MANAGEMENT PROXY CIRCULAR

GEORGE WESTON LIMITED
ANNUAL MEETING OF SHAREHOLDERS

MAY 6, 2014

THIS DOCUMENT CONTAINS:

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS
MANAGEMENT PROXY CIRCULAR

George Weston Limited

Management Proxy Circular

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Weston
George Weston Limited

March 28, 2014

Dear Fellow Shareholder,

It is my pleasure to invite you to our Annual Meeting of Shareholders, which will be held on Tuesday, May 6, 2014, at 11:00 a.m. (local time) at The Royal Conservatory, TELUS Centre for Performance and Learning, Koerner Hall, 273 Bloor Street West, Toronto, Ontario, Canada. The Notice of Annual Meeting of Shareholders and related materials are enclosed.

This Management Proxy Circular describes the business to be conducted at the meeting and other important matters. The Circular contains information on our corporate governance practices and our approach to executive compensation. It is important that you exercise your vote, either in person at the meeting or by completing and sending in your proxy form. Please read the enclosed materials as they contain relevant information for voting on the business to be conducted at the meeting.

We hope you will be able to join us in person or through our webcast, which will be available live at the Investor Centre section of our website at www.weston.ca. This meeting is an opportunity to meet, listen to and ask questions of the people who are responsible for the performance of the Company. The webcast of the meeting will be archived on our website following the meeting.

We look forward to seeing you at the meeting.

Yours very truly,

W. Galen Weston

W. Galen Weston
Executive Chairman

Weston
George Weston Limited

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS

The 2014 Annual Meeting of Shareholders of George Weston Limited will be held on Tuesday, May 6, 2014, at 11:00 a.m. (local time) at The Royal Conservatory, TELUS Centre for Performance and Learning, Koerner Hall, 273 Bloor Street West, Toronto, Ontario, Canada, for the following purposes:

1. to receive the consolidated financial statements for the financial year ended December 31, 2013, and the external auditors' report thereon;
2. to elect the directors;
3. to appoint the external auditors and to authorize the directors to fix the external auditors' remuneration; and
4. to transact such other business as may properly be brought before the Annual Meeting or the day of any adjournment or postponement thereof.

Only shareholders of record at the close of business on March 26, 2014 are entitled to vote at the Annual Meeting.

Registered shareholders are entitled to vote at the Annual Meeting either in person or by proxy. Any registered 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 via the Internet.

Non-registered shareholders are entitled to vote through their intermediary or at the Annual Meeting either in person or by proxy and should follow the instructions of their intermediary to exercise their right to vote.

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

Dated at Toronto, Ontario, this 28th day of March, 2014.

BY ORDER OF THE BOARD OF DIRECTORS,

Robert A. Balcom
Senior Vice President, General Counsel — Canada and Secretary

VOTING INFORMATION

ABOUT THIS CIRCULAR AND RELATED PROXY MATERIALS

We are providing you with this Management Proxy Circular (the "Circular") and other proxy materials in connection with the 2014 Annual Meeting of Shareholders (the "Meeting") of George Weston Limited (the "Corporation") to be held on Tuesday, May 6, 2014, at 11:00 a.m. (local time) at The Royal Conservatory, TELUS Centre for Performance and Learning, Koerner Hall, 273 Bloor Street West, Toronto, Ontario, Canada.

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

Please see the "Questions and Answers on the Voting Process" 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, the information contained in this Circular is given as of March 26, 2014 and all dollar amounts used are in Canadian dollars.

QUESTIONS AND ANSWERS ON THE VOTING PROCESS

Q: What items of business am I voting on?

A: You will be voting on:

- the election of directors; and
- the appointment of the external auditors and authorization of the directors to fix the external auditors' remuneration.

Q: Am I entitled to vote?

A: You are entitled to vote if you were a holder of common shares of the Corporation ("Common Shares") as at the close of business on March 26, 2014, which is the record date of the Meeting. Each Common Share is entitled to one vote.

Q: How do I vote?

A: How you vote depends on whether you are a registered or a non-registered shareholder. Please read the voting instructions below that are applicable to you.

Q: Am I a registered shareholder?

A: You are a registered shareholder if you hold Common Shares in your own name and you have a share certificate. As a registered shareholder, you are identified on the share register maintained by the Corporation's registrar and transfer agent, Computershare Investor Services Inc. ("Computershare"), as being a shareholder.

Q: Am I a non-registered shareholder?

A: Most shareholders are non-registered shareholders. You are a non-registered shareholder if your Common Shares are held in an account in the name of an intermediary, such as a bank, broker or trust company. As a non-registered shareholder, you do not have a share certificate registered in your name, but your ownership interest in Common Shares is recorded in an electronic system. As such, you are not identified on the share register maintained by Computershare as being a shareholder. Instead, the Corporation's share register shows the shareholder of your Common Shares as being the intermediary or depository through which you own your Common Shares.

With respect to non-registered shareholders, the Corporation distributes copies of the Circular and other proxy materials in connection with the Meeting to intermediaries so that they may distribute the materials to the non-registered shareholders. Intermediaries often forward the materials to non-registered shareholders through a service company (such as Broadridge Investor Communications Corporation). Non-registered shareholders who have not objected to their intermediary disclosing certain information about them to the Corporation are referred to as "NOBOs", whereas non-registered shareholders who have objected to their intermediary disclosing ownership information about them to the Corporation are referred to as "OBOs". The Corporation pays for an intermediary to deliver the proxy-related materials to OBOs.

Q: How do I vote if I am a registered shareholder?

A: If you are a registered shareholder, you may vote your Common Shares at the Meeting or by proxy.

1. Voting at the Meeting

If you wish to vote your Common Shares in person at the Meeting, do not complete or return the form of proxy sent to you. Your vote will be taken and counted at the Meeting. Please register with Computershare upon arrival at the Meeting.

2. Voting by Proxy

You can vote by proxy whether or not you attend the Meeting. To vote by proxy, please complete the enclosed form of proxy (also available through the Internet at www.investorvote.com) and return it by any of the following means:

- by mail to Computershare at the address listed below;
- by hand or by courier to Computershare at the address listed below; or
- by Internet at www.investorvote.com.

You may authorize the management representatives named in the enclosed proxy form to vote your Common Shares, or **you may appoint another person or company to be your proxyholder**. The names already inserted on the form of proxy are W. Galen Weston, Executive Chairman and Robert A. Balcom, Senior Vice President, General Counsel – Canada and Secretary of the Corporation. Unless you choose another person or company to be your proxyholder, you are giving these persons the authority to vote your Common Shares at the Meeting.

To appoint another person or company to be your proxyholder, you must insert the other person's or company's name in the blank space provided. That person or company must be present at the Meeting to vote your Common Shares. If you do not insert a name in the blank space, the management representatives named above are appointed to act as your proxyholder. You may also use a different form of proxy than the one included with the materials sent to you.

Please note that in order for your vote to be recorded, your proxy must be received by Computershare at 100 University Avenue, 8th Floor, Toronto, Ontario, M5J 2Y1 no later than 5:00 p.m. (local time) on May 4, 2014, or two business days before any adjournment of the Meeting.

Q: How will my shares be voted?

A: On the form of proxy, you can indicate how you want your proxyholder to vote your Common Shares or you can let your proxyholder decide for you. If you have specified on the form of proxy how you want your Common Shares to be voted on a particular issue (by marking FOR or WITHHOLD), then your proxyholder must vote your Common Shares accordingly. If you have not specified on the form of proxy how you want your Common Shares to be voted on a particular issue, then your proxyholder can vote your Common Shares as they see fit.

Unless contrary instructions are provided, Common Shares represented by proxies appointing management as the proxyholder will be voted:

- **FOR the election of the directors; and**
- **FOR the re-appointment of KPMG LLP as the external auditors of the Corporation and the authorization of the directors to fix the external auditors' remuneration.**

Q: What if my Common Shares are registered in more than one name or in the name of a company?

A: If the Common Shares are registered in more than one name, all registered persons must sign the form of proxy. If the Common Shares are registered in a company's name or any name other than your own, you must provide documents showing your authorization to sign the form of proxy for that company or name.

Q: How do I vote if I am a non-registered shareholder?

A: If you are a non-registered shareholder, you may vote your Common Shares in one of the following ways:

1. Through your intermediary

A voting instruction form should be included with the materials sent to you. The purpose of this form is to instruct your intermediary on how to vote on your behalf. Please follow the instructions provided on the voting instruction form.

2. Attend the Meeting

If you wish to vote your Common Shares in person at the Meeting, you should take these steps:

- Insert your name in the space provided on the voting instruction form provided by your intermediary and sign and return it in accordance with the instructions provided. By doing so, you are instructing your intermediary to appoint you as proxyholder.
- Do not otherwise complete the form, as you will be voting at the Meeting.
- Please register with Computershare upon arrival at the Meeting.

3. Designate another person to be appointed as your proxyholder

You can choose another person (including someone who is not a shareholder of the Corporation) to vote for you as a proxyholder. If you appoint someone else, he or she must be present at the Meeting to vote for you. If you wish to appoint a proxyholder, you should insert that person's name in the space provided on the voting instruction form provided to you by your intermediary and sign and return it in accordance with the instructions provided. By doing so, you are instructing your intermediary to appoint that person as proxyholder. When your proxyholder arrives at the Meeting, he or she should register with Computershare upon arrival at the Meeting.

Q: Can I revoke my proxy or voting instruction?

A: If you are a registered shareholder, you may revoke your proxy by taking one of the following steps:

- you may submit a new proxy to Computershare before 5:00 p.m. (local time) on May 4, 2014, or two business days before any adjournment of the Meeting;
- you (or your attorney, if authorized in writing) may sign a written notice of revocation addressed to the Secretary of the Corporation and deposited at the registered office of Computershare at any time up to and including the last business day preceding the day of the Meeting or any adjournment of the Meeting, at which the proxy is to be used; or
- you (or your attorney, if authorized in writing) may sign a written notice of revocation and deliver it to the Chair of the Meeting on the day of the Meeting or any adjournment of the Meeting, at which the proxy is to be used.

If you are a **non-registered shareholder**, you should contact your intermediary through which you hold Common Shares and obtain instructions regarding the procedure for the revocation of any voting or proxyholder instructions that you have previously provided to your intermediary.

Q: What if there are amendments or if other matters are brought before the Meeting?

A: Your proxyholder has discretionary authority to vote in respect of amendments that are made to matters identified in the Notice of Meeting and other matters that may properly come before the Meeting or the day of any adjournment of the Meeting. As of the date of this Circular, management of the Corporation is not aware of any such amendments or other matters to be presented at the Meeting; however, if any such matter is presented, your Common Shares will be voted in accordance with the best judgment of the proxyholder named in the form. If you have not specifically appointed a person as proxyholder, a management representative named in the enclosed proxy form will be your proxyholder, and your Common Shares will be voted in accordance with the best judgment of the management representative.

GENERAL INFORMATION

Q: How many shares are entitled to be voted?

A: As of March 26, 2014, there were 127,907,590 Common Shares outstanding. Each Common Share is entitled to one vote on each matter to be voted upon at the Meeting.

Q: Who counts the vote?

A: For any matter for which a vote is taken at the Meeting by ballot, the votes, including those cast by way of proxies, will be counted by the scrutineers appointed at the Meeting. Representatives of Computershare will act as scrutineers at the Meeting.

Q: Who is soliciting my proxy?

A: Management of the Corporation is soliciting your proxy. Proxies will be solicited primarily by mail, but employees and agents of the Corporation may also use electronic means. Intermediaries will be reimbursed for their reasonable charges and expenses in forwarding proxy materials to non-registered shareholders.

The Corporation will bear the cost of all proxy solicitations on behalf of management of the Corporation.

Q: Who do I contact if I have questions?

A: If you have any questions, you may call Computershare at 1-800-564-6253 for further information.

SHARE CAPITAL AND PRINCIPAL SHAREHOLDER

As of March 26, 2014, the record date for the Meeting, there were 127,907,590 Common Shares outstanding. As of such date, Mr. W. Galen Weston beneficially owned, directly and indirectly through companies which he controls, including Wittington Investments, Limited ("Wittington"), a total of 80,724,599 Common Shares, representing approximately 63% 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.

BUSINESS TO BE TRANSACTED AT THE MEETING

The following business will be transacted at the meeting:

1. RECEIVING THE FINANCIAL STATEMENTS

- Management will present the annual consolidated financial results at the Meeting and shareholders and proxyholders will be given an opportunity to discuss these results with management.

2. ELECTION OF THE BOARD OF DIRECTORS

- 12 nominee directors are proposed for election to the board of directors of the Corporation (the "Board"). Shareholders and proxyholders may vote on the election of the directors.

3. APPOINTMENT OF THE EXTERNAL AUDITORS

- The Board recommends the re-appointment of KPMG LLP as the Corporation's external auditors. Shareholders and proxyholders may vote on the re-appointment of the external auditors and the authorization of the Board to fix such auditors' compensation.

RECEIVING THE FINANCIAL STATEMENTS

The Corporation's annual consolidated financial statements and management's discussion and analysis for the year ended December 31, 2013 and the external auditors' report thereon will be placed before the shareholders at the Meeting. These documents are included in the Corporation's 2013 Annual Report. Copies of the 2013 Annual Report in English or French may be obtained from the Secretary of the Corporation upon request and will be available at the Meeting. The 2013 Annual Report in English or French is also available on SEDAR at www.sedar.com or on the Corporation's website at www.weston.ca.

ELECTION OF THE BOARD OF DIRECTORS

Introduction

The Board, directly and through its committees, supervises and oversees the management of the business and affairs of the Corporation with the goal of enhancing long-term shareholder value. The Board has five standing committees: the Audit Committee; the Governance, Human Resource, Nominating and Compensation Committee (the "Governance Committee"); the Environmental, Health and Safety Committee; the Pension Committee; and the Executive Committee.

Board Responsibilities and Duties

The Board oversees the Corporation's strategic direction, assigns responsibility to management for the achievement of that direction, approves major policy decisions and significant transactions, delegates to management the authority and responsibility in managing day-to-day affairs and reviews management's performance and effectiveness. The Board's expectations of management are communicated to them directly and through committees of the Board. The Board approves the Corporation's goals, objectives, operating budgets and strategies, which take into account the opportunities and risks of its businesses.

The Board also regularly receives reports on the operating and financial results of the Corporation and enterprise risk management ("ERM") matters as well as reports on certain non-operational matters, including pensions, corporate governance, food and workplace safety, legal and treasury matters. Risk identification and assessments are important elements of the Corporation's ERM framework. An annual ERM assessment is completed to assist in the update and identification of internal and external risks, which may be both strategic and operational in nature. Key risks affecting the Corporation have been prioritized under six categories: strategic; financial; operational; regulatory; human capital; and reputational risks. The annual ERM assessment is carried out through interviews, surveys and facilitated workshops with management and the Board or Loblaw Companies Limited's ("Loblaw") board. Risks are assessed and evaluated based on the Corporation's vulnerability to the risk and the potential impact that the underlying risks would have on the Corporation's ability to execute its strategies and achieve its objectives. Risk owners are assigned relevant risks and key risk indicators are developed. At least semi-annually, management provides an update to a committee of the Board or Loblaw's board on the status of the key risks based on significant changes from the prior update, anticipated impacts in future quarters and significant changes in key risk indicators. In addition, the long term (three to five year) risk level is assessed to monitor potential long term risk impacts, which may assist in risk mitigation planning activities. Accountability for oversight of the management of each risk is allocated by the Board or Loblaw's board either to the full boards or to committees of the boards.

The Board, through the Governance Committee, also closely monitors any potential conflicts of interest between the Corporation and its related parties, including Wittington, Loblaw and Choice Properties Real Estate Investment Trust ("Choice Properties"), and reviews and approves any material related party transactions. A copy of the Board's mandate is attached as Schedule "A" to this Circular.

Position on Majority Voting

A majority voting policy generally requires that any director nominee of a public corporation who receives a greater number of votes "withheld" than "for" his or her election must tender his or her resignation for consideration by the corporation's board. The Toronto Stock Exchange ("TSX") Company Manual currently requires all public companies to disclose whether they have adopted a majority voting policy and, if not, to explain their rationale for not adopting majority voting. The TSX recently amended the Company Manual to mandate that effective June 30, 2014, all public issuers, excluding controlled entities, will be required to adopt a majority voting policy.

The Corporation is a "controlled company" by virtue of Mr. W. Galen Weston's direct and indirect ownership of approximately 63% of the Common Shares. Controlled companies have unique considerations in relation to corporate governance matters. This uniqueness and the prevalence of controlled companies in Canada have been noted by regulators, including market participants and organizations such as the Canadian Coalition for Good Governance and, most recently, the TSX. In a controlled company, the controlling shareholder has the ability to control the outcome of the election of directors making it virtually impossible that more votes for an individual director will be "withheld" than voted "for". For this reason, the Board does not believe it is necessary to implement a majority voting policy. At the Meeting, the nominees will be voted on individually and in accordance with applicable Canadian securities legislation, the voting results for each nominee will be publicly disclosed. The Governance Committee will review and consider the voting results for each individual nominee.

Proposed Nominees

The Board has determined that the number of nominees proposed for election at the Meeting will be 12. The nominees proposed for election as directors were recommended to the Board by the Governance Committee. The proposed nominees to the Board are listed below:

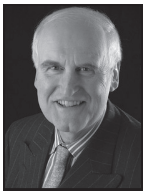
A. Charles Baillie	**Darren Entwistle**	**Isabelle Marcoux**	**Thomas F. Rahilly**
Paviter S. Binning	**Anthony R. Graham**	**Sarabjit S. Marwah**	**Barbara Stymiest**
Peter B.M. Eby	**John S. Lacey**	**J. Robert S. Prichard**	**W. Galen Weston**

All nominees have established their eligibility and willingness to serve as directors. 8 of the 12 nominees are independent. All twelve nominees are currently directors of the Corporation. 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 accompanying form of proxy may vote for another nominee at their discretion. Each director shall hold office until the next annual meeting of shareholders or until the director resigns or a successor is elected or appointed.

The following pages provide information about the director nominees, including their background, experience, year first elected or appointed as a director, age, meeting attendance, boards on which they sit and the number of securities of the Corporation held. The equity ownership in the Corporation of each director nominee on March 10, 2014 and as at December 31, 2012, consisting of common shares and deferred share units ("DSUs"), is also indicated below.

The persons named in the accompanying form of proxy intend to vote **FOR** the election as directors of the proposed nominees whose profiles are set forth in the following section.

Nominees for Election to the Board of Directors



A. Charles Baillie, O.C., 74

Toronto, Ontario, Canada

Weston Board Details:
- Director since 2003
- Independent

Mr. Baillie, a corporate director, is also Chair of Alberta Investment Management Corporation. Mr. Baillie is a retired Chairman and Chief Executive Officer of The 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., and holds an Honorary Doctorate from Queen's University.

In addition to his public board memberships, Mr. Baillie is Chancellor Emeritus of Queen's University, a past President and Chair of the Art Gallery of Ontario's Board of Trustees, President of Authors at Harbourfront, a director of the Royal Conservatory of Music, a director of the Luminato Festival of Art and Culture and a member of the Advisory Committee of Canada's National History Society.

Mr. Baillie is a former Chair of the Canadian Council of Chief Executives.

Board/Committee Membership	Attendance	Attendance (Total)		Director Fees Received[(1)]	
Board	9/11	18/20	90%	**Year**	**Amount**
Audit Committee (Chair)	5/5			2013	$184,000
Governance Committee	4/4			2012	$184,000

Equity Ownership

Year	Common Shares	DSUs	Total Common Shares and DSUs	Total Market Value of Common Shares and DSUs[(2)]	Minimum Equity Ownership	Meets Share Ownership Guidelines
2013	20,000	26,886	46,886	$3,803,861	$400,000	Yes
2012	20,000	24,007	44,007	$3,110,415		

Current Public Board Memberships	
Canadian National Railway Company	2003 to present
TELUS Corporation	2003 to present

Public Board Memberships During Last Five Years[(3)]	
—	—

Public Board Interlocks

Directors	Boards
John S. Lacey	TELUS Corporation
Darren Entwistle	TELUS Corporation

Paviter S. Binning, 53

Toronto, Ontario, Canada

Weston Board Details:
- Director since 2012
- Non-Independent

Mr. Binning is the President and former Chief Financial Officer of the Corporation. Prior to these positions, he was Executive Vice President, Chief Financial Officer and Chief Restructuring Officer of Nortel Networks Corporation and Nortel Networks Limited.[(4)] Prior to joining Nortel, Mr. Binning was a board member and Chief Financial Officer at Hanson plc and Marconi Corporation plc. Mr. Binning previously held senior corporate and operational finance roles at Diageo plc.

Mr. Binning is a Fellow of the Chartered Institute of Management Accountants (U.K.).

Board/Committee Membership	Attendance	Attendance (Total)		Director Fees Received[(1)]	
Board	11/11	11/11	100%	**Year**	**Amount**
				2013	Nil
				2012	Nil

Equity Ownership

Year	Common Shares	DSUs	Total Common Shares and DSUs
2013	7,880	—	7,880
2012	1,966	—	1,966

The value of Mr. Binning's eligible holdings is $3,781,203.[(5)] Mr. Binning is subject to the Executive Share Ownership Guidelines. For details relating to his equity-based share ownership as an executive, please see the table on page 40.

Current Public Board Memberships	
—	—

Public Board Memberships During Last Five Years	
Loblaw Companies Limited	2009 to 2010

Public Board Interlocks

Director	Board
—	—

Peter B.M. Eby, 75

Toronto, Ontario, Canada

Weston Board Details:
- Director since 2000
- Independent

Mr. Eby, a corporate director, is a former Vice Chairman and director of Nesbitt Burns Inc. (now BMO Nesbitt Burns) He was associated with Nesbitt Burns Inc. and its predecessor companies for 38 years in several senior capacities. He is a former Chairman of 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.

In addition to his public board memberships listed below, Mr. Eby is a director of TD Asset Management USA Funds Inc.

Board/Committee Membership	Attendance	Attendance (Total)		Director Fees Received(1)	
Board	11/11	15/15	100%	**Year**	**Amount**
Governance Committee	4/4			2013	$148,000
				2012	$170,625

Equity Ownership

Year	Common Shares	DSUs	Total Common Shares and DSUs	Total Market Value of Common Shares and DSUs(2)	Minimum Equity Ownership	Meets Share Ownership Guidelines
2013	2,000	30,252	32,252	$2,616,605	$400,000	Yes
2012	2,000	27,763	29,763	$2,103,649		

Current Public Board Memberships	
Leon's Furniture Limited	1977 to present
Public Board Memberships During Last Five Years	
R. Split II Corp.	2004 to 2009
Sixty Split Corp.	2001 to 2011

Public Board Interlocks

Director	Board
—	—

Darren Entwistle, 51

Vancouver, British Columbia, Canada

Weston Board Details:
- Director Since 2011
- Independent

Mr. Entwistle is President and Chief Executive Officer of TELUS Corporation.

Mr. Entwistle holds a Bachelor of Economics (Honours) degree from Concordia University, an M.B.A. in Finance from McGill University and a diploma in Network Engineering from the University of Toronto. He also received an Honorary Doctorate of Laws from Concordia University and an Honorary Degree in Business Administration from Northern Alberta Institute of Technology.

In addition to his public board memberships listed below, Mr. Entwistle is also a director of the Canadian Board Diversity Council and the Canadian Council of Chief Executives. Mr. Entwistle is also an Honorary Fellow of the Royal Conservatory.

Mr. Entwistle is a past director of The Toronto-Dominion Bank, TD Bank Financial Group, McGill University, the Vancouver Symphony Orchestra and the Leading Edge Endowment Fund. He also served as Chair of the Royal Conservatory of Music's Capital Campaign.

Board/Committee Membership	Attendance	Attendance (Total)		Director Fees Received(1)	
Board	9/11	12/15	80%	**Year**	**Amount**
Audit Committee	2/2			2013	$132,375
Environmental, Health and Safety Committee	1/2			2012	$129,000

Equity Ownership

Year	Common Shares	DSUs	Total Common Shares and DSUs	Total Market Value of Common Shares and DSUs(2)	Minimum Equity Ownership	Meets Share Ownership Guidelines
2013	—	5,201	5,201	$421,957	$400,000	Yes
2012	—	3,417	3,417	$241,514		

Current Public Board Memberships	
TELUS Corporation	2000 to present
Public Board Memberships During Last Five Years	
—	—

Public Board Interlocks

Directors	Boards
A. Charles Baillie	TELUS Corporation
John S. Lacey	TELUS Corporation

Anthony R. Graham, 57

Toronto, Ontario, Canada

Weston Board Details:
- Director since 1996
- Non-Independent

Mr. Graham is President and a director of Wittington Investments, Limited, and Selfridges Group Limited and also President and Chief Executive Officer of Sumarria Inc. He is a former Vice Chairman and director of National Bank Financial.

In addition to the public companies listed below, Mr. Graham is also a director of Graymont Limited, Brown Thomas Group Limited, Holt, Renfrew & Co., Limited, Selfridges & Co. Ltd. and Grupo Calidra, S.A. de C.V. Mr. Graham is also Chairman of President's Choice Bank (a subsidiary of Loblaw).

He was awarded an Honorary Doctor of Laws degree from Brock University.

Mr. Graham serves as Chairman of the Ontario Arts Foundation and the Shaw Festival Theatre Endowment Foundation. He also serves as a director of the Art Gallery of Ontario, Canadian Institute for Advanced Research, Luminato, St. Michael's Hospital and the Trans Canada Trail Foundation.

Board/Committee Membership	Attendance	Attendance (Total)		Director Fees Received(1)	
Board	9/11	17/19	89%	**Year**	**Amount**
Executive Committee	—			2013	$334,250
Governance Committee	4/4			2012	$328,000
Pension Committee	4/4				

Equity Ownership

Year	Common Shares	DSUs	Total Common Shares and DSUs	Total Market Value of Common Shares and DSUs(2)	Minimum Equity Ownership	Meets Share Ownership Guidelines
2013	10,000	24,398	34,398	$2,790,710	$400,000	Yes
2012	10,000	21,997	31,997	$2,261,548		

Current Public Board Memberships	
Loblaw Companies Limited	1999 to present
Power Corporation of Canada	2001 to present
Power Financial Corporation	2001 to present
Public Board Memberships During Last Five Years	
Garbell Holdings Limited	2005 to 2009

Public Board Interlocks

Directors	Boards
John S. Lacey	Loblaw Companies Limited
Isabelle Marcoux	Power Corporation of Canada

John S. Lacey, 70

Toronto, Ontario, Canada

Weston Board Details:
- Director since 2009
- Non-Independent

Mr. Lacey is Chairman of the Advisory Board of Brookfield Private Equity Group and provides advisory services to the Corporation and Loblaw. Mr. Lacey is a former Chairman of Alderwoods Group, Inc., an organization operating funeral homes in North America and former President and Chief Executive Officer of the Oshawa Group (a major food retailer, now part of Empire Company Limited).

Mr. Lacey graduated from Kearsney College, South Africa and the Harvard Graduate School of Business Administration.

In addition to the public companies listed below, Mr. Lacey is also Chairman of Doncaster Consolidated Ltd.

Board/Committee Membership	Attendance	Attendance (Total)		Director Fees Received(1)	
Board	11/11	11/11	100%	**Year**	**Amount**
				2013	$260,000
				2012	$248,000

Equity Ownership

Year	Common Shares	DSUs	Total Common Shares and DSUs	Total Market Value of Common Shares and DSUs(2)	Minimum Equity Ownership	Meets Share Ownership Guidelines
2013	8,000	8,832	16,832	$1,365,580	$400,000	Yes
2012	8,000	7,032	15,032	$1,062,462		

Current Public Board Memberships	
Loblaw Companies Limited	2007 to present
TELUS Corporation	2000 to present
Ainsworth Lumber Co. Ltd.	2008 to present
Public Board Memberships During Last Five Years(6)(7)	
Canadian Imperial Bank of Commerce	2004 to 2009

Public Board Interlocks

Directors	Boards
A. Charles Baillie	TELUS Corporation
Darren Entwistle	TELUS Corporation
Anthony R. Graham	Loblaw Companies Limited

Isabelle Marcoux, 44

Montreal, Quebec, Canada

Weston Board Details:
- Director since 2007
- Independent

Ms. Marcoux is Chair of the Board of Transcontinental Inc., a major Canadian printing, publishing and interactive marketing company. Prior to joining Transcontinental in 1998, Ms. Marcoux practiced corporate and securities law at McCarthy Tétrault LLP.

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

In addition to her public board memberships listed below, Ms. Marcoux is a member of the Board of Trade of Metropolitan Montreal and sits on the selection committee for the Canadian Business Hall of Fame.

Board/Committee Membership	Attendance	Attendance (Total)		Director Fees Received[1]	
				Year	**Amount**
Board	10/11	13/14	93%	2013	$142,875
Environmental, Health and Safety Committee (Chair)	3/3			2012	$132,000

Equity Ownership

Year	Common Shares	DSUs	Total Common Shares and DSUs	Total Market Value of Common Shares and DSUs[2]	Minimum Equity Ownership	Meets Share Ownership Guidelines
2013	—	14,625	14,625	$1,186,526	$400,000	Yes
2012	—	12,519	12,519	$884,843		

Current Public Board Memberships	
Transcontinental Inc.	2005 to present
Rogers Communications Inc.	2008 to present
Power Corporation of Canada	2010 to present

Public Board Memberships During Last Five Years	
—	—

Public Board Interlocks	
Director	**Board**
Anthony R. Graham	Power Corporation of Canada

Sarabjit S. Marwah, 62

Toronto, Ontario, Canada

Weston Board Details:
- Director since 2013
- Independent

Mr. Marwah is Vice-Chairman and Chief Operating Officer of The Bank of Nova Scotia.

Mr. Marwah has an M.B.A. from the University of California, Los Angeles. Prior to that, he obtained an undergraduate degree in Economics (Honours) from the University of Calcutta and a Masters degree in Economics from the University of Delhi.

In addition to his public board memberships listed below, Mr. Marwah serves as a trustee of the Hospital for Sick Children. He was past Chair of the Humber River Regional Hospital and a past member of the board of directors of the C.D. Howe Institute.

Board/Committee Membership	Attendance	Attendance (Total)		Director Fees Received[1]	
				Year	**Amount**
Board	6/7	9/10	90%	2013	$85,625
Audit Committee	3/3				

Equity Ownership

Year	Common Shares	DSUs	Total Common Shares and DSUs	Total Market Value of Common Shares and DSUs[2]	Minimum Equity Ownership	Meets Share Ownership Guidelines
2013	3,500	1,079	4,579	$371,494	$400,000	Yes[8]

Current Public Board Memberships	
Cineplex Inc.	2009 to present

Public Board Memberships During Last Five Years	
Torstar Corporation	2003 to 2009

Public Board Interlocks	
Director	**Board**
—	—

J. Robert S. Prichard, O.C., O. Ont., 65

Toronto, Ontario, Canada

Weston Board Details:
- Director since 2000
- Independent
- Lead Director

Mr. Prichard is the non-executive Chair of Torys LLP, Chair of the board of directors of Metrolinx, the regional transportation agency for Greater Toronto and Hamilton Area and Chairman of the Bank of Montreal. He is a former President and CEO of Metrolinx. Mr. Prichard is a past President and Chief Executive Officer and a former director of Torstar Corporation and President Emeritus of the University of Toronto.

Mr. Prichard graduated from the University of Chicago with an M.B.A., from the University of Toronto with an LL.B., and from Yale Law School with an LL.M. He is an Officer of the Order of Canada, a Member of the Order of Ontario and Fellow of the Royal Society of Canada.

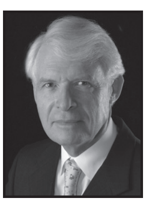
He is a trustee of the Hospital for Sick Children and a member of Canada's Economic Advisory Council and Ontario's Economic Advisory Panel.

Board/Committee Membership	Attendance	Attendance (Total)		Director Fees Received[1]	
Board	11/11	19/19	100%	**Year**	**Amount**
Executive Committee	—			2013	$223,000
Governance Committee (Chair)	4/4			2012	$192,375
Pension Committee	4/4				

Equity Ownership

Year	Common Shares	DSUs	Total Common Shares and DSUs	Total Market Value of Common Shares and DSUs[2]	Minimum Equity Ownership	Meets Share Ownership Guidelines
2013	2,000	25,395	27,395	$2,222,556	$400,000	Yes
2012	2,000	22,054	24,054	$1,700,137		

Current Public Board Memberships		Public Board Interlocks	
		Director	**Board**
The Bank of Montreal Onex Corporation	2000 to present 1994 to present	—	—
Public Board Memberships During Last Five Years			
Torstar Corporation	2002 to 2009		



Thomas F. Rahilly, 70

Toronto, Ontario, Canada

Weston Board Details:
- Director since 2007
- Independent

Mr. Rahilly, a corporate director, is a former Vice Chairman of RBC Capital Markets, a division of the Royal Bank of Canada from 1996 until his retirement at the end of 2006. Prior to this role, Mr. Rahilly was 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.

Board/Committee Membership	Attendance	Attendance (Total)		Director Fees Received[1]	
Board	11/11	26/26	100%	**Year**	**Amount**
Audit Committee	5/5			2013	$179,500
Environmental, Health and Safety Committee	3/3			2012	$159,000
Governance Committee	3/3				
Pension Committee	4/4				

Equity Ownership

Year	Common Shares	DSUs	Total Common Shares and DSUs	Total Market Value of Common Shares and DSUs[2]	Minimum Equity Ownership	Meets Share Ownership Guidelines
2013	—	19,302	19,302	$1,565,971	$400,000	Yes
2012	—	16,639	16,639	$1,176,045		

Current Public Board Memberships		Public Board Interlocks	
		Director	**Board**
—	—	—	—
Public Board Memberships During Last Five Years			
—	—		

Barbara Stymiest, F.C.A., F.C.P.A, 57

Toronto, Ontario, Canada

Weston Board Details:
- Director since 2011
- Independent

Ms. Stymiest, a corporate director, is a former member of the Group Executive of Royal Bank of Canada responsible for the overall performance of the bank. Ms. Stymiest is a former Chief Executive Officer of TSX Group Inc., Executive Vice-President and Chief Financial Officer at BMO Nesbitt Burns and Partner of Ernst & Young LLP.

Ms. Stymiest obtained her H.B.A. from the Richard Ivey School of Business, University of Western Ontario. She is a Fellow Chartered Accountant and a Fellow Chartered Professional Accountant.

Ms. Stymiest serves as a director of the Canadian Institute for Advanced Research and University Health Network and has worked with a number of professional and charitable organizations including the CICA's Accounting Oversight Committee, United Way Campaign Cabinet and the Royal Ontario Museum.

Board/Committee Membership	Attendance	Attendance (Total)		Director Fees Received(1)	
Board	11/11	20/20	100%	**Year**	**Amount**
Audit Committee	5/5			2013	$158,750
Pension Committee (Chair)	4/4			2012	$147,000

Equity Ownership

Year	Common Shares	DSUs	Total Common Shares and DSUs	Total Market Value of Common Shares and DSUs(2)	Minimum Equity Ownership	Meets Share Ownership Guidelines
2013	2,000	5,684	7,684	$623,403	$400,000	Yes
2012	2,000	3,904	5,904	$417,295		

Current Public Board Memberships	
BlackBerry Limited(9)	2007 to present
Sun Life Financial Inc.	2012 to present
Public Board Memberships During Last Five Years	
—	—

Public Board Interlocks	
Director	**Board**
—	—

W. Galen Weston, O.C., 73

Toronto, Ontario, Canada

Weston Board Details:
- Director since 1967
- Non-Independent

Mr. Weston is the Executive Chairman of the Corporation and was Chairman of Loblaw from 1976 until his retirement in 2006. Mr. Weston is Chairman of Brown Thomas Group Limited, Holt, Renfrew & Co., Limited and 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.

Board/Committee Membership	Attendance	Attendance (Total)		Director Fees Received(1)	
Board	10/11	10/11	91%	**Year**	**Amount**
Executive Committee (Chair)	—			2013	Nil
				2012	Nil

Equity Ownership

Mr. Weston is the controlling shareholder of the Corporation. For further information regarding his share ownership, please see page 4.

Current Public Board Memberships	
—	—
Public Board Memberships During Last Five Years	
Associated British Foods, plc	1964 to 2011

Public Board Interlocks	
Director	**Board**
—	—

(1) "Director Fees Received" includes compensation received as a director of the Corporation and any of its subsidiaries. Directors who are members of management do not receive any remuneration for their role as directors of the Corporation.

(2) "Total Market Value of Common Shares and DSUs" for non-management directors is calculated for 2013 based on the closing price of the Common Shares on the TSX on March 10, 2014, which was $81.13 and for 2012, the closing price of the Common Shares on December 31, 2012, which was $70.68.

(3) 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 were not included in the Chapter 11 filing. Dana emerged from bankruptcy in January of 2008.

(4) In November of 2007, Mr. Binning was appointed Chief Financial Officer of Nortel Networks Corporation ("Nortel"). On January 14, 2009, Nortel filed for creditor protection under the Companies' Creditors Arrangement Act (the "CCAA") in Canada. As well, certain of Nortel's subsidiaries filed voluntary petitions in the United States under Chapter 11 of the U.S. Bankruptcy Code and in other jurisdictions under equivalent restructuring regimes.

(5) Mr. Binning holds Common Shares, EDSUs, and in-the-money stock options in the Corporation and DSUs in Loblaw. The value of his holdings in the Corporation was $3,645,351 based on the March 10, 2014 closing price of the Common Shares on the TSX which was $81.13. Mr. Binning served as a director of Loblaw between 2009 and 2010 and pursuant to the Share Ownership Guidelines, his Loblaw DSU holdings count towards his minimum equity ownership in the Corporation. Mr. Binning owned 2,931 Loblaw DSUs with a value of $135,852 as of March 10, 2014 based on the closing share price of $46.35 for common shares of Loblaw.

(6) Mr. Lacey was Chairman of The Loewen Group Inc. when it filed a petition for creditor protection under Chapter 11 of the U.S. Bankruptcy Code and the CCAA in June of 1999. The Loewen Group Inc. emerged from Chapter 11 in January 2003 and the CCAA proceedings were held in November of 2006.

(7) In March 2006, Mr. Lacey joined the board of directors of Stelco Inc. as a nominee of Tricap Management Limited. Stelco filed for protection under the CCAA in January of 2004 and emerged from those proceedings in March of 2006. Mr. Lacey resigned from the Stelco board of directors in November of 2006.

(8) Mr. Marwah has an additional four years to meet the Guidelines.

(9) As a director of BlackBerry Limited ("BlackBerry"), Ms. Stymiest was subject to a management cease trade order issued by the Ontario Securities Commission on November 7, 2006, as a result of BlackBerry not having filed its second quarter financial statements for fiscal 2007 before the statutory filing deadline. That order ceased to be in effect as of May 23, 2007 as a result of BlackBerry making all required filings pursuant to Ontario securities laws.

Board and Committee Attendance

The following table provides a summary of each director's attendance at Board and committee meetings in 2013:

Name	Board (11 meetings)	Audit Committee (5 meetings)	Environmental, Health and Safety Committee (3 meetings)	Governance Committee (4 meetings)	Pension Committee (4 meetings)	Overall Attendance	
W. Galen Weston	10/11	—	—	—	—	10/11	91%
A. Charles Baillie	9/11	5/5	—	4/4	—	18/20	90%
Paviter S. Binning	11/11	—	—	—	—	11/11	100%
Warren Bryant(1)	4/5	2/2	1/1	—	—	7/8	88%
Peter B.M. Eby	11/11	—	—	4/4	—	15/15	100%
Darren Entwistle(2)	9/11	2/2	1/2	—	—	12/15	80%
Anthony R. Graham	9/11	—	—	4/4	4/4	17/19	89%
John S. Lacey	11/11	—	—	—	—	11/11	100%
Isabelle Marcoux	10/11	—	3/3	—	—	13/14	93%
Sarabjit Marwah(3)	6/7	3/3	—	—	—	9/10	90%
J. Robert S. Prichard	11/11	—	—	4/4	4/4	19/19	100%
Thomas F. Rahilly(4)	11/11	5/5	3/3	3/3	4/4	26/26	100%
Barbara Stymiest	11/11	5/5	—	—	4/4	20/20	100%
Total	**92%**	**100%**	**89%**	**100%**	**100%**		**94%**

(1) Mr. Bryant ceased to be a director of the Corporation on May 9, 2013.

(2) Mr. Entwistle ceased to be an Audit Committee member on May 9, 2013 and was appointed to the Environmental, Health and Safety Committee on that date.

(3) Mr. Marwah was elected to the Board and appointed to the Audit Committee on May 9, 2013.

(4) Mr. Rahilly was appointed to the Governance Committee on May 9, 2013.

DIRECTOR COMPENSATION

The compensation of the members of the Board is designed to attract and retain committed and qualified directors and to align their compensation with the long-term interests of the shareholders of the Corporation. Director compensation is structured to compensate directors appropriately for their time and effort in overseeing the effective management and operation of the Corporation. The Board, through the Governance Committee, is responsible for reviewing and approving any changes to the directors' compensation arrangements.

Messrs. W. Galen Weston and Binning were senior executives of the Corporation and did not receive any remuneration for their role as directors of the Corporation or any of its subsidiaries in 2013. The details of their executive compensation are set out in the Compensation Discussion and Analysis.

If elected, Messrs. Weston and Binning will not receive any remuneration in 2014 for their role as directors of the Corporation.

Director Compensation Review

In 2013, the Governance Committee reviewed the compensation paid to the Corporation's non-management directors and concluded that the current compensation was appropriate. The Governance Committee had previously engaged in a comprehensive review of the non-management director compensation arrangements in September of 2010. At that time, the Governance Committee considered the complexity of the Corporation's operations, the risks and responsibilities involved in being a director of the Corporation, the time required to prepare for and participate in scheduled and special Board meetings, the expected participation on the Board's committees and the structure and amount of compensation paid to directors of comparable Canadian companies. Following the comprehensive 2010 review, the Governance Committee approved increases to the annual, chair and committee and attendance fees. These amounts have not changed since the 2010 review and are set forth in the following table:

Type of Fee	Amount ($)
Annual Fees	
- Board Retainer cash	50,000(1)
- Board Retainer DSUs	50,000(2)
Total Board Retainer	100,000
Chair and Committee Fees	
Lead Director retainer	50,000
Audit Committee Chair	30,000(3)
Audit Committee member	5,000
Governance Committee Chair	25,000(3)
Environmental, Health and Safety Committee Chair	15,000(3)
Pension Committee Chair	10,000(3)
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

(1) Directors may elect to receive up to 100% of their fees in the form of DSUs.
(2) Directors are required to take 50% of their board retainer and committee fees in DSUs until they meet the share ownership requirements.
(3) Includes fee received as committee member.

Director Compensation for 2013

The following table sets out the compensation elements and total compensation earned by each non-management director in 2013 and the manner in which the compensation was paid:

Name	Fees Breakdown Board Retainer ($)(1)	Committee Chair Retainer ($)	Committee Member Retainer ($)	Attendance Fees ($)(2)	Total Director Fees Earned ($)	All Other Compensation ($)	Total Compensation ($)	Allocation of Total Director Fees Cash ($)	DSUs ($)(3)	Allocation of Fees between Cash and DSUs (%)
A. Charles Baillie	100,000	30,000	4,000	50,000	184,000	–	184,000	–	184,000	100% DSUs
Warren Bryant(4)	37,500	5,625	1,875	16,000	61,000	–	61,000	–	61,000	100% DSUs
Peter B.M. Eby	100,000	–	4,000	44,000	148,000	–	148,000	–	148,000	100% DSUs
Darren Entwistle(5)	100,000	–	4,375	28,000	132,375		132,375	–	132,375	100% DSUs
Anthony R. Graham(6)	100,000	3,750	6,500	40,000	150,250	184,000	334,250	–	150,250	100% DSUs
John S. Lacey	100,000	–	–	28,000	128,000	532,000(7)	660,000	–	128,000	100% DSUs
Isabelle Marcoux(8)	100,000	9,375	1,500	32,000	142,875	–	142,875	–	142,875	100% DSUs
Sarabjit Marwah	62,500	–	3,125	20,000	85,625	–	85,625	–	85,625	100% DSUs
J. Robert S. Prichard	100,000	75,000	4,000	44,000	223,000	–	223,000	–	223,000	100% DSUs
Thomas F. Rahilly(9)	100,000	–	15,500	64,000	179,500	–	179,500	–	179,500	100% DSUs
Barbara Stymiest(10)	100,000	6,250	6,500	46,000	158,750	–	158,750	27,188	131,562	83% DSUs
Total ($)	**$1,000,000**	**$130,000**	**$51,375**	**$412,000**	**$1,593,375**	**$716,000**	**$2,309,375**	**$27,188**	**$1,566,187**	

(1) Directors are required to take 50% of their board retainer and committee fees in DSUs until they meet the share ownership requirements.

(2) Each director received a $2,000 fee for each Board or committee meeting attended, including attendance at the Annual General Meeting, meetings of the independent directors and any special meetings or education sessions provided by the Corporation.

(3) Amounts reflect the grant date fair value of DSUs based on the volume weighted average trading price of the Common Shares on the TSX for the five trading days prior to the date of the grant in accordance with the DSU Plan. As well, additional DSUs are accumulated based on notional equivalents of dividends paid on Common Shares throughout the year. These notional equivalents of dividends are not included in the table.

(4) Reflects the prorated fees that Mr. Bryant received as Chair of the Environmental, Health and Safety Committee and member of the Audit Committee until May 9, 2013. Mr. Bryant did not stand for re-election to the Board in May 2013 as he was elected to Loblaw's board at that time.

(5) Reflects the prorated fees that Mr. Entwistle received as a member of the Audit Committee until May 9, 2013 and the prorated fees he received as a member of the Environmental, Health and Safety Committee from that date until the end of the year.

(6) Reflects the prorated fees that Mr. Graham received as Chair of the Pension Committee until May 9, 2013 and as a member of the Pension Committee from that date until the end of the year. Mr. Graham also received $160,000 for his role as a director of Loblaw and $24,000 for his role as Chairman and director of President's Choice Bank, a subsidiary of Loblaw. The details of his director compensation for Loblaw are set forth in the Loblaw Management Proxy Circular, which is available at www.sedar.com.

(7) Mr. Lacey received $400,000 from the Corporation and Loblaw in fees for providing advisory services to the Corporation and Loblaw as well as compensation of $132,000 for his role as a director of Loblaw. The details of his director compensation for Loblaw are set forth in the Loblaw Management Proxy Circular, which is available at www.sedar.com.

(8) Reflects the prorated fees that Ms. Marcoux received as Chair of the Environmental, Health and Safety Committee beginning May 9, 2013 prior to which Ms. Marcoux was a member of the Environmental, Health and Safety Committee.

(9) Reflects the prorated fees that Mr. Rahilly received as a member of the Governance Committee from May 9, 2013 until the end of the year.

(10) Reflects the prorated fees that Ms. Stymiest received as Chair of the Pension Committee effective May 9, 2013, prior to which Ms. Stymiest was a member of the Pension Committee.

Director Deferred Share Unit Plan

A deferred share unit ("DSU") is a right to receive an amount from the Corporation equal to the value of one Common Share. Directors are required to take 50% of their board retainer and committee fees in DSUs (until they satisfy the Share Ownership Guidelines described below) and have the option to receive up to 100% of all fees that are otherwise payable in cash in DSUs pursuant to the Director Deferred Share Unit Plan. The number of DSUs awarded to a director is equal to the value of the compensation that the director elects or is required to receive in the form of DSUs divided by the volume weighted average trading price of a Common Share on the TSX for the five trading days prior to the date of the award. DSUs are not paid out until the director ceases to serve on the Board, thereby providing an equity stake in the Corporation throughout the director's term as a Board member. Dividend equivalents in the form of additional DSUs that are equal in value to dividends paid on Common Shares are credited to the director's account on each dividend payment date based on the number of DSUs in the account as of the dividend record date. Following cessation of Board service, payment of DSUs is made in Common Shares purchased on the open market. A director may elect to defer payment until December 15th of the calendar year following the date when he or she ceases to be a director. DSUs do not entitle the director to any voting or other shareholder rights.

Director Share Ownership Guidelines

Pursuant to the Director Share Ownership Guidelines, which were amended in 2012, non-management directors are expected to hold Common Shares or DSUs with a value of not less than four times the amount of the directors' annual retainer. Based on this multiple, the ownership requirement was $400,000 in 2013. For purposes of the Guidelines, securities are valued at their market value. Directors are expected to meet the required level of share ownership within five years of initially being elected or appointed to the Board. Directors are required to take at least 50% of their board retainer and committee fees in DSUs until they meet the share ownership requirements. The market value of the Common Shares and DSUs held by each director in 2013 as at March 10, 2014 can be found under "Nominees for Election to the Board of Directors" at pages 7 to 13. All directors either meet the required level of share ownership or are in the process of accumulating securities as required under the Guidelines. Management directors are subject to the Executive Share Ownership Guidelines described on page 40.

Outstanding Share-Based Awards

The following table sets forth the value of all share-based awards granted to non-management directors that were outstanding as at January 2, 2014:

Name of Participant	Number of Shares or Units of Shares That Have Not Vested (#)	Market or Payout Value of Share-Based Awards That Have Not Vested ($)	Market or Payout Value of Vested Share-Based Awards Not Paid Out or Distributed ($)[(1)]
A. Charles Baillie	–	–	2,069,443
Warren Bryant[(2)]	–	–	555,890
Peter B.M. Eby	–	–	2,328,566
Darren Entwistle	–	–	400,390
Anthony R. Graham[(2)]	–	–	1,877,963
John S. Lacey[(2)]	–	–	679,825
Isabelle Marcoux	–	–	1,125,732
Sarabjit Marwah	–	–	83,126
J. Robert S. Prichard	–	–	1,954,694
Thomas F. Rahilly	–	–	1,485,724
Barbara Stymiest	–	–	437,514

(1) *The value of the outstanding DSUs held by the directors is based on the closing price of the Common Shares on the TSX on January 2, 2014, which was $76.97.* The values also include additional DSUs which were accumulated based on notional equivalents of dividends paid on Common Shares.

(2) *Messrs. Bryant, Graham and Lacey also hold Loblaw DSUs. Based on the December 30, 2013 Loblaw share price of $42.55, Mr. Bryant's owns 2,389 Loblaw DSUs with a value of $101,686; Mr. Graham owns 35,598 Loblaw DSUs with a value of $1,514,725; and Mr. Lacey owns 21,942 DSUs with a value of $933,659.*

Review of Directors' Skills

Each year, the Board assesses the skills and experiences of each director. The information is used to assess the Board's overall strengths. The 2013 directors' skills matrix is set out below:

Skills	Baillie	Eby	Entwistle	Marcoux	Marwah	Prichard	Rahilly	Stymiest	Weston	Binning	Graham	Lacey
Executive Leadership/ Strategic Planning	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Retail / Consumer/ Marketing	✓		✓		✓	✓		✓	✓	✓	✓	✓
Consumer Packaged Goods/Branding									✓	✓		✓
Financial Services	✓	✓			✓	✓	✓	✓			✓	✓
Supply Chain/ Distribution				✓					✓	✓		
Accounting and Finance	✓	✓	✓	✓	✓	✓	✓	✓		✓	✓	✓
Risk Management	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
HR / Compensation	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Digitalization and Technology			✓	✓				✓		✓		✓
Real Estate									✓		✓	
US/International Consumer Market	✓								✓	✓		
Legal				✓		✓	✓					

APPOINTMENT OF THE EXTERNAL AUDITORS

Audit Committee

The Audit Committee is responsible for the review of the Corporation's consolidated financial statements and recommending the appointment of the external auditors to the Board. It is also responsible for supporting the Board in overseeing the integrity of the Corporation's financial reporting and internal control over financial reporting, disclosure controls, internal audit function and compliance with legal and regulatory requirements.

Responsibility for governance of the Corporation's risk portfolio resides with the Board. The Board has delegated to the Audit Committee the role of reviewing the design, and assessing the effectiveness, of the Corporation's ERM program. The Audit Committee also has responsibility for overseeing specific risks delegated to it by the Board and satisfying itself that management has taken appropriate actions to ensure the effective management of such risks.

The Audit Committee evaluates the qualifications, performance and independence of the external auditors and oversees procedures for the receipt, retention and follow-up of any complaints regarding the Corporation's accounting, internal controls and auditing matters.

The members of the Audit Committee are A. Charles Baillie (Chair), Sarabjit S. Marwah, Thomas F. Rahilly and Barbara Stymiest. All members of the Audit Committee are independent and financially literate as required under applicable Canadian securities legislation.

Audit and Other Service Fees

The following table sets forth the aggregate fees billed for professional services rendered by the independent external auditors, KPMG LLP, for the fiscal years 2013 and 2012, respectively:

	2013 $(000's)	2012 $(000's)
Audit fees(1)	4,144	3,641
Audit-related fees(2)	4,671	2,502
Tax-related fees	—	—
All other fees(3)	43	71
Total Fees	8,858	6,214

(1) *Audit fees include fees for services related to the audit of the Corporation's consolidated financial statements, including the audit of Loblaw's consolidated financial statements and the audits of Choice Properties (beginning in 2013) and President's Choice Bank (each a subsidiary of Loblaw).*

(2) *Audit-related fees include fees for assurance and related services including the review of quarterly reports to shareholders, audit of pension plans, comfort letters, the interpretation of accounting and financial reporting standards and professional services associated with audit procedures performed relating to Loblaw's IT system conversion. The 2013 amount includes fees related to Choice Properties' initial public offering and debt prospectuses.*

(3) *All other fees are for services related to legislative and/or regulatory compliance.*

As part of the Corporation's corporate governance practices, the Audit Committee has adopted a policy prohibiting the external auditors from providing non-audit services to the Corporation or its subsidiaries unless the services are approved in advance by the Audit Committee. The external auditors are required to report directly to the Audit Committee.

Audit Committee Report

The Audit Committee reviewed and discussed with management the Corporation's annual consolidated financial statements and management's discussion and analysis for the year ended December 31, 2013 and the external auditors' report thereon. We recommended to the Board that the Corporation's annual audited consolidated financial statements be approved and released on February 27, 2014.

The Audit Committee has concluded that KPMG LLP is independent from the Corporation and from management and recommended to the Board that KPMG LLP be proposed for re-appointment as the external auditors of the Corporation at the Meeting.

Throughout the year, the Chair of the Audit Committee met periodically with the external auditors, representatives of the internal audit services department and senior members of the Corporation's financial reporting group. In 2013, our Committee reviewed and approved the ERM framework, including its risk management processes and ERM Policy. We also reviewed certain projects undertaken by Weston Foods to assess its performance against the initial capital investment plans for those projects.

Respectfully submitted,

Audit Committee
A. Charles Baillie (Chair)
Sarabjit S. Marwah
Thomas F. Rahilly
Barbara Stymiest

Appointment of the External Auditors

The Board, on the recommendation of the Audit Committee, is proposing that KPMG LLP be re-appointed as the external auditors of the Corporation until the next annual meeting of shareholders of the Corporation and that the directors be authorized to fix the external auditors' remuneration. The persons named in the accompanying form of proxy intend to vote **FOR** this proposal.

CORPORATE GOVERNANCE

GOVERNANCE COMMITTEE

Role of Governance Committee

The Governance Committee is responsible for developing, maintaining and monitoring governance principles and practices of the Corporation consistent with high standards of corporate governance. The Governance Committee is also responsible for overseeing executive compensation, including the design and structure of the Corporation's incentive programs and the individual compensation of the named executive officers (the "NEOs") identified on page 24. The Governance Committee also oversees succession planning for the Corporation's senior management positions. As part of its mandate, the Governance Committee, together with the Executive Chairman, identifies and recommends candidates for nomination to the Board as directors and reviews the composition of the Board committees. The Governance Committee also approves the compensation of directors and recommends any changes to directors' compensation arrangements. It also monitors the orientation program for new directors and oversees the process for assessing the performance of the Board and its committees as well as the performance of individual directors.

Many public investors expect a controlling shareholder to have substantial influence over the strategic direction of a controlled company through the board and committee selection process. With Mr. W. Galen Weston's substantial equity investment in the Corporation, the Board believes that his interest as a shareholder is aligned with that of all other shareholders. For this reason, the Board believes that a majority, but not all, of the members of the Governance Committee should be independent directors.

The members of the Governance Committee are Messrs. J. Robert S. Prichard (Chair), A. Charles Baillie, Peter B.M. Eby, Thomas F. Rahilly and Anthony R. Graham. Members of the Governance Committee are independent directors except for Mr. Graham, who is an executive officer of Wittington, the private holding company through which Mr. W. Galen Weston indirectly controls the Corporation.

The directors believe that the members of the Governance Committee individually and collectively have the requisite knowledge, skill and experience in governance and compensation matters, including human resource management, executive compensation matters and general business leadership, to fulfill the Governance Committee's mandate. Members of the Governance Committee have substantial knowledge and experience as current and former senior executives of large and complex organizations and directors of other publicly traded companies.

The chart below sets out the relevant experience of each member of the Governance Committee. For additional information regarding each member of the Governance Committee please see pages 7 through 13. For additional information regarding the activities of the Governance Committee, see the Governance Committee's report to shareholders on page 21, as well as the Corporation's Statement of Corporate Governance Practices on pages 51 through 57.

Governance Committee Members - Skills Matrix

Name of Member	Experience in Governance and Executive Compensation
A. Charles Baillie	• Executive experience as former Chairman and Chief Executive Officer of Toronto Dominion Bank • Public and private company board experience, including as Chairman of Alberta Investment Management Corporation, and director of TELUS Corporation and Canadian National Railway Company • Chair of TELUS Corporation's Human Resources and Compensation Committee • Member of Canadian National Railway Company's Human Resources and Compensation Committee • Former member of Dana Corporation's Compensation Committee
Peter B.M. Eby	• Senior roles at large institutions, including former Vice Chair and director of Nesbitt Burns Inc. • Public and private company board experience as director of Leon's Furniture Limited and TD Asset Management USA Funds Inc. • Experience in human resource management, executive compensation and business leadership
Anthony R. Graham	• Executive experience as President of Wittington and President and Chief Executive Officer of Sumarria Inc. • Public company board experience as director of Loblaw, Power Corporation of Canada and Power Financial Corporation and former Vice Chairman and director of National Bank Financial • Member of Loblaw's Governance, Employee Development, Nominating and Compensation Committee • Chairman of Power Corporation of Canada's Compensation and Governance Committees • Member of Power Financial Corporation's Governance and Nominating Committee
J. Robert S. Prichard	• Executive experience as former President and Chief Executive Officer of Torstar Corporation, former President and Chief Executive Officer of Metrolinx, and President Emeritus of the University of Toronto • Public company board experience as Chairman of The Bank of Montreal and director of Onex Corporation and former director of Four Seasons Hotels Inc. • Former chair of The Bank of Montreal's Governance and Nominating Committee • Member of The Bank of Montreal's Human Resources Committee (which is responsible for executive compensation) • Former member of the Four Seasons Hotels Inc.'s Governance Committee
Thomas F. Rahilly	• Executive experience as Vice Chairman of RBC Capital Markets, Richardson Greenshields Limited and Merrill Lynch Canada Inc. and prior public company board experience • Extensive compensation and leadership evaluation experience as a senior executive in investment banking

GOVERNANCE COMMITTEE REPORT TO SHAREHOLDERS

Dear Shareholder:

This report provides a brief overview of our Committee's philosophy and approach to the compensation of the Corporation's senior executives and highlights our most significant accomplishments during 2013.

Executive Compensation Philosophy

The Governance Committee reviews and approves the Corporation's compensation philosophy and programs for executive officers, which is described below.

We believe that the compensation structure must be designed to continue to attract, retain and motivate the best candidates for the challenging roles that the Corporation's executive officers fulfill. To this end, we continue to ensure that our executive compensation programs are competitive with market and industry practices to enable the Corporation to attract, retain and motivate executives with the talent and experience to ensure that the Corporation meets its strategic and operational objectives.

Pay for performance is a cornerstone of the Corporation's compensation philosophy. This objective is achieved through the design of our short, medium and long-term incentive plans ("STIP", "MTIP" and "LTIP" respectively).

Executive compensation should align with the long-term interests of the shareholders. We believe our STIP, MTIP and LTIP programs accomplish this objective. The Corporation's STIP is a balanced program comprised of different performance measures that focus executives on the key drivers of the business and value creation over both the short and long term. The MTIP program is designed for executives at Weston Foods to reward improvements in certain factors that influence enterprise value (such as EBITDA, notional debt and cash flow) based on the performance of the Weston Foods business over a three-year performance period. The LTIP balances the use of (i) stock options, which align an executive's interest with shareholders in share price appreciation; (ii) restricted share units ("RSUs"), which serve as a key component in retaining executives, and (iii) PSUs, which focus executives on the delivery of key objectives set forth in the Corporation's strategic plan. Effective January 1, 2013, we extended the application of the executive share ownership requirements to include every executive at the senior vice president level and higher. This change further aligned executive compensation and long term shareholder interests.

Highlights of 2013 Executive Compensation

In 2013, the Governance Committee oversaw stress testing of the Corporation's executive compensation plans, with a view to ensuring that the compensation programs satisfy the committee's design objectives.

The Committee also approved a redesign of the Corporation's post-retirement benefits programs. Effective January 1, 2013, post-retirement benefits were eliminated for all new executive hires. For current executives, effective January 1, 2015, the Executive Retiree program will be replaced with an annual health spending account program. Executives who are age 55 or older or who have at least 25 years of service on January 1, 2015 will be grandfathered under the current Executive Retiree program. The Governance Committee also eliminated an early retirement subsidy related to one of its pension plans, subject to certain conditions, beginning in 2015. These redesign initiatives positively impacted the Corporation's financial results by approximately $51 million in 2013. The introduction of the health spending account program will provide improved flexibility in the benefits offering to executives.

Succession Planning and Talent Management

The Governance Committee is entrusted with the responsibility of overseeing the Corporation's succession planning for senior executive roles. The succession planning process includes an annual review with management of each senior executive position and the performance of the incumbents. The Committee also receives reports on the performance evaluation process designed to improve individual leadership and management skills, and updates on the talent management plans across the organization. In 2013, the Corporation hired a Chief Talent Officer. This new position will help the Corporation to continue to place a strong focus on attracting and developing leaders with the talent and experience to ensure that the Weston group of businesses meet their strategic and operational objectives.

Board Leadership

An important responsibility of our Committee is the identification and recommendation of individuals qualified to become directors. Our Committee is also responsible for oversight of the compensation of directors. We continuously assess and evaluate the effectiveness of the Board and identify areas where the Board may benefit from directors with additional skills and experience. Our Committee appreciates the need to maintain a strong, vibrant and engaged Board that understands the Corporation's dynamic business needs and the food manufacturing and retail industries generally. This year, we have included a skills matrix that identifies key skills of all of our Board members.

Our Committee continues to monitor developments in the area of diversity for senior executives and board composition. Our Board is committed to ensuring that it attracts and retains the most highly qualified and experienced directors and recognizes that diversity is an important consideration in maintaining effective boards. We recognize that board diversity mitigates against the risk that board members will approach issues too narrowly or fail to adequately consider alternative ideas or options on issues affecting the organization. In our on-going review of prospective director nominees, the Governance Committee aims for a board with diversity, including diversity of gender, perspectives and experiences.

In looking out to the balance of 2014, we are confident that we have strong and practical governance systems in place and well designed and administered executive compensation programs to appropriately incent and reward our executives for performance while not taking on unacceptable risk. At the same time, we are not complacent. This year we once again engaged with a leading corporate governance organization to discuss and review the Corporation's practices. You can be confident that we will continue to closely monitor industry trends and regulatory developments and adjust our governance practices and compensation programs accordingly.

Respectfully submitted,

Governance Committee
J. Robert S. Prichard (Chair)
A. Charles Baillie
Peter B.M. Eby
Anthony R. Graham
Thomas F. Rahilly

COMPENSATION DISCUSSION AND ANALYSIS

TABLE OF CONTENTS

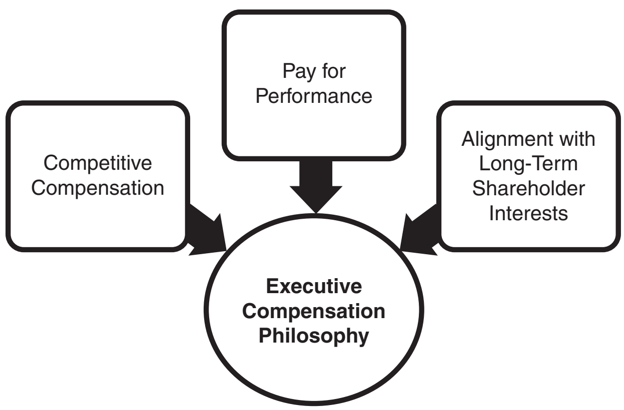
INTRODUCTION

This Compensation Discussion and Analysis describes the compensation programs of the NEOs. For 2013, the NEOs were:

Name	Position
W. Galen Weston	Executive Chairman
Paviter S. Binning	President
Richard Dufresne	Chief Financial Officer
Galen G. Weston	Executive Chairman of Loblaw
Vicente Trius	President of Loblaw

EXECUTIVE COMPENSATION PHILOSOPHY

The objectives of the executive compensation programs are to attract, retain and motivate outstanding executives who are committed to improving the Corporation's performance and creating value for its shareholders. Three core principles underlie the Corporation's executive compensation programs, as set out below:



1. Competitive Compensation

Competitive compensation is important as it enables the Corporation to attract and retain talented and qualified individuals to lead the business. The Corporation has developed processes to ensure that its executive compensation programs are competitive with market and industry practices and support the attraction and retention of high quality executives.

2. Pay for Performance

The Corporation structures its executive compensation programs to align executive compensation with the financial performance of the Corporation, including the performance of its Common Shares. A significant portion of executive compensation is in the form of at-risk pay, namely STIP and LTIP compensation. This creates a performance-based corporate culture that rewards individual and team based contributions to the achievement of the Corporation's goals and for increases in shareholder value. The at-risk components (the STIP and LTIP awards) for the five NEOs in 2013 ranged from 57.5% to 78.6% of the NEOs' total compensation.

3. Alignment of Executive Compensation Programs with Long-Term Shareholder Interests

The Corporation structures its executive compensation programs to align the interests of its executives with those of its shareholders. A significant portion of executive compensation takes the form of medium and long-term equity-based awards. Structuring executive compensation in this manner ensures that executives are properly motivated to increase long-term shareholder value.

RISK AND EXECUTIVE COMPENSATION

RISK MITIGATION PRACTICES

The Corporation has designed its compensation programs to provide an appropriate balance of risk and reward in relation to its overall business strategy. The Governance Committee believes that the compensation programs do not encourage executives to take undue risks. The Governance Committee, in its review of risk mitigation practices, believes that having a compensation program that comprises a mix of compensation elements, with a significant portion of compensation in the form of long-term equity based awards, acts as a deterrent to executives taking excessive risks. Additionally, the Corporation has risk mitigation practices that include: designing balanced incentive plans that are not focused on a single financial measure, a clawback policy for short and long-term compensation, share ownership requirements for the NEOs and trading restrictions. The Governance Committee regularly reviews each compensation plan and has the discretion to make adjustments to incentive awards, as appropriate.

1. Incentive Plan Design

The Corporation's 2013 long, medium and short-term incentive plans included a variety of performance measures, including share price appreciation, earnings and sales performance, free cash flow, return on capital and market share. The inclusion of multiple performance measures requires that the operating results of the Corporation outperform in all key metrics in order for executives to achieve the maximum compensation award. This balanced approach reduces the risk of a disproportionate focus by executives on any single aspect of the business for the sole purpose of increasing their compensation.

Short term incentives are designed to focus executives on the key drivers of the operating businesses and on value creation over both the short and long-term and, as such, minimize the likelihood of inappropriate or excessive risk-taking. The Corporation's STIP has a maximum payout level (set at 200% of each component's targeted payout level) that limits the amount that an executive can be paid. The STIP's metrics are subject to stress testing and the results of this analysis are reviewed by the Governance Committee as part of its approval process.

A significant portion of executive compensation is allocated to long-term incentives to focus executives on sustainable value creation. The Corporation's objective is to design incentive plans that do not motivate executives to take undue short-term risks given the potential negative impacts on the long-term equity components of compensation.

PSUs, which were introduced in 2012, serve to focus executives on selected key drivers of corporate performance and reduce the number of stock options granted and therefore reduce potential shareholder dilution. PSUs also serve as a pay for performance incentive to reward executives for the achievement of prescribed corporate goals and share price appreciation.

2. Clawback Policy

In 2011, the Governance Committee introduced a clawback policy on STIP and LTIP payments for senior executives including the NEOs when (i) an executive engages in conduct that results in the need for the correction or restatement of financial results, (ii) the executive receives an award calculated on the achievement of those financial results, and (iii) the award received would have been lower had the financial results been properly reported. The clawback policy also provides that a clawback may be triggered if an executive commits a material breach of the Corporation's Code of Conduct. The policy requires that when the clawback is triggered, the executive must repay all of the incentive payments received over the two-year period preceding the triggering event.

3. Share Ownership Requirements

Senior executives are required to maintain a significant equity investment in the Corporation to align their interests with those of the Corporation's shareholders, and to mitigate the likelihood of undue risk taking. The Share Ownership Guidelines establish minimum share ownership levels for executives, which based on their position, are set at a multiple of base salary. The Guidelines were amended in 2012 to refine the list of eligible holdings (by eliminating RSUs and PSUs) and to augment the Guidelines' applicability across a broader group of senior management, as further discussed under Executive Share Ownership Guidelines on page 40. The amendment to the list of eligible holdings made it more difficult to achieve the minimum share ownership levels.

4. Trading and Hedging Restrictions

All directors and employees, including the NEOs, are also subject to the Corporation's Securities Trading Policy, which prohibits trading in the securities of the Corporation, Loblaw or Choice Properties while in possession of material undisclosed information about the Corporation, Loblaw or Choice Properties. These individuals are also prohibited from entering into certain types of hedging transactions involving the securities of the companies, such as short sales, puts and calls. Furthermore, the Corporation permits executives (including the NEOs) to trade in the Corporation's securities, including the exercise of stock options, only during prescribed trading windows.

ROLE OF MANAGEMENT AND COMPENSATION CONSULTANTS

ROLE OF MANAGEMENT IN DETERMINING COMPENSATION AND EVALUATING PERFORMANCE

The Executive Chairman and the President participate in the compensation design process, evaluate the performance of key senior executives and make recommendations to the Governance Committee with respect to the compensation of the other NEOs and the specific business goals to be used as performance targets for the various incentive programs. The views of the Executive Chairman and the President are valued because of their day-to-day involvement with key senior executives. As a result, they are in the best position to effectively assess the performance of the other NEOs and how their efforts have contributed to the achievement of the Corporation's strategic objectives and operational targets. These evaluations are based on the achievement of objectives and targets related to both the individual and the Corporation and include an assessment of leadership capabilities and team development. The results of these evaluations are presented to the Governance Committee. The Chief Financial Officer and the Chief Legal Officer assist the Executive Chairman and the President in developing and presenting management's recommendations and supporting material to the Governance Committee regarding the design of the incentive plans and the compensation of the other senior executives.

COMPARATIVE MARKET DATA

Comparative market data is one factor used in setting the compensation of each NEO. Other factors include personal performance, leadership ability, internal equity among executives and the operating results of the business or area for which the NEO has responsibility. From time to time, the Governance Committee uses benchmarking or comparisons of certain other companies' compensation programs to confirm that the Corporation's programs remain competitive. When performing compensation reviews, the Governance Committee does not generally identify a median or percentile as a target for the total compensation of the NEOs.

ROLE OF MERIDIAN COMPENSATION PARTNERS

To assist in fulfilling its duties, the Governance Committee has retained an independent compensation advisor, Meridian Compensation Partners ("Meridian"). Meridian and its predecessor company have reported solely to the Governance Committee since 2008. Meridian provides information and independent advice on the design of the Corporation's executive compensation programs, evaluates recommendations put forward by management and advises on any other items requested by the Governance Committee. The Chair of the Governance Committee meets periodically with representatives of Meridian to ensure that any important compensation issues are brought forward to Committee meetings and receive the appropriate level of attention.

The Governance Committee has the sole authority to retain and approve fees for Meridian and any other independent consultants it considers necessary or desirable to assist in compensation matters. Unless otherwise directed by the Governance Committee, Meridian provides its advice directly to the Governance Committee, including during *in camera* sessions without management present. Meridian does not provide any services to the Corporation other than those provided directly to the Governance Committee without the Governance Committee's prior approval.

The Governance Committee annually assesses the independence of its compensation consultant. In 2013 and 2012, Meridian was not retained to perform any services for the Corporation and it did not receive any compensation from the Corporation, except in relation to the services it provided to the Governance Committee. In 2013 and 2012, Meridian received $27,742 and $22,918 respectively, for services performed for the Governance Committee.

LOBLAW'S 2013 COMPENSATION ANALYSIS

In 2013, the Loblaw Governance Committee retained Meridian to perform a compensation analysis of Loblaw's most senior executive officers, including all of the Loblaw NEOs except for Messrs. Galen G. Weston and Peter McMahon. The purpose of this engagement was to assist the Loblaw Governance Committee in evaluating the proposed compensation arrangements related to the reorganization of the senior executive team in anticipation of the Shoppers Drug Mart ("SDM") acquisition. The key elements of compensation reviewed in this analysis included base salary, target STIP and target LTIP compensation.

Meridian conducted a competitive benchmarking analysis for each Loblaw NEO position, excluding Messrs. Galen G. Weston and Peter McMahon, by reviewing the compensation of comparable positions at the 30 largest companies (by revenue) in the TSX-60, and other key Canadian and U.S. retail companies, as set out below:

30 Largest Companies on TSX-60			Other Canadian and US Retail Companies
Agrium Inc. Bank of Montreal The Bank of Nova Scotia Barrick Gold Corporation BCE Inc. BlackBerry Limited Bombardier Inc. Brookfield Asset Management Inc. Canadian Imperial Bank of Commerce Canadian National Railway Company	Canadian Natural Resources Limited Canadian Tire Corporation, Limited Catamaran Corporation Cenovus Energy Inc. Enbridge Inc. Husky Energy Inc. Imperial Oil Limited Magna International Manulife Financial Corporation Metro Inc.	Power Corporation of Canada Rogers Communications Inc. Royal Bank of Canada Sun Life Financial Inc. Suncor Energy Inc. TransCanada Corporation Teck Resources Limited TELUS Corporation Thomson Reuters Corporation The Toronto-Dominion Bank	Alimentation Couche-Tard Inc. Empire Company Limited CVS Caremark Corporation Costco Wholesale Corporation The Kroger Co. Walgreen Co. Safeway Inc. Publix Super Markets, Inc. Rite Aid Corporation SUPERVALU Inc. Target Corporation

With the closing of the SDM acquisition, Loblaw is one of the largest Canadian companies listed on the TSX based on revenue and number of employees. Accordingly, including the 30 largest companies (based on revenue) on the TSX-60 and key Canadian and U.S. retailers in Loblaw's comparator group was considered appropriate and assisted the Loblaw Governance Committee in reflecting on market data as a whole. The comparator group also included U.S. retailers because these U.S. retailers compete with Loblaw in the grocery talent market and because there are an insufficient number of Canadian retailers that are comparable to Loblaw in terms of size and complexity.

Although Meridian compared the compensation of each Loblaw NEO against the compensation of executives holding comparable positions at companies identified in the comparator group, the market reference data was just one factor used to make decisions regarding appropriate adjustments. The market reference data was not used as part of a formula for determining compensation levels, and a specific target percentile for each element of compensation was not identified. As part of the review process, the Loblaw Governance Committee also engaged Meridian to stress test the proposed compensation arrangements to determine how much each executive would earn if Loblaw delivered on its five year plan. Based on Meridian's analysis and the Loblaw Governance Committee's consideration of important qualitative factors, the Loblaw Governance Committee approved a number of key changes to certain NEOs' compensation arrangements, as further set out in Loblaw's Management Proxy Circular.

ROLE OF MERCER (CANADA) LIMITED

Mercer (Canada) Limited and its affiliates ("Mercer") act as compensation consultants to the Corporation's and Loblaw's management groups from time to time.

Mercer did not perform any services for the Corporation or Loblaw in 2013; however, one of Loblaw's subsidiaries, PC Financial Inc. ("PC Financial"), engaged Mercer in 2013 to conduct a review among comparable organizations of the current compensation levels and short-term incentive program design details for select senior management and executive positions at PC Financial. Mercer received $46,811 in fees from PC Financial for services relating to this review. In 2012, Mercer provided assistance to Loblaw management in preparing a report to the Loblaw Governance Committee with respect to short-term and long-term incentive design for Loblaw that included information and advice on current market trends and best practices. Mercer prepared a report for Loblaw on the following topics: (i) the general prevalence and eligibility by employee level of long-term incentives, specifically of performance-based plans; (ii) target and mix of long-term incentives and total target pay mix by employee level within the organization; and (iii) long-term incentive grant levels and performance plan metrics. Mercer's report and findings were based on a review of the incentive plans at the following list of companies with compensation programs that management believed, with Mercer's assistance, compare to Loblaw's executive compensation program:

Comparator Corporations

Canadian Tire Corporation, Limited	McDonalds Canada	Target Canada
The Home Depot Canada, Inc.	Metro Inc.	Telus Corporation
Hudson's Bay Company	North West Company	Tim Hortons Inc.
Katz Group Canada Ltd.	Rogers Communications Inc.	Wal-Mart Canada
Lowe's Canada	RONA Inc.	Yum! Restaurants
Maple Leaf Foods Inc.	Sears Canada Inc.	International (Canada) Company

Based on the results of this review, beginning in 2013, the Loblaw Governance Committee extended the scope of the PSU Plan, which was originally limited to the most senior executives, to all Loblaw executives. This change reduced the weighting of stock options in each executive's long-term share-based compensation, as options, RSUs and PSUs now each comprise one-third (by grant value) of an executive's annual LTIP grant.

The findings of the 2012 Mercer report were provided to the Governance Committee. The Governance Committee had previously approved the implementation of PSUs for all executives of the Corporation beginning in 2012.

In 2013, Mercer received no compensation for services relating to executive compensation for the Corporation or Loblaw. In 2012, Mercer did not receive any compensation from the Corporation but received $12,046 from Loblaw for services relating to its executive compensation programs. Mercer did not perform any other services or receive any other fees in 2013 and 2012 other than as indicated above.

COMPONENTS OF COMPENSATION

The 2013 NEO compensation was comprised principally of base salary, short-term cash incentives (which executives may have elected to receive in the form of Executive Deferred Share Units ("EDSUs")) and long-term incentives (RSUs, PSUs and stock options) as described in the table that follows. Benefits, pensions and perquisites generally comprise a relatively small part of an NEO's total annual compensation.

Components		Form	Period	Program Objectives and Details
Fixed Compensation	Base Salary	Cash	Annual	• Reflects the executive's level of responsibility and experience, internal equity among executives and the executive's overall performance both individually and in relation to the executive's business unit or division.
Variable Compensation	Short-Term Incentive Plan (STIP)	Cash	Annual	• Incentive program is linked to the achievement of specific financial and/or operating performance targets in the fiscal year. • Each executive has a target annual bonus (% of base salary). • Actual payout is determined by the achievement of predetermined financial and/or operating performance objectives and individual performance objectives for certain NEOs. • Payouts range from zero to a maximum of 200% of an executive's target bonus.
		EDSUs (Elective)	Annual election; EDSUs held until cessation of employment	• Each executive can choose to receive all or a portion of the executive's STIP payout in the form of EDSUs, to a cumulative maximum of three times the executive's base salary. • Aligns executives' interests with those of shareholders and count towards Share Ownership Guidelines. • EDSUs are settled in Common Shares no later than December 15th of the year following the year in which the executive's employment ceases for any reason.
	Long-Term Incentive Plan (LTIP)	RSUs	Typically a 3 year vesting period	• Motivates and rewards executives for increasing shareholder value. • RSU grants are generally made once per year. • Individual awards are differentiated based on role and expected future performance. • RSUs typically comprise one-third of the total value of LTIP grants to executives. • RSUs are settled in Common Shares at the end of the applicable vesting period.
		PSUs	Typically a 3 year performance period	• Motivates and rewards executives for increasing shareholder value. • PSU grants are generally made once per year. • Individual awards are differentiated based on role and expected future performance. • PSUs typically comprise one-third of the total value of LTIP grants to executives. • PSU vesting is based on Loblaw's success in achieving market share and return on capital targets and the Weston Foods' MTIP results, and in certain cases, a discretionary component. • PSUs are settled in Common Shares at the end of the applicable performance period.
		Stock Options	5 year vesting period (20% per year); 7 year term	• Motivates and rewards executives for increasing share price. • Stock option grants are generally made once per year. • Individual awards are differentiated based on role and expected future performance. • Stock options typically comprise one-third of the total value of LTIP grants to executives.

Other Elements of Compensation			
Benefits	Group health, dental and insurance benefits	Employment and post-employment	• Executive benefit plans, paid for by the Corporation, provide health, dental, disability and insurance coverage.
Pensions	Defined Benefit Pension Plan/ Defined Contribution Pension Plan/ Supplemental Executive Retirement Plan	Post-employment	• Plans are designed to provide a reasonable level of retirement income to executives to reward them for their service to the Corporation. • In 2013, senior executives (other than Mr. Galen G. Weston) participated in either the executive defined benefit registered pension plan or the executive defined contribution registered pension plan and in a supplemental executive retirement plan. • New executives participate in the executive defined contribution registered pension plan.
Perquisites	Cash allowance/reimbursement for professional services	Annual	• A limited number of personal benefits are provided, including a car or car allowance, an annual medical examination and a discretionary health care spending account and the ability to participate in the employee share ownership plan.

2013 NAMED EXECUTIVE OFFICER COMPENSATION

BASE SALARY

Base salaries for the NEOs are set on an individual basis and not within formalized salary ranges. Base salaries are set taking into account the level of responsibility and experience, internal equity among executives and the executive's overall performance both individually and in relation to the executive's business unit or division. Each year the Governance Committee reviews the base salary of the NEOs. The Governance Committee may make adjustments to an NEO's salary as a result of a change in the NEO's duties and responsibilities, or in the performance and contribution of the NEO, both on an individual basis and in relation to the performance of the NEO's business unit or division during the previous year.

The following table sets out the base salary for each NEO for 2013, and, if applicable, the percentage increase from 2012:

Name	2013 Base Salary ($)	Percentage Increase From 2012 (%)
W. Galen Weston	1,000,000	Nil
Paviter S. Binning	1,000,000	Nil
Richard Dufresne	560,000(1)	6.7%
Galen G. Weston	1,000,000	Nil
Vicente Trius	1,000,000	Nil

(1) Mr. Dufresne's prorated salary for 2013 was $551,250 to reflect his base salary merit increase effective April 1, 2013.

SHORT-TERM INCENTIVE PLAN

The Corporation's STIP is designed to incent executives, including the NEOs, to meet the Corporation's annual business and financial objectives. Each fiscal year, the performance of the executives is measured by the achievement of specific financial goals, which vary from year to year. All participating executives have STIP award targets that are expressed as a percentage of base salary determined by the executive's position and level within the organization. Depending on actual performance relative to the performance targets, payouts for each performance target range from zero to a maximum of 200% of target for each component. The STIP award payments are made in cash, although executives may elect to receive all or a portion of their STIP award in EDSUs, to a cumulative maximum of three times the executive's base salary.

The Governance Committees of the Corporation and of Loblaw believe that their respective STIP programs are balanced as they are comprised of different performance measures that are designed to focus executives on the key drivers of the operating businesses and value creation over both the short and long-term and, as such, reduce the risk of inappropriate or excessive risk-taking behaviour.

The Governance Committee or, in the case of Messrs. Galen G. Weston and Trius, the Loblaw Governance Committee, determines the appropriate STIP performance measures and weightings for each NEO, based on their roles and responsibilities within the Corporation and Loblaw. The Governance Committee is responsible for the plan design and awards made by the Corporation pursuant to the Weston Foods STIP. The Loblaw Governance Committee is responsible for the plan design and awards made pursuant to the Loblaw STIP. The Governance Committee receives periodic reports on the performance of the STIP metrics, including their performance against targets.

The following table sets forth the performance measures and weightings that were used in determining the STIP awards for each NEO for 2013:

Name	Title	Performance Measure	Weighting (%)
W. Galen Weston	Executive Chairman	Discretion of the Governance Committee	100
Paviter S. Binning	President	Loblaw STIP Weston Foods STIP Discretionary component	47 23 30
Richard Dufresne	Chief Financial Officer	Loblaw STIP Weston Foods STIP Discretionary component	47 23 30
Galen G. Weston	Executive Chairman of Loblaw	Loblaw STIP	100
Vicente Trius	President of Loblaw	Loblaw STIP	100

A description of each performance measure and the actual achievements against these measures is set forth below.

Discretion of Governance Committee

The Governance Committee considered the overall performance of the Executive Chairman, President and the Chief Financial Officer of the Corporation to determine the discretionary component of their STIP award.

W. Galen Weston, Executive Chairman

The STIP amount awarded to the Executive Chairman in 2013 was determined in the discretion of the Governance Committee based on both quantitative and qualitative factors. The quantitative factors are based on the financial performance of both Weston Foods and Loblaw using the same measures as for the rest of the senior executives. The qualitative factors are the Governance Committee's assessment of the Corporation's progress in delivering on its major strategic objectives and the Executive Chairman's overall leadership of the Corporation. In 2013, the Governance Committee took into account the significant strategic actions at both the Corporation and Loblaw, including the creation of Choice Properties, one of the largest REITs in Canada, and Loblaw's acquisition of SDM. Absent exceptional circumstances, the Executive Chairman's STIP target award is 100% of his salary and is capped at that amount. The Governance Committee judged the Executive Chairman's overall performance to be strong and warranted a STIP award of $1,000,000, which was his target STIP award for the year.

Paviter S. Binning, President

The discretionary component of the STIP amount awarded to the President was determined based on Mr. Binning's achievement of his personal leadership and strategic objectives set early in 2013. The Governance Committee concluded that Mr. Binning demonstrated exceptional leadership and performance in delivering on his 2013 objectives. These objectives included developing and executing on the Corporation's strategic agenda, hiring certain senior executives at the Corporation and Weston Foods, and completing several important business initiatives. This year, the Governance Committee considered Mr. Binning's exceptional contribution to the creation of Choice Properties and Loblaw's acquisition of SDM. Mr. Binning's discretionary component is targeted at 30% of his STIP target of $1,500,000, which is $450,000. Based on Mr. Binning's exceptional achievement of his objectives, the Governance Committee awarded Mr. Binning an award of $900,000 for this component of his STIP award, representing 200% of target.

Richard Dufresne, Chief Financial Officer

The discretionary component of the STIP amount awarded to the Chief Financial Officer was determined based on an assessment of Mr. Dufresne's performance in 2013. The Governance Committee considered Mr. Dufresne's key role in developing and executing a number of key strategic initiatives during the year, including his contribution in Loblaw's creation of Choice Properties and Loblaw's acquisition of SDM. Mr. Dufresne's discretionary component is targeted at 30% of his STIP award, which based on his prorated salary for 2013, is $165,375. Due to Mr. Dufresne's exceptional performance and leadership in 2013, the Governance Committee awarded Mr. Dufresne an award of $330,750 for this component of his STIP award, representing 200% of target.

Weston Foods STIP

Plan Design

The Governance Committee believes that the STIP should be designed to properly incent the NEOs to achieve the Weston Foods business plan and strategic objectives. Prior to the beginning of each fiscal year, the Governance Committee establishes the STIP design, including specific business performance measures, weightings and targets, and presents it to the Board for approval. In determining the performance measures, weightings, targets and payout ranges for each fiscal year, the Governance Committee takes into account the key components of the Weston Foods annual business plan, budget and strategic objectives. Following year-end, the Governance Committee reviews the financial results of Weston Foods against the performance targets and considers, in its discretion, whether any adjustments are required to account for unexpected events during the year.

For 2013, the Weston Foods STIP was based on two performance measures: 67% based on earnings and 33% based on sales. The Weston Foods STIP payouts are determined separately for each performance measure and then aggregated to determine the final amount.

Weston Foods Earnings Performance

The earnings target for 2013 was based on budgeted earnings before interest and taxes ("EBIT") and was based on the annual and multi-year business plans of Weston Foods. The Governance Committee believes that EBIT represents one of the best indicators of overall business performance. The earnings target for the STIP was designed specifically for compensation purposes and differs from the segmented GAAP financial information publicly reported for Weston Foods by the Corporation. For 2013, the STIP earnings target for Weston Foods was $311 million.

The earnings component of the Weston Foods STIP for 2013 was designed so that:

- a positive (or negative) change of 1% in earnings performance relative to the target would have a corresponding 4% increase (or 5% decrease) in the bonus awarded for the earnings component;
- no 2013 bonus would be awarded for the earnings component if the actual earnings of Weston Foods were 80% or less than target; and
- the maximum 2013 bonus payout for the earnings component was 180% of target and would be met if the actual earnings of Weston Foods were equal to or greater than 120% of target.

Early in 2014, the Governance Committee reviewed the 2013 financial results of Weston Foods and calculated earnings for STIP purposes in accordance with the plan. Weston Foods' earnings for 2013, calculated in accordance with the STIP, fell short of the earnings target and resulted in a payout of 75.9% of target for this component of the STIP. As a result, the NEOs received the payout amounts for the earnings component of the Weston Foods STIP set forth in the chart on page 35.

Weston Foods Sales Performance

The sales measure is designed to keep sales as a key focal point for executives in each of the business units across North America. The sales target for 2013 was $1,808 million based on the targeted growth in net sales as set forth in the annual business plan of Weston Foods.

The sales component of the Weston Foods STIP for 2013 was designed so that:

- a positive (or negative) change of 0.25% in sales growth relative to the target would have a corresponding 10% increase (or 12.5% decrease) in the bonus awarded for the sales component;

- no 2013 bonus would be awarded for the sales component if the actual sales of Weston Foods were less than target by 2% or greater; and
- the maximum 2013 bonus payout for the sales component was 180% of target if the actual sales growth of Weston Foods exceeded target by 2% or greater.

Early in 2014, the Governance Committee reviewed the 2013 financial results of Weston Foods and calculated the sales growth for STIP purposes. Sales for Weston Foods in 2013, calculated in accordance with the STIP, fell short of the sales target and resulted in a payment of 50.9% for this component of the STIP. As a result, the NEOs received the payout amounts for the sales component of the Weston Foods STIP set forth in the chart on page 35.

Loblaw STIP

Plan Design

Both the purpose and overall design of Loblaw's STIP are consistent with the Corporation's STIP. The Loblaw STIP is designed each year with measures, weightings and targets to drive Loblaw's strategic goals, which in 2013 were primarily focused on increasing earnings, sales and free cash flow. These performance measures are key drivers of Loblaw's business. As such, the 2013 Loblaw STIP incorporated the following performance measures and weightings: 45% based on earnings, 45% based on sales and 10% based on free cash flow. The Loblaw STIP payouts are determined separately for each performance measure and then aggregated to determine the final amount.

In addition, the 2013 Loblaw STIP included an IT systems implementation bonus metric whereby Loblaw STIP payouts could be increased by up to an incremental 10% of STIP target if certain objectives relating to Loblaw's IT systems implementation were satisfied.

A description of each performance measure and the actual achievements against these measures are set forth below. Additional detail regarding the Loblaw STIP design can be found in Loblaw's Management Proxy Circular available at www.sedar.com.

Loblaw Earnings Performance

Loblaw's earnings target was based on budgeted earnings before interest, tax, depreciation and amortization ("EBITDA") pursuant to Loblaw's annual and multi-year business plans. For 2013, the STIP earnings target for Loblaw's STIP was $2,033 million.

The earnings component was designed so that:

- a positive (or negative) change of 1% in earnings relative to the target would have a corresponding 10% increase (or decrease) in the bonus amount awarded for the earnings component;
- 100% of the bonus amount awarded for the earnings component would be paid if Loblaw's actual earnings were $2,033 million;
- no 2013 bonus amount would be awarded for the earnings component if Loblaw's actual earnings were equal to or less than $1,830 million, which is 90% of the earnings target; and
- the maximum 2013 bonus payout would be 200% of target for the earnings component if Loblaw's actual earnings were equal to or greater than $2,236 million, which is 110% of the earnings target.

Early in 2014, the Loblaw Governance Committee reviewed the 2013 financial results and calculated earnings for STIP purposes in accordance with the plan, excluding adjustments for certain unexpected events, including the gain from defined benefit plan amendments and the favourable impacts of lower restructuring costs and fixed asset and other related impairments, net of recoveries. Loblaw's earnings for 2013 calculated on this basis were $2,040 million, resulting in a payout equal to 103.4% of target for this component of the STIP. Key factors contributing to earnings performance relative to the STIP target were continued operating efficiencies in selling, general and administration costs and the strong operating performance of Loblaw's financial services segment.

Loblaw Sales Performance

The sales metric is designed to focus executives on improving growth in both Loblaw's core retail food business and in new and innovative products and services. The sales target for 2013 was $32,288 million based on the targeted growth set forth in Loblaw's business plan.

The sales component was designed so that:

- a positive (or negative) change of 0.15% in sales relative to the target would have a corresponding 10% increase (or decrease) in the bonus amount awarded for the sales component;
- 100% of the bonus amount awarded for the sales component would be paid if Loblaw's actual sales were $32,288 million;
- no 2013 bonus amount would be awarded for the sales component if Loblaw's actual sales were less than target by 1.5% or more; and
- the maximum 2013 bonus payout would be 200% of target for the sales component if Loblaw's actual sales exceeded target by 1.5% or more.

Early in 2014, the Loblaw Governance Committee reviewed Loblaw's 2013 financial results and sales were $32,371 million, resulting in a payout equal to 117.1% of target for this component of the STIP. The increase in sales relative to target was driven by same stores sales growth of 1.1%, which included a moderate increase in food sales.

Loblaw Free Cash Flow Performance

For STIP purposes, "free cash flow" is defined as cash flows from operations less the change in credit card receivables, fixed asset purchases and interest paid. The free cash flow target approved by the Loblaw Governance Committee for 2013 was $351 million, which reflected a number of corporate initiatives that were intended to increase free cash flow during the year. The free cash flow component was designed so that:

- a positive (or negative) change of $10 million in free cash flow relative to the target would have a corresponding 10% increase (or decrease) in the bonus amount awarded for the free cash flow component;
- 100% of the bonus amount awarded for the free cash flow component would be paid if Loblaw's actual free cash flow was $351 million;
- no 2013 bonus amount would be awarded for the free cash flow component if actual free cash flow was less than target by $100 million or more; and
- the maximum 2013 bonus payout would be 200% of target for the free cash flow component if the increase in free cash flow exceeded target by $100 million or more.

Early in 2014, the Loblaw Governance Committee reviewed Loblaw's 2013 financial results and calculated free cash flow for STIP purposes in accordance with the plan, excluding adjustments for certain unexpected events, including lower fixed asset purchases due to adjustments in capital plans and decreased defined benefit plan contributions due to a significant increase in the discount rate during the year combined with better than expected pension plan asset returns. Loblaw's actual free cash flow for 2013 calculated on this basis was $351 million, resulting in a payout equal to 100% of target for this component of the STIP.

IT Systems Implementation

A key business commitment established by Loblaw in 2011 was to ensure that data accuracy and completeness were maintained across the businesses due to the critical importance of data accuracy for the IT systems implementation and other enterprise risk management objectives. In 2011 and 2012, the Loblaw STIP included a data quality clawback whereby a failure to meet pre-established data quality results would reduce an executive's final STIP payout by as much as 10%. Loblaw did not successfully meet all of its data accuracy and completeness targets in 2012 and, as a result, executives' final 2012 STIP payouts were reduced by 2.3%.

In 2013, in order to ensure an appropriate focus on its IT systems implementation plan commitment, the data quality clawback was replaced with a bonus measure whereby Loblaw STIP payouts would be increased by up to an incremental 10% of STIP target if certain objectives relating to Loblaw's IT systems implementation were met, subject to overall earnings performance meeting certain thresholds. Although Loblaw made significant progress on the IT systems implementation, it did not successfully meet all of its implementation objectives and accordingly, no bonus payment for this metric was made to the Loblaw NEOs.

STIP Payout Summary

In 2013, the STIP payout percentages for the NEOs were 109.3% of target for Loblaw and 67.6% of target for Weston Foods. The following table sets forth the STIP target, maximum STIP award and the actual 2013 STIP award for each NEO:

					2013 STIP Award ($)							
Name	**Base Salary ($)**	**STIP Target as Percentage of Base Salary (%)**	**STIP Target ($)**	**Maximum STIP Award ($)**	**Weston Foods Earnings Component ($)**	**Weston Foods Sales Component ($)**	**Loblaw Earnings Component ($)**	**Loblaw Sales Component ($)**	**Loblaw Free Cash Flow Component ($)**	**Loblaw IT Systems Implementation Adjustment ($)**	**Discretionary Component ($)**	**Total ($)**
W. Galen Weston	1,000,000	100	1,000,000	1,000,000	—	—	—	—	—	—	1,000,000	1,000,000
Paviter S. Binning	1,000,000	150	1,500,000	3,000,000	176,400	59,850	326,550	368,550	70,350	—	900,000	1,901,700
Richard Dufresne[(1)]	560,000	100	551,250	1,102,500	64,827	21,995	120,007	135,442	25,854	—	330,750	698,875
Galen G. Weston	1,000,000	100	1,000,000	2,000,000	—	—	465,494	527,119	100,000	—	—	1,092,613
Vicente Trius	1,000,000	150	1,500,000	2,000,000	—	—	698,241	790,678	150,000	—	—	1,638,919

(1) Mr. Dufresne's STIP award was calculated using his actual 2013 base salary amount of $551,250.

Executive Deferred Share Unit Plan

The Corporation's EDSU Plan enables an executive to receive up to 100% of his or her STIP bonus in any year in EDSUs, subject to a cumulative cap of three times the executive's base salary. All EDSUs held by an executive will be paid out in Common Shares by no later than December 15th of the year following the year in which the executive's employment ceases for any reason. An election to participate in the EDSU Plan in any year must be made before the beginning of that year and is irrevocable. The number of EDSUs granted in respect of any year will be determined by dividing the STIP bonus that is subject to an EDSU Plan election by the value of a Common Share on the date the STIP bonus would otherwise be paid. For this purpose, and for purposes of determining the value of an executive's EDSUs upon redemption, the value of a Common Share is calculated by using the volume weighted average of the trading prices of the Common Shares on the TSX for the five trading days prior to that valuation date. Additional EDSUs are accumulated based on notional equivalents of dividends paid on Common Shares while an EDSU is outstanding. Mr. Binning elected to participate in the EDSU Plan in 2013. Loblaw has also adopted a similar EDSU Plan for its executives.

LONG-TERM INCENTIVE PLAN

The Corporation's and Loblaw's equity-based LTIPs are designed to motivate executives to increase shareholder value. Under the LTIPs, the Corporation and Loblaw award executives long-term incentives in the form of stock options, RSUs and PSUs, the values of which are directly linked to the market value of the Common Shares. Executives eligible for LTIP grants generally receive them on an annual basis. Historically, two-thirds of the grant value was delivered through stock options, valued using the Black-Scholes-Merton methodology, and one-third was delivered through RSUs.

In 2012, the Governance Committee approved the introduction of a PSU Plan as an additional component of the overall LTIP for NEOs. On that basis, annual LTIP grants for NEOs are comprised of equal grants (by grant value) of stock options, RSUs and PSUs. The new design reapportioned the LTIP award, but it did not increase its aggregate value. The introduction of the PSU Plan enabled the Corporation to decrease its use of stock options. The redesigned LTIP balanced the use of (i) stock options, which align an executive's interest with shareholders in share price appreciation; (ii) RSUs, which serve as a key component in retaining executives; and (iii) PSUs, which focus executives on the delivery of key objectives set forth in the strategic plan. The Loblaw Governance Committee approved the introduction of a PSU Plan for certain NEOs in 2012 and implemented PSUs as part of its annual LTIP for all executives in 2013.

The value of an LTIP grant to a participating executive is generally based on a percentage of the executive's base salary. All grants are reviewed and approved by the applicable Governance Committee as part of its regular review of compensation. Annual LTIP awards are granted in the first quarter during the open trading window following the announcement of the Corporation's year-end financial results in accordance with the Corporation's Securities Trading Policy. "Off-cycle" grants are made to newly hired executives, and to executives promoted part way through a year, during open trading windows following the release of quarterly financial results.

In 2013, the Governance Committee approved annual LTIP awards to Messrs. W. Galen Weston, Binning and Dufresne as follows:

Name	Base Salary ($)	Annual LTIP Grant as a Percentage of Base Salary (%)	Grant Date Fair Value ($)	Type of LTIP Grant
W. Galen Weston	1,000,000	100	1,000,003	Stock options, RSUs and PSUs
Paviter S. Binning	1,000,000	400	4,000,003	Stock options, RSUs and PSUs
Richard Dufresne	560,000	200	1,120,067	Stock options, RSUs and PSUs

In 2013, the Loblaw Governance Committee approved the following annual Loblaw LTIP awards to Messrs. Galen G. Weston and Trius:

Name	Base Salary ($)	Annual LTIP Grant as a Percentage of Base Salary (%)	Grant Date Fair Value ($)	Type of LTIP Grant
Galen G. Weston	1,000,000	250	2,499,908	Loblaw Stock Options, RSUs and PSUs
Vicente Trius	1,000,000	250	2,499,908	Loblaw Stock Options, RSUs and PSUs

The key features of the Corporation's stock option plan (the "Stock Option Plan"), RSU Plan and PSU Plan are described below. For a description of the key features of Loblaw's LTIP, please refer to the Loblaw Management Proxy Circular at www.sedar.com.

Stock Option Plan

Under the Stock Option Plan, the size of the annual award an executive receives is determined as part of the executive's total LTIP award. The Governance Committee administers the Stock Option Plan, approves the participants, makes grants of options and establishes any limitations, restrictions and conditions on any grants. Any employee of the Corporation or any of its affiliates, as determined by the Governance Committee, may participate in the Stock Option Plan.

As of March 10, 2014, options to purchase 1,489,380 Common Shares were outstanding. The Corporation has 4,487,634 Common Shares available for future option grants, which represents approximately 3.51% of the issued and outstanding Common Shares. The Stock Option Plan provides that Common Shares issuable pursuant to outstanding options that are cancelled, expired, forfeited or terminated for any reason without having been exercised will again be available for grant under the Stock Option Plan. Stock options are not transferable or assignable otherwise than by will or by laws of descent and distribution, and during the lifetime of an optionee will be exercisable only by him or her. Please see page 42 for details regarding the treatment of stock options upon the resignation, termination with or without cause, or retirement of a participant as well as the effect of a change of control of the Corporation.

The exercise price for options may not be less than the fair market value of a Common Share, which is defined as the greater of: (i) the volume weighted average of the trading price of a Common Share for the five trading days prior to the grant date; or (ii) the volume weighted average of the trading price of a Common Share on the trading day immediately preceding the grant date. The exercise price for options granted to U.S. participants is the closing price of the Common Shares on the TSX on the 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. Generally, options vest over a five-year period at a rate of 20% per year and expire at the end of seven years. Under the Stock Option Plan, each option has a term of not less than five and not more than 10 years.

If the expiry date of 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 Securities Trading Policy, the expiry date will automatically be extended for 10 business days after the blackout period ends.

The aggregate number of Common Shares issued to insiders of the Corporation within any 12 month period, or issuable to insiders of the Corporation at any time, under the Stock Option Plan and any other security based compensation arrangement of the Corporation, may not exceed 5% of the total number of issued and outstanding Common Shares during such period of time, as applicable.

In the event of a 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 amalgamation or reorganization of the Corporation, the Board will make appropriate adjustments to the number of Common Shares subject to any options 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:

1. 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;
2. 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, amalgamation, consolidation, combination or exchange of Common Shares, or another corporate change affecting Common Shares;
3. 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 Securities Trading Policy;
4. changes the provisions relating to the transferability of an option;
5. extends eligibility to participate in the Stock Option Plan to a non-employee director;
6. requires shareholder approval under applicable laws, regulations or stock exchange rules; or
7. affects the amending provisions of the Stock Option Plan.

Subject to any required regulatory review or approval, the Board may make all other amendments to the Stock Option Plan without shareholder approval. These amendments include, but are not limited to, the termination of the Stock Option Plan; amendments designed to comply with applicable laws or regulatory requirements; and "housekeeping" administrative changes (such as correcting an immaterial inconsistency or curing any ambiguity).

In 2013, Messrs. W. Galen Weston, Binning and Dufresne received stock option grants from the Corporation as described in the table below:

Name	Options Granted	Exercise Price ($)	Grant Date Fair Value ($)	Vesting Schedule	Term of Grant
W. Galen Weston	28,106	73.73	333,337	20% per year over 5 years	7 years
Paviter S. Binning	112,423	73.73	1,333,337	20% per year over 5 years	7 years
Richard Dufresne	31,478	73.73	373,329	20% per year over 5 years	7 years

In 2013, Messrs. Galen G. Weston and Trius received stock option grants from Loblaw as described in the table below:

Name	Loblaw Options Granted	Exercise Price ($)	Grant Date Fair Value ($)	Vesting Schedule	Term of Grant
Galen G. Weston	106,991	40.56	833,460	20% per year over 5 years	7 years
Vicente Trius	106,991	40.56	833,460	20% per year over 5 years	7 years

Restricted Share Unit Plan

RSUs entitle an executive to receive the value of the RSU award in Common Shares at the end of the applicable vesting period, which is usually three years in length. An executive receives the number of Common Shares equal to the number of RSUs granted, with the ultimate award value determined by the share price at the end of the applicable vesting period. The RSU Plan does not provide for the payment of any additional units in respect of dividends paid on Common Shares for the period when an RSU is outstanding.

In 2013, Messrs. W. Galen Weston, Binning and Dufresne were awarded RSUs from the Corporation as follows:

Name	RSUs Granted	Grant Value Per Unit ($)	Grant Date Fair Value ($)	Vesting Date
W. Galen Weston	4,521	73.73	333,333	March 7, 2016
Paviter S. Binning	18,084	73.73	1,333,333	March 7, 2016
Richard Dufresne	5,064	73.73	373,369	March 7, 2016

In 2013, Messrs. Galen G. Weston and Trius were awarded RSUs from Loblaw as follows:

Name	Loblaw RSUs Granted	Grant Value Per Unit ($)	Grant Date Fair Value ($)	Vesting Date
Galen G. Weston	20,543	40.56	833,224	February 28, 2016
Vicente Trius	20,543	40.56	833,224	February 28, 2016

Performance Share Unit Plan

PSUs represent a form of at-risk long-term compensation that serves to motivate the recipient to deliver on objectives set forth in the Corporation’s strategic plan. Like RSUs, PSUs also entitle an executive to receive the value of a PSU award in Common Shares at the end of the applicable performance period, also typically three years in length. However, the number of PSUs that vest during such period depends on the achievement of certain performance measures. The Corporation’s PSU performance measures include Loblaw’s PSU performance measures, Weston Foods’ MTIP performance, and a discretionary component. For 2013, the Loblaw PSU performance measures were return on capital and market share. MTIP awards are made to eligible executives at Weston Foods to reward executives for improvement in certain factors that influence enterprise value (such as EBITDA, notional debt and cash flow) based on the performance of the Weston Foods business units over a three-year performance period.

The PSU performance measures and weightings for Messrs. W. Galen Weston, Binning and Dufresne are set out below:

Performance Measure	Weighting (%)
Discretionary Component	33
Loblaw PSU Performance	45
Weston Foods MTIP Performance	22

Messrs. Galen G. Weston and Trius’ PSUs are based 100% on Loblaw’s PSU performance measures.

A threshold performance condition must be met by the Corporation during the performance period in order for any PSUs to vest with respect to each performance measure. A target performance condition is the expected level of achievement for the performance period. If the target performance conditions are met, the number of PSUs that vest, with respect to each measure, will be equal to the number of PSUs granted. A maximum performance condition is the level of achievement during the performance period that results in the maximum number of PSUs vesting for each performance metric. If the maximum performance conditions are achieved for each measure, up to 200% of the number of PSUs granted will vest. Any performance results between the threshold performance conditions and maximum performance conditions will result in the vesting of PSUs determined on a linear basis. The PSU Plan does not provide for the payment of any additional units in respect of dividends paid on Common Shares during the period when a PSU is outstanding.

The performance targets for the PSUs granted in 2013 relating to the Weston Foods’ MTIP performance and Loblaw’s return on capital and market share metrics, are forward-looking as they relate to the three-year period ending in 2016 and were developed taking into account the Corporation’s business strategies, plans and initiatives and its expectations regarding financial and operational performance. The targets are confidential and their disclosure would seriously prejudice the Corporation's interests. The targets are intended to be challenging – neither impossible nor easy to achieve.

In 2013, Messrs. W. Galen Weston, Binning and Dufresne were awarded PSUs from the Corporation for which the grant date fair value assumes vesting at 100% of target:

Name	PSUs Granted	Grant Value Per Unit ($)	Grant Date Fair Value ($)	Vesting Date
W. Galen Weston	4,521	73.73	333,333	March 7, 2016
Paviter S. Binning	18,084	73.73	1,333,333	March 7, 2016
Richard Dufresne	5,064	73.73	373,369	March 7, 2016

In 2013, Messrs. Galen G. Weston and Trius were awarded PSUs from Loblaw for which the grant date fair value assumes vesting at 100% of target:

Name	Loblaw PSUs Granted	Grant Value Per Unit ($)	Grant Date Fair Value ($)	Vesting Date
Galen G. Weston	20,543	40.56	833,224	February 28, 2016
Vicente Trius	20,543	40.56	833,224	February 28, 2016

Long-Term Incentive Plan Clawback

All LTIP grants include a clawback provision stating that if an executive accepts employment with a competitor of the Corporation (or Loblaw) within six months after leaving the employment of the Corporation, the gross dollar value of all stock option, RSU and PSU payments received in the 12 months of employment immediately prior to the date of cessation of employment must be repaid to the Corporation. Loblaw LTIP awards to its executives also include this clawback.

Securities Authorized for Issuance under Equity Compensation Plans as of December 31, 2013

The following table shows the number of securities authorized for issuance under equity compensation plans of the Corporation:

Plan Category	Number of Securities to be Issued Upon Exercise of Outstanding Options, Warrants and Rights (a)	Weighted-Average Exercise Price of Outstanding Options, Warrants and Rights (b)	Number of Securities Remaining Available for Future Issuance Under Equity Compensation Plans (Excluding Securities Reflected in Column (a)) (c)
Equity Compensation Plans Approved by Securityholders			
• Stock Option Plan	1,491,168	$68.18	4,486,410
Equity Compensation Plans Not Approved by Securityholders	N/A	N/A	N/A
Total	**1,491,168**	**$68.18**	**4,486,410**

RETIREMENT AND PENSION ARRANGEMENTS

The Corporation's and Loblaw's retirement and pension arrangements are designed to provide a reasonable level of retirement income to executives. Senior executives of the Corporation and of Loblaw (other than Mr. Galen G. Weston) participate in either the Corporation's or Loblaw's executive defined benefit registered pension plan (the "Executive DB Plan") or executive defined contribution registered pension plan (the "Executive DC Plan"). All new executives join the Executive DC Plan of the Corporation or of Loblaw as the case may be. In addition, senior executives of the Corporation whose pensionable earnings exceed prescribed levels participate in a non-contributory supplemental executive retirement plan (the "SERP").

EXECUTIVE BENEFIT PLANS

The Corporation provides the NEOs with designated health, dental, disability and insurance coverage through executive benefit plans paid for by the Corporation.

PERQUISITES

NEOs receive a limited number of perquisites. These include a car or car allowance, an annual medical examination, a discretionary health care spending account and the ability to participate in the employee share ownership purchase plan.

EXECUTIVE 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 establish minimum share ownership levels for executives, which based on their executive level, are set at a multiple of their salary. In 2012, the Governance Committees of the Corporation and Loblaw undertook a comprehensive review of the share ownership practices of other companies. Based on this review, the Guidelines were amended to remove RSUs and PSUs as eligible holdings, making it more difficult to achieve the minimum share ownership levels.

Under the revised Guidelines, Common Shares, EDSUs and the in-the-money value of vested stock options of the Corporation are the only eligible holdings included in determining an executive's ownership value. The Guidelines were expanded in 2012 to include every executive at the senior vice president level and higher. Senior executives who serve both the Corporation and Loblaw may include their eligible holdings in both companies to satisfy the Guidelines.

Under the Guidelines, senior executives are expected to own eligible equity-based holdings with a value equal to a multiple of their base salary as determined by their position:

- Executive Chairman – 5x base salary
- President – 3x base salary
- Executive Vice Presidents – 2x base salary
- Senior Vice Presidents – 0.5x base salary

Executives are expected to attain the required ownership level within five years of their appointment, but as a result of the elimination of RSUs and PSUs from the list of eligible holdings, effective January 1, 2013, all executives have five years from that date to meet the required ownership levels.

The dollar values of each NEO's eligible equity-based holdings, based on the market value as at March 10, 2014 of $81.13, are set forth in the following table:

	Value of Equity-Based Holdings			Ownership Requirement	
Name	Common Shares ($)	Vested In-The-Money Stock Options ($)	Total ($)	($)	Multiple of Salary
Paviter S. Binning	639,304	1,086,916	3,781,203(1)	3,000,000	3
Richard Dufresne	71,557	264,961	336,518	1,050,000	2
Galen G. Weston(2)	13,441,500	3,697,599	17,139,099	5,000,000	5
Vicente Trius(2)	192,492	1,287,540	1,480,032	3,000,000	3

(1) Mr. Binning holds 23,655 EDSUs with a value of $1,919,130 based on the closing share price of the Common Shares on the TSX on March 10, 2014 which was $81.13. Mr. Binning also served as a director of Loblaw between 2009 and 2010 and pursuant to the Guidelines, his Loblaw DSU holdings count towards his minimum equity ownership in the Corporation. Mr. Binning held 2,931 Loblaw DSUs with a value of $135,852 as of March 10, 2014, based on the closing share price of $46.35 for common shares of Loblaw.

(2) Messrs. Trius and Galen G. Weston are subject to Loblaw's Executive Share Ownership Guidelines. Their Loblaw equity-based holdings are set forth in the table based on their value on March 10, 2014 at $46.35, being the price of a Loblaw common share on that date.

For a description of Loblaw's Executive Share Ownership Guidelines in respect of Messrs. Galen G. Weston and Trius, please refer to the Loblaw Management Proxy Circular available at www.sedar.com.

2013 COMPENSATION DECISIONS REGARDING THE NAMED EXECUTIVE OFFICERS

The following outlines the rationale underlying the compensation decisions for each of the NEOs for 2013.

W. Galen Weston, Executive Chairman

In February 2013, the Governance Committee reviewed Mr. W. Galen Weston's compensation arrangements and, in particular, the size and timing of his last two LTIP awards (in 2012 and 2007), which had been comprised solely of stock options. The Governance Committee decided to reduce the number of stock options awarded to Mr. W. Galen Weston and to include RSUs and PSUs as part of his grant. This change brought greater consistency among the mix of LTIP awards granted to all senior executives at the Corporation and Loblaw. In 2013, Mr. Weston received 28,106 stock options, 4,521 RSUs and 4,521 PSUs with an aggregate grant date fair value of approximately $1,000,000. The Governance Committee did not make any other changes to Mr. W. Galen Weston's compensation arrangements in 2013.

Paviter S. Binning, President

Mr. Binning's employment agreement provides for a base salary of $1,000,000 and a STIP target payout of 150% of his base salary with a maximum payout set at 200% of target. The Governance Committee has discretion to set Mr. Binning's annual LTIP target in an amount ranging between 250% and 450% of Mr. Binning's base salary. In 2013, the Committee felt that 400% was the appropriate LTIP grant level for Mr. Binning in recognition of the key strategic role Mr. Binning played at the Corporation and its subsidiaries. The Governance Committee also considered Mr. Binning's critical role leading up to the creation of Choice Properties. This resulted in an increase in Mr. Binning's target LTIP grant from 350% of base salary in 2012. Mr. Binning's annual LTIP value is comprised of 1/3 stock options, 1/3 RSUs, and 1/3 PSUs, with an aggregate grant date fair value of approximately $4,000,000.

Richard Dufresne, Chief Financial Officer

In February 2013, Mr. Dufresne's base salary increased by approximately 6.7% from $525,000 to $560,000. The Governance Committee also increased Mr. Dufresne's annual LTIP target from 150% to 200% of his base salary. Mr. Dufresne received an annual LTIP grant of 31,478 stock options, 5,064 RSUs and 5,064 PSUs, with an aggregate grant date fair value of approximately $1,120,000. The Governance Committee felt that the increases to Mr. Dufresne's arrangements were warranted in light of Mr. Dufresne's strong performance in 2012 and his importance in developing the Corporation's strategic plan for 2013.

Galen G. Weston, Executive Chairman of Loblaw

In February 2013, the Loblaw Governance Committee reapportioned the value of Mr. Galen G. Weston's annual LTIP award to reduce the number of stock options awarded to him and to include RSUs and PSUs as part of his grant. This change brought greater alignment among the mix of LTIP awards granted to other Loblaw senior executives. In 2013, Mr. Galen G. Weston received 106,991 stock options, 20,543 RSUs and 20,543 PSUs with an aggregate grant date fair value of approximately $2,500,000. Mr. Weston's 2013 LTIP grant as a percentage of his base salary remained the same as 2012. The Loblaw Governance Committee did not make any other changes to Mr. Galen G. Weston's compensation arrangements in 2013.

Vicente Trius, President of Loblaw

In February 2013, the Loblaw Governance Committee granted Mr. Trius 106,991 stock options, 20,543 RSUs and 20,543 PSUs with an aggregate grant date fair value of approximately $2,500,000. Mr. Trius' 2013 LTIP grant as a percentage of his base salary remained the same as 2012. The Loblaw Governance Committee did not make any other changes to Mr. Trius' compensation arrangements for 2013.

TERMINATION AND CHANGE OF CONTROL BENEFITS

None of the NEOs' employment agreements provide for change of control benefits, however the Corporation's and Loblaw's compensation plans have termination and change of control provisions. The table below summarizes the termination and change of control benefits provided under each plan in situations that result in cessation of employment.

Type of Compensation	Separation Event: Resignation	Termination without Cause	Termination with Cause	Retirement	Change of Control
Short-Term Incentive Plan	No payment	Bonus for the applicable year is prorated to the termination date	No payment	Bonus for the applicable year is prorated to the retirement date	Governance Committee discretion to grant or adjust bonus
Medium-Term Incentive Plan	Units forfeited at time of notice of resignation	Value of units paid out on a pro rata basis	All outstanding units are forfeited	Grant value paid out on a pro rata basis	Governance Committee discretion to adjust grant or payout of current value
Stock Option Plan	Options forfeited at time of notice of resignation	30 days from notice of termination to exercise vested options	All outstanding options cancelled at time of notice of termination	90 days to exercise vested options	Board discretion to accelerate vesting of options
Restricted Share Unit Plan	Units forfeited at time of notice of resignation	Value of units paid out on a prorated basis provided termination date is more than 12 months after the grant date	All outstanding units forfeited at time of notice of termination	Value of outstanding units paid out on a prorated basis	Governance Committee discretion to adjust grant
Performance Share Unit Plan	Units forfeited at time of notice of resignation	Value of units paid out on a prorated basis (at target level) provided termination date is more than 12 months after the grant date	All outstanding units forfeited at time of notice of termination	Value of outstanding units paid out on a prorated basis	Governance Committee discretion to adjust grant
Executive Deferred Share Unit Plan	NEO has until December 15th of the year following resignation to redeem	NEO has until December 15th of the year following termination to redeem	NEO has until December 15th of the year following termination to redeem	NEO has until December 15th of the year following retirement to redeem	Governance Committee to ensure substantially similar award following a change of control event

The Governance Committee has discretion to make adjustments to the general plan provisions for a particular executive if considered appropriate in the circumstances. The following summarizes the termination benefits described above as they relate to the specific arrangements under each NEO's employment agreement:

W. Galen Weston, Executive Chairman

The Corporation does not have an employment agreement with Mr. Weston. If Mr. Weston's employment is terminated, he will be entitled to receive accrued and unpaid salary up to the date of termination and applicable incentive and share based payments as provided for under the terms of the LTIP.

Paviter S. Binning, President

If Mr. Binning's employment is terminated without cause, he will be entitled to receive (a) his salary for up to 18 months, (b) his target STIP bonus for up to 18 months, and (c) applicable incentive and share based payments as provided for under the terms of the LTIP. Upon termination, Mr. Binning will be subject to certain non-competition and confidentiality undertakings.

Richard Dufresne, Chief Financial Officer

If Mr. Dufresne's employment is terminated without cause, he will be entitled to receive (a) his salary for up to 12 months, (b) his target STIP bonus for up to 12 months, and (c) applicable incentive and share based payments as provided for under the terms of the LTIP. Upon termination, Mr. Dufresne will be subject to certain non-competition and confidentiality undertakings.

Galen G. Weston, Executive Chairman of Loblaw

Mr. Galen G. Weston is not entitled to severance, termination or change of control payments other than applicable incentives and share based payments as provided for under the terms of the Loblaw STIP and LTIP. Upon termination, Mr. Galen G. Weston will be subject to certain non-competition and confidentiality undertakings.

Vicente Trius, President of Loblaw

If Mr. Trius' employment is terminated without cause by Loblaw, he will be entitled to receive (a) his base salary for up to 36 months, and (b) applicable incentive and share based payments as provided for under the terms of the Loblaw LTIP. Upon termination, Mr. Trius will be subject to certain non-competition and confidentiality undertakings.

In addition, effective January 1, 2014, in the event that Mr. Trius' employment is terminated for any reason other than just cause, all of his stock options that were outstanding on January 1, 2014 will immediately vest and be exercisable and all of his RSUs and his PSUs that were outstanding on January 1, 2014 will be paid out, which in the case of PSUs, will vest and be paid out at target level. Any stock options, RSUs and PSUs granted after January 1, 2014 will be treated in accordance with the terms of each respective plan.

POTENTIAL AMOUNTS PAID ON TERMINATION

The following table sets forth the estimated incremental payments or benefits that the NEOs would have received upon termination of employment on December 31, 2013 for the various reasons described below.

		Amounts Due on Termination						
		Contractual Severance			Long-Term Incentive Plans			
Name	Event	Salary[1] ($)	Annual Bonus[1] ($)	Benefits ($)	Stock Options[2] ($)	RSUs[3] ($)	PSUs[3] ($)	Total ($)
W. Galen Weston	Termination with cause	—	—	—	—	—	—	—
Executive Chairman	Termination without cause	—	—	—	—	—	—	—
	Resignation	—	—	—	—	—	—	—
	Retirement[4]	—	—	—	—	—	—	—
	Change of Control	—	—	—	—	—	—	—
Paviter S. Binning	Termination with cause	—	—	—	—	—	—	—
President	Termination without cause	1,500,000	2,250,000[5]	—	—	—	—	3,750,000
	Resignation	—	—	—	—	—	—	—
	Retirement[4]	—	—	—	—	—	—	—
	Change of Control	—	—	—	—	—	—	—
Richard Dufresne	Termination with cause	—	—	—	—	—	—	—
Chief Financial Officer	Termination without cause	560,000	560,000[5]	—	—	—	—	1,120,000
	Resignation	—	—	—	—	—	—	—
	Retirement[4]	—	—	—	—	—	—	—
	Change of Control	—	—	—	—	—	—	—
Galen G. Weston	Termination with cause	—	—	—	—	—	—	—
Executive Chairman	Termination without cause	—	—	—	—	—	—	—
of Loblaw	Resignation	—	—	—	—	—	—	—
	Retirement[4]	—	—	—	—	—	—	—
	Change of Control	—	—	—	—	—	—	—
Vicente Trius	Termination with cause	—	—	—	—	—	—	—
President of Loblaw	Termination without cause	3,000,000	—	—	—	—	—	3,000,000
	Resignation	—	—	—	—	—	—	—
	Retirement[4]	—	—	—	—	—	—	—
	Change of Control	—	—	—	—	—	—	—

(1) The Salary and Annual Bonus figures reflect contractual entitlements and may be paid by salary continuance, subject to mitigation obligations.

(2) The NEOs are entitled to exercise vested options following termination without cause in accordance with the Stock Option Plan.

(3) RSUs and PSUs are paid out on a prorated basis where the NEO retires or is terminated without cause in accordance with the RSU Plan and PSU Plan, respectively.

(4) The NEO was not entitled to retirement benefits as of December 31, 2013.

(5) Annual bonus is valued at target level.

COMPENSATION DECISIONS FOR 2014

2014 SHORT-TERM INCENTIVE PLAN AMENDMENTS

The Loblaw Governance Committee has approved amended measures and weighting of the Loblaw 2014 STIP. The 2014 Loblaw STIP will remove the free cash flow component and instead incorporate components relating to the SDM transaction synergies and Loblaw's IT systems implementation. The 2014 STIP will include the following performance measures and weightings: 35% based on adjusted EBITDA excluding the impact of certain amounts as a result of the SDM acquisition, 35% based on sales, 15% based on SDM synergies and 15% based on the achievement of IT systems implementation targets. The Committee also approved a new condition that STIP payouts for 2014 cannot exceed 100% of target unless both the sales and adjusted EBITDA targets have been met.

The 2014 Loblaw STIP design for Galen G. Weston and Vicente Trius will also include a personal performance component equal to 30% of each executive's STIP target which will be based on achievement of pre-determined individual and team objectives during the year. The Loblaw Governance Committee, in assessing personal performance will, among other things, take into account the executive's role in the overall achievement of Loblaw's goals and the personal performance objectives and leadership qualities of the executive.

2014 NEO BASE SALARY INCREASES

Effective in 2014, the Corporation will no longer award annual "merit" or inflation-based salary increases to NEOs. Base salaries will be fixed subject to a change in the executive's role or in the case of a performance-based or a market-driven increase.

2014 NEO COMPENSATION CHANGES

W. Galen Weston, Executive Chairman

In February 2014, Mr. W. Galen Weston's annual LTIP grant was set at $1,500,000 which is 150% of his base salary. The Governance Committee increased Mr. W. Galen Weston's LTIP for 2014 from 100% to 150% of his base salary in recognition of the exceptional strategic accomplishments that he oversaw in 2013.

Paviter Binning, President

To reflect Mr. Binning's key leadership position and to acknowledge the achievements in his first two years as President of the Corporation, the Governance Committee increased Mr. Binning's base salary by approximately 10% from $1 million to $1.1 million. The Governance Committee has discretion to set Mr. Binning's annual LTIP target in an amount ranging between 250% and 450% of Mr. Binning's base salary. In 2014, the Committee felt that 450% was the appropriate LTIP grant for Mr. Binning in recognition of the key strategic role that he holds at the Corporation and its subsidiaries.

Richard Dufresne, Chief Financial Officer

In February 2014, Mr. Dufresne's base salary increased by approximately 7.1% from $560,000 to $600,000. The Governance Committee also increased Mr. Dufresne's LTIP grant for 2014 from 200% to 250% of his base salary, in recognition of the exceptional contribution he made to the Corporation's and Loblaw's strategic accomplishments in 2013.

2014 LOBLAW NEO COMPENSATION CHANGES

As discussed in the section "Loblaw's 2013 Compensation Analysis" on page 27, in 2013, the Loblaw Governance Committee retained its compensation advisor, Meridian, to provide a compensation analysis of Loblaw's most senior executive officers excluding Mr. Galen G. Weston. In reviewing the market reference data prepared by Meridian and management's recommendations for NEO compensation, the Loblaw Governance Committee also considered a number of key principles, including (i) ensuring that Loblaw's compensation arrangements remain competitive in a highly competitive retail and grocery talent market; (ii) the need for internal equity; (iii) the retention of key individuals and the delivery of synergies following the SDM acquisition; (iv) changes in roles following the closing of the SDM acquisition; and (v) the amount of compensation being tied to pay for performance via the STIP and LTIP. Based on this review, the Loblaw Governance Committee approved the following changes to the NEOs' compensation for 2014:

Galen G. Weston, Executive Chairman of Loblaw

Mr. Weston's 2014 STIP award will include a personal performance component, the achievement of which will be determined at the discretion of the Loblaw Governance Committee.

Vicente Trius, President of Loblaw

To reflect Mr. Trius' key leadership position and his important role following the SDM acquisition, and to acknowledge the progress that he has achieved in his first two years as President of Loblaw, the Loblaw Governance Committee amended the terms of Mr. Trius' compensation arrangements to take effect on January 1, 2014. On that date, Mr. Trius' base salary increased from $1 million to $1.3 million and his target annual LTIP grant as a percentage of his base salary increased from 250% to 350%. Effective January 1, 2014, in the event that Mr. Trius' employment is terminated for any reason other than just cause, all of his stock options that were outstanding on January 1, 2014 will immediately vest and be exercisable and all of his RSUs and his PSUs that were outstanding on January 1, 2014 will vest and be paid out, which in the case of PSUs, will vest at target level. Any stock options, RSUs and PSUs granted after January 1, 2014 will be treated in accordance with the terms of each respective plan. Mr. Trius' 2014 STIP award will also include a personal performance component, the achievement of which will be determined at the discretion of the Loblaw Governance Committee.

For a more detailed description of Loblaw's 2014 compensation decisions, including in respect of Messrs. Galen G. Weston and Trius, please refer to the Loblaw Management Proxy Circular available at www.sedar.com.

2014 LONG-TERM INCENTIVE PLAN GRANTS

In February 2014, the Governance Committee approved LTIP awards to the Corporation's NEOs as set out below. These annual LTIP grants were comprised of equal grants (by grant value) of stock options, RSUs and PSUs and were awarded on March 28, 2014.

Name	Grant Date Fair Value ($)(1)	Stock Options (#)(2)	RSUs (#)	PSUs (#)
W. Galen Weston Executive Chairman	1,500,000	37,425	6,104	6,104
Paviter S. Binning President	4,950,000	123,503	20,142	20,142
Richard Dufresne Chief Financial Officer	1,500,000	37,425	6,104	6,104

In February 2014, the Loblaw Governance Committee approved LTIP awards to Messrs. Galen G. Weston and Trius, as set out below. These annual LTIP grants were comprised of equal grants (by grant value) of stock options, RSUs and PSUs and were awarded on March 28, 2014.

Name	Grant Date Fair Value ($)(1)	Stock Options (#)(2)	RSUs (#)	PSUs (#)
Galen G. Weston Executive Chairman of Loblaw	2,500,000	82,590	17,540	17,540
Vicente Trius President of Loblaw	4,550,000	150,314	31,923	31,923

(1) *These amounts reflect the grant date fair value of the options, RSUs and PSUs when granted. The grant date fair value of stock options is calculated in the following manner: Stock Option Value = Number of Stock Options Granted x Black-Scholes-Merton Value. The grant date fair value of the RSUs and PSUs is calculated in the following manner: RSU or PSU = Number of RSUs or PSUs Granted x the greater of the volume weighted average share price for the one or five trading days preceding the grant date, which was $81.92 as of March 28, 2014 for the Corporation and $47.51 for Loblaw.*

(2) *The exercise price of the stock options is $81.92 for the Corporation and $47.51 for Loblaw.*

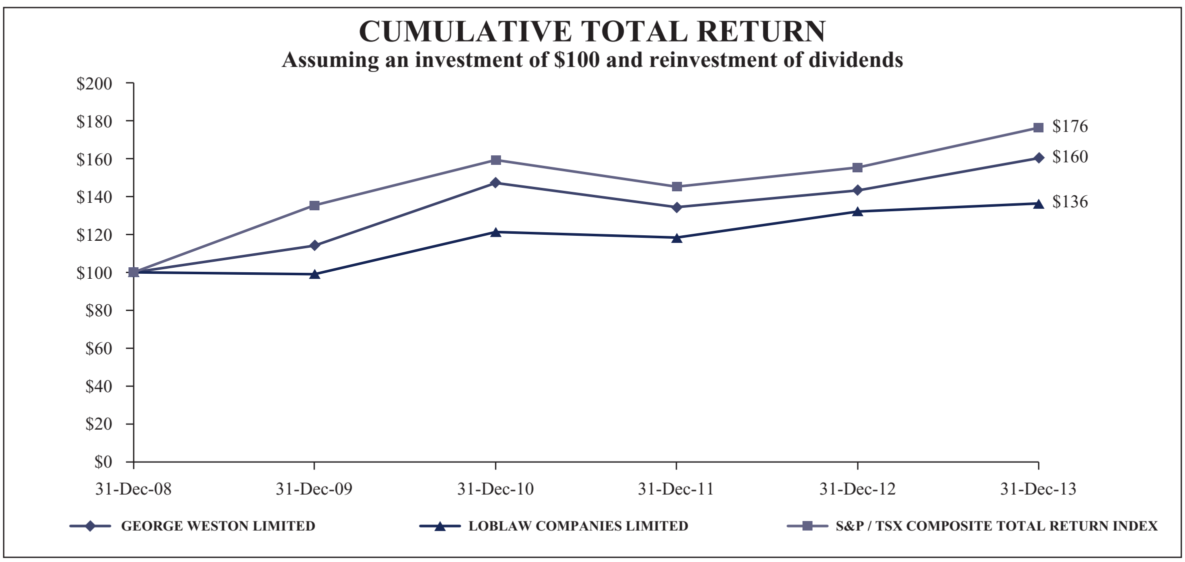
POST-RETIREMENT AND PENSION ARRANGEMENT AMENDMENTS

Effective January 1, 2013, post-retirement health benefits were eliminated for all new executive hires. For current executives, effective January 1, 2015, the Executive Retiree program will be replaced with an annual Health Spending Account of $5,000 to age 65 and $2,500 thereafter. Executives who are age 55 or older or have at least 25 years of service on January 1, 2015 will be grandfathered under the current Executive Retiree program.

One of the Corporation's pension plans currently allows members to elect to retire with an unreduced pension at age 62 or at age 55 if they have 30 years of service. For members who are less than age 62, an early retirement reduction factor is applied to reflect the longer payment period. This early retirement reduction has been subsidized by the Corporation but, beginning in 2015, this subsidy will be removed. There will be no impact for members retiring on or after the age of 62 or for members who are at least age 55 on January 1, 2015.

PERFORMANCE GRAPH

The graph below compares the cumulative total shareholder return on $100 invested in Common Shares and Loblaw common shares on December 31, 2008, with the cumulative annual total return of the S&P/TSX Composite Total Return Index over the same period.



	31-Dec-08	31-Dec-09	31-Dec-10	31-Dec-11	31-Dec-12	31-Dec-13
S&P/TSX COMPOSITE TOTAL RETURN INDEX	$100	$135	$159	$145	$155	$176
GEORGE WESTON LIMITED	$100	$114	$147	$134	$143	$160
LOBLAW COMPANIES LIMITED	$100	$ 99	$121	$118	$132	$136

As demonstrated above, total shareholder return has increased over the five fiscal years ended December 31, 2013 at the Corporation and Loblaw. Total compensation for the Corporation's NEOs has not significantly increased over this same period. However, there have been year-over-year fluctuations in the reported total compensation primarily as a result of one-time payments for incoming and departing NEOs and the resulting changes in the constitution of the NEO group. Over this period, the mix of NEO compensation has also changed such that equity-based incentives (LTIP awards) now account for approximately half of all NEO compensation (from approximately 23% in 2009 to approximately 47% in 2013).

NEO compensation is not strongly correlated to shareholder returns in the short term, in part because equity-based incentives are calculated at the time of grant using grant date fair values, which do not reflect the actual value of compensation received when such incentives vest or are exercised. In the longer term, NEO compensation is directly impacted by the Corporation's share price performance. Stock option, RSU and PSU awards directly correlate to the share price and are therefore aligned with shareholder returns.

A substantial portion of NEO pay of both the Corporation and Loblaw is at-risk. In addition to the LTIP awards, STIP awards are made based on the successful performance of key financial objectives that are tied to the operating businesses' plans. These at-risk components (the STIP and LTIP awards) for the five NEOs in 2013 ranged from 57.5% to 78.6% of the NEOs' total compensation.

SUMMARY COMPENSATION TABLE

The following table sets forth the compensation earned by the NEOs during fiscal years 2013, 2012 and 2011, as applicable.

					Non-Equity Incentive Plan Compensation				
Name and Principal Position	**Year**	**Salary ($)**	**Share-Based Awards ($)(1)**	**Option-Based Awards ($)(2)**	**Annual Incentive Plans ($)**	**Long-Term Incentive Plans ($)**	**Pension Value ($)**	**All Other Compensation ($)(3)**	**Total Compensation ($)**
W. Galen Weston Executive Chairman	2013	1,000,000	666,666	333,337	1,000,000	—	—	478,491	3,478,494
	2012	1,000,000	—	1,000,002	1,000,000	—	—	114,455	3,114,457
	2011	1,000,000	—	—	1,000,000	—	—	1,131,014	3,131,014
Paviter S. Binning President	2013	1,000,000	2,666,666	1,333,337	1,901,700	—	38,000	945,965	7,885,668
	2012	1,000,000	2,333,298	1,166,667	1,559,950	—	38,000	64,487	6,162,402
	2011	854,167	1,394,783	500,253	1,049,750	—	38,000	60,173	3,897,126
Richard Dufresne Chief Financial Officer	2013	551,250	746,738	373,329	698,875	—	33,000	50,026	2,453,218
	2012	403,847(4)	952,497	751,252	389,026	—	24,000	837,734	3,358,356
Galen G. Weston Executive Chairman of Loblaw	2013	1,000,000	1,666,448	833,460	1,092,613	—	—(5)	129,351(6)	4,721,872
	2012	1,000,000	—	2,485,838	906,641	—	—	84,454	4,476,933
	2011	1,000,000	—	1,507,494	1,134,324	—	—	36,223	3,678,041
Vicente Trius President of Loblaw	2013	1,000,000	1,666,448	833,460	1,638,919	—	38,000	87,644	5,264,471
	2012	1,000,000	1,666,790	828,613	1,359,962	—	38,000	108,077	5,001,442
	2011	416,667(4)	7,208,515	892,658	713,226	—	16,000	2,726,032	11,973,098(7)

(1) Amounts represent the grant date fair value of RSUs and PSUs awarded to the NEOs, calculated in the following manner: RSU Grant Date Value + PSU Grant Date Value. RSU Grant Date Value = Number of RSUs Granted x the greater of the volume weighted average share price for the one or five trading days preceding the grant date. The grant date fair value of an RSU award is the same as the accounting fair value of such award on the applicable grant date except that for accounting purposes the calculation of the grant date fair value of an RSU also reflects the deduction of the net present value of the dividends over the term of the RSU, to which an RSU holder is not entitled. PSU Grant Date Value = Number of PSUs Granted x the greater of the volume weighted average share price for the one or five trading days preceding the grant date. The grant date fair value of a PSU award is the same as the accounting fair value of such award on the applicable grant date except that for accounting purposes the calculation of the grant date fair value of a PSU also reflects the deduction of the net present value of the dividends over the term of the PSU, to which a PSU holder is not entitled. The grant date fair value of a PSU award assumes vesting at 100% of target. The number of PSUs that may vest will range between 0% and 200% of the number granted.

(2) These amounts reflect the grant date fair value of the options when granted. The grant date fair value of stock options is calculated in the following manner: Stock Option Value = Number of Stock Options Granted x Black-Scholes-Merton Value. The Corporation has chosen to use Black-Scholes-Merton model as the methodology for calculating the fair value of the options granted as this methodology is commonly used by issuers. To determine the fair value of options granted using the Black-Scholes-Merton model, an expected life of 7 years is used, which is based on the contractual term of the options. The other assumptions used in the model are based on relevant market data on the day of the valuation. The Corporation also uses the Black-Scholes-Merton model for accounting purposes. However, the accounting value ascribed at the grant date for the stock options is based on an expected life that reflects historical exercise patterns, as opposed to the contractual term of the option which is used for compensation reporting purposes (see Notes 2 and 31 to the Corporation's annual audited consolidated financial statements for the year ended December 31, 2013, for the other assumptions and estimates used for this calculation). As a result when using the Black-Scholes-Merton value method, there is a difference between the fair value per option for compensation reporting purposes, and the accounting value per option as follows: For Messrs. Weston, Binning and Dufresne's 2013 grants, the accounting value per option is higher by $2.83 (Messrs. Weston and Binning's 2012 grants are lower by $0.40 per option, Mr. Dufresne's 2012 grant is higher by $0.09 per option and Mr. Binning's 2011 grant is lower by $1.80 per option); and for Messrs. Galen G. Weston and Trius' 2013 grants, the accounting value is lower by $0.60 per option (Messrs. Galen G. Weston and Trius' 2012 grants are lower by $0.14 per option and Mr. Trius' 2011 grant is higher by $0.33 per option).

(3) *Amounts under All Other Compensation include the value of perquisites and payments made by the Corporation and Loblaw under their respective employee share ownership plans and pension entitlements (Mr. Weston was required to receive his registered pension plan entitlement beginning at age 71 which amounted to $93,023 in 2012 and 2013). In 2012, Mr. Dufresne received a one-time cash payment of $600,000 to compensate him for the loss of certain entitlements from his former employer and approximately $197,000 to assist with his relocation expenses. Payments were made in 2013 and 2011 to all employees that held in-the-money options, including Mr. W. Galen Weston ($285,933 in 2013 and $1,099,477 in 2011) and Mr. Binning ($892,629 in 2013), as compensation for the decreased value of their awards resulting from the payment of the $1.0 billion special one-time dividend paid on Common Shares during the first quarter of 2011. In 2011, Mr. Trius received a US $1,800,000 (CDN $1,877,548) payment in respect of compensation from his previous employer that was forfeited by him in association with his assumption of the role of President of Loblaw and an $825,000 payment for his transition from his previous employer and to reimburse certain other expenses incurred by him in connection with his move to Canada.*

(4) *Mr. Dufresne joined the Corporation as Chief Financial Officer on March 26, 2012 and his prorated salary for 2012 was $403,847. Mr. Trius joined Loblaw as President on August 2, 2011 and his prorated salary for 2011 was $416,667.*

(5) *Mr. Galen G. Weston does not participate in any retirement plans and does not have any other retirement or pension arrangements.*

(6) *In 2013, Mr. Galen G. Weston received $91,500 in compensation for his role as Chairman of Choice Properties.*

(7) *Mr. Trius' 2011 compensation included approximately $10,500,000 of one-time payments associated with his assumption of the role of President of Loblaw. These payments relate to forfeited compensation and pension entitlements from previous employers, a one-time signing bonus and costs associated with his relocation to Canada.*

INCENTIVE PLAN AWARDS

INCENTIVE PLAN AWARDS – OUTSTANDING OPTION-BASED AWARDS AND SHARE-BASED AWARDS

The following table sets forth the number and value of all unexercised option-based and share-based awards granted to NEOs outstanding as at December 31, 2013 for the Corporation and as at December 28, 2013 for Loblaw:

	Option-Based Awards				Share-Based Awards		
Name of Participant	**Number of Securities Underlying Unexercised Options (#)**	**Option Exercise Price ($)**	**Option Expiration Date**	**Value of Unexercised In-The-Money Options ($)(1)**	**Number of Shares or Units of Shares That Have Not Vested (#)**	**Market or Payout Value of Share-Based Awards That Have Not Vested ($)(2)**	**Market or Payout Value of Vested Share-Based Awards Not Paid Out or Distributed ($)**
W. Galen Weston	123,750	72.21	March 19, 2014	654,638	9,042	700,755	—
Executive Chairman	80,257	62.96	March 8, 2019	1,166,937			
	28,106	73.73	March 7, 2020	105,960			
Paviter S. Binning	128,774	81.05	August 16, 2017	0	94,473	7,321,658	—
President	30,634	68.41	March 10, 2018	278,463			
	93,633	62.96	March 8, 2019	1,361,424			
	112,423	73.73	March 7, 2020	423,835			
Richard Dufresne	60,390	63.05	March 26, 2019	872,636	25,235	1,955,713	—
Chief Financial Officer	31,478	73.73	March 7, 2020	118,672			
Galen G. Weston	495,786(3)	47.44	March 19, 2014	0	41,086(3)	1,725,612	—
Executive Chairman	146,914(3)	36.35	March 11, 2017	830,064			
of Loblaw	187,034(3)	39.27	March 3, 2018	510,603			
	415,428(3)	34.93	March 1, 2019	2,937,076			
	106,991(3)	40.56	February 28, 2020	154,067			
Vicente Trius	151,042(3)	37.56	August 2, 2018	670,626	280,724(3)	11,790,408	—
President of Loblaw	138,476(3)	34.93	March 1, 2019	979,025			
	106,991(3)	40.56	February 28, 2020	154,067			

(1) *The value of outstanding vested and unvested option-based awards is calculated based on the closing price for the Common Shares of Weston on December 31, 2013, which was $77.50 or the Loblaw common shares on December 27, 2013, which was $42.00, as applicable.*

(2) *The value of RSUs and PSUs awarded to the NEOs is based on the closing price of the Common Shares on December 31, 2013, which was $77.50 or the Loblaw common shares on December 27, 2013, which was $42.00, in each case multiplied by the number of RSUs or PSUs awarded, as applicable.*

(3) *Stock options, RSUs and PSUs awarded by Loblaw.*

INCENTIVE PLAN AWARDS – VALUE VESTED OR EARNED DURING THE YEAR

The following table sets forth the value of option-based and share-based awards of the NEOs that vested during fiscal 2013, as well as the value of non-equity incentive plan compensation that the NEOs earned during fiscal 2013. The dollar value of the option-based and share-based awards is calculated using the number of units vested/earned multiplied by the closing price of the Common Shares on the TSX on the applicable vesting date.

Name of Participant	Option-Based Awards – Value Vested During The Year ($)	Share-Based Awards – Value Vested During The Year ($)	Non-Equity Incentive Plan Compensation – Value Earned During The Year(1) ($)
W. Galen Weston Executive Chairman	205,626	—	1,000,000
Paviter S. Binning President	387,750	106,385	1,901,700
Richard Dufresne Chief Financial Officer	136,361	—	698,875
Galen G. Weston Executive Chairman of Loblaw	738,563	—	1,092,613
Vicente Trius President of Loblaw	510,560	—	1,638,919

(1) Payments made in accordance with the Corporation's STIP and Loblaw's STIP, as applicable.

PENSION PLAN AND LONG SERVICE EXECUTIVE ARRANGEMENTS

Executives of the Corporation, including the NEOs, participate in either of the Corporation's Executive DB Plan or the Corporation's or Loblaw's Executive DC Plan (other than Mr. Galen G. Weston who does not participate in any pension plan). Mr. W. Galen Weston is a member of the Corporation's Executive DB Plan. Messrs. Binning and Dufresne are members of the Corporation's Executive DC Plan. Mr. Trius is a member of Loblaw's Executive DC Plan. Mr. Galen G. Weston does not have any pension arrangements with Loblaw. All newly hired or newly appointed executives join one of the Executive DC Plans.

EXECUTIVE DEFINED BENEFIT PENSION PLAN AND SUPPLEMENTAL EXECUTIVE RETIREMENT PLAN

For those executives who participated in the Executive DB Plan of the Corporation or Loblaw and who retired in 2013, annual pension benefits were capped at $2,696 per year of service. In addition, the Corporation provides SERP allowances to executives who participate in the Executive DB Plan of the Corporation, including Mr. W. Galen Weston. The SERP is an unfunded obligation of the Corporation and executives who participate in this plan must comply with certain eligibility provisions in order to receive payment, most notably, executives are not eligible to receive SERP payments while employed by a competitor of the Corporation or Loblaw.

Pension entitlements for an executive in the Corporation's Executive DB Plan and the SERP are based on the executive's length of service and his or her highest three-year average rate of base salary during his or her years of service with the Corporation. For senior executives other than Mr. W. Galen Weston, the total annual benefits payable under the Corporation's Executive DB Plan and the SERP are capped at $125,000.

The cost of the estimated future Executive DB Plan benefits and SERP benefits for each NEO participating in the Executive DB Plan 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 2 and 26 to the 2013 consolidated financial statements of the Corporation. Certain accrued obligations in respect of the NEOs and other senior executives for the SERP are secured by a stand-by letter of credit issued by a major Canadian bank.

The following table sets forth details regarding the only NEO who participates in the Corporation's Executive DB Plan:

Name	Number of Years Credited Service (#)	Annual Benefits Payable ($)		Opening Present value of Deferred Benefit Obligation ($)(1)	Compensatory Change ($)	Non Compensatory Change ($)	Closing Present Value of Deferred Benefit Obligation ($)(2)
		At Year End	At Age 65				
W. Galen Weston Executive Chairman	39	469,300	469,300(3)	6,377,000	0	(368,000)	6,009,000

(1) Discount rate is 4.00%.
(2) Discount rate is 4.75%.
(3) Mr. Weston is required to receive his registered pension plan entitlement beginning at age 71 which amounted to $93,023 in 2013. He is not receiving his SERP entitlement.

EXECUTIVE DEFINED CONTRIBUTION PENSION PLAN AND SUPPLEMENTAL EXECUTIVE RETIREMENT PLAN

Certain senior executives of the Corporation participate on a non-contributory basis in the Corporation's Executive DC Plan. During 2013, contributions were set as a percentage of base salary (maximum of $250,000) and were capped at $24,270 per year, as set forth in the following table:

Age + Years of Service	Employer Contributions as a Percentage of Base Salary
< 50	13%
50-60	15%
61 +	17%

The Corporation has entered into retirement agreements with certain executives who participate in the Executive DC Plan to provide SERP benefits to those executives with allocations for contributions in excess of the annual $24,270 registered plan limit. As noted above, the SERP is an unfunded obligation of the Corporation and executives who participate in this plan must comply with certain eligibility provisions in order to receive payment, most notably, executives are not eligible to receive SERP payments while employed by a competitor of the Corporation or Loblaw.

The following table sets forth details regarding Messrs. Binning and Dufresne who participated in the Corporation's Executive DC Plan and SERP during 2013:

Name of Participant	Accumulated Value at Start of Year ($)	Compensatory ($)	Accumulated Value at Year End ($)
Paviter S. Binning President	95,000	38,000	150,000
Richard Dufresne Chief Financial Officer	25,000	33,000	64,000

The following table sets forth details regarding Mr. Trius who participated in Loblaw's Executive DC Plan during 2013:

Name of Participant	Accumulated Value at Start of Year ($)	Compensatory ($)	Accumulated Value at Year End ($)
Vicente Trius President of Loblaw	56,000	38,000	102,000

INDEBTEDNESS OF DIRECTORS, EXECUTIVE OFFICERS AND EMPLOYEES

As at March 26, 2014, 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.

STATEMENT OF CORPORATE GOVERNANCE PRACTICES

INTRODUCTION

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. The Corporation's approach to corporate governance is generally consistent with Canadian Securities Administrators' Corporate Governance Guidelines (the "Governance Guidelines"). The Governance Committee regularly reviews the Corporation's corporate governance practices and considers any changes necessary to maintain the Corporation's high standards of corporate governance in a rapidly changing environment.

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

Board Responsibilities and Duties

The Board, directly and through its committees, supervises and oversees 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 attached as Schedule "A" of this Circular. The Board oversees the Corporation's direction, assigns responsibility to management for achievement of that direction, 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 goals, objectives, operating budgets and strategies, which take into account the opportunities and risks of the business. Members of the Board participate in an annual multi-day strategy session with management to discuss and review the Corporation's strategic plans and opportunities. The members also receive presentations from management of Loblaw and Choice Properties with respect to strategy for the Loblaw and Choice Properties businesses. At these sessions, each operating division presents a review of its activities and its outlook and strategies for the long-term.

The Board oversees the Corporation's risk management framework and assesses and evaluates the integrity of the Corporation's internal controls over financial reporting and information systems and delegates certain risks to be overseen by the Audit Committee. As part of its risk management oversight, the Board receives reports on management's approach to risk management. Through the Governance Committee, the Board oversees succession planning and compensation for senior management and members of the Board.

The Board reviews and approves:

- strategic direction and the setting of corporate plans and objectives;
- strategic investment plans against pre-determined targets;
- multi-year and annual business, capital and operating plans and budgets;
- material capital expenditures, acquisitions, divestitures and restructurings;
- investments outside of the ordinary course of business; and
- management's approach to enterprise risk management.

These matters are in addition to those matters that are required by law or corporate policy to receive Board consideration and approval. The Board regularly receives reports on the operating results of the Corporation, as well as reports on certain non-operational matters, including pensions, corporate governance, food safety and workplace health and safety, legal and treasury matters. The Board, through the Governance Committee, also closely monitors any potential conflicts of interest between the Corporation and its affiliated entities. Individual directors may, with the approval of the Lead Director, retain an outside advisor at the expense of the Corporation.

Board Leadership

Mr. W. Galen Weston is the Executive Chairman of the Board. The Board maintains a position description for the Executive Chairman that is reviewed annually and approved by the Governance Committee and the Board.

The Executive 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 Executive Chairman works in consultation with the 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 before the Board; and ensure that all of the Board's responsibilities, as set out in the Board mandate, are being fulfilled. The Executive 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 Executive Chairman also chairs meetings of shareholders and facilitates the response by management to shareholder concerns. The Executive Chairman ensures that strategic plans are communicated to the Board and that such plans are evaluated as to their success.

The Board has also appointed an independent director, Mr. J. Robert S. Prichard, 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. The Lead Director chairs meetings of the independent directors following each Board meeting and on other occasions as required or desirable. The Board maintains a position description for the Lead Director. The Lead Director meets periodically with the other independent directors to obtain insight as to areas where the Board and its committees can operate more effectively and to ensure that the Board is able to discharge its responsibilities independent of management.

Director Independence

The mandate of the Board provides that the Board shall be comprised of a majority of independent directors. The independence of each director is assessed by the Governance Committee with reference to the Governance Guidelines and the requirements set by the Canadian Securities Administrators in National Instrument 52-110 – Audit Committees. In determining independence, the Governance Committee determines whether a director has any material relationship with the Corporation or its affiliated entities that could reasonably be expected to interfere with the exercise of such director's independent judgment. Directors who have a material relationship with the Corporation, including management directors, are not considered independent. This determination is conducted through a due diligence process that includes the following:

- each director's responses to a detailed annual questionnaire about their individual circumstances;
- biographical reviews;
- internal records and documents on relationships between a director and any entity affiliated with such director on one hand, and the Corporation and its affiliated entities on the other hand; and
- discussions with the director as may be required.

When assessing materiality, the Governance Committee considers all relevant factors and circumstances including, without limitation, transactions between the Corporation and the director directly, immediate family members of the director, or organizations with which the director is affiliated, and the frequency and dollar amounts associated with any such transactions. 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 Governance Guidelines. The Governance Committee determined that 8 of the 12 director nominees are independent.

The following director nominees were determined to be independent: A. Charles Baillie, Peter B. M. Eby, Darren Entwistle, Isabelle Marcoux, Sarabjit S. Marwah, J. Robert S. Prichard, Thomas F. Rahilly and Barbara Stymiest. The following director nominees were determined not to be independent because they have a material relationship with the Corporation or its affiliated entities, as described below:

- W. Galen Weston, who is the Executive Chairman of the Corporation;
- Paviter S. Binning, who is the President of the Corporation;
- Anthony R. Graham, who is an executive officer of Wittington, the Corporation's principal shareholder; and
- John S. Lacey, who provides advisory services to the Corporation and to Loblaw.

The Corporation has taken steps to ensure that adequate structures and processes are in place to permit the Board to function independently of management of the Corporation. The Chair of the Board and of each committee meet separately with the Board or committee members after each meeting without management's presence. The independent directors typically meet separately following each Board meeting and may meet on other occasions as required or desirable without the non-independent directors' or management's presence. There were no separately scheduled meetings of the independent directors in 2013. Additional information relating to the directors 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 2013, can be found on pages 7 through 13 of this Circular.

The Board has determined that the current leadership structure, in which the offices of the Executive Chairman and the Chief Executive Officer are held by one person and an independent director acts as Lead Director, ensures the appropriate level of oversight, independence and responsibility is applied to Board decisions. The Chairman of the Governance Committee serves as the Lead Director. The Lead Director facilitates communication with the Board and presides over sessions where the independent directors meet without the non-independent directors, or sessions where the Executive Chairman is not present. The Lead Director, and each of the other directors, communicate regularly with the Executive Chairman regarding appropriate agenda topics and other Board related matters. The Board's view on the effective role of an independent lead director has also been endorsed by leading corporate governance organizations.

The Board is of the view that having a Lead Director who is independent works well in addressing any potential conflicts of interest between the Corporation and the controlling shareholder. The role of an independent Lead Director is needed to ensure that the interests of the Corporation and of the minority shareholders and other relevant stakeholders are protected.

Individual directors may, with the approval of the Lead Director, retain an outside advisor at the expense of the Corporation as necessary.

Board Committees

There are five committees of the Board: Audit; Governance, Human Resource, Nominating and Compensation; Pension; 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. At least once a year, the Governance Committee reviews committee composition and committee chairs and tables its recommendations to the Board for approval. 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. All committees (other than the Executive Committee) may engage outside advisors or consultants as necessary and have the authority to approve fees for any such engagements.

Each committee has a formal mandate and a position description for its Chair established by the Board. Each committee reviews its mandate and the position description annually to ensure they reflect best practices and address applicable regulatory requirements. The results of those reviews are presented to the Board for approval. 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 to the Board regarding the matters discussed and decisions taken 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.

Governance, Human Resource, Nominating and Compensation Committee

The Governance Committee oversees succession planning and compensation for directors and senior management. The Governance Committee's specific responsibilities include:

- identifying and recommending candidates for membership on the Board;
- evaluating the independence of directors and assessing their performance on an on-going basis;
- assisting in directors' orientation program;

- shaping the Corporation's approach to corporate governance and recommending to the Board the corporate governance principles to be followed by the Corporation;
- assisting the Board in discharging its responsibilities relating to compensation and succession planning processes for the Corporation's senior executives; and
- determining the design of the compensation of directors and executive officers.

The Governance Committee, whose members are J. Robert S. Prichard (Chair), A. Charles Baillie, Peter B.M. Eby, Anthony R. Graham and Thomas F. Rahilly, had four meetings in 2013.

Audit Committee

The Audit Committee assesses and evaluates the integrity of the Corporation's internal control over financial reporting and information systems. Although the Board oversees the Corporation's ERM Program, it delegates the oversight of certain risks to the Audit Committee. The Audit Committee periodically reports to the Board on the oversight of such risks and on management's overall effectiveness in managing the ERM Program. The Audit Committee is responsible for:

- recommending the appointment of the external auditors;
- reviewing the planning and execution of the audit by the external auditors;
- reviewing the independence of the external auditors;
- considering and evaluating with management the adequacy and effectiveness of internal control 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 internal audit services of the Corporation;
- reviewing the integrity of the data generated by the Corporation's information technology systems;
- reviewing and approving the audit fees paid to the external auditors and pre-approval of non-audit related fees to the external auditors;
- discussing and reviewing with management and the external auditors the Corporation's annual and interim consolidated financial statements, Management's Discussion and Analysis and Annual Information Form and other matters relating to the Corporation's financial disclosure; and
- reviewing with management the design and structure of the Corporation's ERM program.

The Audit Committee, whose members are A. Charles Baillie (Chair), Sarabjit S. Marwah, Thomas F. Rahilly and Barbara Stymiest, had five meetings in 2013.

Pension Committee

The Pension Committee assists the Board in overseeing the administration and governance of the Corporation's pension plans and other post/retirement arrangements, in order to meet applicable legal and fiduciary obligations. Additionally, the Pension 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 funds' portfolios;
- 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;
- reviewing the management and administration of the Corporation's pension plans, capital accumulation plans, and retiree health and welfare plans;
- reviewing and setting the investment objectives and risk management practices of the Corporation and approving Statement of Investment Policies and Procedures; and
- managing the retention and oversight of all third parties retained for the Corporation's pensions plans, including the trustee, actuaries and investment managers.

The Pension Committee, whose members are Barbara Stymiest (Chair), Anthony R. Graham, J. Robert S. Prichard and Thomas F. Rahilly, had four meetings in 2013.

Environmental, Health and Safety Committee

The Environmental, Health and Safety Committee ("EH&S Committee") is responsible for reviewing and monitoring the Corporation's policies, procedures, practices and compliance in the areas of environmental affairs, food safety and workplace health and safety. The EH&S Committee receives periodic reports on risks and risk management activities in these areas.

The EH&S Committee, whose members are Isabelle Marcoux (Chair), Darren Entwistle and Thomas F. Rahilly, had three meetings in 2013.

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 the Board pursuant to applicable law. The Executive Committee acts only when it is not practicable for the full Board to meet. The Executive Committee did not have any meetings in 2013.

Ethical Business Conduct

The Corporation's Code of Conduct (the "Code") reflects the Corporation's long-standing commitment to high standards of ethical conduct and business practices. The Board annually reviews the Code to ensure it is current and reflects best practices in the area of ethical business conduct and includes a strong "tone from the top" message. In 2012, the Corporation conducted a comprehensive review and redesign of the Code to ensure it matched the industry's best practices. The Code addresses, among other things, conflicts of interest, several compliance issues including compliance with laws, rules and regulations, confidentiality and fair dealing with the Corporation's shareholders, customers and suppliers and reporting of illegal or unethical behavior. 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 Audit Committee receives periodic reports on any compliance issues. In 2013, all material violations of the Code were brought to the attention of the Audit Committee and resolved to its satisfaction. The Code is available on the Corporation's website at www.weston.ca.

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 the implementation of the Code and the education of employees regarding the Code and reviews the Code annually to determine if it requires revision.

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 and is required to abstain from voting 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 encourages the reporting of violations and potential violations of the Code and has established an Integrity Action Line (or "whistleblower" 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 controls and auditing matters. Reports are received periodically by the Audit Committee regarding any concerns reported through any of these procedures. These procedures are available at www.weston.ca. The Senior Vice President, Legal reports regularly to the Audit Committee regarding complaints received through the whistleblower procedures so that the Audit Committee can ensure that any complaints are handled appropriately.

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 applicable laws.

Orientation and Continuing Education

The Governance Committee is responsible for the orientation and education of new directors about the business of the Corporation and co-ordinates an in-depth orientation session. The session typically includes an overview of the Corporation's history and operations, a review of industry conditions and an introduction to the Corporation's senior management team. 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. New directors are provided with additional historical financial information and opportunities to visit the Corporation's facilities and stores. The goal of the orientation session held in 2013 was to ensure that any new directors fully understand the nature and operation of the Corporation's businesses. One-on-one meetings may 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 participated in an annual two-day off-site session with management. At this session, each operating division presented a review of its activities and its outlook and strategies. The members also received a presentation from management of Choice Properties with respect to strategy for the Choice Properties' business. In addition, at least one off-site Board meeting is held each year to familiarize directors with regional operations. Such meetings include visits to the Corporation's manufacturing facilities and meetings with local senior management. These meetings involve presentations by, and discussions with, senior executives responsible for different aspects of the business of the Corporation. The Governance Committee also receives periodic reports on regulatory developments and matters of general interest in the area of corporate governance and executive compensation. As well, directors are canvassed on specific topics relevant to the Board or to a specific committee that they would like to learn more about. These topics are included as part of the agenda for regularly scheduled Board and committee meetings.

Assessment of the Board and its Committees

Each year, the Governance Committee undertakes a review process to assess the performance and effectiveness of the Board and its committees. This process includes a confidential 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 are reviewed by the Governance Committee and then presented to the full Board.

Following the 2013 assessment, the members of the Board made recommendations for improvements in certain areas, and recommended relevant topics for future Board meetings. Each year, the Governance Committee reviews committee composition, recommends committee chairs and takes recommendations to the Board for approval.

Each year, in addition to the assessment that the Governance Committee performs in connection with compensation matters, the Governance Committee assesses, with the participation of the entire Board, the performance of the Executive Chairman and the President and reviews the results with the Board.

Nomination of Directors

The Governance Committee is responsible for the process of identifying prospective director nominees. The Governance Committee reviews the experience and performance of nominees for election to the Board. It also recommends the appointment of directors to the various committees.

The Governance Committee meets on an annual basis, or when required, to assess the appropriate size of the Board and whether any vacancies are expected due to retirement or otherwise. As part of this assessment, the Governance Committee reviews the skill set of current Board members to determine skills and experience to be considered when recruiting new director nominees. In the event that vacancies are anticipated or otherwise arise, the Governance Committee considers candidates for 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. As part of this evaluation process, the Board is mindful of diversity considerations in terms of gender, experiences and perspectives, and recognizes the benefits of promoting diverse candidates to its Board. The Governance Committee also assesses any concerns relating to potential conflicts, independence or time commitment that the candidate may present. The Executive Chairman, the Chair of the Governance Committee, as well as other members of the Governance Committee meet with the potential candidates to determine their interest, availability and suitability. The Governance Committee then presents its list of potential candidates and recommendations to the Board. A continuous list of potential candidates is kept with the records of the Governance Committee.

Composition of the Governance Committee

One member of the Governance Committee, Mr. Graham, is an executive officer of Wittington, the principal shareholder of the Corporation, and he is not considered independent under the Governance Guidelines. Because of Wittington's significant stake in the Corporation and the alignment of its interests with those of 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. The remainder of the members of the Governance Committee are 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 ensures that objective compensation and nominating processes are in the interests of all shareholders.

CORPORATE GOVERNANCE MATTERS

Disclosure Policy

The Board has adopted a corporate Disclosure Policy to deal with the timely dissemination of all material information. 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 annual and interim consolidated financial statements, the Annual Report, the Annual Information Form, Management's Discussion and Analysis and the Management Proxy 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 calls and 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 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.

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

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 their duties. This insurance policy is shared with Loblaw. The Corporation's annual insurance premium in 2013 was $483,660, half of which was paid by 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 $500,000 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 6,382,723 Common Shares at market prices. A copy of the Corporation's Notice of Intention filed with the TSX can be found at www.sedar.com. The current Issuer Bid expires on May 16, 2014. The Corporation intends to renew the Issuer Bid.

ADDITIONAL INFORMATION

The Corporation is a reporting issuer under the applicable legislation of all of the provinces and territories of Canada and is required to file consolidated financial statements and information circulars with the various securities commissions. The Corporation has filed its Annual Information Form with those securities commissions which, among other things, contained all of the disclosure required by Form 52-110F1 under National Instrument 52-110 – *Audit Committees*.

Additional copies of the Corporation's latest Annual Information Form, the Corporation's 2013 Annual Report and this Circular can be obtained upon request from the Senior Vice President, Financial Control and Investor Relations of the Corporation, at 22 St. Clair Avenue East, Suite 701, Toronto, Ontario M4T 2S5.

Financial information is provided in the Corporation's audited consolidated financial statements and management's discussion and analysis for its most recently completed financial year.

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.

SHAREHOLDER PROPOSALS

There were no shareholder proposals received in relation to the Meeting.

The Canada Business Corporations Act permits eligible shareholders of the Corporation to submit shareholder proposals for consideration at the Annual Meeting of Shareholders. The final date for submission of proposals by shareholders to the Corporation for inclusion in the Management Proxy Circular in connection with the 2015 Annual Meeting of Shareholders is December 28, 2014.

CONTACTING THE BOARD OF DIRECTORS

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

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

Shareholders may also contact the Lead Director with any proposals for director nominees.

BOARD APPROVAL

The contents and sending of this Circular to shareholders entitled to receive notice of the Meeting, to each director, to the external auditors of the Corporation and to the appropriate government agencies have been approved by the Board.

Robert A. Balcom
Senior Vice President, General Counsel – Canada and Secretary

Dated in Toronto, Ontario
March 28, 2014

SCHEDULE A

MANDATE OF THE BOARD OF DIRECTORS

1. ROLE

The role of the Board is to provide governance and stewardship to 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, risk management activities, internal control over financial reporting, disclosure controls and procedures, and information systems. Through its oversight, the Board ensures that the Corporation accurately and fairly reports financial and other information to shareholders, other stakeholders and the public. The Board is required to appoint corporate officers. The Board satisfies itself as to the integrity of senior management, that the Corporation engages in ethical and legal conduct and that senior management maintains a culture of integrity throughout the Corporation.

2. RESPONSIBILITIES

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

(a) Define Shareholder Expectations and Monitor Corporate Performance

- Determine, from time to time, the appropriate criteria against which to evaluate performance, and set corporate strategic goals and objectives within this context.
- Monitor performance against both corporate strategic goals and objectives.

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

The Board will review and approve broad strategic objectives and 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.
- Approve significant acquisitions, sales of assets or shares, and material financing arrangements.
- Review and approve the Corporation's dividend policy and approve the payment of dividends.
- Set targets and budgets against which to measure corporate and executive performance.
- Satisfy itself of the appropriateness of all executive and colleague compensation matters and 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 Executive Chairman and the President

- Delegate to the Executive Chairman and the President the authority to manage and supervise the business of the Corporation, including making any 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 Financial Disclosure

- Oversee the Corporation's financial reporting and disclosure obligations in accordance with applicable law.
- Approve the Corporation's financial statements, management's discussion and analysis and related releases.

- Oversee the Corporation's compliance with applicable audit, accounting and reporting requirements, including in the areas of internal control over financial reporting and disclosure controls and procedures.

(e) Monitor Enterprise Risk Management Program

- Oversee the Corporation's enterprise risk management program, including its design and structure and assessment of its effectiveness.
- Approve management's approach to enterprise risk management, including the identification and assessment of the principal risks, through the receipt of periodic reports from the Committee Chairs or management, as appropriate.
- Delegate, as appropriate, the oversight of the enterprise risk management design and structure and assessment of its effectiveness to the Audit Committee and the oversight of the principal risks to the appropriate Committee.

(f) Approve Related Party Transactions

- Approve all proposed material related party transactions and any related party transactions that are not dealt with by a "special committee" of independent directors pursuant to applicable securities legislation.

(g) Oversee Effective External Communications

- Satisfy itself that there is effective communication between the Board and the Corporation's shareholders, other stakeholders and the public.
- At least annually, with the assistance of the Audit Committee, review and approve any material changes to the Corporation's disclosure policy.

(h) Monitor Corporate Governance

- Develop, and monitor compliance with, a set of corporate governance principles and guidelines.
- Appoint a lead director who is independent to provide leadership to the Board and the independent directors, including presiding over meetings or sessions of the non-management directors and consulting with the Executive Chairman on any matters arising out of such sessions.
- 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 appropriate revisions.
- Develop, adopt and regularly review position descriptions for the Executive Chairman, the President, 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.

(i) Monitor Corporate Social Responsibility, Integrity and Ethics

- Ensure that senior executives maintain a culture of integrity throughout the Corporation.
- Adopt a written code of conduct which is applicable to employees, officers and directors of the Corporation, and monitor compliance with the code.
- Monitor and receive periodic reports on policies and practices related to corporate social responsibility.

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 has established committees and delegated appropriate authority and responsibilities to such committees as it approves from time to time. The Board has established the following committees:

- the Audit Committee (comprised entirely of independent directors);
- the Governance, Human Resource, Nominating and Compensation Committee (comprised of a majority of independent directors);

- the Environmental, Health and Safety Committee;
- the Pension Committee; and
- the Executive Committee.

Circumstances may warrant the establishment of new committees, the disbanding of current committees or the reassignment of authority and responsibilities amongst committees. The authority and responsibilities of each committee are set out in a written mandate, as approved by the Board. At least annually, each mandate shall be reviewed and, on the recommendation of the Governance, Human Resource, Nominating and Compensation Committee, approved by the Board. Each Committee Chair shall provide a report to the Board on material matters considered by the Committee at the next regular Board meeting following such Committee's meeting.

5. ORIENTATION AND CONTINUING EDUCATION

With the Governance, Human Resource, Nominating and Compensation Committee, the Board shall ensure that all directors receive a comprehensive orientation program and continuing education in connection with their role, responsibilities, the business of the Corporation, and the skills they must use in their roles as directors.

6. EQUITY OWNERSHIP BY DIRECTORS

The Board shall oversee directors' compliance with the Corporation's Share Ownership Policy.

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