Management Proxy Circular

LOBLAW COMPANIES LIMITED
ANNUAL MEETING MAY 5, 2010

THIS DOCUMENT CONTAINS

- NOTICE OF MEETING
- PROXY CIRCULAR

Loblaw
COMPANIES LIMITED

Management Proxy Circular

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April 5, 2010

Invitation to Shareholders

Fellow Shareholder,

It is my pleasure to invite you to the Annual Meeting of Shareholders, which will be held on Wednesday, May 5, 2010, at 11:00 a.m. (local time), at the Metro Toronto Convention Centre, South Building, Meeting Room 701, 222 Bremner Boulevard, 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 and other important matters to be discussed at the meeting. It is important that you exercise your vote, either in person at the meeting or by completing and sending in your proxy form.

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

Yours very truly,

Galen G. Weston
Executive Chairman

Loblaw

COMPANIES LIMITED

Notice of Annual Meeting of Shareholders

The 2010 Annual Meeting of Shareholders of Loblaw Companies Limited will be held on Wednesday, May 5, 2010, at 11:00 a.m. (local time), at the Metro Toronto Convention Centre, South Building, Meeting Room 701, 222 Bremner Boulevard, Toronto, Ontario, Canada, for the following purposes:

1. to receive the consolidated financial statements for the financial year ended January 2, 2010, and the auditors' report thereon;

2. to elect the directors;

3. to appoint the auditors and authorize the directors to fix their remuneration; and

4. to transact such other business as may properly be brought before the Annual Meeting or any adjournment thereof.

Shareholders of record at the close of business on March 17, 2010, are entitled to vote at the Annual Meeting.

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

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

Dated at Toronto, Ontario, this 5th day of April, 2010.

BY ORDER OF THE BOARD OF
DIRECTORS,

Robert A. Balcom
Senior Vice President and Secretary

NOTE: Registered shareholders wishing to receive (or continue to receive) interim financial statements and interim management's discussion and analysis by mail during 2010 must mark the request box at the bottom of their form of proxy, and non-registered shareholders must complete and return the enclosed interim report request form. **Unless you request them, interim reports will not be sent to you.** Financial results are announced by media release, and financial statements and management's discussion and analysis are available on the Loblaw Companies Limited website at www.loblaw.ca.

Some households may receive multiple copies of annual reports in shareholder mailings as a result of having multiple registered shareholders residing at that address. Registered shareholders may decline to receive future annual reports, containing annual financial statements and annual management's discussion and analysis, by marking the annual report box at the bottom of the form of proxy. In order to receive future annual reports, non-registered shareholders must complete and return the enclosed annual report request form.

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 Annual Meeting of Shareholders (the "Meeting") of Loblaw Companies Limited (the "Corporation") to be held on Wednesday, May 5, 2010, at 11:00 a.m. (local time), at the Metro Toronto Convention Centre, South Building, Meeting Room 701, 222 Bremner Boulevard, 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 "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 30, 2010 and all dollar amounts used are in Canadian dollars.

Business of the Meeting
At the Meeting, the annual financial statements of the Corporation and the auditors' report thereon will be placed before the shareholders. In addition, shareholders will be voting on: (i) the election of directors; and (ii) the appointment of the auditors and the authorization of the directors to fix their remuneration. We are not aware of any other matters to be considered at the Meeting. However, you may also vote on any other business that may properly come before the Meeting.

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

Voting Process
Who can vote?
Holders of common shares of the Corporation (the "Common Shares") as at the close of business on March 17, 2010, are entitled to vote at the Meeting and as of such date, the Corporation had 276,188,258 Common Shares issued and outstanding. Each Common Share is entitled to one vote.

A simple majority of the votes cast at the Meeting is required to approve each of the items specified in the notice of meeting which accompanies this Circular.

How do I vote?
The voting process for both registered shareholders and non-registered shareholders is as follows:

Registered Shareholders
Registered shareholders hold Common Shares directly in their name. If you are a registered shareholder, you can vote in one of two ways:

1. In Person

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

2. Via Proxy

If it is not convenient for you to attend the Meeting, you may vote via proxy in one of two ways:

- You may authorize the management representatives named in the enclosed proxy form (also available through the Internet at www.investorvote.com) to vote your shares. If returning the proxy by mail, complete the enclosed proxy form by indicating how you want your shares voted. Sign, date and return the proxy form in the envelope provided. Computershare's address for receiving proxies is 100 University Avenue, 9th Floor, Toronto, Ontario, M5J 2Y1; or
- **You may appoint another person to attend the Meeting on your behalf and vote your shares. If you choose this option, print the person's name in the blank space provided on the back of the proxy form and indicate how you want your shares voted. If returning the proxy form by mail, please use the envelope provided as described above.** You may choose anyone to be your proxyholder; the person does not have to be another shareholder. The person you appoint must attend the Meeting and vote on your behalf in order for your votes to be counted. Proxyholders must register with representatives of Computershare when they arrive at the Meeting.

Please remember that your proxy must be received by 5:00 p.m. (local time) on May 3, 2010, or, if the Meeting is adjourned, before 5:00 p.m. (local time) on the second last business day before any adjournment thereof.

If you have returned a proxy form or given voting instructions to a proxyholder, you may revoke the proxy in any of the following ways:

- by completing and signing a proxy form with a later date than the proxy form you previously returned and delivering it to Computershare;
- by delivering a written statement signed by you or your attorney authorized in writing to (a) the offices of Computershare at any time before 5:00 p.m. (local time) on May 3, 2010, or, if the Meeting is adjourned, before 5:00 p.m. (local time) on the second last business day before any adjournment thereof; or (b) the Secretary of the Meeting before the Meeting starts; or
- in any other manner permitted by law.

Non-Registered Shareholders

Non-registered shareholders beneficially own Common Shares but the shares are held in the name of a nominee, such as a bank, broker or trust company. If you are a non-registered shareholder, you may vote your shares in one of two ways:

1. In Person

If you wish to attend the Meeting and vote in person, you should do one of the following:

- If you have received a proxy form from your intermediary, insert your own name in the blank space on the form to appoint yourself as proxyholder. If the intermediary has not signed the form, you must sign and date it. Follow your intermediary's instructions for returning the proxy form. Do not otherwise complete the form as your vote will be taken at the Meeting; or
- If you have received a voting instruction form from your intermediary, follow your intermediary's instructions for completing the form.

2. Via Proxy

If it is not convenient for you to attend the Meeting, you should do one of the following:

- If you have received a proxy form from your intermediary, you may vote by authorizing the management representatives named on the form to vote your shares. If you choose this option, you may complete the proxy form by indicating how you want your shares to be voted. If the intermediary has not signed the proxy form, you must sign and date it. Return the completed proxy form as indicated on the form. **Alternatively, you may appoint another person to**

attend the Meeting on your behalf and vote your shares by printing that person's name in the blank space on the form and indicating how you want your shares to be voted. The person you choose does not have to be another shareholder. The person named on the form must attend the Meeting and vote on your behalf in order for your votes to be counted; or

- If you have received a voting instruction form from your intermediary, follow your intermediary's instructions for completing the form.

You may revoke a proxy or voting instruction given to your intermediary by written notice to the intermediary provided that the revocation is received by the intermediary at least seven days before the Meeting. If your revocation is not received by that time, your intermediary is not required to act on it.

How will my shares be voted if I appoint a proxyholder?

Your proxyholder must vote your shares in accordance with your instructions if you have completed and signed the enclosed proxy form correctly and delivered it to Computershare.

If you have not specified how to vote on a particular matter, then your proxyholder can vote your shares as he or she sees fit. **If you have appointed the management representatives named on the enclosed form of proxy as your proxyholder and you have not specified how you want to vote, your shares will be voted as follows:**

FOR the election of the directors; and

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

What happens if any amendments are made to these matters or if other matters are properly brought before the Meeting?

Your proxyholder will have discretionary authority to vote your shares as he or she sees fit with respect to amendments or variations to these matters and with respect to any other matters which may properly come before the Meeting. As of March 30, 2010, management of the Corporation knows of no such amendment, variation or other matter expected to come before the Meeting.

Who is soliciting my proxy?

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

Is my vote confidential?

Yes, proxies returned to Computershare are counted and tabulated to preserve the confidentiality of individual shareholder votes. Proxies are referred to the Corporation only in cases where a shareholder clearly intends to communicate with management, in the event of questions as to the validity of the proxy, or where it is necessary to do so to meet applicable legal requirements.

Share Capital and Principal Shareholder

As of March 30, 2010, there were 276,188,258 Common Shares issued and outstanding.

As at March 30, 2010, George Weston Limited (the Corporation's parent corporation) ("Weston") beneficially owned, directly or indirectly through its subsidiaries, a total of 172,739,999 Common Shares, representing approximately 62.54% of the outstanding Common Shares. Weston is controlled by Mr. W. Galen Weston. Note 29 to the Corporation's 2009 consolidated financial statements provides information on certain transactions that the Corporation entered into with Weston in 2009 and 2008. As of March 30, 2010, Mr. W. Galen Weston also beneficially owned 3,691,896 Common Shares, representing approximately 1.3% 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 MEETING

Financial Statements and Auditors' Report

The Corporation's annual consolidated financial statements for the year ended January 2, 2010, and the auditors' report thereon will be presented at the Meeting. These documents are included in the 2009 Annual Report. Copies of the 2009 Annual Report in English or French may be obtained from the Secretary of Loblaw Companies Limited upon request and will be available at the Meeting. The 2009 Annual Report in English or French is also available on SEDAR at www.sedar.com.

Election of Directors

The board of directors of the Corporation (the "Board") determined that the number of directors to be elected at the Meeting will be 13. The persons named in the accompanying form of proxy intend to vote FOR the election as directors of the proposed nominees whose names are set forth below:

Stephen E. Bachand	Anthony S. Fell	Allan L. Leighton	Thomas O'Neill	John D. Wetmore
Paul M. Beeston	Anthony R. Graham	Nancy H.O. Lockhart	Karen Radford	
Gordon A.M. Currie	John S. Lacey	Pierre Michaud	Galen G. Weston	

The nominees will be voted on individually. All nominees are currently directors of the Corporation and have established their eligibility and willingness to continue to serve as directors. Management does not believe that any of the nominees will be unable to serve as a director, but if that should occur for any reason prior to the Meeting, the persons designated 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.

More information on each of the 13 proposed nominees for election as director is set forth under the heading "Nominees for Election to the Board of Directors".

Appointment of Auditors

The Board, on the recommendation of the Audit Committee, is proposing that KPMG LLP be re-appointed as the auditors of the Corporation to hold office until the next annual meeting of shareholders of the Corporation and that the directors be authorized to fix the auditors' remuneration. The persons named in the accompanying form of proxy intend to vote FOR the appointment of KPMG LLP as auditors of the Corporation and the authorization of the directors to fix their remuneration. As part of the Corporation's corporate governance practices, the Audit Committee has adopted a policy prohibiting the auditors from providing non-audit services to the Corporation or its subsidiaries unless such services are approved in advance by the Audit Committee.

The aggregate fees paid to KPMG LLP for the fiscal years 2009 and 2008 are as follows:

	2009 $(000's)	**2008 $(000's)**
Audit fees(1)	2,399	2,326
Audit-related fees(2)	1,918	1,965
Tax-related fees	—	—
All other fees(3)	38	26
Total Fees	**$4,355**	**$4,317**

(1) Audit fees include fees for services related to the audit of the Corporation's consolidated financial statements.

(2) Audit-related fees include assurance and related services that are performed by the Corporation's auditors. These services include the review of quarterly reports to shareholders, audit of pension plans, comfort letters, the transition to International Financial Reporting Standards (IFRS) and the interpretation of accounting and financial reporting standards.

(3) All other fees relate to internal control/compliance and legislative and/or regulatory compliance services.

NOMINEES FOR ELECTION TO THE BOARD OF DIRECTORS

Stephen E. Bachand, 71
Ponte Vedra Beach, Florida

Loblaw Board Details:
- Director since 2009
- Independent Director

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

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

Mr. Bachand is a director of Harris Financial Corp, a subsidiary of Bank of Montreal.

Board/Committee Membership	Attendance	Attendance (Total)		Director Fees Received(1)	
Board Governance Committee	8/9 4/5	12/14	86%	**Year**	**Amount**
				2009	$61,750
				2008	N/A

Equity Ownership (as of March 30, 2010)

Year	Common Shares	DSUs	Weston DSUs	Total Common Shares and DSUs		Value of Equity Based Ownership(2)	Minimum Equity Ownership	Meets Share Ownership Guidelines
				Loblaw	Weston			
2009	4,500	1,886	6,059	6,386	6,059	$664,804	$250,000	Yes

Current Public Board Memberships		Public Board Interlocks: Director	Board
—	—	—	—

Public Board Membership During Last Five Years(3)	
George Weston Limited	2007 to 2009
Fairmont Hotels & Resorts Inc.	2001 to 2006
Canadian Pacific Railway Limited	2001 to 2008
The Bank of Montreal	1999 to 2009

Paul M. Beeston, C.M., F.C.A., 64
Toronto, Ontario

Loblaw Board Details:
- Director since 2005
- Independent Director

Mr. Beeston is the President and Chief Executive Officer of the Toronto Blue Jays Baseball Team. He is the former President and Chief Executive Officer of Major League Baseball.

Mr. Beeston graduated from the University of Western Ontario with a B.A. and is a chartered accountant.

Mr. Beeston is a director of President's Choice Bank (a subsidiary of the Corporation). He is a Member of the Executive Committee of the National Baseball Hall of Fame in Cooperstown, New York. Mr. Beeston is also former Chairman of the Centre for Addiction and Mental Health.

Board/Committee Membership	Attendance	Attendance (Total)		Director Fees Received(1)	
Board Audit Committee Governance Committee	12/13 6/7 7/7	25/27	93%	**Year**	**Amount**
				2009	$135,250
				2008	$156,000

Equity Ownership (as of March 30, 2010)

Year	Common Shares	DSUs	Total Common Shares and DSUs	Value of Equity Based Ownership(2)	Minimum Equity Ownership	Meets Share Ownership Guidelines
2009	7,900	14,158	22,058	$826,293	$250,000	Yes
2008	7,900	10,518	18,418	$648,866	$250,000	Yes

Current Public Board Memberships		Public Board Interlocks: Director	Board
Gluskin & Sheff Associates Inc.	2009 to present	—	—

Public Board Membership During Last Five Years	
Newport Partners Income Fund	2005 to 2008

Gordon A.M. Currie, 51
Toronto, Ontario

Loblaw Board Details:
- Director since 2006
- Non-Independent Director

Mr. Currie is Executive Vice President and Chief Legal Officer of the Corporation and of Weston. He was formerly Senior Vice President and General Counsel of Direct Energy.

Mr. Currie graduated from the University of Western Ontario with a B.A. and from the University of Toronto with an LL.B.

Board/Committee Membership	Attendance	Attendance (Total)		Director Fees Received(1)	
Board Pension Committee	13/13 4/4	17/17	100%	**Year**	**Amount**
				2009	—
				2008	—

Equity Ownership (as of March 30, 2010)							
Year	**Common Shares**	**Weston Common**	**Weston Executive DSUs**	**Total Common Shares and DSUs — Loblaw**	**Total Common Shares and DSUs — Weston**	**Value of Equity Based Ownership(2)**	Mr. Currie meets the Executive Share Ownership Guidelines for Other Executive Vice Presidents set forth on page 24.
2009	1,012	2,500	1,738	1,012	4,238	$335,587	
2008	1,000	1,720	—	1,000	1,720	$130,258	

Current Public Board Memberships		Public Board Interlocks — Director	Board
—	—	—	—

Public Board Membership During Last Five Years	
—	—

Anthony S. Fell, O.C, 71
Toronto, Ontario

Loblaw Board Details:
- Director since 2001
- Independent Director
- Lead Director

Mr. Fell, a corporate director, is the former Chairman of RBC Capital Markets, former Chairman and Chief Executive Officer of RBC Dominion Securities and a former Deputy Chairman of Royal Bank of Canada.

Mr. Fell was with RBC Capital Markets and predecessor companies for 48 years including 18 years as Chief Executive Officer and a further eight years as Chairman until his retirement in 2007.

Mr. Fell was appointed an Officer of the Order of Canada in 2001 and received an Honorary Doctor of Laws Degree from McMaster University in 2001 and from the University of Toronto in 2006.

Mr. Fell is a past Chairman of the Investment Dealers Association of Canada and a past Governor of the Toronto Stock Exchange.

Mr. Fell is a past Chairman of the University Health Network, the United Way Campaign for Metropolitan Toronto, the Princess Margaret Hospital Capital Campaign and is a past Governor of the Duke of Edinburgh's Award Program in Canada, St. Andrew's College and the Ontario Division of the Canadian Arthritis Society.

Board/Committee Membership	Attendance	Attendance (Total)		Director Fees Received(1)	
Board Governance Committee (Chair) Pension Committee (Chair)	13/13 6/7 4/4	23/24	96%	**Year**	**Amount**
				2009	$112,000
				2008	$126,000

Equity Ownership (as of March 30, 2010)						
Year	**Common Shares**	**DSUs**	**Total Common Shares and DSUs**	**Value of Equity Based Ownership(2)**	**Minimum Equity Ownership**	**Meets Share Ownership Guidelines**
2009	40,000	19,018	59,018	$2,210,814	$250,000	Yes
2008	20,000	15,159	35,159	$1,238,652	$250,000	Yes

Current Public Board Memberships		Public Board Interlocks — Director	Board
BCE Inc. CAE Inc.	2008 to present 2000 to present	Thomas O'Neill	BCE Inc.

Public Board Membership During Last Five Years(4)	
—	—

Anthony R. Graham, 53
Toronto, Ontario

Loblaw Board Details:
- Director since 1999
- Non-Independent Director

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

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

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., Grupo Calidra and Victoria Square Ventures Inc. Mr. Graham is also Chairman and a director of President's Choice Bank (a subsidiary of the Corporation).

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

Board/Committee Membership	Attendance	Attendance (Total)	
Board	13/13	24/24	100%
Executive Committee	—		
Governance Committee	7/7		
Pension Committee	4/4		

Director Fees Received(1)	
Year	**Amount**
2009	$123,500
2008	$137,000

Equity Ownership (as of March 30, 2010)

Year	Common Shares	DSUs	Weston Common	Weston DSUs	Total Common Shares and DSUs – Loblaw	Total Common Shares and DSUs – Weston	Value of Equity Based Ownership(2)	Minimum Equity Ownership	Meets Share Ownership Guidelines
2009	10,000	17,214	10,000	12,421	27,214	22,421	$2,594,287	$250,000	Yes
2008	10,000	13,585	10,000	9,668	23,585	19,668	$2,009,013	$250,000	Yes

Current Public Board Memberships	
George Weston Limited	1996 to present
Power Corporation of Canada	2001 to present
Power Financial Corporation	2001 to present

Public Board Membership During Last Five Years	
Garbell Holdings Limited	2005 to 2009

Public Board Interlocks

Director	Board
John S. Lacey	George Weston Limited
Allan L. Leighton	George Weston Limited

John S. Lacey, 66
Toronto, Ontario

Loblaw Board Details:
- Director since 2007
- Non-Independent Director

Mr. Lacey is Chairman of the Advisory Board of Tricap Restructuring Fund. Mr. Lacey serves as a consultant to the Chairman of the Board of Weston. He is the former President and Chief Executive Officer of the Oshawa Group (a major food retailer, now part of Sobeys Inc.).

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

Board/Committee Membership	Attendance	Attendance (Total)	
Board	12/13	12/13	92%

Director Fees Received(1)	
Year	**Amount**
2009	$74,000
2008	$106,500

Equity Ownership (as of March 30, 2010)

Year	Common Shares	DSUs	Weston Common	Weston DSUs	Total Common Shares and DSUs – Loblaw	Total Common Shares and DSUs – Weston	Value of Equity Based Ownership(2)	Minimum Equity Ownership	Meets Share Ownership Guidelines
2009	2,543	7,695	4,000	1,171	10,238	5,171	$746,727	$250,000	Yes
2008	2,009	5,270	—	—	7,279	—	$256,439	$250,000	Yes

Current Public Board Memberships	
George Weston Limited	2009 to present
TELUS Corporation	2000 to present
Ainsworth Lumber Co. Ltd.	2008 to present

Public Board Membership During Last Five Years(5)	
Canadian Imperial Bank of Commerce	2004 to 2009
Canadian Tire Corporation Limited	2004 to 2006
Stelco Inc.(6)	2006
Alderwoods Group, Inc.	2004 to 2007
Western Forest Products Inc.	2004 to 2006

Public Board Interlocks

Director	Board
Anthony R. Graham	George Weston Limited
Allan L. Leighton	George Weston Limited

Allan L. Leighton, 56
Toronto, Ontario

Loblaw Board Details:
- Director since 2006
- Non-Independent Director

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

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

Mr. Leighton is a graduate of the Advanced Management Program at Harvard University.

Mr. Leighton is a director of Selfridges & Co. Ltd., Holt, Renfrew & Co., Limited and Brown Thomas Group Limited.

In the past five years Mr. Leighton has also served as Chairman of Royal Mail Group (U.K. Postal Service) and as a director of BHS Ltd.

Board/Committee Membership	Attendance	Attendance (Total)		Director Fees Received(1)	
				Year	Amount
Board Executive Committee	13/13 —	13/13	100%	2009	—
				2008	—

Equity Ownership (as of March 30, 2010)

Year	Common Shares	DSUs	Weston Common	Total Common Shares and DSUs	
				Loblaw	Weston
2009	1,711	—	4,781	1,711	4,781
2008	1,711	—	4,781	1,711	4,781

Mr. Leighton meets the Executive Share Ownership Guidelines. For the value and required levels of equity based share ownership as an executive, see the table on page 24.

Current Public Board Memberships	
George Weston Limited	2000 to present
BskyB plc	1999 to present

Public Board Membership During Last Five Years(7)	
—	—

Public Board Interlocks

Director	Board
Anthony R. Graham	George Weston Limited
John S. Lacey	George Weston Limited

Nancy H.O. Lockhart, O. Ont., 55
Toronto, Ontario

Loblaw Board Details:
- Director since 2005
- Independent Director

Ms. Lockhart is the Chief Administrative Officer of Frum Development Group and a former Vice President of Shoppers Drug Mart Corporation.

Ms. Lockhart is a director of the Canada Deposit Insurance Corporation and The Stratford Chefs School. She is a former Chair of the Ontario Science Centre, former President of the Canadian Club of Toronto and former Chair of the Canadian Film Centre. Ms. Lockhart is also a Member of the Advisory Board for the Belinda Stronach Foundation.

Board/Committee Membership	Attendance	Attendance (Total)		Director Fees Received(1)	
				Year	Amount
Board Environmental Committee (Chair) Governance Committee	13/13 4/4 7/7	24/24	100%	2009	$111,000
				2008	$125,000

Equity Ownership (as of March 30, 2010)

Year	Common Shares	DSUs	Weston Common	Total Common Shares and DSUs		Value of Equity Based Ownership(2)	Minimum Equity Ownership	Meets Share Ownership Guidelines
				Loblaw	Weston			
2009	750	14,108	1,860	14,858	1,860	$687,227	$250,000	Yes
2008	750	10,405	1,860	11,155	1,860	$504,405	$250,000	Yes

Current Public Board Memberships	
—	—

Public Board Membership During Last Five Years	
Retirement Residences Real Estate Investment Trust	2006 to 2007

Public Board Interlocks

Director	Board
—	—

Pierre Michaud, C.M., 66
Montreal, Quebec

Loblaw Board Details:
- Director since 1999
- Non-Independent Director

Mr. Michaud is President of Capital GVR Inc. Mr. Michaud is the former Vice-Chairman of Laurentian Bank of Canada and is a former director and past Chairman of Provigo Inc. (a subsidiary of the Corporation). He was also founder, Chairman and Chief Executive Officer of Réno Dépot Inc. until 2003. Mr. Michaud is also a director of Bombardier Recreational Products Inc.

Board/Committee Membership	Attendance	Attendance (Total)		Director Fees Received(1)	
Board Environmental Committee	12/13 3/4	15/17	88%	Year	Amount
				2009	$84,000
				2008	$90,000

Equity Ownership (as of March 30, 2010)

Year	Common Shares	DSUs	Total Common Shares and DSUs	Value of Equity Based Ownership(2)	Minimum Equity Ownership	Meets Share Ownership Guidelines
2009	24,866	—	24,866	$931,480	$250,000	Yes
2008	24,866	—	24,866	$876,029	$250,000	Yes

Current Public Board Memberships		Public Board Interlocks: Director	Board
—	—	—	—

Public Board Membership During Last Five Years	
Laurentian Bank of Canada	1990 to 2009
Gaz Métro Limited Partnership	2004 to 2009

Thomas O'Neill, F.C.A., 64
Toronto, Ontario

Loblaw Board Details:
- Director since 2003
- Independent Director

Mr. O'Neill, a corporate director, is Chairman of BCE Inc. He is also the retired Chairman of PricewaterhouseCoopers Consulting. Mr. O'Neill was previously Chief Executive Officer, and prior to that, Chief Operating Officer, of PricewaterhouseCoopers LLP.

Mr. O'Neill graduated from Queen's University with a B.Comm. and is a chartered accountant. Mr. O'Neill received an Honorary LL.D. from Queen's University.

Mr. O'Neill is a member of the External Audit Committee of the International Monetary Fund.

In addition to his public company board memberships listed below, Mr. O'Neill also serves as a director of St. Michael's Hospital and is a former Vice-Chair of the Board of Governors of Queen's University and a past member of the Advisory Council of Queen's University School of Business.

Board/Committee Membership	Attendance	Attendance (Total)		Director Fees Received(1)	
Board Audit Committee (Chair)	12/13 6/7	18/20	90%	Year	Amount
				2009	$116,000
				2008	$130,000

Equity Ownership (as of March 30, 2010)

Year	Common Shares	DSUs	Weston Common	Total Common Shares and DSUs		Value of Equity Based Ownership(2)	Minimum Equity Ownership	Meets Share Ownership Guidelines
				Loblaw	Weston			
2009	3,703	8,463	500	12,166	500	$490,858	$250,000	Yes
2008	3,703	6,504	500	10,207	500	$389,543	$250,000	Yes

Current Public Board Memberships		Public Board Interlocks: Director	Board
BCE Inc.	2003 to present	Anthony S. Fell	BCE Inc.
Nexen Inc.	2002 to present		
The Bank of Nova Scotia	2008 to present		
Adecco S.A.	2004 to present		

Public Board Membership During Last Five Years	
Dofasco Inc.	2003 to 2006

Karen Radford, 41
Calgary, Alberta

Loblaw Board Details:
- Director since 2008
- Independent Director

Ms. Radford is Executive Vice President and President, TELUS Business Solutions.

Ms. Radford graduated from Mount Allison University with a B.Sc. and from Dalhousie University with an M.B.A.

Ms. Radford serves as a special adviser to Youth in Motion. She is a member of the Alberta Children's Hospital Foundation and is president and co-founder of the Women's Leadership Foundation.

Board/Committee Membership	Attendance	Attendance (Total)		Director Fees Received(1)	
Board Environmental Committee	11/13 4/4	15/17	88%	Year	Amount
				2009	$86,000
				2008	$85,000

Equity Ownership (as of March 30, 2010)

Year	Common Shares	DSUs	Total Common Shares and DSUs	Value of Equity Based Ownership(2)	Minimum Equity Ownership	Meets Share Ownership Guidelines
2009	—	5,545	5,545	$207,716	$250,000	Yes(8)
2008	—	2,814	2,814	$99,137	$250,000	Yes

Current Public Board Memberships		Public Board Interlocks: Director	Board
—	—	—	—

Public Board Membership During Last Five Years	
—	—

Galen G. Weston, 37
Toronto, Ontario

Loblaw Board Details:
- Director since 2006
- Non-Independent Director

Mr. Weston is Executive Chairman of the Corporation. He previously held several senior executive positions with the Corporation and its subsidiaries. Prior to joining the Corporation, he was an investment banking analyst for Salomon Brothers in the U.K.

Mr. Weston graduated from Harvard University with a B.A. and from Columbia University with an M.B.A.

Mr. Weston is a director of Wittington Investments, Limited.

Board/Committee Membership	Attendance	Attendance (Total)		Director Fees Received(1)	
Board Executive Committee (Chair)	13/13 —	13/13	100%	Year	Amount
				2009	—
				2008	—

Equity Ownership (as of March 30, 2010)

Year	Common Shares	DSUs	Weston Common	Total Common Shares and DSUs	
				Loblaw	Weston
2009	290,000	—	255,000	290,000	255,000
2008	290,000	—	255,000	290,000	255,000

Mr. Weston meets the Executive Share Ownership Guidelines. For the value and required levels of equity based share ownership as an executive, see the table on page 24.

Current Public Board Memberships		Public Board Interlocks: Director	Board
—	—	—	—

Public Board Membership During Last Five Years	
George Weston Limited	2003 to 2006

John D. Wetmore, 60
Toronto, Ontario

Loblaw Board Details:
- Director since 2006
- Independent Director

Mr. Wetmore, a corporate director, is the retired Vice President, Contact Centre Development, IBM Americas. He was formerly President and Chief Executive Officer of IBM Canada.

Mr. Wetmore graduated from the University of Waterloo with a Bachelor of Mathematics (Honours) and from the Advanced Executive Program at the Kellogg School, Northwestern University.

Board/Committee Membership	Attendance	Attendance (Total)		Director Fees Received(1)	
				Year	**Amount**
Board	12/13	23/24	96%	2009	$105,000
Audit Committee	7/7			2008	$117,000
Pension Committee	4/4				

Equity Ownership (as of March 30, 2010)

Year	Common Shares	DSUs	Total Common Shares and DSUs	Value of Equity Based Ownership(2)	Minimum Equity Ownership	Meets Share Ownership Guidelines
2009	10,133	4,992	15,125	$566,583	$250,000	Yes
2008	10,000	3,283	13,283	$467,960	$250,000	Yes

Current Public Board Memberships	
Research in Motion Limited(9)	2007 to present
Public Board Membership During Last Five Years	
Resolve Business Outsourcing Income Fund	2006 to 2009

Public Board Interlocks

Director	Board
—	—

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

(2) The "Value of Equity Based Ownership" for directors is calculated based on the closing price of the Common Shares on March 30, 2010, which was $37.46 for the Corporation and $70.24 for the common shares of Weston. The 2008 values of equity ownership were determined based on the closing price of the Common Shares on January 2, 2009, which was $35.23 for the Corporation and $59.90 for the common shares of Weston. These ownership values may differ from the calculation of ownership value made pursuant to the Share Ownership Guidelines.

(3) Mr. Bachand was a director of Krystal Bond Inc. when it became subject to a cease trade order on April 12, 2002 for failure to file financial statements. It has since ceased to operate as a going concern. Mr. Bachand is no longer a director of Krystal Bond Inc.

(4) Mr. Fell was a director of Teleglobe Inc., a subsidiary of BCE Inc., for a three month period until April 2002. Teleglobe Inc. filed for court protection under insolvency legislation on May 15, 2002.

(5) 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 *Companies' Creditors Arrangement Act* in June of 1999. The Loewen Group Inc. has since emerged from Chapter 11 in January 2003 and CCAA proceedings were held in November of 2006.

(6) 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 *Companies' Creditors Arrangement Act* in January of 2004 and emerged from those proceedings in March of 2006, at which time Mr. Lacey resigned from the Stelco board of directors.

(7) Mr. Leighton was a member of the board of directors of Leeds United Football, PLC, which was subject to administration proceedings in 2007.

(8) See page 13 for a description of the Director Share Ownership Guidelines. Ms. Radford has an additional four years to meet the Guideline ownership level.

(9) As a director of Research in Motion Limited ("RIM"), Mr. Wetmore was subject to a management cease trade order issued by the Ontario Securities Commission on November 7, 2006, as a result of RIM 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 RIM making all required filings pursuant to Ontario securities laws.

COMPENSATION AND ATTENDANCE OF THE BOARD OF DIRECTORS

Directors' Compensation

The Board of Directors' compensation is designed to attract and retain committed and qualified directors and to align their compensation with the long-term interests of the Corporation. Messrs. Weston, Leighton and Currie are senior executives of the Corporation and do not receive any additional remuneration for their role as directors of the Corporation or any of its subsidiaries. The Board, through the Governance, Employee Development, Nominating and Compensation Committee (the "Governance Committee"), is responsible for the development and implementation of the directors' compensation arrangements. Historically, in establishing these arrangements, the Governance Committee considered a number of factors including the performance of the Corporation, the size, scope and complexity of the organization, the requirement to participate in scheduled and special board and committee meetings, the level of compensation and mix for directors of other companies and input from the Committee's independent consultant. In 2009, no review of the arrangements was conducted and there were no adjustments to directors' compensation.

Type of Fee	Amount ($)
Annual Fees	
Board retainer	50,000
Audit committee chair	30,000(1)
Audit committee member	5,000
Chair of other board committee	7,000(1)
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) Includes fee received as committee member.

Deferred Share Unit Plan

Directors have the option to receive up to 100% of their fees in DSUs. Each DSU is a right to receive an amount from the Corporation equal to the value of one Common Share. The number of DSUs awarded to a director is equal to the value of the compensation that the director elects to be deferred as DSUs divided by the volume weighted average trading price of the Common Shares on the Toronto Stock Exchange (the "TSX") for the five trading days prior to the date of the award. DSUs are not subject to any conditions prior to payment, but are not paid until the director ceases to serve on the Board, thereby providing an ongoing equity stake in the Corporation throughout the director's term as a Board member. Following cessation of Board service, payment of DSUs is made, at the holder's option, either in cash or in Common Shares purchased on the TSX. Additional DSUs are accumulated and added to a director's account based on notional equivalents of dividends paid on the underlying Common Shares. DSUs do not entitle the director to any voting or other shareholder rights.

In 2009, 11 out of 12 non-management directors elected to receive all or a portion of their fees in DSUs.

Directors' Compensation for 2009

The following table sets out the compensation elements and total compensation earned by each non-management director of the Corporation in 2009 and the manner in which the compensation was paid. Directors have the option to receive up to 100% of their fees in DSUs.

	Fee Breakdown							Allocation of Total Fees		
Name(1)	Board Retainer ($)	Committee Chair Retainer ($)	Committee Member Retainer ($)	Attendance Fees(2) ($)	Total Fees Earned ($)	All Other Compensation ($)	Total Compensation ($)	In Cash ($)	In Share Based Awards(3) ($)	Allocation of Fees between Cash and DSUs (%)
Stephen E. Bachand(4)	31,250	—	2,500	28,000	61,750	—	61,750	—	61,750	100% DSUs
Paul M. Beeston	50,000	—	9,000	50,000	109,000	26,250(5)	135,250	26,250	109,000	81% DSUs
Paviter S. Binning(6)	31,250	—	3,125	26,000	60,375	—	60,375	—	60,375	100% DSUs
Camilla H. Dalglish	50,000	—	4,000	32,000	86,000	—	86,000	—	86,000	100% DSUs
Anthony S. Fell	50,000	14,000	—	48,000	112,000	—	112,000	—	112,000	100% DSUs
Anthony R. Graham	50,000	—	8,000	48,000	106,000	17,500(7)	123,500	17,500	106,000	86% DSUs
John S. Lacey	50,000	—	—	24,000	74,000	—	74,000	—	74,000	100% DSUs
Nancy H.O. Lockhart	50,000	7,000	4,000	50,000	111,000	—	111,000	—	111,000	100% DSUs
Pierre Michaud	50,000	—	4,000	30,000	84,000	33,333(8)	117,333	117,333	—	0% DSUs
Thomas C. O'Neill	50,000	30,000	—	36,000	116,000	—	116,000	58,000	58,000	50% DSUs
Karen Radford	50,000	—	4,000	32,000	86,000	—	86,000	—	86,000	100% DSUs
John D. Wetmore	50,000	—	9,000	46,000	105,000	—	105,000	52,500	52,500	50% DSUs
Total ($)	**562,500**	**51,000**	**47,625**	**450,000**	**1,111,125**	**77,083**	**1,188,208**	**271,583**	**916,625**	

(1) Messrs. Currie, Leighton and Weston are members of senior management of the Corporation and do not receive any additional remuneration for their role as directors of the Corporation or any of its subsidiaries. The compensation of Messrs. Leighton and Weston is set forth in the Summary Compensation Table on page 30.

(2) Directors received a $2,000 fee for any additional board or committee meeting that they attended.

(3) Amounts reflect 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 award in accordance with the deferred share unit plan. As well, additional DSUs are accumulated based on notional equivalents of dividends paid on Common Shares throughout the year.

(4) Mr. Bachand was elected to the Board and appointed to the Governance Committee on May 6, 2009.

(5) Reflects compensation Mr. Beeston received for his role as director of President's Choice Bank, a subsidiary of the Corporation.

(6) Mr. Binning was elected to the Board and appointed to the Audit Committee on May 6, 2009.

(7) Reflects compensation Mr. Graham received for his role as Chairman and director of President's Choice Bank, a subsidiary of the Corporation.

(8) Reflects consulting fees Mr. Michaud earned for services provided to Provigo Inc. (a subsidiary of the Corporation) up to May 1, 2009.

Director Share Ownership Guidelines

Pursuant to share ownership guidelines adopted by the Board, non-management directors are expected to hold Common Shares, DSUs, or common shares or deferred share units of Weston with a value of not less than $250,000. For purposes of the guidelines, securities are valued at the greater of: (i) the cost or value at the time they were acquired; or (ii) the current 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. Until the required level is achieved, directors must receive at least 50% of their fees from the Corporation in the form of DSUs. All current directors comply with the guidelines.

Management directors are subject to the Executive Share Ownership Guidelines described on page 24.

Attendance Information

The following table provides a summary of each director's attendance at Board and Committee meetings in 2009.

Name	Board (13 meetings)	Audit Committee (7 meetings)	Environmental, Health and Safety Committee (4 meetings)	Governance Committee (7 meetings)	Pension Committee (4 meetings)	Total
Stephen E. Bachand(1)	8/9			4/5		12/14
Paul M. Beeston	12/13	6/7		7/7		25/27
Paviter S. Binning(2)	9/9	3/4				12/13
Gordon A.M. Currie	13/13				4/4	17/17
Camilla H. Dalglish	11/13		4/4			15/17
Anthony S. Fell	13/13			6/7	4/4	23/24
Anthony R. Graham	13/13			7/7	4/4	24/24
John S. Lacey	12/13					12/13
Allan L. Leighton	13/13					13/13
Nancy H.O. Lockhart	13/13		4/4	7/7		24/24
Pierre Michaud	12/13		3/4			15/17
Thomas C. O'Neill	12/13	6/7				18/20
Karen Radford	11/13		4/4			15/17
Galen G. Weston	13/13					13/13
John D. Wetmore	12/13	7/7			4/4	23/24

(1) Mr. Bachand was elected to the Board and appointed to the Governance Committee on May 6, 2009.

(2) Mr. Binning was elected to the Board and appointed to the Audit Committee on May 6, 2009.

COMPENSATION DISCUSSION AND ANALYSIS

Introduction

This Compensation Discussion & Analysis describes the compensation programs of the named executive officers, who are the Executive Chairman, Chief Financial Officer and the three most highly compensated executive officers (other than the Executive Chairman and Chief Financial Officer) as determined in accordance with applicable regulations (collectively, the "NEOs"). For 2009, the NEOs were:

Name	Position
Galen G. Weston	Executive Chairman
Robert G. Vaux	Chief Financial Officer
Allan L. Leighton	Deputy Chairman and President
Dalton T. Philips	Executive Vice President and Chief Operating Officer
Peter K. McMahon	Executive Vice President, Supply Chain, Distribution and IT

Mr. Vaux will step down from the role of Chief Financial Officer of the Corporation effective May 5, 2010, but will continue in a senior executive role at Weston. Ms. Sarah Davis will become Chief Financial Officer of the Corporation on that date. Subsequent to year-end, Mr. Philips resigned from the Corporation.

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.

1. *Pay for Performance*

The Corporation structures its executive compensation programs to align executive compensation with the financial performance of the Corporation. This creates a performance-based corporate culture that rewards individual and team based contributions to the achievement of the Corporation's goals and to the increase of shareholder value. A significant portion of executive compensation is in the form of at-risk pay, compensating executives for strong corporate performance.

2. *Competitive Compensation*

Competitive compensation is an important element of the executive compensation programs as it allows the Corporation to attract and retain talented individuals to lead the business forward in a competitive environment. The Corporation has developed processes to ensure that its executive compensation programs are competitive with market and industry practices and support the attraction, development and retention of high quality executives.

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 shareholders. A significant portion of executive compensation takes the form of long-term equity-based awards. Structuring executive compensation in this manner ensures that executives are properly motivated to increase long-term shareholder value.

The Governance Committee

The members of the Governance Committee are Anthony S. Fell (Chair), Stephen E. Bachand, Paul M. Beeston, Anthony R. Graham and Nancy H.O. Lockhart. All members of the Governance Committee are independent directors except for Mr. Graham who is an executive officer of Wittington Investments, Limited ("Wittington"), the private holding company through which Mr. W. Galen Weston controls Weston. Mr. Bachand joined the Governance Committee effective May 6, 2009. The Governance Committee is responsible for providing oversight with regards to executive compensation programs and setting individual compensation for the NEOs. These responsibilities are summarized in Schedule A – Corporate Governance Practices, beginning on page 37. The Governance Committee receives assistance from several sources, both internal and external, in fulfilling these responsibilities.

Role of Management and Compensation Consultants

Role of Company Management in Determining Compensation and Evaluating Performance

The Executive Chairman and the Deputy Chairman and President participate in the compensation design process, make recommendations to the Governance Committee with respect to the other NEOs and recommend to the Governance Committee the specific business goals to be used as performance targets for the various incentive programs. The Executive Vice President and Chief Legal Officer and the Executive Vice President, Human Resources assist the Executive Chairman and the Deputy Chairman and President in developing and presenting management's recommendations and supporting material to the Governance Committee regarding the compensation of the NEOs.

Each year, the Executive Chairman and the Deputy Chairman and President evaluate the performance of all senior executives, including each of the other NEOs. These evaluations are based on the achievement of objectives related to both the individual and the Corporation, leadership capabilities and management team development. The results of these evaluations are shared with the Governance Committee.

Role of Compensation Consultants

The Governance Committee has the sole authority to retain and approve fees for any independent compensation consultants that the Committee may retain. Since 2008, the Governance Committee has retained the services of Hewitt Associates to provide information and independent advice on the Corporation's executive compensation programs. The Governance Committee periodically assesses the independence of its compensation consultant. Hewitt Associates has not been retained to perform any other services for the Corporation. The Governance Committee instructs Hewitt Associates and it provides its advice directly to the Governance Committee, including during *in camera* sessions without management present.

Comparative Market Data

In determining compensation for the broad executive group, the Governance Committee periodically considers the compensation practices of a comparator group of companies. The Corporation uses Mercer (Canada) Inc. ("Mercer") to provide it with benchmark compensation data and other information to support the overall management of executive compensation programs. Annually, Mercer provides an analysis of market trends and practices as well as specific job-based market data that is used to evaluate the compensation structure for the broad executive group. The composition of the comparator group will change from time to time. In determining compensation for the NEOs, the Governance Committee considers publicly-disclosed executive compensation information of various Canadian public companies and, in certain instances, public international retail companies whose revenues, profitability and market capitalization are comparable to those of the Corporation as discussed below. The use of comparative market data is just one of the factors used in setting compensation for the NEOs. Other key factors used to determine compensation include personal performance, leadership abilities and internal equity among executives.

In September of 2009, management and Mercer presented a review of the Corporation's executive compensation programs to the Governance Committee. The compensation mix and total compensation of the Company's senior executives were compared with the comparator group listed below. Base salary, short-term incentives, long-term incentives and pension entitlements were also compared with the companies in the comparator group. In determining the comparator group, the Governance Committee, with input from its own compensation consultant and management, selected a group consisting of large retail and other companies in Canada, similar-sized retail and large retail companies in the United States and large retail companies in the United Kingdom.

In 2009, the Corporation's comparator group consisted of the following companies:

Canadian Corporations	U.S. Retailers		U.K. Retailers
Alimentation Couche-Tard Inc.	Best Buy Co. Inc.	Safeway Inc.	Home Retail Group plc
Canadian Tire Corporation, Limited	Costco Wholesale Corporation	Sears Holdings Corporation	J Sainsbury plc
Empire Company Limited	CVS Caremark Corporation	Staples Inc.	Marks and Spencer Group plc
Maple Leaf Foods Inc.	Home Depot Inc.	Supervalu Inc.	Tesco plc
Metro Inc.	J.C. Penney Company, Inc.	Sysco Corporation	Wm Morrison Supermarkets plc
Rogers Communications Inc.	Kohl's Corporation	Target Corporation	
RONA Inc.	Kroger Co., The	TJX Companies Inc.	
Sears Canada Inc.	Lowe's Companies Inc.	Walgreen Co.	
Shoppers Drug Mart Corporation	Macy's Inc.	Wal-Mart Stores, Inc.	
	Publix Super Markets, Inc.		
	Rite Aid Corporation		

The comparator data was just one factor used by the Governance Committee in assessing the Corporation's executive compensation programs. Other factors included internal equity, total compensation costs and compensation mix, including base salary, short and long term incentives and pension entitlements.

Select comparator information from the Governance Committee's compensation consultant was used in determining the compensation of Mr. Allan Leighton at the time he assumed the role of President of the Corporation in 2008, in addition to his continuing role as Deputy Chairman of both the Corporation and Weston. At that time, and in recognition of the important role he has in the overall strategy and direction of the Corporation, the Governance Committee reassessed the appropriateness of Mr. Leighton's overall compensation arrangements. In doing so, the Governance Committee reviewed the compensation arrangements of senior executives at a group of leading domestic and foreign retailers and other major Canadian companies as follows:

Canadian Corporations	U.S. Retailers	U.K. Retailers
Alimentation Couche-Tard Inc.	Best Buy Co. Inc.	Carphone Warehouse Group plc
Bank of Nova Scotia, The	Costco Wholesale Corporation	Home Retail Group plc
BCE Inc.	J.C. Penney Company, Inc.	J Sainsbury plc
EnCana Corporation	Kohl's Corporation	John Lewis Partnership plc
Husky Energy Inc.	Kroger Co., The	Kingfisher plc
Imperial Oil Limited	Macy's Inc.	Marks and Spencer Group plc
Jean Coutu Group (PJC) Inc., The	Office Depot, Inc.	Next plc
Manulife Financial Corporation	Publix Super Markets Inc.	Signet Group plc
Petro-Canada Inc.	Rite Aid Corporation	Tesco plc
Power Corporation of Canada	Safeway Inc.	Wm Morrison Supermarkets plc
Royal Bank of Canada	Sears Holdings Corporation	
Sobeys Inc.	Staples Inc.	
Sun Life Financial Inc.	Supervalu Inc.	
Suncor Energy Inc.	TJX Companies Inc.	
Toronto-Dominion Bank	Walgreen Co.	

Components of Compensation

The key components of the compensation program for the NEOs are base salary, short-term cash incentives (which executives may elect to receive in the form of DSUs) and equity-based long-term incentives (restricted share units and stock options) as described in the table below. Pensions, benefits and perquisites generally comprise a relatively small part of an NEO's total annual compensation.

Element		Form	Period	Program Objectives and Details
Fixed Compensation	Base Salary	Cash	Annual	• Reflects the executive's level of responsibility, skills and experience, the market value of the position and the executive's overall performance both individually and in relation to the executive's business unit.
Variable Compensation	Short-Term Incentive Plan (STIP)	Cash	Annual	• Incentive program is linked to the achievement of specific performance targets in the fiscal year. • Each executive has a target annual bonus. • Actual payout is determined by achievement of predetermined financial and/or operating performance objectives. • Payouts range from zero to a maximum of 200% of an executive's target bonus.
		Deferred Share Units	Annual election; DSUs held until cessation of employment	• Executives have the option to receive all or a portion of their STIP award in the form of DSUs to a maximum of three times the executives' base salary. • Aligns executives' interests with those of shareholders and counts towards share ownership guidelines.
	Long-Term Incentive Plan (LTIP)	Stock Options	5 year vesting (20% per year); 7 year term	• Motivates and rewards executives for creating long-term shareholder value. • LTIP grants are generally made once per year. However, newly hired or recently promoted executives may receive an LTIP grant outside of the annual grant process. • Individual awards are differentiated based on role and expected future performance. • Stock options typically comprise two-thirds of the total value of LTIP grants to executives using Black-Scholes-Merton valuation.
		Restricted Share Units	3 year performance period	• Motivates and rewards executives for creating increased shareholder value. • Rewards executives for increase in total shareholder return. • RSUs 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.
Pension		Defined Benefit Plan/ Defined Contribution Plan	Employment and post-employment	• Plans are designed to provide a reasonable level of retirement income to executives to reward them for continued service to the Corporation. • Senior executives (other than Messrs. Galen G. Weston and Allan Leighton) participate in either the executive defined benefit pension plan or the executive defined contribution pension plan and may also participate in a supplemental executive retirement plan. • New executives participate in the executive defined contribution plan.
Perquisites		Cash Allowance/ Reimbursement for professional services	Annual	• Limited personal benefits are provided, including a car or car allowance, an annual medical examination and/ or a discretionary health care spending account.

2009 Compensation

Base Salary

Base salaries for the NEOs are set on an individual basis and not within formalized salary ranges. Each year, the Governance Committee reviews the salary of each NEO. The Governance Committee may make adjustments to an NEO's salary as a result of change in the NEO's duties and responsibilities or 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.

No base salary changes were made for the NEOs in 2009 other than a 2% increase in the base salary of Mr. McMahon.

The following table sets out the base salaries for fiscal 2009, and, if applicable, the percentage increase from 2008, for each of the NEOs:

NEO	2009 Base Salary ($)	Percentage Increase From 2008 (%)
Galen G. Weston	1,000,000	Nil
Robert G. Vaux(1)	390,000	Nil
Allan L. Leighton	1,000,000	Nil
Dalton T. Philips	484,000	Nil
Peter K. McMahon	592,342	2

(1) Mr. Vaux receives additional salary amounts from Weston, such that his aggregate salary is $650,000.

Short Term Incentive Plan (STIP)

The Corporation's short term incentive plan (the "STIP") is designed to reward executives, including the NEOs, for their performance. In each fiscal year, the performance of the executives is measured by the achievement of the Corporation's financial goals. All participating executives have STIP award targets that are expressed as a percentage of base salary determined based on the NEO's position and level within the organization. The payouts for the NEOs range from zero to a maximum of 200% of the bonus target depending on the Corporation's performance relative to the applicable performance targets. The STIP payments are made in cash, although executives may elect to receive all or a portion of their STIP award in deferred share units.

Plan Design

The Governance Committee believes that the STIP should be designed to properly incent the NEOs to achieve the Corporation's business plan and strategic objectives. At the beginning of each fiscal year, the Governance Committee establishes the STIP design, including the specific business performance measures, weightings and targets and presents them to the Board for approval. In determining the performance measures, weightings and targets for each fiscal year, the Governance Committee takes into account the key components of the Corporation's business plan and strategic objectives. At the end of the year, the Governance Committee reviews the financial results of the Corporation against the performance targets and considers whether any adjustments are required to account for unexpected events or non-recurring items during the year.

In setting the STIP design, measures and targets, the Governance Committee's objective, over time, is to pay out STIP awards at the executives' target level. In a year when there is more than one performance measure, the STIP payout will be determined for each of the various components and then aggregated to determine the final amount.

For 2008, the STIP for the NEOs was based solely on the Corporation's earnings performance. For 2009, considering the financial crisis, recessionary environment, challenging market conditions and desire to improve the Corporation's liquidity position, the Governance Committee decided to add a performance measure for the NEOs relating to the reduction of net debt and the resulting improvement of free cash flow with the objective of strengthening the Corporation's balance sheet. As a result, for 2009, the STIP award for the NEOs was based 50% on the Corporation's earnings performance and 50% on the Corporation's performance in reducing net debt.

Earnings Performance

The earnings target was based on budgeted earnings before interest, taxes, depreciation and amortization and reflected the Corporation's confidential annual and multi-year business plans and strategic objectives. The earnings target for the STIP was designed for compensation purposes and differs from the Corporation's publicly reported GAAP earnings. The earnings target was intended to be challenging such that the Corporation was required to have strong earnings results to achieve the earnings target.

The earnings component of the STIP was designed so that:

- no bonus would be awarded for the earnings component if the actual earnings were 90% or less than the earnings target; and
- the maximum bonus payout was 200% of target if the actual earnings were equal to or greater than 110% of the earnings target.

Early in 2010, the Governance Committee reviewed the 2009 financial results of the Corporation and calculated the earnings for STIP purposes in accordance with the plan. The Corporation's earnings for 2009, calculated in accordance with the plan, were more than 110% of the earnings target. As a result, the NEOs received the maximum payout for the earnings component of the STIP. Key factors contributing to the Corporation's strong earnings performance relative to target were the success of cost reduction initiatives throughout the business and efficiency improvements in supply chain operations.

For each of the NEOs other than Mr. Vaux, the earnings component represented 50% of their respective total STIP payment in 2009. Mr. Vaux is also an officer of Weston and accordingly his STIP award is based on a combination of the Corporation and Weston STIPs. In 2009, the earnings component represented 50% of Mr. Vaux's STIP award attributable from the Corporation and 32% of his total STIP award.

The setting of the earnings target and the calculation of earnings in accordance with the STIP are confidential and competitively sensitive. The Corporation believes that the disclosure of the target or calculation of earnings for the purposes of the STIP would be seriously prejudicial to its interests.

Net Debt Reduction Performance

For STIP purposes, net debt is defined as the sum of long and short term debt less cash, cash equivalents, short term investments and security deposits included in other assets on the Corporation's balance sheet.

The target established by the Governance Committee in 2009 was to reduce net debt by approximately $170 million dollars, which reflected a number of corporate initiatives that were intended to increase free cash flow during the year.

The net debt reduction component was designed so that:

- a positive (or negative) change of 4.4% in net debt reduction relative to the target had a corresponding 10% increase (or decrease) in the bonus;
- no bonus would be earned if the reduction in net debt during the fiscal year were 44% less than the target; and
- every 4.4% improvement in the reduction in net debt relative to the target resulted in a 10% increase in the bonus, to a maximum factor of 200% of target.

Early in 2010, the Governance Committee reviewed the 2009 financial results of the Corporation and considered adjustments for unexpected events and non-recurring items. During 2009, the Corporation's reduction of net debt, calculated in accordance with the plan, was such that the NEOs received the maximum payout for the net debt component of the STIP.

For each of the NEOs other than Mr. Vaux, the net debt reduction component represented 50% of their total STIP payment in 2009. For Mr. Vaux, the net debt reduction component represented 50% of his STIP award attributable from the Corporation and 32% of his total STIP award.

The following table sets forth the STIP target, maximum STIP award and 2009 STIP award for each NEO.

					2009 STIP Award ($)		
NEO	Base Salary	STIP Target as Percentage of Base Salary (%)	STIP Target ($)	Maximum STIP Award ($)	Earnings Component ($)(1)	Net Debt Reduction Component ($)	Total ($)
Galen G. Weston	1,000,000	100	1,000,000	2,000,000	1,000,000	1,000,000	2,000,000
Robert G. Vaux(2)	390,000	100	390,000	780,000	390,000	390,000	780,000
Allan L. Leighton	1,000,000	150	1,500,000	3,000,000	1,500,000	1,500,000	3,000,000
Dalton T. Philips	484,000	165	800,000	1,600,000	800,000	800,000	1,600,000
Peter K. McMahon	592,342	80	473,874	947,747	473,874	473,874	947,747

(1) The earnings component of the 2009 STIP award represented the following percentage of total compensation for each of the NEOs as follows: 32.5% for Mr. Weston; 19.1% for Mr. Vaux's total compensation allocated to the Corporation; 27.2% for Mr. Leighton; 19.7% for Mr. Philips; and 16.3% for Mr. McMahon.

(2) In addition, Mr. Vaux received an STIP award of $421,200 from Weston resulting in an aggregate award of $1,201,200.

Effective in 2009, the Corporation introduced a Deferred Share Unit Plan for executives. Under this plan, an executive may elect to defer up to 100% of his or her STIP bonus in any year into the DSU plan, subject to an overall cap of three times the executive's base salary. All DSUs held by an executive will be paid out in cash by December 15th of the year following the year in which the executive's employment ceases for any reason. An election to participate in the plan in any year must be made before the beginning of the year and is irrevocable. The number of DSUs granted in respect of any year will be determined by dividing the STIP bonus that is subject to the DSU Plan election by the value of the Common Shares on the date the STIP bonus would otherwise be payable. For this purpose, and for purposes of determining the value of an executive's DSUs upon conversion of the DSUs into cash, the value of the DSUs will be 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 the valuation date. Additional DSUs are accumulated based on notional equivalents of dividends paid on Common Shares.

Long Term Incentive Plan (LTIP)

The purpose of the equity-based Long Term Incentive Plan (the "LTIP") is to motivate executives to increase shareholder value. Under the LTIP, the Corporation awards long-term incentives to executives in the form of stock options and RSUs, the value of which is directly linked to the increase in shareholder value. In 2009, the Corporation made LTIP grants to Messrs. Leighton, Philips and McMahon. Mr. Vaux received an LTIP grant from Weston for which Loblaw is responsible for 60% of the grant value.

Executives who are eligible for LTIP grants receive them on an annual basis. Typically, two-thirds of the value is delivered through stock options valued using Black-Scholes-Merton and one-third is delivered through RSUs. The value of the LTIP grant to a participating executive is generally based on the executive's base salary. All grants are reviewed and approved by the Governance Committee as part of its regular review of compensation. LTIP awards are granted in the first quarter during an open trading window in accordance with the Corporation's Security Trading Guidelines. The Committee uses this schedule for grants because it follows the announcement of the year-end financial results. "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. The specific features of the Corporation's stock option plan (the "Stock Option Plan") and the Restricted Share Unit Plan are described below.

Stock Option Plan

The Governance Committee administers the Stock Option Plan, approves the participants, makes grants of options and establishes any limitations, restrictions and conditions upon any grants of options. Any employee or officer of the Corporation or any of its affiliates, as determined by the Governance Committee, may participate in the Stock Option Plan.

As of March 30, 2010, options to purchase 9,830,062 Common Shares were outstanding and 3,440,122 Common Shares were available for future option grants, representing approximately 1.24% of the number of issued and outstanding Common Shares as of that date. In order to limit the dilutive effects of stock options on share value, the Corporation maintains the total number of Common Shares issuable pursuant to the Stock Option Plan at 5% or less of the number of issued and outstanding Common Shares. The Stock Option Plan provides that Common Shares issuable pursuant to outstanding options that are, for any reason, cancelled, expired, forfeited or terminated without having been exercised will again be available for grants under the Stock Option Plan.

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

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

If the expiry date for an option occurs during a blackout period or other period during which an insider is prohibited from trading in securities of the Corporation pursuant to its insider trading policy, the expiry date will automatically be extended until ten business days after such period ends. In 2009, the Stock Option Plan provided that instead of receiving Common Shares on the exercise of an option, the holder could have elected to receive a cash payment equal to the weighted average trading price of the Common Shares for the five trading days prior to the date of exercise, minus the exercise price.

In the event of any consolidation, subdivision or reclassification of the Common Shares, or any stock dividend of Common Shares, paid otherwise than in lieu of a normal cash dividend, or any merger, amalgamation or reorganization of the Corporation, the Board will make appropriate adjustments to the number of Common Shares subject to any 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, merger, 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 insider 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; or
6. is required to be approved by shareholders under applicable laws, regulations or stock exchange rules.

In 2009, Messrs. Philips and McMahon received stock option grants as described in the table below:

NEO	Options Granted	Exercise Price ($)	Grant Date Fair Value ($)	Vesting Schedule	Term of Grant
Dalton T. Philips(1)	117,372	30.99	1,065,738	n/a	n/a
Peter K. McMahon	78,936	30.99	716,739	20% per year over 5 years(2)	7 years

(1) In accordance with the Stock Option Plan, all of Mr. Philips' stock options were forfeited without payment due to his resignation.

(2) Mr. McMahon's stock options immediately vest in the event that he is terminated without cause or resigns on or after January 1, 2012.

In 2009, Mr. Vaux received 29,870 stock options of Weston at an exercise price of $59.56. The options vest 33⅓% per year with a term of seven years. The grant date fair value of Mr. Vaux's stock option award allocated to the Corporation was approximately $338,000 (60% of his total award).

Restricted Share Unit Plan

The Restricted Share Unit Plan is intended to foster employee retention and ensure that the long-term compensation program is aligned with the maximization of shareholder value. The size of the annual award an executive receives is determined as part of the total LTIP award. RSUs entitle the executive to a cash payment after the end of each three-year performance period. The RSU payment is calculated by multiplying the number of RSUs vested by the weighted average price of a Common Share for the three days preceding the end of the performance period. The RSU Plan does not provide for the payment of any additional units in respect of dividends paid on Common Shares.

On March 25, 2009, Messrs. Leighton, Philips and McMahon were awarded RSUs as described in the table below:

NEO	RSUs Granted	Grant Value Per Unit ($)	Grant Date Fair Value ($)	Vesting Date
Allan L. Leighton	47,734	30.99	1,479,277	March 25, 2012(1)
Dalton T. Philips(2)	16,972	30.99	525,962	n/a
Peter K. McMahon	11,414	30.99	353,720	March 25, 2012

(1) In accordance with his employment agreement, the terms of Mr. Leighton's RSUs provide for vesting upon his resignation, termination without cause and at his option in certain circumstances.

(2) In accordance with the RSU Plan, all of Mr. Philips' RSUs were forfeited without payment due to his resignation.

(3) Mr. McMahon's RSUs will be paid out in the event that he is terminated without cause or resigns on or after January 1, 2012.

In 2009, Mr. Vaux received 4,730 RSUs of Weston at a grant value per unit of $59.56. The grant date fair value of the RSU award allocated to the Corporation was approximately $169,000 (60% of his total award). The RSUs have a three year performance period.

Retirement and Pension Arrangements

The Corporation's retirement and pension arrangements are designed to provide a reasonable level of retirement income to executives and to reward them for continued service with the Corporation. Messrs. Weston and Leighton do not participate in any retirement plans and they do not have any other retirement or pension arrangements with the Corporation. Senior executives, other than Messrs. Weston and Leighton, participate in either the Corporation's (or in the case of Mr. Vaux, Weston's) executive defined benefit registered pension plan (the "Executive DB Plan") or the executive defined contribution registered pension plan (the "Executive DC Plan"). In addition, senior executives of the Corporation whose pensionable earnings exceed prescribed levels, including the NEOs other than Messrs. Weston and Leighton, participate in a non-contributory supplemental executive retirement plan (the "SERP").

Executive Benefit Plans

The Corporation provides the NEOs with 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 and/or a discretionary health care spending account.

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 equity-based holdings eligible pursuant to the share ownership guidelines are common shares of the Corporation and Weston, RSUs and DSUs of the Corporation, and the in-the-money value of vested stock options of the Corporation and Weston.

The value of the common shares of the Corporation and Weston and the RSUs and DSUs of the Corporation held by an executive are valued at the greater of: (i) the cost or value at the time they were acquired; and (ii) the current market value.

Under these 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
- Deputy Chairman – 3x base salary
- Executive Vice Presidents – (NEOs) – 2x base salary
- Other Executive Vice Presidents – 1x base salary

Executives are expected to attain their ownership guidelines within five years of their appointment.

The beneficial equity-based holdings of each NEO (other than Mr. Philips who resigned from the Corporation subsequent to year end) and the dollar value of such holdings based on the market value on March 30, 2010 are set forth in the following table:

Name	Total Equity-Based Holdings		Share Value ($)			Target		Meets Executive Share Ownership Guidelines
	Loblaw	Weston	Loblaw	Weston	Total	($)	Multiple of Salary	
Galen G. Weston	290,000	255,000	10,863,400	17,911,200	28,774,600	5,000,000	5	Yes
Robert G. Vaux	—	24,109	—	1,337,605	1,337,605	1,300,000	2(1)	Yes
Allan L. Leighton	135,601	81,616	5,079,613	5,732,708	10,812,321	3,000,000	3	Yes
Peter K. McMahon	57,524	—	1,271,135	—	1,271,135	1,184,684	2	Yes

(1) Mr. Vaux's multiple is based on his combined salary from the Corporation and Weston.

2009 Compensation Decisions Regarding NEOs

The following outlines the rationale underlying the compensation decisions for each of the NEOs for 2009.

Robert G. Vaux, Chief Financial Officer

Mr. Vaux was appointed Chief Financial Officer of the Corporation on April 18, 2008. Prior to then, he was the Chief Financial Officer of Weston, a position he will hold until August 16, 2010. For Mr. Vaux, the Weston Governance, Human Resource, Nominating and Compensation Committee established the level of his LTIP grant for 2009 at $845,000, with 60% of this amount allocated to the Corporation. As well, Mr. Vaux's annual pension payable upon retirement was increased to $280,369, effective January 1, 2009, with Weston responsible for the majority of the incremental pension amount. Mr. Vaux received an additional payment of $120,000 in recognition of his service in the capacity of Chief Financial Officer of both the Corporation and Weston in 2009, with 60% allocated to the Corporation.

Allan L. Leighton, Deputy Chairman and President

In 2009, Mr. Leighton was awarded 47,734 RSUs of the Corporation with a grant value of approximately $1.5 million. The quantum of this grant was determined in accordance with his employment agreement that was entered into in April 2008 when Mr. Leighton was appointed President of the Corporation. The terms of these RSUs are the same as the terms of the RSUs described in the Restricted Share Unit Plan section on page 23, except that the terms of Mr. Leighton's RSUs provide for vesting upon his resignation, termination without cause and at his option in certain circumstances.

Dalton T. Philips, Executive Vice President and Chief Operating Officer

The Governance Committee approved an increase in Mr. Philips' total annual compensation of $50,000 and the value of his LTIP grant solely with respect to 2009 was set at approximately $1,600,000, twice his normal entitlement. As a result of his resignation from the Corporation in February 2010, the full value of this grant, and Mr. Philips' other outstanding options and RSUs, have been forfeited.

Peter K. McMahon, Executive Vice President, Supply Chain, Distribution and IT

Mr. McMahon has been with the Company for four years. Mr. McMahon is responsible for the Corporation's supply chain and information technology areas. As part of the annual LTIP program, Mr. McMahon was awarded 39,468 stock options and 5,707 RSUs with a total grant value of $535,230. As a result of Mr. McMahon taking on increased responsibilities, and the importance of the supply and information technology initiatives of the Corporation, he was awarded an additional LTIP award in 2009 with a grant value of $535,230, comprised of 39,468 stock options and 5,707 RSUs.

Termination and Change of Control Benefits

The Corporation has termination provisions in its STIP, RSU Plans, Stock Option Plans and DSU Plans. The table below summarizes the termination benefits provided under each of the Corporation's compensation plans in various situations that result in the 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	Payment for the applicable performance period	No payment	Bonus for current year is prorated to retirement date	Governance Committee to grant or adjust bonus
Stock Option Plan	Options forfeited at time of notice of resignation	30 days to exercise vested options	Options cancelled upon 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	Grant value of units paid out on a pro rata basis provided termination date is more than 12 months since the grant date	All outstanding units are forfeited	Grant value of units paid out on a pro rata basis	Board discretion to adjust grant or grant value paid out
Deferred Share Unit Plan	Units automatically redeemed	Units automatically redeemed	Units automatically redeemed	Units automatically redeemed	Board 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 it is deemed 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.

Galen G. Weston, Executive Chairman

Mr. Weston has no contractual entitlement to any severance, termination or change of control payments. Upon termination, Mr. Weston is subject to certain non-competition and confidentiality agreements. Mr. Weston does not participate in any of the Corporation's pension or retirement arrangements.

Robert G. Vaux, Chief Financial Officer

If Mr. Vaux is terminated without cause, he will be entitled to receive his salary and target STIP bonus for the period to December 2011 and, in addition, his stock option awards will continue to vest until December 31, 2011, at which time all his options will fully vest and he will have up to two years from such date to exercise his options. Also, if Mr. Vaux is terminated without cause, he will receive payments for any RSUs received in 2009, 2010 and 2011 at the end of their respective performance periods.

In the event that Mr. Vaux is terminated for cause or resigns prior to December 2011, he is entitled to (a) salary up to the date of termination, and (b) applicable incentive payments as provided for under the terms of such programs. Upon termination in any circumstance, Mr. Vaux is subject to certain non-competition and confidentiality agreements.

Allan L. Leighton, Deputy Chairman and President

Mr. Leighton is not entitled to any severance, termination or change of control payments. The effect of his termination on his outstanding RSUs is described on page 25 under "2009 Compensation Decisions

Regarding NEOs". Upon termination, Mr. Leighton is subject to certain non-competition and confidentiality agreements. Mr. Leighton does not participate in any of the Corporation's pension or retirement arrangements.

Dalton T. Philips, Executive Vice President and Chief Operating Officer
Pursuant to Mr. Philips resignation in 2010, Mr. Philips received his 2009 STIP award, however, his stock options and RSUs were forfeited in accordance with the applicable plans. Mr. Philips remains subject to certain non-competition and confidentiality agreements.

Peter K. McMahon, Executive Vice President, Supply Chain, Distribution and IT
If Mr. McMahon's employment is terminated without cause, he will be entitled to 175% of his base salary. Mr. McMahon's stock options will vest and his RSUs will be paid out in the event that he is terminated without cause or resigns from the Corporation at anytime on or after January 1, 2012.

Estimated Amounts Paid on Termination
The following table sets forth the amounts the NEOs would have received upon termination of employment for the various reasons outlined below, determined as if termination occurred on January 2, 2010. In the case of RSUs, the grant date fair value has been previously reported in the applicable Summary Compensation Table and therefore do not represent incremental payments resulting from termination.

Amounts Due on Termination

		Contractual Severance			Long Term Incentive Plans		
Name	**Event**	**Salary ($)**	**Annual Bonus ($)**	**Benefits ($)**	**Stock Options(1) ($)**	**RSUs ($)**	**Total ($)**
Galen G. Weston	Termination with cause	—	—	—	—	—	—
Executive Chairman	Termination without cause	—	—	—	—	—	—
	Resignation	—	—	—	—	—	—
	Retirement	—	—	—	—	—	—
	Change of Control	—	—	—	—	—	—
Robert G. Vaux	Termination with cause	—	—	—	—	—	—
Chief Financial Officer	Termination without cause	780,000(2)	780,000(2)	—	(3)	(4)	1,560,000(3)(4)
	Resignation	—	—	—	—	—	—
	Retirement	—	—	—	—	320,061(5)	320,061
	Change of Control	—	—	—	—	—	—
Allan L. Leighton	Termination with cause	—	—	—	—	—	—
Deputy Chairman and President	Termination without cause	—	—	—	—	—(6)	—
	Resignation	—	—	—	—	—(6)	—
	Retirement	—	—	—	—	—	—
	Change of Control	—	—	—	—	—	—
Dalton T. Philips	Termination with cause	—	—	—	—	—	—
Chief Operating Officer	Termination without cause	—	—	—	—	1,560,246(7)	1,560,246
	Resignation	—	—	—	—	—	—
	Retirement	—	—	—	—	—	—
	Change of Control	—	—	—	—	—	—
Peter K. McMahon	Termination with cause	—	—	—	—	—	—
Executive Vice President, Supply Chain, Distribution and IT	Termination without cause	1,036,600	—	—	—	175,297(7)	1,211,897
	Resignation	—	—	—	—	—	—
	Retirement	—	—	—	—	—	—
	Change of Control	—	—	—	—	—	—

(1) If stock options granted have an exercise price greater than the market price on January 2, 2010, no amount is payable on termination.

(2) In addition, Mr. Vaux is entitled to termination payments relating to salary and annual bonus from Weston of $520,000 for an aggregate payment of $1.3 million.

(3) If Mr. Vaux was terminated without cause on January 2, 2010, all stock options granted to Mr. Vaux would continue to vest until December 31, 2011, at which time his options would fully vest and he would have up to December 31, 2013 to exercise such options. Mr. Vaux's outstanding option awards from the Corporation and Weston are set forth in the table titled "Incentive Plan

Awards—Outstanding Share-Based Awards and Option Based Awards" on page 31. As of January 2, 2010, none of the vested options held by Mr. Vaux were in-the-money. The Corporation would be responsible for 60% of any payments under the Weston Stock Option Plan.

(4) If Mr. Vaux was terminated without cause on January 2, 2010, he would receive payments for the Weston RSUs that he received in 2007 and 2009 at the end of the respective three year performance periods. The Corporation would be responsible for 60% of any payments under the Weston RSU Plan.

(5) On January 2, 2010, Mr. Vaux was retirement eligible and therefore if he retired on such date, he would be entitled to a prorated payment of his outstanding RSUs issued by Weston. The Corporation is allocated 60% of the total prorated amount of $533,435 that Mr. Vaux would have received on retirement.

(6) A portion of Mr. Leighton's compensation for 2008 and 2009 was paid to him in RSUs. As of January 2, 2010, under the terms of Mr. Leighton's RSUs, his award is unconditional (other than termination for cause) with the cash payout deferred until on or after December 31, 2010 unless he resigns or is terminated without cause. If he had resigned or been terminated without cause on January 2, 2010, his cash payment would have been $3,152,703. The amount of the payment is based on the closing price of the Common Shares on December 31, 2009, which was $33.88, multiplied by the number of RSUs held by Mr. Leighton.

(7) The RSU payment calculation is based on the prorated performance period to January 2, 2010 and a closing price of the Common Shares on December 31, 2009 of $33.88.

Compensation Decisions for 2010

Short Term Incentive Plan

In February 2010, the Governance Committee approved an amendment to the STIP performance measures for 2010 that apply to the NEOs. The 2010 STIP will include an additional financial component and achievement will be based on the following three performance measures and weightings: 50% based on earnings, 30% based on sales and 20% based on the reduction of net debt.

The Governance Committee recognized the importance of sales as a key financial measure for 2010. The sales component of the STIP is based on the Corporation's performance of certain sales based growth measures against targets set by the Governance Committee.

The Governance Committee approved the performance measures, weightings and targets for the 2010 STIP based on performance in respect of earnings, sales and the reduction of net debt to emphasize the important relationship between these measures and the overall success of the business.

Long Term Incentive Plan Clawback

The Governance Committee has approved the inclusion of a claw back in LTIP grants awarded after January 1, 2010. If an NEO accepts employment with a competitor of the Corporation within six months after leaving the employment of the Corporation, the gross dollar value of all stock option and RSU payments received in the previous twelve months of employment prior to the date of cessation of employment must be repaid to the Corporation.

2010 Long Term Incentive Plan Grants

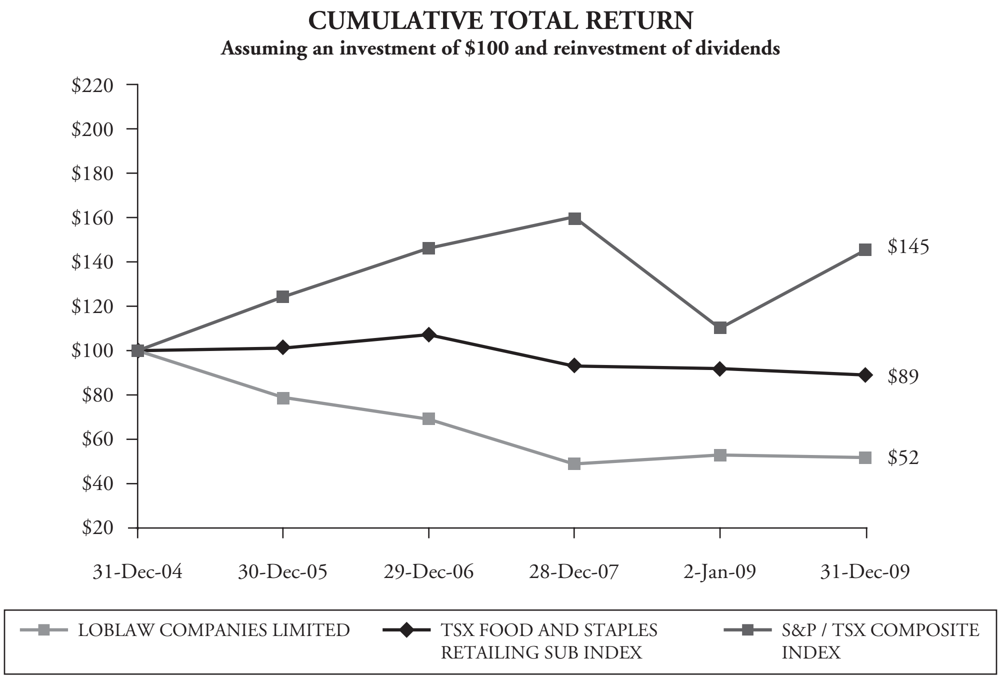
In March, the Governance Committee approved LTIP awards to the executive group. Messrs. Weston, Leighton and McMahon were the only NEOs to receive an LTIP award of the Corporation. Mr. Weston received 146,914 stock options of the Corporation with a grant date fair value of approximately $1.5 million. In accordance with his employment agreement, Mr. Leighton received 40,835 RSUs of the Corporation, with a grant date fair value of approximately $1.5 million. Mr. McMahon received 32,501 stock options with a grant date fair value of $395,579 and 7,199 RSUs with a grant date fair value of $197,789. In February, the Weston Governance Committee approved an LTIP grant for Mr. Vaux. Mr. Vaux received 26,399 stock options and 4,048 RSUs of Weston with an aggregate grant date fair value of $845,000 of which Loblaw is responsible for $507,000 (60% of his total award).

Pension Plan Amendments

The Governance Committee approved amendments to the Corporation's executive pension plans which became effective January 1, 2010. The maximum annual pension cap under the Executive Defined Benefit Pension Plan was increased from $100,000 to $125,000, with the result that the pensionable earnings salary cap under the Executive Defined Benefit Pension Plan is increased from $200,000 to $250,000, and that the pensionable earnings salary cap under the Executive Defined Contribution Pension Plan was increased from $200,000 to $250,000.

Performance Graph

The graph below compares the cumulative total shareholder return on $100 invested in Common Shares on January 3, 2005, with the cumulative total return of the S&P / TSX Composite Index and the Food and Staples Retailing Sub Index over the same period.



	31-Dec-04	30-Dec-05	29-Dec-06	28-Dec-07	2-Jan-09	31-Dec-09
S&P / TSX COMPOSITE INDEX	$100	$124	$146	$160	$110	$145
TSX FOOD AND STAPLES RETAILING SUB INDEX	$100	$101	$107	$ 93	$ 92	$ 89
LOBLAW COMPANIES LIMITED	**$100**	**$ 79**	**$ 69**	**$ 49**	**$ 53**	**$ 52**

	31-Dec-04	30-Dec-05	29-Dec-06	28-Dec-07	2-Jan-09	31-Dec-09
S&P / TSX COMPOSITE INDEX	21,444.89	26,618.80	31,213.49	34,253.31	23,622.30	31,019.40
TSX FOOD AND STAPLES RETAILING SUB INDEX	1,689.55	1,705.86	1,802.73	1,575.51	1,559.59	1,496.68

For the five-year period ended December 31, 2009, the Corporation's total shareholder return under-performed the S&P / TSX Composite Index. During this period, in February 2007, the Corporation embarked on a multi year renewal program. Since then, compensation for the NEOs has increased primarily as a result of their achievement of important financial targets. The NEO compensation for the years prior to the commencement of the renewal program involved substantially different incentive programs such that they do not provide a basis that is relevant to the analysis of NEO compensation during such period.

A substantial portion of executive pay is at-risk based on the financial performance of the Corporation. The at-risk payments for the NEOs range from 63.1% to 81.3% of the NEOs' total compensation. Stock option and RSU grants are the elements of at-risk pay that are directly correlated to the Corporation's share price and therefore directly aligned with shareholder returns. STIP awards are at-risk payments that are paid based on the successful performance of key financial objectives, which are designed to increase long term shareholder value in the Corporation even if such success does not have an immediate impact on the share price. Since the STIP was introduced in 2007, the Corporation's performance against the earnings targets has varied considerably from year to year. In 2007, the STIP earnings failed to meet the threshold level required to deliver the minimum payout target and accordingly, no bonuses were paid. In 2008, the performance slightly exceeded target and, in 2009, the maximum payout for the STIP was achieved.

Summary Compensation Table

The following table sets forth the compensation earned by the NEOs during the fiscal years 2009 and 2008.

Name and Principal Position	Year	Salary ($)	Share-Based Awards ($)(1)	Option-Based Awards ($)(2)	Non-Equity Incentive Plan Compensation: Annual Incentive Plans ($)	Non-Equity Incentive Plan Compensation: Long-Term Incentive Plans ($)	Pension Value ($)	All Other Compensation ($)(3)	Total Compensation ($)
Galen G. Weston Executive Chairman	2009 2008	1,000,000 1,000,000	— —	— —	2,000,000 1,183,800	— —	—(4) —(4)	74,198 69,072	3,074,198 2,252,872
Robert G. Vaux Chief Financial Officer	2009 2008	390,000 274,560	169,000(5) —	338,000(5) —	780,000 482,820	— —	269,000 292,800	94,247 49,397	2,040,247(6) 1,099,577
Allan L. Leighton(7) Deputy Chairman and President	2009 2008	1,000,000 1,000,000	1,479,277 1,500,000	— —	3,000,000 2,775,700(8)	— —	—(4) —(4)	28,641 10,650	5,507,918 5,286,350
Dalton T. Philips Chief Operating Officer	2009 2008	484,000 484,000	525,962(9) —	1,065,738(10) —	1,600,000 887,850	— —	26,000 26,000	352,245 299,767	4,053,945 1,697,617
Peter K. McMahon Executive Vice President, Supply Chain, Distribution and IT	2009	592,342	353,720	716,739	947,747	—	72,000	227,913	2,910,461

(1) Amounts represent the grant date fair value of RSUs awarded to the NEOs, calculated in the following manner: *RSU Grant Date Value = Number of RSUs Granted x weighted average share price for the five trading days preceding the grant date*. The grant date fair value of RSU awards is the same as the accounting fair value of such awards on the applicable grant date.

(2) These amounts reflect the grant date fair value of the options when granted. The grant date fair value of stock options granted is calculated in the following manner: *Stock Option Value = Number of Stock Options Granted x Black-Scholes-Merton Value*. The Black-Scholes-Merton valuation methodology is different from that used for accounting purposes, which is based on intrinsic value. For accounting purposes, the value ascribed (or recorded) at the grant date for the stock options referred to in the Summary Compensation Table was based on the intrinsic value of nil, as the exercise price is equal to the market price of the common shares. As a result, the difference between the grant date fair value and the value for accounting purpose is the full amount disclosed.

(3) Amounts under All Other Compensation include the value of retirement compensation arrangements (see page 32 with respect to Mr. Philips), a tax equalization payment to Mr. McMahon in the amount of $186,108, the additional payment amount of $72,000 to Mr. Vaux described on page 25 and perquisites and payments made by the Corporation under employee share ownership plans.

(4) Messrs. Weston and Leighton do not participate in any retirement plans and they do not have any others retirement or pension arrangements with the Corporation.

(5) Mr. Vaux received share based and option based awards from Weston in 2009. The dollar amounts set forth in the Summary Compensation Table above represent those amounts of the share-based and option-based awards allocated to Loblaw.

(6) Mr. Vaux serves as Chief Financial Officer of both the Corporation and Weston. This table reflects compensation paid to him in his Loblaw capacity. Pursuant to an agreement between Weston and Loblaw, the costs of his compensation are shared 40:60 between the Corporation and Weston unless otherwise noted.

(7) Mr. Leighton also serves as Deputy Chairman of Weston and is separately compensated by Weston.

(8) Amount includes a $1,000,000 signing bonus paid to Mr. Leighton in 2008 at the time he assumed the role of President of the Corporation.

(9) Subsequent to year end, Mr. Philips resigned from the Corporation and, in accordance with the RSU Plan, his RSUs were forfeited without payment.

(10) Subsequent to year end, Mr. Philips resigned from the Corporation and, in accordance with the Stock Option Plan, his stock options were forfeited without payment.

Incentive Plan Awards

Incentive Plan Awards – Outstanding Share-Based Awards and Option Based Awards

The following table sets forth the number and value of outstanding share-based and option-based awards for each of the NEOs at the end of fiscal 2009.

	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 ($)**
Galen G. Weston	10,340	69.63	January 20, 2012	0	—	—
Executive Chairman	495,786	47.44	March 19, 2014	0	—	—
Robert G. Vaux	3,918	53.60	January 15, 2010	0	11,975(4)	801,367(4)
Chief Financial Officer	10,771	69.63	January 20, 2012	0		
	2,249(3)	93.35	January 15, 2010	0		
	6,977(3)	111.02	May 13, 2012	0		
	76,832(3)	72.21	March 19, 2014	0		
	29,870(3)	59.56	March 25, 2016	—		
Allan L. Leighton(5)	371,839	47.44	March 19, 2014	0	93,055	3,152,703(2)
Deputy Chairman and President						
Dalton T. Philips	347,050	47.44	March 19, 2014	0	61,641	2,088,397
Chief Operating Officer	117,372	30.99	March 25, 2016	—		
Peter K. McMahon	48,742	54.71	February 13, 2013	0	14,792	501,153
Executive Vice President, Supply	5,000	46.01	March 28, 2014	0		
Chain, Distribution and IT	18,580	28.95	March 20, 2015	18,320		
	9,290	28.95	March 20, 2015(6)	15,268		
	78,936	30.99	March 25, 2016	—		

(1) The value of outstanding vested option-based awards is calculated based on the closing price for the Common Shares on December 31, 2009 of $33.88.

(2) The dollar value of RSUs awarded to the NEOs is based on the closing price of the Common Shares on December 31, 2009, which was $33.88, multiplied by the number of RSUs awarded.

(3) Stock options awarded by Weston for which the Corporation is allocated 60% of the compensation amount. The option grants scheduled to expire on March 19, 2014 and March 25, 2016 will fully vest on December 31, 2011, his anticipated retirement date and he will have two years to exercise such options.

(4) Mr. Vaux's RSUs were awarded by Weston. The dollar value of the RSUs is based on the closing price of the common shares of Weston on December 31, 2009, which was $66.92, multiplied by the number of RSUs held by Mr. Vaux. The Corporation is allocated 60% of the compensation amount for Mr. Vaux's RSU awards ($480,820). The RSUs granted to Mr. Vaux in 2009 will be paid at the end of the three year performance period notwithstanding his anticipated retirement on December 31, 2011.

(5) Mr. Leighton also received share and option-based awards from Weston.

(6) Three-year vesting period.

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 2009, as well as the value of non-equity incentive plan compensation that the NEOs earned during fiscal 2009.

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)
Galen G. Weston Executive Chairman	0	104,487(2)	2,000,000
Robert G. Vaux Chief Financial Officer	0	20,891(2) 114,537(3)	780,000
Allan L. Leighton Deputy Chairman & President	0	—	3,000,000
Dalton T. Philips Chief Operating Officer	0	—	1,600,000
Peter K. McMahon Executive Vice President, Supply Chain, Distribution and IT	33,588(4)	281,117(2)	947,747

(1) Payments made in accordance with the Corporation's STIP.

(2) Payments made in 2009 relating to RSUs of the Corporation granted in 2006.

(3) RSUs of Weston for which the Corporation paid 60% of the total amount of $190,895.

(4) Mr. McMahon had 6,813 vested in-the-money options on January 2, 2010 at a value of $4.93 per vested option on January 2, 2010.

Pension Plan and Long Service Executive Arrangements

Neither Messrs. Weston nor Leighton has any pension arrangements with the Corporation. Mr. Vaux participates in the Weston executive defined benefit plan. During 2009, Mr. Vaux's employment agreement with Weston was amended to provide him with an annual pension of $280,369 at retirement. The Corporation has agreed to reimburse Weston a portion of the cost to service this pension entitlement. Mr. McMahon participates in the Corporation's executive defined benefit plan. Mr. Philips participated in the Corporation's Executive DC Plan and in a retirement compensation arrangement that was established in 2007 to provide reasonable retirement benefits for amounts of compensation in excess of the limits under the Corporation's other executive retirement plans. Annual funding for this arrangement was equal to approximately 65% of Mr. Philips' salary. The Corporation's current policy is that newly hired and newly appointed executives join the Executive DC Plan.

Executive Defined Benefit Pension Plan and Supplemental Executive Retirement Plan

For those executives who participate in the Executive DB Plan and retired in 2009, annual pension benefits were capped at $2,444 per year of service. In addition, the Corporation provides SERP allowances to executives who participate in the Executive DB Plan, including Messrs. Vaux and McMahon. The SERP is an unfunded obligation of the Corporation and executives who participate in this plan must comply with certain non-compete provisions in order to receive full payment.

Pension entitlements for executives in the Executive DB Plan and the SERP are based on the executive's length of service and his or her highest three-year average rate of base salary during his or her years of service with the Corporation. For senior executives other than Mr. Vaux, the total annual benefits payable under the Executive DB Plan and the SERP were capped at $100,000 for 2009.

The cost of the estimated future Executive DB Plan benefits and SERP benefits for each of the NEOs is calculated each year by the Corporation's independent actuaries, based on the same method and assumptions used to determine year-end pension plan obligations as disclosed in Note 16 of the 2009 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 NEOs who participate in the Corporation's Executive DB Plan:

Name of Participant	Number of Years Credited Service (#)	Annual Benefits Payable ($)		Accrued Obligation at Start of Year ($)(1)	Compensatory Change ($)	Non Compensatory Change ($)	Accrued Obligation at Year End ($)(2)
		At Year End	At Age 65				
Robert G. Vaux(3) Chief Financial Officer	26(4)	116,683	116,683(5)	984,000	269,000	106,000	1,359,000
Peter K. McMahon Executive Vice President, Supply Chain, Distribution and IT	4	17,917	47,083(6)	93,000	72,000	14,000	179,000

(1) Discount rate is 6.00%. Benefit amount is fully accrued over lesser of 25 years and total years service to retirement.

(2) Discount rate is 5.75%.

(3) Mr. Vaux has additional pension entitlements payable from Weston. Mr. Vaux's aggregate annual pension from the Corporation and Weston is $280,369.

(4) Mr. Vaux was credited at a rate of 2.5 years of service for each year of actual service during his first 10 years with the Corporation.

(5) Mr. Vaux's pension entitlement allocated to the Corporation increased from $75,000 to $93,508, effective January 1, 2009. His pension will be actuarially adjusted to $116,683 as of his expected retirement date of December 31, 2011.

(6) Mr. McMahon's annual benefits payable increases due to a plan change effective January 1, 2010. The Accrued Obligation at the end of the year incorporates the impact of this plan change.

Executive Defined Contribution Pension Plan and Supplemental Executive Retirement Plan

Certain senior executives of the Corporation, including Mr. Philips prior to his departure, participate on a non-contributory basis in the Corporation's Executive DC Plan. During 2009, contributions were set as a percentage of base salary (maximum of $200,000) and were capped at $22,000 per year, as set forth on the following table:

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

The Corporation and Weston have entered into retirement agreements with certain executives who participate in the Executive DC Plan, including Mr. Philips prior to his departure, to provide SERP benefits to those executives who participate in the Executive DC Plan with allocations for contributions in excess of the annual $22,000 registered plan limit.

The following table sets forth details regarding the NEO who participated in the Corporation's Executive DC plan during 2009:

Name of Participant	Accumulated Value at Start of Year ($)	Compensatory ($)	Non-Compensatory ($)	Accumulated Value at Year End ($)
Dalton T. Philips Chief Operating Officer	40,000	26,000	8,000	74,000

Indebtedness of Directors, Executive Officers and Employees

As at March 30, 2010, 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.

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. The Corporation's annual insurance premium in 2009 was $788,400 (shared with Weston). The insurance limit is $100 million per year on an aggregate basis or per occurrence basis. There is no deductible in the case of directors and officers and a deductible of up to a maximum of $1 million for the Corporation.

Normal Course Issuer Bid

The Corporation has a Normal Course Issuer Bid (the "Issuer Bid") on the TSX which allows for the purchase and cancellation of up to 13,708,678 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 April 7, 2010. The Corporation intends to renew the Issuer Bid.

Additional Information

The Corporation is a reporting issuer under the securities acts 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 (together with the documents or pertinent pages of documents incorporated therein by reference), the Corporation's consolidated financial statements for 2009, together with the report of the auditors on those statements along with Management's Discussion and Analysis and any financial statements for periods after 2009, and this Circular can be obtained upon request from the Secretary of the Corporation at 1 President's Choice Circle, Brampton, Ontario L6Y 5S5. Additional information about or relating to the Corporation can also be found at www.loblaw.ca and www.sedar.com or by dialing in for regularly scheduled conference calls. Additional information with regard to Weston can be found at www.weston.ca and www.sedar.com.

Shareholder Proposals

The *Canada Business Corporations Act* permits eligible shareholders of the Corporation to submit shareholder proposals for consideration at the Annual Meeting of Shareholders. No proposals were received by the deadline for the Meeting. The final date for submission of proposals by shareholders to the Corporation for inclusion in the Management Proxy Circular in connection with the 2011 Annual Meeting of Shareholders is January 5, 2011.

Contacting the Board of Directors

Shareholders, employees and other interested parties may communicate directly with the Board of Directors through the lead director by writing to:

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

Board Approval

The contents and sending of this Circular have been approved by the Board.

Robert A. Balcom
Senior Vice President and Secretary

Dated in Toronto, Ontario
April 5, 2010

SCHEDULE A CORPORATE GOVERNANCE PRACTICES

Statement of Corporate Governance Practices

The Corporation's Board and management believe that sound corporate governance practices contribute to the effective management of the Corporation and its achievement of strategic and operational plans, goals and objectives. The Corporation's approach to corporate governance is generally consistent with Canadian Securities Administrators' Corporate Governance Guidelines (the "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.loblaw.ca, sets out additional governance information, including the Corporation's Code of Business Conduct, the Disclosure Policy and the Mandates of the Board and of its Committees.

Director Independence

The Mandate of the Board of Directors provides that the Board shall be comprised of a majority of independent directors. The independence of each director was assessed by the Governance Committee with reference to the Guidelines and the requirements set by the Canadian securities regulators in National Instrument 52-110 - *Audit Committees*. In determining independence, the Governance Committee determines whether directors have any material relationship with the Corporation or its affiliates that could reasonably be expected to interfere with the exercise of the director's independent judgment. This determination is conducted through a due diligence process that includes the following:

- directors' responses to annual detailed questionnaire;
- biographical reviews;
- internal records and documents on relationships between directors and entities affiliated with directors and the Corporation and its subsidiaries; and
- discussions with individual directors as may be required.

When assessing materiality, the Governance Committee considers all relevant factors and circumstances including without limitations 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 Guidelines. The Governance Committee determined that 7 of the 13 nominees are independent.

The following director nominees are independent: Stephen E. Bachand, Paul M. Beeston, Anthony S. Fell, Nancy H.O. Lockhart, Thomas C. O'Neill, John D. Wetmore, and Karen Radford. The following director nominees are not independent:

- Galen G. Weston, who is an executive officer of the Corporation and a relative of Mr. W. Galen Weston, the Corporation's controlling shareholder;
- Gordon A. M. Currie, who is an executive officer of the Corporation and of Weston;
- Anthony R. Graham, who is an executive officer of Wittington Investments, Limited, the principal shareholder of Weston;
- John S. Lacey, who is an advisor to the Chairman of the Board of Weston;
- Allan L. Leighton, who is an executive officer of the Corporation and of Weston; and
- Pierre Michaud who has been a consultant to Provigo within the last three years.

The Chair of the Board and of each Committee meet separately with the Board or Committee members after each meeting. The independent directors meet separately following each Board meeting and on other occasions as required or desirable. In addition, the members of the Audit Committee and the independent members of the Governance Committee meet separately, after each meeting. Additional information relating to each director and each director nominee standing for election, including other public company boards on which they serve as well as their attendance record for all Board and Committee meetings during fiscal 2009, can be found on pages 5 through 11 of this Circular.

Board Leadership

Mr. Galen G. Weston is the Executive Chairman of the Board and Mr. Allan L. Leighton is the Deputy Chairman of the Corporation. The Board maintains a position description for each of the Executive Chairman and the Deputy Chairman and President.

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, Anthony S. Fell, to serve as lead director. The lead director provides leadership to the Board and particularly to the independent directors. He ensures that the Board operates independently of management and that directors have an independent leadership contact. As part of his responsibilities, the lead director chairs meetings of the independent directors following each Board meeting and on other occasions as required or desirable. In addition, the Board maintains a position description for the lead director.

As part of his responsibilities, the lead director meets periodically with the other directors to obtain insight as to areas where the Board and its Committees can operate more effectively and to ensure that the Board is able to discharge its responsibilities independently of management.

Board Responsibilities and Duties

The Board, directly and through its Committees, supervises the management of the business and affairs of the Corporation with the goal of enhancing long term shareholder value. A copy of the Board's mandate is found on pages 44 to 46 of this Circular. The Board reviews the Corporation's direction, assigns responsibility to management for achievement of that direction, develops and approves major policy decisions, delegates to management the authority and responsibility in day-to-day affairs and reviews management's performance and effectiveness. The Board's expectations of management are communicated to management directly and through Committees of the Board.

The Board approves the Corporation's goals and objectives, operating budgets and strategies, which take into account the opportunities and risks of the business. Members of the Board attended an annual all-day strategy session with management to discuss and review the Corporation's strategic plans and opportunities. Each operating division presented a review of its activities and its outlook and strategies for the long-term. In addition, management's strengths and weaknesses were discussed. Through the Audit Committee, the Board oversees the Corporation's risk management framework and assesses and evaluates the integrity of the Corporation's internal control over financial reporting and management information systems. Through the Governance Committee, the Board oversees succession planning and compensation for senior management and members of the Board. Individual directors may, with the approval of the lead director, retain an outside advisor at the expense of the Corporation.

The Board reviews and approves:

- strategic corporate direction and corporate performance objectives;
- multi-year and annual business, capital and operating plans and budgets;
- material capital expenditures, acquisitions, divestitures and restructurings; and
- investments outside of the ordinary course of business.

These matters are in addition to those matters that are required by law to receive Board consideration and approval.

The Board regularly receives reports on the operating results of the Corporation, as well as reports on certain non-operational matters, including insurance, pensions, corporate governance, health and safety, legal and treasury matters.

Ethical Business Conduct

The Corporation's Code of Business Conduct (the "Code") reflects the Corporation's long-standing commitment to high standards of ethical conduct and business practices. The Code is reviewed annually to ensure it is current and reflects best practices in the area of ethical business conduct. All directors, officers and employees of the Corporation are required to comply with the Code and must acknowledge their commitment to abide by the Code on a periodic basis. The Code is available on the Corporation's website at www.loblaw.ca.

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

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

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

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

Orientation and Continuing Education

The Governance Committee is responsible for the orientation and education of new directors about the business of the Corporation. Under the guidance of the Executive Chairman, the Corporation conducts an in depth orientation session for new directors. 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 and financial information and are provided opportunities to visit the Corporation's facilities and stores, and are provided opportunities for one-on-one meetings and discussions with the executive leadership team and other directors. The goal is to ensure that new directors fully understand the nature and operation of the Corporation's businesses. One-on-one meetings can be arranged with the heads of each of the Corporation's principal business groups for a new director to learn about the various functions and activities of the Corporation. On an ongoing basis, as part of regular Board meetings, directors are given presentations on various aspects of the Corporation's operations. All Board members participate in an annual all-day Board meeting at which in-depth information regarding particular aspects of the Corporation's strategic plan is reviewed. Members of the Board also participate periodically in senior management meetings. These meetings involve presentations by, and discussions with, senior executives responsible for different aspects of the business of the Corporation.

Assessment of the Board, its Members and its Committees

Each year, the Governance Committee undertakes a review process to assess the performance and effectiveness of the Board and its Committees. In 2009, this process included a questionnaire completed by each of the directors, soliciting feedback from directors on matters including the operation of the Board and its Committees, the adequacy of information provided to directors, Board structure and agenda planning for Board meetings. The survey results were reviewed by the Governance Committee and then presented to the full Board.

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

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

Nomination of Directors

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

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. 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. The Governance Committee also assesses any concerns relating to potential conflicts, independence or time commitment that the candidate may present. The 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 Weston, and he is considered not independent under the guidelines. Because of

Wittington's significant stake in the Corporation, the alignment of its interests and 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, with the remainder of the members of the Governance Committee being independent directors. The Board believes that the presence of a majority of independent directors on the Governance Committee and the alignment of interests described above ensures an objective nomination process that is in the interests of all shareholders.

Board Committees

There are five committees of the Board: Audit; Governance, Employee Development, 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 and Pension Committees, 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, 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 reported to the Board for approval. Copies of the Committees' mandates are available on the Corporation's website at www.loblaw.ca.

Position Descriptions for the Chair of each Committee

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

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

Audit Committee

All members of the Audit Committee are independent and financially literate as required under applicable securities law rules. The Audit Committee is responsible for supporting the Board in overseeing the integrity of the Corporation's financial reporting and internal controls over financial reporting, disclosure controls, internal audit function and its compliance with legal and regulatory requirements. The Audit Committee's responsibilities include:

- recommending the appointment of the external auditor;
- reviewing the planning and execution of the audit by the external auditor;
- reviewing the independence of the external auditor;
- considering and evaluating with management the adequacy and effectiveness of internal controls over financial reporting and financial disclosure controls and reviewing any proposed corrective actions;

- reviewing and monitoring the Corporation's policies relating to ethics and conflicts of interests of officers and employees;
- overseeing procedures for the receipt, retention and follow-up of complaints regarding the Corporation's accounting, internal controls and auditing matters and the confidential anonymous submission by employees of concerns regarding such matters;
- reviewing and monitoring internal audit services of the Corporation;
- reviewing the integrity of the Corporation's management and information systems;
- reviewing and approving the audit fees paid to the external auditor and pre-approval of non-audit related fees to the external auditor;
- discussing and reviewing with management and the external auditor the Corporation's annual and interim consolidated financial statements, key reporting matters and Management's Discussion and Analysis and Annual Information Form;
- reviewing disclosure containing financial information based on the Corporation's financial statements; and
- reviewing with management the principal risks of the Corporation's business and the systems and processes implemented to manage these risks.

Governance, Employee Development, Nominating and Compensation Committee
The Governance Committee is responsible for overseeing the compensation of directors and executive officers. The Governance Committee is also responsible for developing and maintaining governance practices consistent with high standards of corporate governance. As part of its mandate, the Governance Committee identifies and recommends candidates for nomination to the Board as directors, monitors the orientation program for new directors and maintains a process for assessing the performance of the Board and its Committees as well as the performance of individual directors. The Committee also oversees succession planning for the Corporation's senior employees. The Governance Committee's specific responsibilities include:

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

The Board has appointed the Chair of the Governance Committee, who is an independent director, to serve as lead director.

Pension Committee
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 fund's portfolio;
- reviewing the performance of pension fund managers; and
- reviewing and approving the assumptions used, the funded status and amendments to the Corporation's and its subsidiaries' pension plans.

Environmental, Health and Safety Committee
The Environmental, Health and Safety Committee is responsible for reviewing and monitoring environmental, food safety and workplace health and safety policies, procedures, practices and compliance.

Executive Committee
The Executive Committee possesses all of the powers of the Board except the power to declare common dividends and certain other powers specifically reserved by applicable law to the Board. The Executive Committee acts only when it is not practicable for the full Board to meet.

Other Corporate Governance Matters

Disclosure Policy
The Board has adopted a corporate Disclosure Policy to deal with the timely dissemination of all material information. A copy of the Disclosure Policy is available on the Corporation's website at www.loblaw.ca. The Disclosure Policy, which is reviewed annually, establishes consistent guidance for determining what information is material and how it is to be disclosed to avoid selective disclosure and to ensure wide dissemination. The Board, directly and through its Committees, reviews and approves the contents of major disclosure documents, including annual and interim consolidated financial statements, the Annual Report, the Annual Information Form, Management's Discussion and Analysis and this Circular. The Corporation seeks to communicate to its shareholders through these documents as well as by means of news releases, its website and investor relations meetings.

Disclosure Committee
A Disclosure Committee comprised of senior management of the Corporation oversees the Corporation's disclosure process as outlined in the Disclosure Policy. The Disclosure Committee's mandate includes ensuring that effective internal disclosure controls and procedures are in place to allow the Corporation to satisfy all of its continuous disclosure obligations including certification requirements. The Disclosure Committee is also responsible for ensuring that the policies and procedures contained in the Corporation's Disclosure Policy are in compliance with regulatory requirements.

SCHEDULE A-1 MANDATE OF THE BOARD OF DIRECTORS

1. ROLE

The role of the Board is to provide governance and stewardship 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.
- 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

- Delegate to the Executive Chairman the authority to manage and supervise the business of the Corporation, decisions regarding the Corporation's ordinary course of business and operations that are not specifically reserved to the Board under the terms of that delegation of authority.

- Determine what, if any, executive limitations may be required in the exercise of the authority delegated to management.

(d) Monitor 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 and oversee the Corporation's compliance with applicable audit, accounting and reporting requirements.

(e) Monitor Enterprise Risk Management Program

- Approve management's approach to enterprise risk management, including the identification and assessment of the principal risks and oversee the management of those risks.
- Satisfy itself as to the effective oversight of risk management by the appropriate Committee or the Board through the receipt of periodic reports from the Chair of the Audit Committee.

(f) Oversee Effective External Communications

- Satisfy itself that there is effective communication between the Board and the Corporation's shareholders and 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.

(g) 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 Deputy Chairman, the lead director and the chair of each committee of the Board.
- Assess the effectiveness and performance of the Board and its committees as well as their individual members.

(h) Monitor Corporate Social Responsibility, Integrity and Ethics

- Ensure that senior executives maintain a culture of integrity throughout the Corporation.
- Adopt a written code of business conduct which is applicable to employees, officers and directors of the Corporation, and monitor compliance with the code.

- Monitor and receive 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, Employee Development, 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 charter, as approved by the Board. At least annually, each mandate shall be reviewed and, on the recommendation of the Governance, Employee Development, 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 the Committee's meeting.

5. ORIENTATION AND CONTINUING EDUCATION

With the Governance, Employee Development, 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 equity ownership guidelines.