



Mandate of the Pension Committee

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GEORGE WESTON LIMITED

Mandate of the Pension Committee

1. GENERAL OVERSIGHT RESPONSIBILITIES

The Pension Committee (the “**Committee**”) is responsible for assisting the Board of Directors of the Company (“**Board**”) in fulfilling its general oversight responsibilities in relation to:

- the management and administration of the Company’s pension assets and obligations relating to pension plans, both registered and unregistered, sponsored by the Company and its controlled entities (other than Loblaw Companies Limited and its subsidiaries) (the “**Pension Plans**”). For greater certainty, the Pension Plans do not include any multi-employer pension plans to which the Company or its subsidiaries contribute;
- the management and administration of the George Weston Limited Master Trust Funds (the “**Master Trust Funds**”) in which assets of certain of the Pension Plans are invested;
- the management and administration of retiree health and welfare benefit obligations of the Company and its controlled entities (other than Loblaw Companies Limited and its subsidiaries) (the “**Retiree Benefit Plans**”);
- the approval of the audited financial statements of the Pension Plans and the Master Trust Funds; the review of the actuarial valuation and the funding strategy of the Pension Plans;
- pension investment and monitoring responsibilities, such as the power to modify or adopt the Statement of Investment Policies and Procedures applicable to the Master Trust Funds and its participating pension plans (“**SIP&P**”), the power to select, retain and dismiss the trustee(s) and investment managers of the Master Trust Funds and the power to set the criteria for investment manager selection and performance;
- the design and governance of the Pension Plans within the parameters set out in the SIP&P;
- the Company’s compliance with legal and regulatory requirements relating to Pension Plans and Retiree Benefit Plans; and
- such other duties as may be delegated to the Committee by the Board.

The Company’s subsidiary, Weston Foods US, Inc., has a pension committee responsible for the oversight of pension and retirement plans for the Company’s US businesses.

2. MEMBERS

The Board shall appoint a minimum of three directors, a majority of whom shall be non-management directors, to be members of the Committee. The members of the

Committee shall be selected by the Board on recommendation of the Governance, Human Resource, Nominating and Compensation Committee of the Company. The Committee may invite to their meetings from time to time members of the Loblaw Companies Limited Pension Committee, who shall have voting privileges with respect to matters relating to investment of the assets of pension plans maintained by Loblaw Companies Limited and its subsidiaries via the Master Trust Funds or otherwise, or relating to investment of the assets of capital accumulation plans sponsored by Loblaw Companies Limited and its subsidiaries.

3. CHAIR

Each year the Board shall appoint one member to be Chair of the Committee. If, in any year, the Board does not appoint a Chair, the incumbent Chair shall continue in office until a successor is appointed.

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 may exercise all its powers so long as a quorum remains in office.

6. DUTIES

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

(a) Review of Financial Position of Defined Benefit Pension Plans

The Committee shall review the financial condition of the defined benefit Pension Plans, which shall include the following responsibilities:

- Monitor and review with management the valuation strategy and funding aspects of the Pension Plans, at least annually, based on the Pension Plans' actuarial reports;
- Review with management the going concern, solvency and accounting valuations and actuarial assumptions, as provided by the actuary, on an annual basis;
- Review and approve the annual audited financial statements of the Pension Plans and the Master Trust Funds and the auditors' reports thereon, and meet with the auditors to discuss same; and

- Review at least annually the report of the Group Head, Pension and Benefits in respect of fees and expenses charged to the Pension Plans.

(b) Investment Guidelines and Performance of Defined Benefit Pension Plans

With respect to the assets of defined benefit Pension Plans invested in the Master Trust Funds or otherwise, the Committee is responsible for the establishment of the framework within which investment decisions are made, the oversight of the implementation of the various investment-related policies and criteria, and the oversight of the actual overall investment performance. To fulfil this responsibility, the Committee shall perform the following activities:

- Review with management, at least annually, the SIP&P and any other applicable investment policy and consider whether any changes to same are necessary or desirable;
- Without limiting the foregoing, approve the return on investment objectives, the asset mix policy and strategic ranges for asset classes, working in consultation with management;
- Review and, if appropriate, authorize or approve any investments to be managed directly by the Company or as may be directed by the Company, such investments not to exceed 5% of the total assets of the Master Trust Funds (determined on a market value basis) and monitor the performance of such investments and take such actions with respect thereto as it considers appropriate;
- Approve criteria for independent investment manager (“**Managers**”) selection and performance criteria, working in consultation with management;
- Consider management’s recommendation on the appointment of Managers and the delegation to each such Manager the power and authority to invest and re-invest, in its sole discretion, such assets of the Master Trust Funds as management shall allocate to such Manager, subject to the SIP&P;
- Review the performance of the Managers on a regular basis, relative to the goals and policies set out in the SIP&P and such other criteria as the Committee shall have established or consider relevant, and be responsible for terminating the appointment of any Manager, as it in its discretion considers appropriate; and
- Review with management the performance of any defined benefit Pension Plan assets not invested in the Master Trust Funds.

All of the foregoing responsibilities are hereby conferred on the Committee, and by the Committee on any sub-delegatee pursuant hereto, and all statements made herein, is and are subject at all times to, and shall be read in accordance with, the SIP&P and any other applicable investment policy.

(c) Investment Related Matters of Defined Contribution Pension Plans and Capital Accumulation Plans

The Committee is responsible for approving changes to, and overseeing compliance with, the Statement of Investment Policy for Capital Accumulation Plans (the "CAP SIP") as it relates to capital accumulation plans ("CAP") sponsored by George Weston Limited, which are identified in the CAP SIP. To fulfil this responsibility, the Committee shall perform the following activities:

- Review with management, at least annually, the CAP SIP and consider whether any changes to same are necessary or desirable;
- Select and replace, when necessary, the investment options made available to members of the CAPs sponsored by the Company, and monitor the investment performance of same;
- Review with management the appointment, removal or retention of the Managers and investment options;
- Review with management the criteria for investment Manager selection and performance criteria;
- Review with management the investment options or strategies that will be presented to the employees for the investment of their pension assets; and
- Oversee the provision of plan member investment information and communication; and
- Review with management the performance of each Manager on a periodic basis, relative to the goals and objectives agreed to in the Manager's mandate.

All of the foregoing responsibilities are hereby conferred on the Committee, and by the Committee on any sub-delegatee pursuant hereto, and all statements made herein, is and are subject at all times to, and shall be read in accordance with, the CAP SIP.

In addition, the Committee shall oversee control and accounting for all investment, recordkeeping and administrative expenses associated with the CAPs.

(d) Plan Design

The Committee shall be responsible for reviewing from time to time the provisions of the Pension Plans and any proposed amendments. To fulfil this responsibility, the Committee shall perform the following tasks:

- Review any amendments proposed by management to the design or text of the Pension Plans proposed by management and if appropriate, authorize any such amendments; and
- Periodically evaluate the capital accumulation plans' design (including contribution level), and working in consultation with management, make changes to those design elements, if warranted.

For greater certainty, in performing the foregoing plan design responsibilities and any other responsibilities under this Mandate that the Committee performs for the Company in its capacity as plan sponsor in relation to a Pension Plan or CAP, the Committee is not a fiduciary in relation to the Pension Plan, CAP or any member, beneficiary or employee, and shall be entitled to consider and prefer the interests of the Company provided that the Committee shall act in good faith.

(e) Retiree Benefit Plans

The Committee shall require management to report to it, from time to time, but at least annually, for review, the cost of retiree benefits provided for in the Benefit Plans.

(f) Administration

The Committee shall be responsible for the oversight and administration of the Pension Plans, and shall delegate such administrative duties to management as the Committee deems appropriate. To fulfil its responsibilities, the Committee shall be responsible for the following:

- Review the adequacy of the procedures instituted by management with respect thereto, receive reports from persons charged with responsibility for implementing such procedures and if necessary, meet with such persons to discuss such reports. The Committee shall make such recommendations to management with respect to the administration of the Pension Plans as it from time to time thinks fit;
- Review with management issues of Pension Plan and Retiree Benefit Plan interpretation, compliance and administration policy.
- Review with management and make recommendations to the criteria for trustee/custodian (“**Trustees**”) selection and performance evaluations;
- Review with management the appointment, removal or retention of the Trustees;
- Review with management when appropriate the performance by Trustees of their obligations in respect of any custodial relationships of assets of the Pension Plans or the Master Trust Funds; and
- Review the actions taken by management to ensure that the individual sponsors of the Pension Plans which are participants in the Master Trust Funds are provided with information and reports sufficient to enable them to fulfil their duties and responsibilities, including without limitation written reports and such other information as they may reasonably require.

(g) Risk Oversight

The Committee shall oversee management in relation to the monitoring, timely identification and mitigation of material risks to the Company associated with the administration and investment activities of the Pension Plans. The Committee will report and, where appropriate, provide recommendations to the Board on the Company's exposure to material risks related to the administration and investment activities of the Pension Plans.

The Committee shall oversee management in relation to the monitoring, timely identification and mitigation of material risks to the Pension Plans and the CAPs. The Committee will report any such material risks to the Board and the steps being taken to mitigate same.

(h) Regulatory Compliance

The Committee shall oversee management's compliance of the Pension Plans with applicable legislation. To fulfil this responsibility, the Committee shall be responsible for the following:

- Review with management any material changes to legislation or regulatory policies affecting the Pension Plans or the Master Trust Funds and monitor compliance with respect to reporting, filing and other regulatory requirements; and
- Review with management regulatory filings and relevant sections of the Company's financial statements dealing with Pension Plans.

7. DELEGATION OF DUTIES TO SENIOR MANAGEMENT

In addition to any delegation specifically contemplated hereby, the Committee may delegate such of its duties and responsibilities to senior management as it from time to time thinks fit and as permitted by law, and shall undertake such supervision as it deems appropriate to ensure that such duties and responsibilities are satisfied. For the purposes of this Mandate, management may include the Management Pension and Benefits Committee. The Committee shall review and provide feedback on the Annual Governance Review Report provided by the Management Pension and Benefits Committee.

8. COMPLAINTS PROCEDURE

Company management has procedures in place for the receipt, retention and follow-up of complaints received by the Company regarding pension and retiree benefits matters and a procedure for the confidential, anonymous submission of concerns by employees and retirees of the Company with respect to its Pension Plans and Retiree Benefit Plans. The Committee shall review with management periodic reports in this regard.

9. REPORTING

The Committee shall report to the Board at least annually or more often as required, on relevant Pension Plans and Retiree Benefit Plans issues including:

- investment performance of the Master Trust Funds and other assets of the Pension Plans not invested in the Master Trust Funds;
- pension governance matters and key developments during the year;
- all material decisions taken during the year;

- any significant issues found from the audit of the Pension Plans or the Master Trust Funds;
- periodic reports and updates received on the Weston Foods US, Inc. pension and retiree benefit plans;
- any other matters arising from the operation of the Pension Plans that pose material risk to the Company or to a Pension Plan or CAP; and
- all other material matters dealt with by the Committee.

10. REVIEW AND DISCLOSURE

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

11. FREQUENCY OF MEETINGS AND *IN CAMERA* SESSIONS

The Committee shall meet on at least four occasions annually at the call of the Chair. Following each regularly-scheduled meeting of the Committee, the Committee members shall meet in private session.

12. RETENTION OF EXPERTS

The Committee may engage such special actuarial, pension consultants or other experts, without Board approval and at the expense of the Company, as it considers necessary to perform its duties.