number of meetings of the Board held in a typical year.

Each year, in addition to the assessment that the Governance Committee performs in connection with compensation matters, the Governance Committee assesses the performance of the Chairman and President and commencing in 2007, the performance of the Deputy Chairman and reviewed the results with the Board.

Nomination of Directors

The Governance Committee is responsible for the nomination of directors. The Governance Committee reviews the experience and performance of nominees for election to the Board and the appointment of directors to Committees.

On an annual basis or when required, the Governance Committee meets to consider any vacancies on the Board or to assess the composition of the current Board membership. The members of the Board are canvassed with respect to potential candidates and each candidate is evaluated with respect to his or her experience and expertise, with particular attention paid to those areas of expertise that could best complement the current Board. The Governance Committee also assesses any potential conflicts, independence or time commitment concerns the candidate may present. The Committee then presents its list of potential candidates to the Board. A continuous list of potential candidates is kept with the records of the Governance Committee.

Composition of the Governance Committee

The Governance Committee, which is responsible for the identification of new candidates for the Board and for the oversight of compensation for directors and officers of the Corporation, is not comprised entirely of independent directors because one member, Mr. Graham, is an officer of Wittington the principal shareholder of the Corporation. Because of the alignment of interests between Wittington and minority shareholders of the Corporation, namely, the creation of value and long-term growth, the Board has determined that it is appropriate for Mr. Graham to be a member of the Governance Committee, with the remainder of the members of the Governance Committee being independent directors. The Board believes that the presence of a majority of independent directors on the Governance Committee and the alignment of interests described above ensure an objective nomination process that is in the interests of all shareholders.

Board Committees

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

The Audit Committee is comprised solely of independent directors. All other committees, other than the Executive Committee, are comprised solely of non-management directors, in each case, with a majority of members being independent directors. The Board believes that the composition of its committees (other than the Executive Committee) allows them to operate independently from management such that shareholders' interests are protected.

Each Committee has a formal mandate and a position description for the Chair established by the Board. Both the mandate and position description are reviewed annually by the Governance Committee. Copies of the Committees' mandates are available on the Corporation's website at www.weston.ca.

Position Descriptions for the Chair of each Committee

The Chair of each Committee is responsible for the leadership and effective functioning of the Committee. Specifically, the Chair is responsible for the following: maintaining a productive and effective relationship between the Committee and management of the Corporation; ensuring the proper flow of information from the Committee regarding the matters discussed and voted upon at each Committee meeting; reviewing the agenda for each meeting of the Committee to ensure that all appropriate matters are brought forward for discussion at the Committee meeting; ensuring that the Committee meets as frequently as is necessary and ensuring, with the assistance of management, that all proper materials and information are before the Committee in connection with matters to be discussed at each meeting of the Committee.

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

Audit Committee

All members of the Audit Committee must be independent and financially literate as required under applicable securities law rules. The Audit Committee is also 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 planning and execution of the audit by the external auditor;
- reviewing the independence of the external auditor;
- considering and evaluating with management the adequacy and effectiveness of 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 of officers and employees;
- 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 and information systems;
- reviewing and approving the audit fees paid to the external auditor and pre-approval of non-audit related fees to the external auditor;
- discussing and reviewing with management and the external auditor the Corporation's annual and interim consolidated financial statements, key reporting matters and Management's Discussion and Analysis and Annual Information Form;
- reviewing disclosure containing financial information based on the Corporation's financial statements; and
- reviewing with management the principal risks of the Corporation's business and the systems and processes implemented to manage these risks.

Governance, Human Resource, Nominating and Compensation Committee
The Governance Committee is responsible for overseeing the compensation of directors and executive officers.

The Governance Committee is also 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;
- assisting in directors' orientation and assessing their performance on an on-going basis;
- shaping the Corporation's approach to corporate governance and recommending to the Board, corporate governance principles to be followed by the Corporation;
- discharging the Board's responsibilities relating to compensation and succession planning for the Corporation's senior executives; and
- determining the process for the compensation of directors and executive officers.

The Board has appointed the Chair 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 pension funds;
- reviewing and recommending managers for the fund's portfolio;
- reviewing the performance of 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 costs 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.

Other Corporate Governance Matters

Disclosure Policy
The Board has 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, www.weston.ca. The

Disclosure Policy, which is reviewed annually, establishes consistent guidance for determining what information is material and how it is to be disclosed to avoid selective disclosure and to ensure wide dissemination. The Board, directly and through its Committees, reviews and approves the contents of major disclosure documents, including interim and annual 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 through these documents as well as by means of news releases, its website and investor relations meetings.

Disclosure Committee

A Disclosure Committee comprised of senior management of the Corporation oversees the Corporation's disclosure process as outlined in the Disclosure Policy. The Disclosure Committee's mandate includes ensuring that effective internal disclosure controls and procedures are in place to allow the Corporation to satisfy all of its continuous disclosure obligations including 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.

SCHEDULE A-1 Mandate of the Board of Directors

1. ROLE

The role of the Board is to provide governance and stewardship of the Corporation. Its role is to review corporate strategy, assign responsibility to management for achievement of that strategy, establish limitations on the authority delegated to management and monitor performance against approved objectives. In fulfilling this role, the Board regularly reviews management's strategic plans so that they continue to be responsive to the changing business environment in which the Corporation operates. The Board oversees the Corporation's approach to corporate governance, succession planning, internal control over financial reporting, disclosure controls and procedures, and information systems to ensure that the Corporation reports accurately and fairly information to shareholders, other stakeholders and the public. The Board is required to appoint corporate officers and satisfy itself as to the integrity of senior management, that the Corporation engages in ethical and legal conduct and that senior management creates a culture of integrity throughout the Corporation.

2. RESPONSIBILITIES

To ensure that it fulfills its role, the Board will:

(a) Define Shareholder Expectations for Corporate Performance Through Effective Communication with Shareholders

- Satisfy itself that there is effective communication between the Board and the Corporation's shareholders, other stakeholders, and the public, including effective, transparent and timely public disclosure.
- Determine, from time to time, the appropriate criteria against which to evaluate performance, and set corporate strategic goals and objectives within this context.

(b) Establish Strategic Goals, Performance Objectives and Operational Policies

The Board will review and approve broad strategic corporate objectives and establish corporate values against which corporate performance will be measured. In this regard, the Board will:

- Approve long-term strategies.
- Review and approve management's strategic and operational plans so that they are consistent with long-term goals.
- Approve strategic and operational policies within which management will operate.
- Set targets and budgets against which to measure corporate and executive performance.
- Satisfy itself that a portion of executive compensation is linked appropriately to corporate performance.
- Satisfy itself that a process is in place with respect to the appointment, development, evaluation and succession of senior management.

(c) Delegate Management Authority to the Chairman and President

- Delegate to the Chairman and President the authority to manage and supervise the business of the Corporation, decisions regarding the Corporation's ordinary course of business and operations that are not specifically reserved to the Board under the terms of that delegation of authority.
- Determine what, if any, executive limitations may be required in the exercise of the authority delegated to management.

(d) Monitor Risk and Corporate Performance

- Understand, assess and monitor the principal risks of all aspects of the business in which the Corporation is engaged.
- Monitor corporate performance against both short-term and long-term strategic plans and annual performance targets, and monitor compliance with Board policies and the effectiveness of risk management practices.

(e) Corporate Governance

- Develop and monitor compliance with a set of corporate governance principles and guidelines.
- Appoint a lead director who is an independent director to provide leadership to the Board and the independent directors.
- Ensure that independent directors hold regular meetings without the attendance of management or non-independent directors.
- Review the Board's mandate on an annual basis and make any revisions, that are necessary.
- Adopt a written code of business conduct, which is applicable to employees, officers and directors of the Corporation, and monitor compliance with such code.
- Develop, adopt and regularly review position descriptions for the Chairman and President, the Deputy Chairman, the lead director and the chair of each committee of the Board.
- Assess the effectiveness and performance of the Board and its committees as well as their individual members.

3. COMPOSITION

The Board shall be comprised of a majority of independent directors. For this purpose, a director is independent if he or she would be Independent within the meaning of National Instrument 58-101 Disclosure of Corporate Governance Practices, as the same may be amended from time to time.

4. COMMITTEES

The Board may establish committees and delegate such authority and responsibilities to such committees as it approves. The authority and responsibilities of any committee so established shall be set out in a written charter. The Board has established the following committees: the Audit Committee (which is comprised entirely of independent directors), the Governance, Human Resource, Nominating and Compensation Committee, (which is comprised of a majority of independent directors) the Environmental, Health and Safety Committee, the Pension and Benefits Committee and the Executive Committee.

5. **ORIENTATION AND CONTINUING EDUCATION**

The Board shall ensure that all directors receive a comprehensive orientation and continuing education in connection with their role, responsibilities and the business of the Corporation, as well as the skills they must use in their roles as directors.

6. **SHARE OWNERSHIP BY DIRECTORS**

The Board shall approve guidelines for ownership by directors of shares of the Corporation and shall monitor compliance with such guidelines.