COMPANIES LIMITED

2005

ANNUAL INFORMATION FORM

March 16, 2006

LOBLAW COMPANIES LIMITED

2005 ANNUAL INFORMATION FORM

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FORWARD-LOOKING STATEMENTS

This Annual Information Form contains forward-looking statements which reflect management's expectations regarding the Company's objectives, plans, goals, strategies, future growth, results of operations, performance and business prospects and opportunities.

Forward-looking statements are typically identified by words or phrases such as "anticipates", "expects", "believes", "estimates", "intends" and other similar expressions. These forward-looking statements are not guarantees, but only predictions. Although the Company believes that these statements are based on information and assumptions which are current, reasonable and complete, these statements are necessarily subject to a number of factors that could cause actual results to vary significantly from the estimates, projections and intentions. Such differences may be caused by factors which include, but are not limited to, changes in consumer spending and preferences, heightened competition including new competitors and expansion of current competitors, the ability to realize anticipated cost savings, including those resulting from restructuring and other cost reduction initiatives, the ability to execute restructuring plans effectively, the Company's relationship with its employees, results of labour negotiations including the terms of future collective bargaining agreements, changes to the regulatory environment in which the Company operates now or in the future, changes in the Company's tax liabilities, either through changes in tax laws or future assessments, performance of third party service providers, public health events, the ability of the Company to attract and retain key executives and supply and quality control issues with vendors. The Company cautions that this list of factors is not exhaustive. A discussion of these factors and other risks and uncertainties are discussed in the Company's materials filed with the Canadian securities regulatory authorities from time to time, including in the Risks and Risk Management section of the Company's Management Discussion and Analysis in its 2005 Annual Report.

The assumptions applied in making the forward-looking statements contained in this Annual Information Form include the following: economic conditions in 2006 do not materially change from those expected, patterns of consumer spending are reasonably consistent with historical trends, no new significant competitors enter the Company's markets nor does any existing competitor significantly increase its presence, anticipated cost savings from restructuring activities are realized as planned, continuing future restructuring activities are effectively executed, there are no material work stoppages in 2006 and the performance of third party service providers is in accordance with expectations in the upcoming year.

Potential investors and other readers are urged to consider these factors carefully in evaluating these forward-looking statements and are cautioned not to place undue reliance on them. The forward-looking statements included in this Annual Information Form are made only as of the date of this Annual Information Form and the Company does not undertake to publicly update these forward-looking statements to reflect new information, future events or otherwise. In light of these risks, uncertainties and assumptions, the forward-looking events contained in these forward-looking statements may or may not occur. The Company cannot assure that projected results or events will be achieved.

The information in this Annual Information Form is current to December 31, 2005, unless otherwise noted. All amounts are in Canadian dollars.

CORPORATE STRUCTURE

Incorporation

Loblaw Companies Limited was incorporated on January 18, 1956, although portions of its business originated before 1900. It was continued under the *Canada Business Corporations Act* by certificate of continuance dated May 7, 1980. The registered office of the Company is located at 22 St. Clair Avenue East, Toronto, Canada M4T 2S7. The head office and Store Support Centre for the Company is located at 1 President's Choice Circle, Brampton, Ontario, L6Y 5S5.

Intercorporate Relationships

Loblaw Companies Limited is a holding company, which carries on its business through its subsidiaries. A list of the subsidiaries of the Company that carry on its principal business operations is given below. In each case, the Company owns 100% of the voting and non-voting securities either directly or indirectly. Throughout this Annual Information Form, Loblaw Companies Limited and its subsidiaries are collectively referred to as the "Company".

Subsidiary	Jurisdiction of Incorporation
Atlantic Wholesalers Ltd.	New Brunswick
Fortinos Supermarket Ltd.	Ontario
Glenhuron Bank Limited	Barbados
Kelly, Douglas & Company, Limited	British Columbia
Loblaw Brands Limited	Canada
Loblaw Financial Holdings Inc.	Ontario
Loblaw Properties Limited	Ontario
Loblaw Properties West Inc.	Canada
Loblaws Inc.	Ontario
Loblaws Supermarkets Limited	Ontario
National Grocers Co. Ltd.	Ontario
President's Choice Bank	Canada
Provigo Distribution Inc.	Quebec
Provigo Inc.	Quebec
Provigo Properties Limited	Canada
Westfair Foods Ltd.	Canada
Zehrmart Inc.	Ontario

GENERAL DEVELOPMENT OF THE BUSINESS

During 2005, the Company continued with the execution of several transformative changes to its business including the restructuring of its supply chain network, reorganizations of its merchandising, procurement and operations groups, the establishment of a new national head office and Store Support Centre in Brampton, Ontario, which opened in the third quarter of 2005, and the relocation of general merchandise operations from Calgary, Alberta to the new head office and Store Support Centre. Some of these changes began in 2004 and were necessary to position the Company for long term growth. Although the Company has experienced challenges in its restructuring of the supply chain network, it is expected that these matters will be resolved in 2006.

During the last three years, total sales increased at a cumulative average annual rate of approximately 6.40%. The square footage of corporate and franchised stores increased at cumulative average annual growth rates of approximately 4.69% and 5.02%, respectively, over the same period. The number of corporate stores over the period increased from 632 to 670, with a trend towards expanded store size offering an increased variety of products and services. The number of franchised stores declined from 406 to 402 over the period.

In the past three years, the Company continued to expand and improve its asset base and to reinvest in existing assets in order to position the Company for sustainable future growth. During this period, cumulative capital investment, funded through cash flows from operating and financing activities, was $3.69 billion in the aggregate, comprised of $1.16 billion, $1.26 billion and $1.27 billion in fiscal years 2005, 2004, and 2003, respectively.

<u>Products and Trends</u>

The Company provides food and everyday household wants and needs to Canadians. Traditional food offerings remain at the core of the Company's business. In 2005, a number of steps were taken to strengthen the Company's food offering; including a renewed commitment to the fresh food component, new products and programs in the produce, meat, bakery, seafood and deli departments and collaborative initiatives were implemented with suppliers. The Company also continued to add to its array of offerings to meet customers' everyday household needs, creating a one-stop shopping experience. The extent of these offerings vary across formats and include a drugstore, photo/electronics, apparel, housewares, home accessories, flower markets, optical services and lawn and garden centres. The Company offers a strong control label program for both its food and everyday household needs which assists in creating customer loyalty and price competitiveness. Over the past three years, the Company continued to add products to its control label program which provides over 7,000 products in the food and everyday household needs categories, including the development of a line of control label household products that cater to all areas of the home – bed, bath, kitchen, home decor and outdoor living. The Company also provides gas bars adjacent to a number of its stores and has increased its gas bar presence in eastern Canada in the past three years.

The continued focus by the consumer on health and diet has resulted in the introduction of health-oriented control label products. The Company has been a leader in offering certified organic products and now has approximately 300 of those products under the *President's Choice Organics* label. In 2004, the Company launched the *PC Mini Chefs* line of healthy-choice products for children. Early in 2005 the Company introduced its *PC Blue Menu* line of products for health and nutrition conscious consumers and now offers over 200 such products.

The Company pursues a strategy of enhancing profitability on a market-by-market basis by using a multi-format approach. The Company offers four distinct store formats: superstores, hard discount stores, conventional stores and warehouse clubs. This multi-format approach enables the Company to serve a greater variety of consumers, compete on price and place the optimal offerings in the right markets. In order to meet more of its customers' everyday household needs, the Company is constructing larger stores and retrofitting existing locations, where appropriate for the local market, allowing the Company to offer a wider variety of products and services. In 2005, new banner logos were developed, store exteriors were remodeled, store architecture and décor were updated and new in-store signage was introduced.

During 2003, the Company introduced *The Real Canadian Superstore* format to the Ontario market, having successfully operated this format in western Canada for many years. The establishment of this large store program is expected to continue in 2006 and beyond as it enables the Company to deliver a unique shopping experience to its customers in Ontario that includes an expanded selection of products and services at competitive prices. As part of a long term labour strategy to establish a competitive framework for *The Real Canadian Superstore* concept in Ontario, in 2003 an initial agreement was reached with certain labour unions that resulted in a certain number of employees accepting early retirement. Further development of *The Real Canadian Superstore* sites may be dependent on the successful negotiation of further agreements.

The strength of the Company's control label program has also allowed the Company to expand its *President's Choice* brand to financial services. Since its launch in 1998, the number of customers using *President's Choice Financial* services has grown and the range of products and services now available includes chequing and savings accounts, mortgages, RRSPs, loans and lines of credit. These services are provided by the direct banking division of a major Canadian chartered bank. President's Choice Bank, a subsidiary of the Company, launched the *President's Choice Financial* MasterCard® in March 2001 throughout Canada except Quebec, where it was launched in February 2004. As at December 31, 2005, approximately $1.0 billion of credit card receivables had been securitized and $247 million were held by President's Choice Bank.

In October 2003, the Company introduced *PC Financial* auto and home insurance through its subsidiary, *PC* Financial Insurance Agency Inc. ("*PC* Agency"), to selected markets in Ontario. An expanded rollout to Quebec and Alberta occurred in 2005. With *PC Financial* auto and home insurance, customers currently enjoy low rates and some unique product features such as a disappearing deductible, and 24/7 superior claims service. The Company entered into a relationship with Aviva Canada Inc., to provide and underwrite *PC Financial* auto and home insurance. Aviva Canada Inc. is the parent company of one of the largest and most experienced groups of property and casualty insurance providers in Canada. Aviva plc, the parent company of Aviva Canada Inc., is the world's sixth-largest insurance group and its main activities are long-term savings, fund management and general insurance.

In 2005, the Company, through *PC* Agency, introduced two new insurance products. *PC Financial* pet insurance for dogs and cats was launched in each Province and Territory except for Quebec, New Brunswick, Prince Edward Island, Newfoundland and Labrador and the Yukon Territory and is underwritten by SecuriCan General Insurance Company. *PC Financial* travel insurance is currently available in all provinces and Territories except for New Brunswick, Newfoundland and Labrador and Quebec and will be launched in Newfoundland and Labrador in 2006. *PC Financial* travel insurance is underwritten by Industrial Alliance Pacific Life Insurance Company and Industrial Alliance Pacific General Insurance Company.

In late 2005, the Company introduced the *PC Mobile* line of prepaid cellular phone services and related accessories. *PC Mobile* services are provided in conjunction with Bell Mobility®.

Further information on trends affecting the Company and the Company's strategies can be found in the Management's Discussion and Analysis section of the Company's 2005 Annual Report ("MD&A"). This information is incorporated by reference and is available at www.sedar.com or www.loblaw.ca.

DESCRIPTION OF THE BUSINESS

Operations

Loblaw, a subsidiary of George Weston Limited, is Canada's largest food distributor and a leading provider of general merchandise, drugstore and financial products and services. Loblaw is committed to providing consumers across the country with the best one-stop shopping destination for their food and everyday household needs. For over 45 years, the Company has supplied the Canadian market with innovative products and services through corporate, franchised and associated stores. Corporate owned store banners include *Atlantic Superstore, Dominion* (in Newfoundland and Labrador), *Extra Foods, Loblaws, Maxi, Maxi & Cie, Provigo, The Real Canadian Superstore* and *Zehrs Markets* and a number of wholesale outlets operating as *Cash & Carry, Presto* and *The Real Canadian Wholesale Club.* The Company's franchised and associated stores operate under the trade names *Atlantic SaveEasy, Fortinos, Lucky Dollar Foods, no frills, Shop Easy Foods, SuperValu, Valu-mart* and *Your Independent Grocer.* The store network is supported by 26 Company-owned and 2 third-party warehouse facilities located across Canada.

In addition, the Company makes available to consumers *President's Choice Financial* services and products, including the *President's Choice Financial* MasterCard®, and *PC Financial* auto, home, pet and travel insurance, *PC Mobile* phone service, as well as a loyalty program known as *PC* points.

Geographic and Banner Summary

For the recently completed year, the Company operated across Canada as set out below:

	Corporate Stores	Franchised Stores	Associated Stores	Independent Accounts	Warehouses
Newfoundland and Labrador	16	7	9	500	2
Prince Edward Island	5	3	1	151	
Nova Scotia	36	22	1	523	2
New Brunswick	22	23	6	296	2
Quebec	252	22	341	2,533	4
Ontario	169	257	16	86	6
Manitoba	24	4	39	15	1
Saskatchewan	34	15	26	1,657	2
Alberta	67	4	14	2,096	5
Northwest Territories	3		1	1	
Yukon	1	2			
British Columbia	41	43	18		2
Total	670	402	472	7,858	26

The average store size at year end 2005 for corporate stores and franchised stores was 56,100 and 27,100 square feet, respectively. The average store size for both corporate stores and franchised stores has increased by 4.69% and 5.02% respectively over the last three years.

Whenever practical, the Company follows a strategy of purchasing land for future store locations. At year end 2005, the Company owned 72% of the real estate on which its corporate stores are located, as well as various properties under development or held for future development. The Company's owned properties are essentially unencumbered, with $38 million in mortgage debt on total fixed assets including real estate, having a net book value of approximately $7.8 billion at year end 2005. The total square footage of the corporate stores is approximately 37.6 million square feet.

For the recently completed year, the Company operated directly through corporate stores and indirectly through franchised stores and associated stores under the following banners:

Corporate Banners	Number of Stores
Atlantic Superstore	51
Cash and Carry (Ontario, Atlantic, Quebec under the name Presto)	57
Dominion[1] (in Newfoundland and Labrador)	14
Extra Foods	78
Loblaws	95
Maxi	97
Maxi & Cie	15
Provigo	81
The Real Canadian Superstore	88
The Real Canadian Wholesale Club	37
Zehrs Markets	52
Other Corporate Banners	5
Total	670

Franchised and Associated Banners	Number of Stores
Atlantic SaveEasy	52
Extra Foods	25
Fortinos	21
Lucky Dollar Foods	67
No Frills	130
Provigo	26
Shop Easy Foods	52
SuperValu	25
Valu-mart	68
Your Independent Grocer	51
Other Franchised & Associated Banners	357
Total	874

[1] Trademark used under license

A significant portion of the Company's stores are owned and operated by independent franchisees. Franchisees enter into agreements with the Company that generally require the franchisee to purchase inventory from the Company and pay certain fees in exchange for services provided by the Company and for the right to use certain trademarks owned by the Company. Services available to the franchisees by the Company include store set-up, marketing support, accounting, employee development and pension and benefit administration. Independent franchisees generally lease the land and store building from the Company and, when eligible, may obtain financing through a structure involving independent trusts to facilitate the purchase of the majority of their inventory and fixed assets, consisting mainly of fixtures and equipment.

Competitive Conditions

The retail industry in Canada is a changing and competitive market. Consumer needs drive changes in the industry, which are impacted by changing demographic and economic trends such as changes in disposable income, increasing ethnic diversity, nutritional awareness and time availability. Over the past several years, consumers have demanded more choice, value and convenience.

The Company competes with non-traditional competitors as well as traditional supermarkets. Recent industry changes have seen the expansion of non-traditional competitors, such as mass merchandisers, warehouse clubs, limited assortment stores, discount stores, convenience stores, drugstores and specialty stores, which continue to increase their offerings of products typically associated with traditional supermarkets. Over the past several years, there has been an increase in the number of retail outlets that traditionally exclusively featured food, general merchandise or drugstore items that now offer a selection of these items, resulting in what is commonly referred to in the industry as "channel blurring". This evolution of the retail landscape presents a number of issues for traditional grocers: the need to reposition conventional supermarkets to either expand or, conversely, better focus their offerings; the reality of lower prices offered by discount models and the obvious need to reduce operating and labour costs in order to maintain earnings in light of lower prices and increased competition.

The Company believes that it is in a strong competitive position in Canada. The Company's focus is on new store growth, expansion of departments and services and the renewal of the existing store base, while controlling operating costs and rationalizing and centralizing similar functions. This allows the Company to perform in an increasingly competitive market, which is continuously evolving with the addition of warehouse clubs, the growth of discount food formats and the increasing marketing of food by mass merchandisers, drugstores and other specialty retailers. Another competitive advantage the Company has is its control label program, which promotes customer loyalty and allows pricing flexibility with respect to national brands.

Customers

The Company is not dependent upon a small number of customers or any single customer.

Products and Services

The Company has developed a highly successful line of control label products and services that are sold or made available in its corporate stores, and franchised and associated stores and are available on a limited basis to certain independent customers. The Company's product development team works closely with vendors in developing products for its control label brands.

There are currently approximately 7,000 control label products marketed by the Company under brand names including *President's Choice, PC, President's Choice Organics, PC Blue Menu, PC Mini Chefs, no name, Club Pack, GREEN, EXACT, Teddy's Choice, Life@Home* and, starting in 2006, *Joe Fresh Style*.

In recent years a selection of general merchandise items has been developed under the *PC* and *Life@ Home* brands as part of the expansion into general merchandise departments. In 2005, approximately 1,600 new control label general merchandise products were introduced. These products are sourced world-wide and cater to all areas of the home – bed, bath, kitchen, home decor and outdoor living.

The Company has also extended its *President's Choice* brand to include *President's Choice Financial* banking services and products, which are provided by the direct banking division of a major Canadian chartered bank.

The products and services included in the *President's Choice Financial* offering are available at attractive rates. The use of many of these products and services allows customers to earn *PC* points that are redeemable towards free groceries and other rewards. In March 2001, President's Choice Bank successfully launched the *President's Choice Financial* MasterCard® throughout Canada except Quebec, where it was launched in February 2004. Third party service providers process credit card transactions and provide a call centre (services/support) in addition to credit and fraud monitoring for the *President's Choice Financial* MasterCard®.

The Company offers *PC Financial* auto and home insurance through its subsidiary *PC* Financial Insurance Agency Inc. ("*PC* Agency") to selected markets in Ontario with an expanded rollout to Quebec and Alberta in 2005. *PC Financial* pet insurance for dogs and cats was launched in each Province and Territory except for Quebec, New Brunswick, Prince Edward Island, Newfoundland and Labrador and the Yukon Territory. *PC Financial* travel insurance is currently available in all provinces and Territories except for New Brunswick, Newfoundland and Labrador and Quebec and will be launched in Newfoundland and Labrador in 2006. *PC Financial* travel insurance is underwritten by Industrial Alliance Pacific Life Insurance Company and Industrial Alliance Pacific General Insurance Company.

The Company has introduced the *PC Mobile* line of prepaid cellular phone services and related accessories. *PC Mobile* services are provided in conjunction with Bell Mobility®.

Intellectual Property

The Company has established procedures to register or otherwise protect its intellectual property including the trademarks used in its store-trading or banner names and those associated with its control label programs. Store-trading or banner names are associated with specific retail concepts and are important to both corporate store and franchised store operations. Franchisees use the banner names associated with their franchised program pursuant to licensing arrangements. The Company's trademarks used in connection with its control label program are discussed under the section "Products and Services". Other intellectual property of the Company includes domain names, packaging designs and product formulations and specifications. The intellectual property rights associated with and used in connection with the Company's business are important assets and are defended vigorously. The trademarks of the Company when used in this Annual Information Form are presented in *italics*.

Supply Chain

The Company's supply chain is responsible for the flow of goods and information between its vendors and suppliers and the Company's distribution centres and ultimately to its stores. In some cases certain goods flow directly to the Company's stores from the vendors. The Company continuously evaluates its methods of distribution including its relationship with vendors and suppliers, technology, facilities and modes of transportation. When appropriate, the Company implements changes to its supply chain infrastructure to ensure a continued reliable and cost efficient system.

The Company's supply chain and distribution network is comprised of a total of 26 owned and leased warehouses and distribution centres. Third-party logistics services are also used, including those in connection with a dedicated general merchandise warehouse and distribution centre located in Pickering, Ontario. The Company uses various modes of transportation including its own trucking fleet and third party common carriers, railways and ships. The Company is not dependent on any one third party transport provider.

In 2005, the Company undertook a significant restructuring of its supply chain network including installation of consistent national supply chain systems. Implementation challenges arising from certain parts of this initiative were encountered during the conversion of the Calgary, Alberta general merchandise distribution centre to a new national information technology platform. Also, in Ontario, the transfer of the general merchandise warehouse and distribution activities to a new facility owned and operated by a third party continued into the fourth quarter of 2005. Complexities were experienced during the start-up phase and as a result, service levels were below expectations. The Company has taken steps to correct difficulties experienced in its general merchandise supply chain, and expects these issues to be resolved in 2006.

The Company has committed to a capital project involving the construction of a new food distribution center in Ajax, Ontario, which is scheduled to open in late 2007 or early 2008.

Seasonality

The Company's operations as they relate to food, specifically inventory levels, sales volume and product mix, are impacted to some degree by certain holiday periods in the year. As the Company expands the breadth of its general merchandise offerings it may increase the number of seasonal products offered and its operations may therefore be subject to more seasonal fluctuations.

Foreign Operations

Glenhuron Bank Limited, a wholly owned indirect subsidiary of the Company with operations in Barbados, is engaged in financial activities including cash management and treasury-related services.

Employees

As of December 31, 2005, the Company and its franchisees together employ over 134,000 full-time and part-time employees.

Environmental and Health and Safety Matters

The Company has environmental, health and workplace safety programs in place and has established policies and procedures aimed at ensuring compliance with applicable environmental legislative requirements. To this end, the Company employs environmental risk assessments and audits using internal and external resources together with effective employee awareness programs throughout its operating locations.

The Company endeavours to be socially and environmentally responsible, and recognizes that the competitive pressures for economic growth and cost efficiency must be integrated with sound environmental stewardship and ecological considerations. Environmental protection requirements do not and are not expected to have an adverse effect on the Company's financial performance. The Environmental, Health and Safety Committee of the Board of Directors receives regular reporting from management addressing current and potential future issues, identifying new legislative concerns and related communication efforts.

Food Safety and Labelling

The Company is subject to potential liabilities connected with its business operations, including potential exposures associated with product defects, food safety and product handling. Such liabilities may arise in relation to the storage, distribution and display of products and, with respect to the Company's control label products, in relation to the production, packaging and design of products.

A majority of the Company's sales are generated from food products and the Company could be vulnerable in the event of a significant outbreak of food-borne illness or increased public health concerns in connection with certain food products. Such an event could negatively affect the Company's financial performance. Procedures are in place to manage such events, should they occur. These procedures identify risks, provide clear communication to employees and consumers and ensure that potentially harmful products are removed from inventory immediately. Food safety related liability exposures are insured by the Company's insurance program. In addition, the Company has food safety procedures and programs, which address safe food handling and preparation standards. The Company endeavours to employ best practices for the storage and distribution of food products and is intensifying the campaign for consumer awareness of safe food handling and consumption.

The Company strives to ensure its control label products have informative nutritional labelling so that today's health conscious consumer can make informed choices. Recently, the Company's portfolio of control label food products has undergone a redesign which makes this data more accessible.

Privacy and Ethics

The Company is committed to managing its activities in an ethical and proper manner in all respects. The Company has established a Code of Business Conduct setting out the Company's expectations for the ethical and appropriate behaviour of all its directors, officers and employees. In addition, the Company has established an Ethics and Conduct Committee to monitor compliance with the Code of Business Conduct and deal with conduct and ethics issues as they arise. The Company also has a Privacy Policy that sets out the Company's commitment of protecting the privacy of personal information.

The Company encourages reporting of unethical conduct and has established a toll-free anonymous response line, which can be used by employees to report suspected accounting or auditing irregularities and unethical behaviour impacting the Company.

The Company has adopted a Supplier Code of Conduct which sets out the Company's expectations of its suppliers in the area of social, environmental and legal compliance.

Risks and Risk Management

A detailed discussion of operating and financial risks and risk management strategies relating to the Company are included in the MD&A on pages 1 through 35 of the Company's 2005 Financial Report, included in its Annual Report, which is incorporated herein by reference.

Further information on the Company's business can be found in the MD&A. This information is incorporated herein by reference.

CAPITAL STRUCTURE AND MARKET FOR SECURITIES

Common Share Capital

Loblaw Companies Limited's share capital is composed entirely of common shares with voting rights of one vote per common share. As at December 31, 2005, there were 274,054,814 common shares outstanding and 5,124 registered common shareholders. There are an unlimited number of authorized common shares.

Common Share Trading Price and Volume

Loblaw Companies Limited's common shares are listed on the Toronto Stock Exchange and trade under the share symbol "L". The monthly highs and lows and average daily volume by month for Loblaw Companies Limited's common shares for the year ended December 31, 2005 were as follows:

Month	**High** ($ per common share)	**Low** ($ per common share)	**Average Daily Volume by Month** (in shares)
January	73.60	69.63	263,917
February	75.10	70.78	221,765
March	73.27	70.95	209,314
April	76.34	71.45	165,414
May	75.40	71.85	242,138
June	73.64	70.60	280,521
July	73.05	68.68	379,934
August	70.34	69.30	202,642
September	72.35	69.19	254,720
October	69.94	65.40	429,520
November	68.00	61.18	518,280
December	60.43	54.25	720,870

Loblaw Companies Limited's Debentures and Medium Term Notes ("MTN") are not listed or quoted on a recognized exchange. The following MTN were issued during 2005:

($ millions)	**Due Date**	**Face Value**	**Net Proceeds**
5.90% MTN	2036	$300	$298

Credit Ratings (Canadian Standards)

Loblaw Companies Limited's credit ratings for its securities are as follows:

	Dominion Bond Rating Service	**Standard & Poor's**
Commercial Paper	R-1 (low)	A-1 (mid)
Medium Term Notes	A (high)	A
Other Notes and Debentures	A (high)	A

In January, 2006, Dominion Bond Rating Service and Standard and Poor's changed their outlook on the trend of the Company's long term debt from "stable" to "negative".

The rating organizations base the ratings on quantitative and qualitative considerations which are relevant for Loblaw Companies Limited. These ratings are intended to give an indication of the risk that Loblaw Companies Limited will not fulfill its obligations in a timely manner. These ratings are not recommendations to buy, sell or hold securities and may be subject to revision or withdrawal at any time by the rating organization.

A definition of the categories of each rating has been obtained from the respective rating organization's website and is outlined below:

Dominion Bond Rating Service

Commercial Paper
Rating: R-1 (low): Satisfactory credit quality. The overall strength and outlook for key liquidity, debt and profitability ratios is not normally as favourable as with higher rating categories, but these considerations are still respectable. Any qualifying negative factors which exist are considered manageable, and the entity is normally of sufficient size to have some influence in its industry.

Long Term Debt (Medium Term Notes, Other Notes and Debentures)
Rating: A (high): Satisfactory credit quality. Protection of interest and principal is still substantial, but the degree of strength is less than with AA rated entities. While a respectable rating, entities in the "A" category are considered to be more susceptible to adverse economic conditions and have greater cyclical tendencies than higher rated companies.

Each DBRS rating category is appended with one of three rating trends - "Positive", "Stable", or "Negative". The rating trend helps to give the investor an understanding of DBRS's opinion regarding the outlook for the rating in question. However, the investor must not assume that a positive or negative trend necessarily indicates that a rating change is imminent.

Standard & Poor's

Commercial Paper
Rating A-1 (mid): A short-term obligation rated 'A-1' is rated in the highest category by Standard & Poor's. The obligor's capacity to meet its financial commitment on the obligation is strong.

Long Term Debt (Medium Term Notes, Other Notes and Debentures)
Rating A: An obligation rated 'A' is somewhat more susceptible to the adverse effects of changes in circumstances and economic conditions than obligations in higher-rated categories. However, the obligor's capacity to meet its financial commitment on the obligation is still strong.

A Standard & Poor's rating outlook assesses the potential direction of a long-term credit rating over the intermediate term (typically six months to two years). In determining a rating outlook, consideration is given to any changes in the economic and/or fundamental business conditions. An outlook is not necessarily a precursor of a rating change or CreditWatch action. A negative outlook means that a rating may be lowered.

COMMON SHARE DIVIDENDS

The declaration and payment of dividends are at the discretion of the Board. Loblaw Companies Limited's dividend policy is to maintain a dividend payment equal to approximately 20% to 25% of the prior year's adjusted basic net earnings per common share, giving consideration to the year end cash position, future cash flow requirements and investment opportunities. Currently there are no restrictions that could prevent Loblaw Companies Limited from paying dividends. The amount of cash dividends declared per share for each of the three most recently completed years is as follows:

	2005	2004	2003
Dividends declared per common share	$ 0.84	$ 0.76	$ 0.60

Subsequent to year end 2005, the Board of Directors declared a quarterly dividend of $0.21 cents per common share, payable April 1, 2006.

DIRECTORS AND OFFICERS

The following list of Directors and Officers is current to March 16, 2006.

Directors

Name, Province and Country of Residence	Principal Occupation	Director Since
W. Galen Weston, O.C.[1*] Ontario, Canada	Chairman, Loblaw Companies Limited; Chairman and President, George Weston Limited, parent company of the Corporation and food processing and distribution company	1972
Paul M. Beeston, C.M. [2,5] Ontario, Canada	Corporate Director	2005
Gordon A.M. Currie, Ontario, Canada	Executive Vice President, Secretary and General Counsel, George Weston Limited	2006
Camilla H. Dalglish[5] Ontario, Canada	Corporate Director	1991
Anthony S. Fell, O.C.[3*, 4] Ontario, Canada	Chairman, RBC Capital Markets Inc., investment and finance company	2001
Anthony R. Graham[1,3,4] Ontario, Canada	President, Wittington Investments, Limited, holding company controlled by Mr. W.G. Weston	1999
John A. Lederer[1] Ontario, Canada	President, Loblaw Companies Limited	2002

Directors (continued)

Name, Province and Country of Residence	Principal Occupation	Director Since
Nancy H.O. Lockhart[5] Ontario, Canada	Chief Administrative Officer, Frum Development Group, property development and management company	2005
Pierre Michaud, C.M.[5*] Quebec, Canada	Chairman, Provigo Inc., subsidiary of the Company	1999
Thomas C. O'Neill [2] Ontario, Canada	Corporate Director	2003
G. Joseph Reddington[3] Arizona, USA	Corporate Director	1994
T. Iain Ronald[2*,4*] Ontario, Canada	Corporate Director	1992
Joseph H. Wright[2,3,4] Ontario, Canada	Managing Partner, Barnagain Capital, investment company	1996

1. Executive Committee
2. Audit Committee
3. Governance, Employee Development, Nominating and Compensation Committee
4. Pension and Benefits Committee
5. Environmental, Health and Safety Committee

* Chairman of the Committee

All directors hold office until the close of the next annual meeting of the shareholders of the Company or until their successors are duly elected or appointed.

Officers

Name, Province and Country of Residence	Principal Occupation
W. Galen Weston, O.C. Ontario, Canada	Chairman, Loblaw Companies Limited; Chairman and President, George Weston Limited
John A. Lederer Ontario, Canada	President
David K. Bragg Ontario, Canada	Executive Vice President

Officers (continued)

Name, Province and Country of Residence	Principal Occupation
Carmen Fortino Ontario, Canada	Executive Vice President
Joseph Jackman Ontario, Canada	Executive Vice President
David R. Jeffs Ontario, Canada	Executive Vice President
Richard P. Mavrinac Ontario, Canada	Executive Vice President
Peter McMahon Ontario, Canada	Executive Vice President
Paul D. Ormsby Ontario, Canada	Executive Vice President
Pietro Satriano Ontario, Canada	Executive Vice-President
Stephen A. Smith Ontario, Canada	Executive Vice President
Robert A Balcom Ontario, Canada	Senior Vice President, Secretary and General Counsel
Roy R. Conliffe Ontario, Canada	Senior Vice President, Labour Relations
Louise M. Lacchin Ontario, Canada	Senior Vice President, Finance
Franca Smith Ontario, Canada	Senior Vice President, Financial Control
John Tavolieri Ontario, Canada	Senior Vice President, Sourcing and Procurement
Galen G. Weston Ontario, Canada	Senior Vice President, Corporate Development
Geoffrey H. Wilson Ontario, Canada	Senior Vice President, Investor Relations and Public Affairs

All the foregoing directors and executive officers have held their present occupations or other positions with the same or associated companies or organizations for the past five years except: Mr. Gordon A.M. Currie, who prior to September 2005 was Senior Vice President and General Counsel of Centrica North America and prior to that a partner at Blake, Cassels & Graydon LLP; Mr. T.C. O'Neill, who was Chairman of PricewaterhouseCoopers Consulting; Mr. J. Jackman who was Chairman at Perennial Design prior to 2005, Mr. P. McMahon, who was a senior executive at Wal-Mart Europe prior to February, 2006, Mr. G. Weston, who attended Columbia University in the years 2002-2003, Mr. P. Satriano, who was Senior Vice President at the Loyalty Group/Air Miles prior to December 2002, and Mr. J. Tavolieri, who held a number of positions (Vice President-Retail Services from 2000-2003, Senior Director in 2000 and Group Director-Retail Services from 1998-2000) at AC Nielsen of Canada prior to October 2003.

As at December 31, 2005, W. Galen Weston and George Weston Limited beneficially owned directly or indirectly through Weston Food Distribution Inc. and Weston Holdings Limited 173,316,835 common shares or 63.24% of the outstanding common shares. Other directors and senior officers as a group beneficially owned, exercised control or had direction over 525,925 or 0.19% of the issued and outstanding common shares of the Company.

TRANSFER AGENTS AND REGISTRARS

The transfer agent and registrar of the Company is Computershare Investor Services Inc. and they are located in Toronto, Canada.

EXPERTS

The Company's auditors are KPMG LLP, who has prepared the Auditor's Report to Shareholders in respect of our audited annual consolidated financial statements. KPMG LLP is independent of the Company in accordance with the Rules of Professional Conduct of the Institute of Chartered Accountants of Ontario.

AUDIT COMMITTEE INFORMATION

The Audit Committee Charter as approved by the Company's Board of Directors on March 7, 2006 is included in Appendix A. The Audit Committee Charter contains specific policies and procedures for the engagement of non-audit services. External auditor service fees by category can be found on page 11 of the Company's Management Proxy Circular dated March 14, 2006. This information is incorporated by reference and can be found at www.sedar.com. The members of the Audit Committee are indicated above. All members of the Audit Committee are independent and financially literate (as those terms are defined in Multilateral Instrument 52-110 of the Canadian Securities Administrators) and have the following education and experience which is relevant to their roles as Audit Committee Members:

> Mr. Ronald is an FCA (Fellow of the Institute of Chartered Accountants of Ontario), Chairman of TransAlta Power Ltd. and a former Vice Chairman of Canadian Imperial Bank of Commerce. He obtained an M.B.A. from Harvard Business School.
>
> Mr. Beeston is an FCA and the former President and CEO of Major League Baseball. He received a B.A. from the University of Western Ontario.

Mr. O'Neill is an FCA and former CEO of PricewaterhouseCoopers Consulting, COO of PricewaterhouseCoopers LLP, Global, and CEO of PricewaterhouseCoopers LLP, Canada. Mr. O'Neill has a Bachelor of Commerce Degree from Queen's University.

Mr. Wright is Managing Partner of Barnagain Capital and is a former President and Chief Executive Officer of Swiss Bank Corporation (Canada). He received a BA from Princeton University, *magna cum laude.*

ADDITIONAL INFORMATION

1. Additional information including directors' and officers' remuneration and indebtedness, principal holders of the Company securities, and securities authorized for issuance under equity compensation plans, where applicable, is contained in the Proxy Circular. Additional financial information is also provided in the Company's consolidated financial statements and MD&A for its most recently completed financial year.

2. Additional information has been filed on the System for Electronic Document Analysis and Retrieval (SEDAR) available online at www.sedar.com, and with the Office of the Superintendent of Financial Institutions (OSFI) as the primary regulator for the Company's subsidiary, President's Choice Bank.

   The Company's internet address is: www.loblaw.ca

APPENDIX “A”

LOBLAW COMPANIES LIMITED

AUDIT COMMITTEE CHARTER

Approved by the Board of Directors on March 7, 2006

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LOBLAW COMPANIES LIMITED

AUDIT COMMITTEE CHARTER

1. RESPONSIBILITY

The Audit Committee is responsible for assisting the Board of Directors of the Company ("Board") in fulfilling its oversight responsibilities in relation to:

- the integrity of the Company's financial statements;
- the Company's compliance with legal and regulatory requirements as they relate to the Company's financial statements;
- the qualifications, independence and performance of the Auditor;
- internal controls and disclosure controls;
- the performance of the Company's internal audit function; and
- performing the additional duties set out in this Charter or otherwise delegated to the Audit Committee by the Board.

2. MEMBERS

The Board shall appoint a minimum of three directors to be members of the Audit Committee. The members of the Audit Committee shall be selected by the Board on recommendation of the Governance, Employee Development, Nominating and Compensation Committee of the Company, and shall be selected based upon the following, to the extent that the following are required under applicable law:

- each member shall be an unrelated and independent director;
- each member shall be financially literate or agree to become financially literate within a reasonable period of time following the member's appointment;
- at least one member shall have accounting or financial expertise; and
- at least a majority of the members shall be residents of Canada.

For the purpose of this Charter, the term "unrelated director" shall have the meaning attributed thereto in the Toronto Stock Exchange Company Manual and the term "independent" shall have the meaning attributed thereto in Multilateral Instrument 52-110 *Audit Committees*, each as may be amended from time to time. The term "financial literacy" shall mean the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Company's financial statements , or such other definition as may be acceptable to the Ontario Securities Commission or other applicable regulator from time to time. The term "accounting or related financial expertise" shall mean the ability to analyze and interpret a full set of financial statements, including the notes thereto, in accordance with Canadian generally accepted accounting principles

3. CHAIR

Each year, the Board shall appoint one member to be Chair of the Audit Committee. If, in any year, the Board does not appoint a Chair, the incumbent Chairman shall continue in office until a successor is appointed. The Board shall adopt and approve periodically a position description for the Chair which sets out his or her role and responsibilities.

4. TENURE

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

5. QUORUM, REMOVAL AND VACANCIES

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

6. DUTIES

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

(a) Appointment and Review of Auditor

The Auditor is ultimately accountable to the Audit Committee as representatives of the shareholders. The Audit Committee has direct responsibility for overseeing the work of the Auditor. Accordingly, the Audit Committee shall evaluate and be responsible for the Company's relationship with the Auditor. Specifically, the Audit Committee shall:

∉ select, evaluate and nominate the Auditor to be proposed for appointment or reappointment, as the case may be, by the shareholders;

∉ review the Auditor's engagement letter;

∉ at least annually, obtain and review a report by the Auditor describing:

- ∉ the Auditor's internal quality-control procedures; and
- ∉ any material issues raised by the most recent internal quality-control review, peer review, review by any independent oversight body such as the Canadian Public Accountability Board or the Public Company Accounting Oversight Board, or governmental or professional authorities within the preceding five years respecting one or more independent audits carried out by the Auditor and the steps taken to deal with any issues raised in these reviews.

(b) Confirmation of Independence of Auditor

At least annually, and before the Auditor issues its report on the annual financial statements, the Audit Committee shall:

- ∉ ensure that the Auditor submits a formal written statement describing all relationships between the Auditor and the Company;
- ∉ discuss with the Auditor any disclosed relationships or services that may affect the objectivity and independence of the Auditor; and
- ∉ obtain written confirmation from the Auditor that it is objective and independent within the meaning of the Rules of Professional Conduct/Code of Ethics adopted by the provincial institute or order of Chartered Accountants to which it belongs.

(c) Rotation of Engagement Partner/Lead Partners

The Audit Committee shall, after taking into account the opinions of management, evaluate the performance of the Auditor and the engagement partner/lead partners and shall rotate the engagement partner/lead partners when required or necessary.

(d) Pre-Approval of Non-Audit Services

The Audit Committee shall pre-approve the retaining of the Auditor for any non-audit service, provided that no approval shall be provided for any service that is prohibited under the rules of the Canadian Public Accountability Board or the Public Company Accounting Oversight Board, or the Independence Standards of the Canadian Institute of Chartered Accountants. Before the retaining of the Auditor for any non-audit service, the Audit Committee shall consider the compatibility of the service with the Auditor's independence. The Audit Committee may pre-approve the retaining of the Auditor for the engagement of any non-audit services by establishing policies and procedures to be followed prior to the appointment of the Auditor for the provision of such non-audit services. In addition, the Audit Committee may delegate to one or more members the authority to pre-approve the retaining of the Auditor for any non-audit service to the extent permitted by applicable law.

(e) Communications with Auditor

The Audit Committee shall meet privately with the Auditor as frequently as the Audit Committee feels is appropriate for the Audit Committee to fulfil its responsibilities (which shall not be less frequently than quarterly) to discuss any items of concern to the Audit Committee or the Auditor, such as:

- ∉ matters that will be referred to in the Auditor's management letter;
- ∉ whether or not the Auditor is satisfied with the quality and effectiveness of the financial recording procedures and systems;
- ∉ the extent to which the Auditor is satisfied with the nature and scope of the Auditor's examination.

(f) Review of Audit Plan

The Audit Committee shall review a summary of the Auditor's audit plan in advance for each audit.

(g) Review of Audit Fees

The Audit Committee has the direct responsibility for approving the Auditor's fee. In approving the Auditor's fee, the Audit Committee should consider, among other things, the number and nature of reports issued by the Auditors, the quality of the internal controls, the size, complexity and financial condition of the Company and the extent of internal audit and other support provided by the Company to the Auditor.

(h) Review of Annual Audited Financial Statements

The Audit Committee shall review the annual audited financial statements, together with the Auditor's report thereon, before recommending them for approval by the Board, to assess whether or not they present fairly in all material respects in accordance with GAAP the financial condition, results of operations and cash flows of the Company. The Audit Committee shall also review the MD&A relating to the annual audited financial statements and interim financial statements.

In conducting their review, the Audit Committee should:

- ∉ discuss the annual audited financial statements and MD&A with management and the Auditor;
- ∉ consider the quality of, and not just the acceptability of, the accounting principles applied, the reasonableness of management's judgments and estimates that have a significant effect upon the financial statements, and the clarity of the disclosures in the financial statements;
- ∉ discuss with the Auditor its report which addresses:
    - 4 all critical accounting policies and practices to be used;
    - 4 all alternative treatments of financial information within GAAP that have been discussed with management of the Company, ramifications of the use of

alternative disclosures and treatments, and the treatment preferred by the Auditors; and

4 other material written communication between the Auditor and management of the Company, such as any management letter or schedule of unadjusted differences;

∉ discuss any analyses prepared by management and the Auditor that set out significant financial reporting issues and judgments made in connection with the preparation of the financial statements, including analyses of the effects of alternative GAAP;

∉ discuss the effect of off-balance sheet transactions, arrangements, obligations (including contingent liabilities) and other relationships with unconsolidated entities or other persons that may have a material current or future effect on the Company's financial condition, changes in financial condition, results of operations, liquidity, capital expenditures, capital resources, or significant components of revenues and expenses;

∉ consider any changes in accounting practices or policies and their impact on financial statements of the Company;

∉ discuss with management, the Auditor and, if necessary, legal counsel, any litigation, claim or other contingency, including tax assessments, that could have a material effect upon the financial position of the Company, and the manner in which these matters have been disclosed in the financial statements;

∉ discuss with management and the Auditor correspondence with regulators or governmental agencies, employee complaints or published reports that raise material issues regarding the Company's financial statements or accounting policies;

∉ discuss with the Auditor any special audit steps taken in light of any material weaknesses in internal control;

∉ discuss with the Auditor any difficulties encountered in the course of the audit work, including any restrictions on the scope of their procedures and access to requested information, accounting adjustments proposed by the Auditor that were not applied (because they were immaterial or otherwise), and significant disagreements with management;

∉ consider any other matter which in its judgment should be taken into account in reaching its recommendation to the Board concerning the approval of the financial statements;

∉ satisfy itself that appropriate accounting policies and practices have been selected and applied consistently; and

∉ satisfy itself that management has established appropriate procedures to comply with applicable legislation for the remittance of taxes, pension monies and employee remuneration.

(i) Review of Interim Financial Statements

The Audit Committee shall also engage the Auditor to review the interim financial statements prior to the Audit Committee's review of such financial statements. The Audit Committee should discuss the interim financial statements and related MD&A with management and the Auditor and, if satisfied that the interim financial statements present fairly in all material respects in accordance with GAAP the financial condition, results of operations and cash flows, approve the interim financial statements and review the related MD&A on behalf of the Board.

(j) Other Financial Information

The Audit Committee shall review any earnings releases, as well as the nature of any financial information and earnings guidance provided to analysts and rating agencies in accordance with the Company's disclosure policy. In addition, the Audit Committee shall satisfy itself that adequate procedures are in place for the review of the public disclosure of information extracted or derived from the Company's financial statements and must periodically assess the adequacy of those procedures.

(k) Review of Prospectuses and Other Regulatory Filings

The Audit Committee shall review all other financial statements of the Company that require approval by the Board before they are released to the public, including, without limitation, financial statements for use in prospectuses or other offering or public disclosure documents and financial statements required by regulatory authorities. The Audit Committee shall review the Annual Information Form of the Company prior to its filing.

(l) Review of Related Party Transactions

The Audit Committee shall review all material proposed related party transactions that are not dealt with by a "special committee" of "independent directors" pursuant to securities law rules.

(m) Review of Internal Audit Function

The Audit Committee shall review the mandate of the internal audit function, the budget, planned activities and organizational structure of the internal audit function to ensure that it is independent of management and has sufficient resources to carry out its mandate.

The members shall meet privately with the senior officer in charge of internal audit as frequently as the Audit Committee feels is appropriate for the Audit Committee to fulfil its responsibilities, which shall not be less frequently than quarterly, to discuss any areas of concern to the Audit Committee or to the senior officer in charge of internal audit to confirm that:

- significant resolved and any unresolved issues between auditors and management have been brought to its attention;

- the principal risks of the Company's businesses have been identified by management and appropriate policies and systems have been implemented to manage these risks; and

- the integrity of the Company's internal control and management information systems are satisfactory.

(n) Relations with Management

The members shall meet privately with management as frequently as the Audit Committee feels is appropriate to fulfil its responsibilities, which shall not be less frequently than quarterly, to discuss any areas of concern to the Audit Committee or management.

(o) Oversight of Internal Controls and Disclosure Controls

The Audit Committee shall review the adequacy of the internal controls that have been adopted to safeguard assets from loss and unauthorized use and ensure the accuracy of the financial records.

The Audit Committee shall review the effectiveness of the controls and procedures that have been adopted to ensure the disclosure of all material information about the Company and its subsidiaries that is required to be disclosed under applicable law or the rules of those exchanges on which securities of the Company are listed or quoted. The Audit Committee shall receive regular reports from the Company's Disclosure Committee with respect to the Company's system of disclosure controls and procedures. The Audit Committee shall also review no less than annually the Company's Disclosure Policy.

(p) Legal Compliance

The Audit Committee shall review with legal counsel any legal matters that may have a significant effect on the Company's financial statements. The Audit Committee should review with legal counsel material inquiries received from regulators and governmental agencies. The Audit Committee shall review with a representative of the Code of Conduct Committee any material matters arising from any known or suspected violation of the Company's Code of Conduct and any material concerns regarding questionable accounting or auditing matters raised through the Company's ethics response line.

(q) Risk Management

The Audit Committee shall meet periodically with management to discuss the Company's policies with respect to risk assessment and management.

(r) Taxation Matters

The Audit Committee shall review the status of taxation matters of the Company.

(s) Hiring Policies

The Audit Committee shall review and approve the Company's hiring policies regarding partners and professional employees of the present and former external auditor of the Company.

7. COMPLAINTS PROCEDURE

The Audit Committee has adopted procedures for the receipt, retention and follow-up of complaints received by the Company regarding accounting, internal controls, disclosure controls or auditing matters and a procedure for the confidential, anonymous submission of concerns by employees of the Company regarding accounting, internal controls, or auditing matters. The Audit Committee shall monitor the effectiveness of these procedures.

8. REPORTING

The Audit Committee shall report to the Board on:

∉ the Auditor's independence;

∉ the performance of the Auditor and the Audit Committee's recommendations regarding the reappointment or termination of the Auditor;

∉ the performance of the internal audit function;

∉ the adequacy of the Company's internal controls and disclosure controls;

∉ the Audit Committee's review of the annual and interim financial statements of the Company and any GAAP reconciliation, including any issues with respect to the quality or integrity of the financial statements, and shall recommend whether or not the Board should approve the financial statements and any GAAP reconciliation;

∉ the Audit Committee's review of the annual and interim MD&A;

∉ the Audit Committee's review of the Annual Information Form;

∉ the Company's compliance with legal and regulatory matters to the extent they affect the financial statements of the Company; and

∉ all other material matters dealt with by the Audit Committee.

9. REVIEW AND DISCLOSURE

This Charter should be reviewed by the Audit Committee at least annually and be submitted to the Governance, Employee Development, Nominating and Compensation Committee for consideration with such amendments as the Audit Committee proposes and for recommendation to the Board for approval with such further amendments as the Governance, Employee Development, Nominating and Compensation Committee proposes.

This Charter may also be posted on the Company's Web site.

10. FREQUENCY OF MEETINGS

The Audit Committee shall meet at least five times annually.

11. RETENTION OF EXPERTS

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