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**Governance, Human Resource,  
Nominating and Compensation Committee**

**Mandate**

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Approved by the Board of Directors  
on May 9, 2016

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# GEORGE WESTON LIMITED

## Governance, Human Resource, Nominating and Compensation Committee

### Committee Mandate

#### 1. RESPONSIBILITY

The Governance, Human Resource, Nominating and Compensation Committee (the “**Committee**”) is responsible for:

- identifying candidates qualified for election or appointment to the Corporation’s Board of Directors (“**Board**”);
- determining the number of directors and composition for each of the committees of the Board;
- assisting in educating directors and assessing their performance on an ongoing basis;
- developing 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 benefits of the Corporation’s senior executives, including reviewing for approval to the Board the adoption of, or any material change in, any of the Corporation’s executive compensation plans;
- overseeing the Corporation’s succession planning for senior executives;
- reporting to the shareholders on executive compensation; and
- performing the additional duties set out in this Mandate or otherwise delegated to the Committee by the Board.

#### 2. MEMBERS

The Board must appoint a minimum of three directors to be members of the Committee. The majority of the members of the Committee shall be independent.

For the purpose of this Mandate, a director is “independent” if he or she would be independent within the meaning of the applicable Canadian securities laws, as the same may be amended from time to time.

#### 3. CHAIR

Each year, the Board shall appoint one member to be Chair of the Committee who shall be an independent director. If, in any year, the Board does not appoint a Chair, the incumbent Chair shall continue in office until a successor is appointed. In accordance with the mandate of the Board, the Chair of the Committee shall act as Lead Director. The Board

has adopted and approved a position description for the Chair which sets out his or her role and responsibilities.

#### **4. TENURE**

Each member shall hold office until his or her term as a member of the Committee expires or is terminated.

#### **5. QUORUM, REMOVAL AND VACANCIES**

A majority of the Committee's members shall constitute a quorum. Any member may be removed and replaced at any time by the Board. The Board shall fill vacancies in the Committee by appointment from among the members of the Board. If a vacancy exists on the Committee, the remaining members shall exercise all powers so long as a quorum remains in office.

#### **6. DUTIES**

The Committee will have the duties set out below as well as any other duties that are specifically delegated to the Committee by the Board.

##### **(a) Board Succession Plan**

The Committee shall develop and maintain as required a Board succession plan.

##### **(b) Establish and Assess Director Qualifications and Independence**

The Committee shall establish the qualification standards for directors relating to, among other things, the competencies, skills and personal qualities that should be sought in candidates for Board membership, having in mind the skills and competencies the Board as a whole should possess. The Committee shall also regularly assess the competencies and skills of the Board.

The Committee shall conduct an annual assessment of the independence of each director with reference to the applicable Canadian corporate governance guidelines and securities law.

##### **(c) Identify Candidates for Nomination as a Director**

The Committee shall develop and recommend to the Board from time to time a list of candidates for Board election or appointment with a view to enhancing the independence and quality of nominees to be elected by the shareholders at the annual general meeting of shareholders, and with consideration to diversity of views, experiences, skill sets, gender and ethnicity, and to the Board's aspiration to reflect the diverse and changing demographics of the markets in which the Corporation operates. The Committee should determine if each such candidate would be an independent director within the meaning of the relevant securities rules.

The Chairman of the Committee, with the assistance of the Chairman of the Board and one or more other directors appointed by the Board, should approach candidates for Board membership, to:

- explore the candidates' interest in joining the Board and seek their consent to act as a director;
- assess the candidates' skills and competencies; and
- confirm that interested candidates understand the role of a director and the contribution a director is expected to make to the Board, including the commitment of time and energy that the Corporation expects of its directors.

The Committee shall from time to time consider the appropriate size of the Board with a view to facilitating proper decision-making.

**(d) Review of Annual Director Voting Results**

The Committee will review and consider the voting results for each individual nominee director following the annual general meeting of shareholders.

**(e) Orientation and Continuing Education of Directors**

The Committee should take steps to satisfy itself that:

- new directors are given a proper orientation to both the Corporation and their responsibilities and duties as directors; and
- the Corporation provides appropriate continuing education opportunities for directors.

**(f) Recruit Directors for Board Committees and Filling Vacancies**

The Committee will recommend to the Board those directors the Committee considers qualified for appointment to the Audit Committee, the Governance, Human Resource, Nominating and Compensation Committee, the Environmental, Health and Safety Committee and the Pension Committee. Where a vacancy occurs at any time in the membership of any committee of the Board, the Committee will recommend to the Board a director to fill such vacancy.

**(g) Performance Assessment of the Board, Board Committees and Individual Directors**

The Committee will review on an annual basis the effectiveness and performance of the Board, and all committees of the Board.

The Committee will evaluate directors on an ongoing basis to assess their suitability for re-election.

**(h) Develop Approach to Corporate Governance**

The Committee has the authority and responsibility to review the Corporation's overall approach to corporate governance and to make recommendations to the Board in this regard. Among other things, the Committee has the authority and responsibility to:

- develop or review the mandates of the Board and this Committee and recommend to the Board the adoption of or amendments to the mandates;

- consider and recommend the implementation of structures and procedures to ensure that the Board can function independently of management and without conflicts of interest, including scheduling, at regular intervals, meetings of the Board without management present;
- monitor the relationship between officers and the Board, and recommend a process whereby the directors will have access to, and have an effective relationship with, management of the Corporation;
- at least annually, review the equity-based holdings of the directors and senior executive officers relative to the Corporation's Share Ownership Policy;
- be available as a forum for addressing the concerns of individual directors;
- work with the Executive Chairman and the President and Chief Executive Officer ("President and CEO") and other members of management to ensure that the Corporation has a healthy corporate governance culture; and
- monitor developments in the area of corporate governance and undertake other initiatives that may be desirable to maintain the highest standards of corporate governance.

**(i) Code of Conduct**

The Committee shall monitor the effectiveness of the Corporation's code of conduct (the "Code") to confirm that it appropriately addresses, among other things, conflicts of interest, corporate opportunities, confidentiality, fair dealing, protection and proper use of the Corporation's assets, compliance with applicable laws and the reporting of illegal or unethical behaviour, and also establish mechanisms to facilitate the effective operation of the Code and the granting of waivers of the Code. The Committee shall approve any material waivers of the Code that are sought by directors or officers. It is acknowledged that the Audit Committee receives periodic reporting on any material matters arising from known or suspected violations of the Code as it relates to financial and accounting matters.

**(j) Timely Disclosure, Confidentiality and Securities Trading Policy**

The Committee shall monitor the effectiveness of the Corporation's policies addressing the timely disclosure of material information, the confidentiality of material undisclosed information and the prohibitions against trading in securities of the Corporation and other issuers while in possession of undisclosed information that is material to the Corporation or other such issuers.

**(k) Succession Planning**

The Committee shall review the Corporation's organizational structure, consider succession planning for senior executives and recommend policies and principles for the selection and performance review of the senior executives, including the Executive Chairman and the President and CEO, as well as policies regarding succession in the event of an emergency or the retirement of the Executive Chairman and for the appointment, training and monitoring of other senior executives.

**(l) Incentive Compensation Plans and Equity-Based Plans**

The Committee shall:

- make recommendations to the Board with respect to adoption and amendment of executive incentive compensation plans and equity-based plans;
- approve any employment inducement option awards or other equity-compensation awards;
- approve all stock options granted under the Corporation's stock option plan, including the entitlement, vesting, exercise price and all other matters relating to the plan; and
- approve all senior executive incentive bonus plans and all awards under such plans.

**(m) Benefit Plans and Perquisites**

The Committee shall review from time to time, but at least annually, the cost and administration of all health and welfare benefit plans for senior executives and across the Company. The Committee shall review and approve any significant changes to the pension entitlements for non-unionized employees in both the Corporation's defined benefit and defined contribution plans. The Committee shall review and approve any significant changes to benefit and pension plans designed primarily for the senior executives and any other perquisites granted to senior executives.

**(n) Employment Agreements**

The Committee shall review and approve the terms of employment of senior executives.

**(o) Assessment and Compensation of the Executive Chairman and the President and CEO**

The Committee shall:

- together with the Executive Chairman, develop a position description for the Executive Chairman, setting out the Executive Chairman's authority and responsibilities;
- together with the Executive Chairman and the President and CEO, develop a position description for the President, setting out the President and CEO's authority and responsibilities;
- review and approve the corporate goals and objectives that are relevant to the compensation of each of the Executive Chairman and the President and CEO; and
- evaluate the performance of each of the Executive Chairman and the President and CEO in meeting his or her respective goals and objectives.

When determining the long-term incentive component of the compensation of each of the Executive Chairman and the President and CEO, the Committee shall consider the Corporation's performance and relative shareholder return and the value of similar incentive awards granted to senior executives of comparable organizations.

**(p) Compensation of Senior Executives**

The Committee shall approve the compensation of senior executives. The Committee will, from time to time, assess the compensation in light of the compensation paid to senior executives in comparable organizations.

**(q) Compensation of Board members**

The Committee shall review, and recommend to the Board, the compensation to be paid to the directors and to members and chairs of Board committees.

**(r) Disclosure of Executive Compensation**

The Committee shall be responsible for reviewing all public disclosure relating to executive compensation, including the Compensation Discussion and Analysis contained in the Corporation's proxy circular.

**7. REPORTING**

The Committee shall report to the Board on:

- the effectiveness of the Board and all committees of the Board, other than the Governance, Human Resource, Nominating and Compensation Committee;
- the approval of stock option grants under the Corporation's stock option plan;
- the approval of all senior executive incentive bonus plans;
- the review and approval of the corporate goals and objectives relevant to the compensation of the Executive Chairman and the President and CEO;
- the approval of the compensation of the senior executives;
- any material benefits plan matters;
- the compensation to be paid to directors and to the members and chairpersons of board committees;
- the preparation of the Corporation's management proxy circular; and
- all other material matters dealt with by the Committee.

The Committee also observes and monitors governance and compensation matters at Loblaw and reports to the Board on same from time to time.

**8. REVIEW AND DISCLOSURE**

This Mandate shall be reviewed by the Committee at least annually and be submitted to the Board for approval with such amendments as the Committee proposes.

This Mandate shall also be posted on the Corporation's website.



**9. FREQUENCY OF MEETINGS AND *IN CAMERA* SESSIONS**

The Committee shall meet as frequently as the Committee deems appropriate to accomplish its mandate. Following each regularly-scheduled meeting of the Committee, the Committee members shall meet in private session.

**10. RETENTION OF EXPERTS**

The Committee may engage such special executive compensation, legal, accounting or other experts, without Board approval and at the expense of the Corporation, as it considers necessary to perform its duties.