Loblaw Companies Limited

MANAGEMENT PROXY CIRCULAR

LOBLAW COMPANIES LIMITED
ANNUAL MEETING OF SHAREHOLDERS
MAY 5, 2022

THIS DOCUMENT CONTAINS:
NOTICE OF ANNUAL MEETING OF SHAREHOLDERS
MANAGEMENT PROXY CIRCULAR

Loblaw Companies Limited

March 25, 2022

Dear Fellow Shareholder,

On behalf of the Board and management of Loblaw Companies Limited (the "Corporation"), I am pleased to invite you to our Annual Meeting of Shareholders which will be held on Thursday, May 5, 2022, at 11:00 a.m. (Eastern Daylight Time). This year's meeting will be held as a virtual meeting, by way of a live webcast. Shareholders will be able to listen, participate and vote at the meeting in real time through a web-based platform.

The Notice of Annual Meeting of Shareholders and related materials are enclosed.

This Management Proxy Circular describes the business to be conducted at the meeting. It also contains information on our corporate governance practices and our approach to executive compensation. At the meeting, shareholders will be voting on important matters and we hope that you take the time to review these meeting materials and exercise your vote. You may vote either by attending the virtual meeting or by completing and sending in your proxy form or voting instruction form. Please refer to the enclosed materials as they contain relevant information for voting on the business to be conducted at the meeting.

We hope you will be able to join us at our meeting, which will occur by live webcast at https://web.lumiagm.com/282236019. This meeting is an opportunity to listen to and ask questions of the people who are responsible for the performance of the Corporation. Additional information on how to attend the virtual meeting is enclosed and a webcast will be archived on our website afterward.

We thank you for your continued support of Loblaw and look forward to your attendance at this year's meeting.

Yours truly,

Galen G. Weston
Chairman and President

Loblaw Companies Limited

MANAGEMENT PROXY CIRCULAR

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Loblaw Companies Limited

Notice of Annual Meeting of Shareholders

The 2022 Annual Meeting of Shareholders of Loblaw Companies Limited (the "Meeting") will be held on Thursday, May 5, 2022, at 11:00 a.m. (Eastern Daylight Time) for the following purposes:

1. to receive the consolidated financial statements for the financial year ended January 1, 2022, and the auditor's report thereon;
2. to elect the directors (see "Election of the Board of Directors" in the Management Proxy Circular (the "Circular") for additional details);
3. to appoint the auditor and to authorize the directors to fix the auditor's remuneration (see "Appointment of the Auditor" in the Circular for additional details);
4. to vote on the advisory resolution on the approach to executive compensation;
5. to vote on the shareholder proposals set out in Schedule B of the Circular; and
6. to transact such other business as may properly be brought before the Meeting or any adjournment or postponement thereof.

Only shareholders of record at the close of business on March 14, 2022 will be entitled to vote at the Meeting.

The Meeting will be held in a virtual meeting format. Shareholders will be able to listen to, participate in and vote at the Meeting in real time through a web-based platform.

You can attend the Meeting by joining the live webcast online at https://web.lumiagm.com/282236019. You will need the latest version of Chrome, Safari, Microsoft Edge or Firefox. **Please do not use Internet Explorer as it is not a supported browser for the Meeting.** You should allow ample time to join the Meeting to check compatibility and complete the related procedures. See "How do I attend and participate in the Meeting?" in the Circular for detailed instructions on how to attend and vote at the Meeting.

Notice and Access

Loblaw Companies Limited (the "Corporation") is using the "notice and access" procedure adopted by the Canadian Securities Administrators for the delivery of the Circular and the annual consolidated financial statements and management's discussion and analysis for the year ended January 1, 2022 (the "Annual Report"). Under the notice and access procedure, you are still entitled to receive a form of proxy (or voting instruction form) enabling you to vote at the Meeting. However, instead of paper copies of the Circular and/or Annual Report, you are receiving this Notice of Meeting which contains information about how to access the Circular and/or Annual Report electronically. The principal benefit of the notice and access procedure is that it reduces costs and the environmental impact of producing and distributing paper copies of documents in large quantities. Shareholders who have consented to electronic delivery of materials are receiving this Notice of Meeting in an electronic format.

The Circular and form of proxy (or voting instruction form) for the common shares of the Corporation (the "Common Shares") provide additional information concerning the matters to be dealt with at the Meeting. **You should access and review all information contained in the Circular before voting.**

Shareholders with questions about the notice and access procedure can call Computershare Investor Services Inc. ("Computershare") toll free at 1-866-964-0492 or by going to: www.computershare.com/noticeandaccess.

Websites Where the Circular and/or Annual Report are Posted

The Circular and/or Annual Report can be viewed online on the Corporation's website, www.loblaw.ca, or under the Corporation's SEDAR profile at www.sedar.com.

Non-Registered and Registered Shareholders

If you would like a paper copy of the Circular and/or the Annual Report, you should first determine whether you are: (i) a non-registered shareholder; or (ii) a registered shareholder.

- You are a non-registered shareholder (also known as a beneficial shareholder) if you own Common Shares indirectly and your Common Shares are registered in the name of a bank, trust company, broker or other intermediary. For example, you are a non-registered shareholder if your Common Shares are held in a brokerage account of any type.

- You are a registered shareholder if you hold a paper share certificate or a direct registration system (DRS) statement and your name appears directly on the share certificate(s) or DRS statement.

How to Obtain Paper Copies of the Circular and/or Annual Report

All shareholders may request that paper copies of the Circular and/or the Annual Report be mailed to them at no cost for up to one year from the date that the Circular was filed on SEDAR.

If you are a non-registered shareholder, a request may be made by going to www.proxyvote.com and entering the 16-digit control number located on your voting instruction form and following the instructions provided. Alternatively, you may submit a request by calling Broadridge Investor Communications Corporation ("Broadridge") at 1-877-907-7643, or outside Canada and the United States, at 303-562-9305 (English) or 303-562-9306 (French). A request must be received by April 22, 2022 (i.e., at least seven business days in advance of the date and time specified in your voting instruction form as the voting deadline) if you would like to receive the Circular and/or the Annual Report in advance of the voting deadline and Meeting date.

If you hold a paper share certificate or certificates and your name appears directly on the share certificate(s), and, if you would like to receive the Circular and/or the Annual Report: (i) in advance of the voting deadline and Meeting date, then a request may be made by calling Computershare at 1-866-962-0498; or (ii) after the Meeting date and within one year from the date the Circular was filed on SEDAR, then a request may be made by calling Computershare at 1-800-564-6253. A request must be received by April 22, 2022 (i.e., at least seven business days in advance of the date and time specified in your proxy form as the voting deadline) if you would like to receive the Circular and/or the Annual Report in advance of the voting deadline and Meeting date.

Voting

Non-registered shareholders

Non-registered shareholders are entitled to vote through Broadridge or their intermediary, as applicable, or during the Meeting by online ballot through the live web-based platform. Non-registered shareholders should exercise their right to vote by following the instructions of Broadridge or their intermediary, as applicable, as indicated on their voting instruction form. Voting instruction forms will be provided by Broadridge or your intermediary. Voting instruction forms may be returned as follows:

INTERNET:	www.proxyvote.com
TELEPHONE:	1-800-474-7493 (English) or 1-800-474-7501 (French)
MAIL:	Data Processing Centre, P.O. Box 3700, STN. INDUSTRIAL PARK, Markham, Ontario L3R 9Z9

Broadridge or your intermediary, as applicable, must receive your voting instructions at least one business day in advance of the proxy deposit date noted on your voting instruction form. If you are a non-registered shareholder and you wish to attend and vote at the Meeting (or have another person attend and vote on your behalf), you must complete the voting instruction form in accordance with the instructions provided. These instructions include the additional step of registering the person you have designated to attend the Meeting (either yourself or the person you designated to attend on your behalf) with our transfer agent, Computershare, after submitting the voting instruction form. Failure to register the proxyholder you have designated to attend the Meeting with Computershare will result in such proxyholder not receiving a control number to participate in the Meeting and such proxyholder would only be able to attend the Meeting as a guest. Guests will be able to listen to the Meeting but will not be able to ask questions or vote.

Registered shareholders

Registered shareholders are entitled to vote by proxy or during the Meeting by online ballot through the live webcast platform. Registered shareholders who are unable to attend the Meeting should exercise their right to vote by signing and returning the form of proxy, or voting in advance via the internet, in accordance with the directions on the form. Computershare must receive completed proxies no later than 5:00 p.m. (Eastern Daylight Time) on May 3, 2022 or, if the Meeting is adjourned or postponed, 48 hours (excluding Saturdays, Sundays and statutory holidays) before the date of the adjourned or postponed Meeting.

BY ORDER OF THE BOARD OF DIRECTORS,

Nick Henn
Executive Vice President, Chief Legal Officer and Secretary
March 25, 2022
Toronto, Ontario

1 About the Meeting

VOTING INFORMATION

ABOUT THIS CIRCULAR AND RELATED PROXY MATERIALS

Loblaw Companies Limited (the "Corporation" or "Loblaw") is providing you with this Management Proxy Circular (this "Circular") and other proxy materials in connection with the 2022 Annual Meeting of Shareholders (the "Meeting") of the Corporation to be held on Thursday, May 5, 2022, at 11:00 a.m. (Eastern Daylight Time). The Meeting will be held in a virtual meeting format, by way of a live webcast. Shareholders will be able to listen, participate and vote at the meeting in real time through a web-based platform.

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, the Corporation's corporate governance practices and other relevant matters.

Please see the "Questions and Answers on the Voting Process" section below for an explanation of how you can vote on the matters to be considered at the Meeting, whether or not you decide to attend the Meeting.

Unless otherwise indicated, the information contained in this Circular is given as of March 14, 2022 and all dollar amounts used are in Canadian dollars.

NOTICE AND ACCESS

The Corporation is using the notice and access procedure that allows the Corporation to furnish proxy materials, which includes the annual consolidated financial statements and management's discussion and analysis for the year ended January 1, 2022 (the "2021 Annual Report"), over the internet instead of mailing paper copies to shareholders. Under the notice and access procedure, the Corporation will deliver proxy-related materials by: (i) posting this Circular, the 2021 Annual Report and other proxy-related materials on a website other than SEDAR, in this case www.loblaw.ca; and (ii) sending the Notice of Meeting informing holders of common shares of the Corporation ("Common Shares") that this Circular, the 2021 Annual Report and proxy-related materials have been posted on the Corporation's website and explaining how to access them.

On or about April 4, 2022, the Corporation will send to shareholders the Notice of Meeting and the relevant voting document (a form of proxy or a voting instruction form). The Notice of Meeting contains basic information about the Meeting and the matters to be voted on, provides instructions on how to access the proxy materials, and explains how to obtain a paper copy of this Circular and/or the 2021 Annual Report.

QUESTIONS AND ANSWERS ON THE MEETING

Q: Who can attend and vote at the Meeting?

A: Registered shareholders and duly appointed proxyholders who log in to the Meeting online will be able to listen, ask questions and securely vote through a web-based platform, provided that they are connected to the internet and follow the instructions set out in this Circular. Shareholders who wish to appoint a proxyholder to represent them at the Meeting (including non-registered shareholders who wish to appoint themselves as proxyholder to attend, participate and vote at the Meeting) must submit their duly completed proxy or voting instruction form AND register the proxyholder with the Corporation's registrar and transfer agent, Computershare Investor Services Inc. ("Computershare") as described below. Failure to register the proxyholder (the person you have designated to attend the Meeting, who could be yourself or another person) with Computershare will result in that proxyholder not receiving a control number to participate in the Meeting and such proxyholder would only be able to attend the Meeting as a guest.

Non-registered shareholders who have not duly appointed themselves as proxyholder will be able to attend the Meeting as guests, provided that they are connected to the internet. Guests will be able to listen to the Meeting but will not be able to ask questions or vote.

Q: How do I attend and participate in the Meeting?

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

In order to attend the Meeting, registered shareholders, duly appointed proxyholders (including non-registered shareholders who have duly appointed themselves as proxyholder) and guests (including non-registered shareholders who have not duly appointed themselves as proxyholder) must log in online as set out below.

- Step 1: Log in online at https://web.lumiagm.com/282236019. You will need the latest version of Chrome, Safari, Microsoft Edge or Firefox. **Please do not use Internet Explorer as it is not a supported browser for the Meeting.** You should allow ample time to join the Meeting to check compatibility and complete the related procedures.
- Step 2: Follow the instructions below:

Registered Shareholders: Click "Login" and then enter your control number and password "**loblaw2022**" (case sensitive). The control number located on the form of proxy or in the email notification you received from Computershare is your control number. If you use your control number to log in to the Meeting, any vote you cast at the Meeting will revoke any proxy you previously submitted. If you do not wish to revoke a previously submitted proxy, you should not vote at the Meeting.

Duly appointed proxyholders: Click "Login" and then enter your control number and password "**loblaw2022**" (case sensitive). Proxyholders who have been duly appointed and registered with Computershare as described in this Circular will receive a control number by email from Computershare after the proxy voting deadline has passed.

Guests: Click "Guest" and then complete the online form.

Registered shareholders and duly appointed proxyholders may ask questions at the Meeting and vote by completing a ballot online during the Meeting. If you plan to vote at the Meeting, it is important that you are connected to the internet at all times during the Meeting in order to vote when balloting commences. It is your responsibility to ensure internet connectivity for the duration of the Meeting. You should allow ample time to log in to the Meeting online and complete the check-in procedures.

Non-registered shareholders who have not duly appointed themselves as proxyholders may listen to the Meeting as guests. Guests will not be permitted to ask questions or vote at the Meeting.

QUESTIONS AND ANSWERS ON THE VOTING PROCESS

Q: What items of business am I voting on?

A: You will be voting on:

- the election of directors;
- the appointment of the auditor and authorization of the directors to fix the auditor's remuneration;
- an advisory resolution on the Corporation's approach to executive compensation; and
- the shareholder proposals set out in Schedule B of this Circular.

Q: Am I entitled to vote?

A: You are entitled to vote if you were a holder of Common Shares as at the close of business on March 14, 2022, which is the record date of the Meeting. Each Common Share is entitled to one vote.

Q: How do I vote?

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

Q: Am I a registered shareholder?

A: You are a registered shareholder if you hold Common Shares in your own name and you have a share certificate or direct registration system (DRS) statement. As a registered shareholder, you are identified on the share register maintained by Computershare as being a shareholder.

Q: Am I a non-registered or beneficial shareholder?

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

The Corporation distributes copies of the proxy-related materials in connection with the Meeting to intermediaries so that they may distribute the materials to the non-registered shareholders. Intermediaries often forward the materials to non-registered shareholders through a service company (such as Broadridge Investor Communications Corporation). The Corporation pays for an intermediary to deliver the proxy-related materials to all non-registered shareholders.

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

A: If you are a registered shareholder, you may vote your Common Shares by proxy or during the Meeting by online ballot through the live webcast platform.

1. **Voting at the Meeting**

If you wish to vote your Common Shares at the Meeting, you are not required to complete or return the form of proxy sent to you. Your vote will be taken and counted at the Meeting through the live webcast platform.

2. **Voting by Proxy**

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

a by mail, courier or hand to Computershare at the address listed below; or

b by going online at www.investorvote.com.

You may authorize the management representatives named in the enclosed proxy form to vote your Common Shares, or **you may appoint another person or company to be your proxyholder.** The names already inserted on the form of proxy are Galen G. Weston, Chairman and President of the Corporation, and Nick Henn, Executive Vice President, Chief Legal Officer and Secretary of the Corporation. Unless you choose another person or company to be your proxyholder, you are giving these persons the authority to vote your Common Shares at the Meeting.

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

If you wish to appoint another person or company to be your proxyholder, you must complete the additional step of registering such proxyholder with Computershare at www.computershare.com/LoblawCompaniesLimited after submitting your form of proxy. Failure to register the proxyholder with Computershare will result in the proxyholder not receiving a control number to participate in the Meeting and such proxyholder would only be able to attend the Meeting as a guest.

Please note that in order for your vote to be recorded, your proxy must be received by Computershare at 100 University Avenue, 8th Floor, Toronto, Ontario M5J 2Y1 or online by no later than 5:00 p.m. (Eastern Daylight Time) on May 3, 2022, or two business days before reconvening any adjourned or postponed Meeting.

Q: How will my shares be voted?

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

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

- **FOR the election of the directors;**
- **FOR the appointment of PricewaterhouseCoopers LLP ("PwC") as the auditor of the Corporation and the authorization of the directors to fix the auditor's remuneration;**
- **FOR the advisory resolution on the Corporation's approach to executive compensation; and**
- **AGAINST the Shareholder Proposals set out in Schedule B of this Circular.**

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

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

1. **Through your intermediary**

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

2. **Attend the Meeting**

If you wish to vote your Common Shares during the Meeting by online ballot through the live webcast platform, you should take these steps:

- Step 1: Insert your name in the space provided on the voting instruction form provided by your intermediary and sign and return it in accordance with the instructions provided. By doing so, you are instructing your intermediary to appoint you as proxyholder. You are not required to complete the other parts of the form, as you will be voting at the Meeting.

- Step 2: Register yourself as a proxyholder with Computershare at www.computershare.com/LoblawCompaniesLimited by no later than 5:00 p.m. (Eastern Daylight Time) on May 3, 2022, or two business days before reconvening any adjourned or postponed Meeting. Failure to register yourself as a proxyholder with Computershare will result in you not receiving a control number to participate in the Meeting and you would only be able to attend the Meeting as a guest.

3. **Designate another person to be appointed as your proxyholder**

You can choose another person (including someone who is not a shareholder of the Corporation) to vote for you as a proxyholder. If you appoint someone else, that person must attend the Meeting to vote for you. If you wish to appoint a proxyholder, you should insert that person's name in the space provided on the voting instruction form provided to you by your intermediary and sign and return it in accordance with the instructions provided. By doing so, you are instructing your intermediary to appoint that person as proxyholder. You are not required to complete the other parts of the form, as your proxyholder will be voting at the Meeting. You must also register your proxyholder with Computershare at www.computershare.com/LoblawCompaniesLimited by no later than 5:00 p.m. (Eastern Daylight Time) on May 3, 2022, or two business days before reconvening any adjourned or postponed Meeting. Failure to register the proxyholder you have designated to attend the Meeting on your behalf with Computershare will result in the proxyholder not receiving a control number to participate in the Meeting and such proxyholder would only be able to attend as a guest.

United States Beneficial holders: To attend and vote at the Meeting, you must first obtain a valid legal proxy from your broker, bank or other agent and then register in advance to attend the Meeting. Follow the instructions from your broker or bank included with these proxy materials, or contact your broker or bank to request a legal proxy form. After first obtaining a valid legal proxy from your broker, bank or other agent, to then register to attend the Meeting, you must submit a copy of your legal proxy to Computershare. Requests for registration should be directed to: Computershare, 100 University Avenue; 8th Floor; Toronto, Ontario; M5J 2Y1 or by email to: uslegalproxy@computershare.com.

Q: Can I revoke my proxy or voting instructions?

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

- you may submit a new proxy to Computershare before 5:00 p.m. (Eastern Daylight Time) on May 3, 2022, or two business days before any adjourned or postponed Meeting is reconvened;
- you (or your attorney, if authorized in writing) may sign a written notice of revocation addressed to the Secretary of the Corporation and deposit it at the registered office of Computershare at any time up to and including the last business day preceding the day of the Meeting or any reconvening of an adjourned or postponed Meeting, at which the proxy is to be used;
- you (or your attorney, if authorized in writing) may sign a written notice of revocation and deliver it to the Chair of the Meeting on the day of the Meeting or the reconvening of an adjourned or postponed Meeting, at which the proxy is to be used; or
- you may vote during the Meeting by submitting an online ballot through the live webcast, which will revoke your previous proxy.

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

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

A: Your proxyholder has discretionary authority to vote in respect of amendments that are made to matters identified in the Notice of Meeting and other matters that may properly come before the Meeting or any adjourned or postponed Meeting. As of the date of this Circular, management of the Corporation is not aware of any such amendments or other matters to be presented at the Meeting; however, if any such matter is presented, your Common Shares will be voted in accordance with the best judgment of the proxyholder you appointed. If you have not specifically appointed a person as proxyholder, a management representative (Galen G. Weston, Chairman and President of the Corporation or Nick Henn, Executive Vice President, Chief Legal Officer and Secretary of the Corporation) will be your proxyholder, and your Common Shares will be voted in accordance with the best judgment of the management representative.

GENERAL INFORMATION

Q: How many shares are entitled to be voted?

A: As of March 14, 2022, there were 334,220,410 Common Shares outstanding. Each Common Share is entitled to one vote on each matter to be voted upon at the Meeting.

Q: Who counts the vote?

A: Votes cast in advance by way of proxy and votes cast at the Meeting through the live webcast platform will be counted by representatives of Computershare who will be appointed as scrutineers at the Meeting.

Q: Who is soliciting my proxy?

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

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

Q: Can I access the annual disclosure documents electronically?

A: The Corporation's 2021 Annual Report, which includes its annual financial statements and notes, this Circular and the Annual Information Form, are available for review on its website at www.loblaw.ca or under the Corporation's SEDAR profile at www.sedar.com.

Q: Who do I contact if I have questions?

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

SHARE CAPITAL AND PRINCIPAL SHAREHOLDER

As of March 14, 2022, the record date for the Meeting, there were 334,220,410 Common Shares issued and outstanding. George Weston Limited ("Weston") beneficially owned, directly and indirectly, a total of 175,475,019 Common Shares, representing approximately 52.5% of the then outstanding Common Shares. Weston is controlled by Mr. Galen G. Weston. As of March 14, 2022, Mr. Weston also directly and indirectly owned 473,636 Common Shares, representing approximately 0.14% of the outstanding Common Shares. To the knowledge of the Corporation, no other person beneficially owns, directly or indirectly, or exercises control or direction over, 10% or more of the outstanding Common Shares.

BUSINESS TO BE TRANSACTED AT THE MEETING

The following business will be transacted at the Meeting:

1. **RECEIVE THE FINANCIAL STATEMENTS**

   Management will present the annual audited consolidated financial statements at the Meeting and shareholders or their proxyholders will be given an opportunity to discuss the financial results with management.

2. **ELECTION OF THE BOARD OF DIRECTORS**

   Ten director nominees are proposed for election to the board of directors of the Corporation (the "Board"). Shareholders or their proxyholders will vote on the election of the directors.

3. **APPOINTMENT OF THE AUDITOR**

   The Board, on the advice of its Audit Committee, recommends the appointment of PricewaterhouseCoopers LLP as the Corporation's auditor. Shareholders or their proxyholders will vote on the appointment of the auditor and the authorization of the Board to fix the auditor's remuneration.

4. **VOTING ON THE APPROACH TO EXECUTIVE COMPENSATION**

   Shareholders or their proxyholders will vote on the advisory resolution on the Corporation's approach to executive compensation, as discussed in more detail under the "Advisory Resolution on Approach to Executive Compensation" section of this Circular.

5. **SHAREHOLDER PROPOSALS**

   Shareholders or their proxyholders will vote on the shareholder proposals set out in Schedule B of this Circular.

RECEIVE THE FINANCIAL STATEMENTS

The Corporation's audited consolidated financial statements and management's discussion and analysis for the year ended January 1, 2022 (the "2021 MD&A") together with the auditor's report thereon will be placed before the shareholders at the Meeting. These documents are included in the Corporation's 2021 Annual Report. Copies of the 2021 Annual Report in English or French may be obtained from the Secretary of the Corporation upon request. The 2021 Annual Report in English or French is also available under the Corporation's SEDAR profile at www.sedar.com or on the Corporation's website at www.loblaw.ca.

ELECTION OF THE BOARD OF DIRECTORS

The Board has determined that 10 director nominees will be elected at the Meeting. Nine of the 10 nominees are currently directors of the Corporation and all of the nominees have established their eligibility and willingness to serve on the Board for the next annual term. 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 proxyholder may vote for another nominee at the proxyholder's discretion. At the Meeting, the nominees will be voted on individually, and in accordance with applicable Canadian securities legislation, the voting results for each nominee will be publicly disclosed. The persons named in the enclosed form of proxy intend to vote for the election of the director nominees. Each director will be elected to hold office until the next annual meeting of shareholders or until such office is earlier vacated.

The director nominee profiles, starting on page 9, tell you about each director nominee's experience and other important information to consider, including how much equity they own in the Corporation, and any other public company boards they sit on. The director nominees have been selected based on their sound leadership and professional reputation and their collective ability to address the broad range of issues the Board considers when overseeing the Corporation's business and affairs. As a group, the director nominees complement each other in respect of their respective skills and experiences and diversity of perspectives.

Independence

Eight of the 10 nominated directors are independent. None of these independent directors has ever served as an executive of the Corporation or any of its subsidiaries nor do they have relationships with the Corporation that would interfere with the exercise of their independent judgment.

Skills

Each director nominee has a wealth of experience in leadership, governance and strategic planning and collectively they possess the skills and expertise that enable the Board to carry out its responsibilities. The skills matrix set out below is used to assess the Board's overall strengths and to assist in the Board's ongoing renewal process, which balances the need for experience and knowledge of the Corporation's business with the benefit of board renewal and diversity. Although the director nominees have a breadth of experience in many areas, the skills matrix lists 11 important qualifications determined by the Board and highlights five key skills for each director nominee. The matrix is not intended to be an exhaustive list of each director nominee's skills.

Skills	Bonham	Clark	Debow	Downe	Fukakusa	Harris	Kotchka	Raiss	Weston	Wright
Executive Leadership/Strategic Planning	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓
Financial Expertise / Accounting and Financial Reporting	✓	✓	✓	✓	✓	✓				
Risk Management/Compliance		✓		✓	✓	✓			✓	✓
HR/Compensation		✓		✓			✓	✓	✓	✓
Governance		✓			✓	✓		✓		✓
Environmental and Social						✓	✓			✓
Retail/Consumer/Marketing			✓				✓		✓	
Digital/Technology	✓		✓	✓				✓		
Health & Wellness (Pharmacy & Drug)			✓					✓		
Real Estate	✓				✓				✓	
US Market	✓						✓			

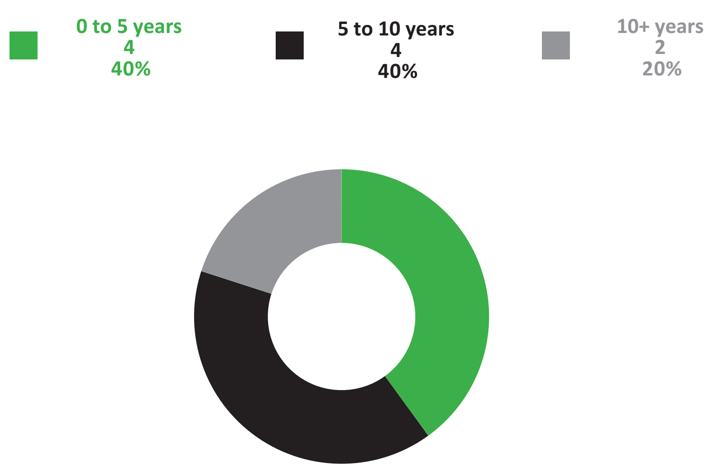
Each director nominee was nominated in large part because of the nominee's key leadership attributes. The director nominees have demonstrated informed judgment, knowledge of important business issues and a commitment to operational excellence. Every director is expected to act ethically and with integrity. Directors must understand the Corporation's strategic objectives and reflect its values. Directors are expected to prepare for and actively participate in Board and committee meetings. They must understand the Corporation's corporate governance policies and practices and comply with the Corporation's Code of Conduct (the "Code").

Tenure and Diversity

The Board has a diversity policy and tenure guidelines. The tenure guidelines provide that the Chairman and President and the Governance, Employee Development, Nominating and Compensation Committee (the "Governance Committee") will undertake an assessment of a director's continued participation on the Board upon the director reaching the age of 75, and annually thereafter, or upon a change in the director's principal occupation. The average tenure of the director nominees is 6.0 years. The following diagram shows director tenure broken down by the applicable time periods set out below:

Director Tenure

(By # of individuals and as % of Total Board)



The Corporation does not have term limits for directors because the Board believes that its existing renewal process is working effectively, as demonstrated by the tenure statistics above, and the high calibre of director nominees who have joined the Board in the past several years.

The Corporation has a target that people who identify as women comprise at least 40% of the Board's directors and that, by 2024, people who identify as visible minorities will comprise at least 25% of the Board's directors. This year, 40% of the director nominees are people who identify as women and 20% of the director nominees are people who identify as visible minorities. Further details on the Corporation's director tenure guidelines and diversity policy can be found on pages 7 and 41, respectively, of this Circular.

Majority Voting

The directors are elected annually by the shareholders. The Corporation has established a majority voting policy. Under the policy, the Governance Committee reviews and considers the voting results for each director nominee after the Meeting. Any nominee proposed for election as a director in an uncontested election who receives a greater number of votes withheld than votes in favour of their election must immediately tender his or her resignation to the Chairman. In such circumstances, the Governance Committee will expeditiously consider the director's resignation and (absent exceptional circumstances) make a recommendation to the Board to accept the resignation. The Board will have 90 days from the date of the Meeting to make a final decision and will promptly announce that decision (including, if applicable, the reasons for rejecting the resignation) through a news release. Any such resignation will take effect on acceptance by the Board. Any director who tenders his or her resignation will not participate in any meeting of the Board or any committee of the Board at which the resignation is considered. This policy applies only to uncontested elections of directors where the number of nominees is equal to the number of directors to be elected.

Voting Results from the 2021 Annual Meeting of Shareholders

In 2021, each director who stood for election at the Annual Meeting of Shareholders received votes in favour from at least 96% of the votes cast. Below are the voting results for the election of directors at the Corporation's Annual Meeting of Shareholders held on May 6, 2021:

Name of Nominee	Votes For		Votes Withheld	
Paviter S. Binning[(1)]	294,562,583	99.80 %	601,116	0.20 %
Scott B. Bonham	294,951,586	99.93 %	212,306	0.07 %
Warren Bryant[(1)]	294,052,855	99.62 %	1,111,049	0.38 %
Christie J.B. Clark	291,774,216	98.85 %	3,389,688	1.15 %
Daniel Debow	294,878,150	99.90 %	285,754	0.10 %
William A. Downe	290,976,368	98.58 %	4,187,536	1.42 %
Janice Fukakusa	294,953,772	99.93 %	210,132	0.07 %
M. Marianne Harris	294,961,658	99.93 %	202,246	0.07 %
Claudia Kotchka	294,118,901	99.65 %	1,042,671	0.35 %
Beth Pritchard[(1)]	294,108,039	99.64 %	1,053,533	0.36 %
Sarah Raiss	294,132,226	99.65 %	1,029,346	0.35 %
Galen G. Weston	285,076,743	96.58 %	10,084,829	3.42 %

(1) Messrs. Binning and Bryant and Ms. Pritchard are not standing for re-election at the Meeting.

Director Interlock Policy

The Board has established a Director Interlock Policy with the aim of ensuring that interlocking director relationships will not adversely affect the relevant directors' independent judgment. The Board determines that a prohibited interlock occurs when more than two Board members serve together on the board of another public entity. The Director Interlock Policy prohibits such an interlock unless otherwise approved by the Governance Committee. The Governance Committee reviews each interlock and determines if the interlock adversely affects the ability of the relevant directors to exercise their independent judgment. The policy does not apply to the Chairman of the Board or any management directors. There are currently no prohibited interlocks among the directors or among the director nominees.

Director Profiles

The following is a summary of relevant biographical and compensation information of each director nominee including a description of the nominee's background and experience, year first elected or appointed as a director, age, meeting attendance, other boards on which the nominee sits, public board interlocks with other director nominees, and director fees received. "Director Fees Received" includes compensation received as a director of the Corporation and its subsidiaries. The 2021 and 2020 equity holdings of each director nominee of the Corporation as of March 14, 2022 and March 15, 2021, respectively, consisting of Common Shares and Deferred Share Units ("DSUs") are also indicated. "Total Market Value of Common Shares and DSUs" for non-management directors is calculated for 2021 based on the closing price of the Common Shares on the Toronto Stock Exchange ("TSX") on March 14, 2022, which was $114.54, and for 2020 based on the closing price of the Common Shares on the TSX on March 15, 2021, which was $66.16.

The Corporation's representatives named in the accompanying form of proxy intend to vote **FOR** the nominees listed below:

Scott B. Bonham
Atherton, California, United States

Age 60

Loblaw Board Details:
Director since 2016
Independent

Mr. Bonham is a corporate director and a Co-Founder of Intentional Capital LLC, a real estate asset management company, former Co-Founder of GGV Capital, a venture capital firm, and former Vice President of Capital Group Companies.

Mr. Bonham holds a B.Sc. (Honours) in electrical engineering from Queen's University and an M.B.A. from Harvard Graduate School of Business.

In addition to the public board memberships below, Mr. Bonham is a board member of the Canadian Institute for Advanced Research and the DenmarkBridge, an initiative connecting Danish companies to Silicon Valley.

BOARD/COMMITTEE MEMBERSHIP	Attendance	Attendance Total		Director Fees Received	
		#	%	Year	Amount
Board	10/10	20/20	100%	2021	$240,000
Audit Committee	6/6			2020	$240,000
Risk and Compliance Committee	4/4				

EQUITY OWNERSHIP Year	Common Shares	DSUs	Total Common Shares and DSUs	Total Market Value of Common Shares and DSUs	Minimum Equity Ownership	In Progress or Satisfies Share Ownership Policy
2021	—	17,956	17,956	$2,056,680	$960,000	Yes
2020	—	14,763	14,763	$976,720		

CURRENT PUBLIC BOARD MEMBERSHIPS		Public Board Interlocks: Directors	Public Board Interlocks: Boards
The Bank of Nova Scotia	2016 to present		
PAST PUBLIC BOARD MEMBERSHIPS (LAST FIVE YEARS)			
Magna International Inc.	2012 to 2021		

Christie J.B. Clark, F.C.P.A., F.C.A.
Toronto, Ontario, Canada

Age 68

Loblaw Board Details:
Director since 2011
Independent

Mr. Clark, a corporate director, previously held a variety of positions at PwC including that of Chief Executive Officer from 2005 to 2011. Prior to being elected as Chief Executive Officer, Mr. Clark was a National Managing Partner and a member of the firm's Executive Committee from 2001 to 2005.

Mr. Clark graduated from Queen's University with a B.Comm. and the University of Toronto with an M.B.A. He is a Fellow Chartered Accountant and a Fellow Chartered Professional Accountant.

In addition to his public board memberships listed below, Mr. Clark is a member of the boards of the Canadian Olympic Committee, the Canadian Olympic Foundation, Own The Podium, the Sunnybrook Foundation and an emeritus member of the Advisory Council of The Stephen J.R. Smith School of Business at Queen's University.

BOARD/COMMITTEE MEMBERSHIP	Attendance	Attendance Total		Director Fees Received	
		#	%	Year	Amount
Board	10/10	24/24	100%	2021	$271,500
Audit Committee (Chair)	6/6			2020	$271,500
Pension Committee	4/4				
Risk and Compliance Committee	4/4				

EQUITY OWNERSHIP Year	Common Shares	DSUs	Total Common Shares and DSUs	Total Market Value of Common Shares and DSUs	Minimum Equity Ownership	In Progress or Satisfies Share Ownership Policy
2021	16,743	11,879	28,622	$3,278,364	$960,000	Yes
2020	17,215	10,046	27,261	$1,803,588		

CURRENT PUBLIC BOARD MEMBERSHIPS		Public Board Interlocks(1): Directors	Public Board Interlocks(1): Boards
Air Canada	2013 to present	—	—
Choice Properties Real Estate Investment Trust	2013 to present		
SNC-Lavalin Group Inc.	2020 to present		
PAST PUBLIC BOARD MEMBERSHIPS (LAST FIVE YEARS)			
Hydro One Limited/Hydro One Inc.	2015 to 2018		

(1) Mr. Clark and Mr. Wright are each standing for election at Choice Properties' Annual Meeting of Unitholders on April 28, 2022. If Mr. Clark and Mr. Wright are both elected at both the Meeting and at Choice Properties Real Estate Investment Trust's ("Choice Properties") Annual Meeting of Unitholders, Mr. Clark will be in a Board interlock with Mr. Wright. Please see page 8 for details on the Director Interlock Policy.

Daniel Debow
Toronto, Ontario, Canada

Age 48

Loblaw Board Details:
Director since 2020
Independent

Mr. Debow is currently Vice President, Product at Shopify. He was the former founder and Chief Executive Officer of Helpful.com, a video messenger platform for professionals, the co-founder and former Co-Chief Executive Officer of Rypple, a social performance management platform, and a founding team member of Workbrain, a publicly traded workforce management software company.

Mr. Debow holds a B.A. from the University of Western Ontario. He received a J.D./M.B.A. from the University of Toronto, Faculty of Law and Rotman School of Management and an L.L.M. from Stanford Law School.

Mr. Debow is a founding partner of the Creative Destruction Lab at the Rotman School of Management and an adjunct professor at the Faculty of Law at the University of Toronto.

BOARD/COMMITTEE MEMBERSHIP	Attendance	Attendance Total		Director Fees Received	
		#	%	Year	Amount
Board	10/10	16/16	100%	2021	$232,500
Audit Committee	6/6			2020	$147,638

EQUITY OWNERSHIP Year	Common Shares	DSUs	Total Common Shares and DSUs	Total Market Value of Common Shares and DSUs	Minimum Equity Ownership	In Progress or Satisfies Share Ownership Policy(1)
2021	—	5,117	5,117	$586,101	$960,000	Yes
2020	—	2,231	2,231	$147,603		

CURRENT PUBLIC BOARD MEMBERSHIPS		Public Board Interlocks: Directors	Public Board Interlocks: Boards
—	—	—	—
PAST PUBLIC BOARD MEMBERSHIPS (LAST FIVE YEARS)			
—	—		

(1) Mr. Debow has until April 2025 and January 2027 to satisfy his initial and incremental ownership targets, respectively, under the Director Share Ownership Policy. Please see pages 14 and 15 for more details on the Director Share Ownership Policy.

William A. Downe, C.M.
Winnetka, Illinois, United States

Age 69

Loblaw Board Details:
Lead Director
Director since 2018
Independent

Mr. Downe, a corporate director, is the former Chief Executive Officer of BMO Financial Group from 2007 to 2017, prior to which he was Chief Operating Officer and, from 2001 to 2005, the head of BMO Capital Markets. He also served on the boards of the Bank of Montreal and its subsidiaries, BMO Nesbitt Burns Holding Corporation and BMO Financial Corp.

Mr. Downe holds a Bachelor of Business Administration degree from Wilfrid Laurier University, an M.B.A. from the University of Toronto and has been awarded honorary doctorates from Wilfrid Laurier University, the University of Windsor, Cape Breton University and the University of Toronto.

In addition to his public board membership listed below, Mr. Downe serves as the Chairman of Trans Mountain Corporation, as a Director of Rush University System for Health, and on the Social and Economic Policy Advisory Board of Rand Corporation. Mr. Downe has served as a board member and advisor to numerous public and non-profit organizations including the Business Council of Canada, the International Monetary Conference, the Federal Reserve Board's Federal Advisory Council, Catalyst Inc., the Martin Prosperity Institute at the University of Toronto and St. Michael's Hospital.

BOARD/COMMITTEE MEMBERSHIP	Attendance	Attendance Total		Director Fees Received	
		#	%	Year	Amount
Board	10/10	14/14	100%	2021	$311,500
Governance Committee (Chair)	4/4			2020	$311,500

EQUITY OWNERSHIP Year	Common Shares	DSUs	Total Common Shares and DSUs	Total Market Value of Common Shares and DSUs	Minimum Equity Ownership	In Progress or Satisfies Share Ownership Policy
2021	20,515	15,250	35,765	$4,096,523	$960,000	Yes
2020	20,515	11,244	31,759	$2,101,175		

CURRENT PUBLIC BOARD MEMBERSHIPS		Public Board Interlocks: Directors	Public Board Interlocks: Boards
Manpower Group Inc.	2011 to present	—	—
PAST PUBLIC BOARD MEMBERSHIPS (LAST FIVE YEARS)			
Bank of Montreal	2007 to 2017		

Janice Fukakusa, C.M., F.C.P.A., F.C.A.
Toronto, Ontario, Canada

Age 67

Loblaw Board Details:
Director since 2019
Independent

Ms. Fukakusa, a corporate director, is the former Chief Financial Officer and Chief Administrative Officer of Royal Bank of Canada, positions which she held separately from September 2004 through to January 2017.

Ms. Fukakusa holds the professional designations of Fellow Chartered Professional Accountant (FCPA and CPA) and Chartered Business Valuator. She obtained a Bachelor of Arts from University of Toronto and a Master of Business Administration from Schulich School of Business and holds an Honorary Doctorate of Laws from York University. Ms. Fukakusa is a Member of the Order of Canada.

Ms. Fukakusa is Chancellor of Ryerson University.

BOARD/COMMITTEE MEMBERSHIP	Attendance	Attendance Total		Director Fees Received	
		#	%	Year	Amount
Board	10/10				
Audit Committee	6/6	16/16	100 %	2021	$232,500
				2020	$232,500

EQUITY OWNERSHIP Year	Common Shares	DSUs	Total Common Shares and DSUs	Total Market Value of Common Shares and DSUs	Minimum Equity Ownership	In Progress or Satisfies Share Ownership Policy
2021	2,900	8,582	11,482	$1,315,148	$960,000	Yes
2020	2,900	5,638	8,538	$564,874		

CURRENT PUBLIC BOARD MEMBERSHIPS		Public Board Interlocks: Directors	Public Board Interlocks: Boards
Cineplex Inc.	2017 to present	—	—
Brookfield Asset Management Inc.	2020 to present		
RioCan REIT	2021 to present		
PAST PUBLIC BOARD MEMBERSHIPS (LAST FIVE YEARS)			
—	—		

M. Marianne Harris
Toronto, Ontario, Canada

Age 64

Loblaw Board Details:
Director since 2016
Independent

Ms. Harris is a corporate director. In addition to her directorships of the public companies listed below, Ms. Harris has been a director on the Board of the Public Sector Pension Investment Board, a Crown Corporation, since December 2020. Prior to 2013, she was the Managing Director and President of Corporate and Investment Banking for Merrill Lynch Canada Inc. ("Merrill Lynch") and Head of Financial Institutions Group Americas, Merrill Lynch Pierce Fenner & Smith. Prior to Merrill Lynch, she held various investment banking positions with RBC Capital Markets from 1984 to 2000.

Ms. Harris holds an M.B.A. from the Schulich School of Business, a J.D. (Juris Doctor) degree from Osgoode Hall Law School and a B.Sc. (Honours) from Queen's University.

Ms. Harris is also a member of the Dean's Advisory Council at the Schulich School of Business, and the Advisory Council of the Hennick Centre for Business and Law. Ms. Harris is a former Chair of the board of the Investment Industry Regulatory Organization of Canada (IIROC).

BOARD/COMMITTEE MEMBERSHIP	Attendance	Attendance Total		Director Fees Received	
		#	%	Year	Amount
Board	10/10				
Audit Committee	6/6	24/24	100%	2021	$303,500
Pension Committee	4/4			2020	$299,500
Risk and Compliance Committee	4/4				

EQUITY OWNERSHIP Year	Common Shares	DSUs	Total Common Shares and DSUs	Total Market Value of Common Shares and DSUs	Minimum Equity Ownership	In Progress or Satisfies Share Ownership Policy
2021	2,337	19,830	22,167	$2,539,008	$960,000	Yes
2020	2,337	16,516	18,853	$1,247,314		

CURRENT PUBLIC BOARD MEMBERSHIPS		Public Board Interlocks(1): Directors	Public Board Interlocks(1): Boards
Sun Life Financial Inc.	2013 to present	—	—
PAST PUBLIC BOARD MEMBERSHIPS (LAST FIVE YEARS)			
Hydro One Limited/Hydro One Inc.	2015 to 2018		

(1) Ms. Harris, Mr. Wright and Mr. Weston are each standing for election at Weston's Annual Meeting of Shareholders on May 10, 2022. If Ms. Harris and Mr. Wright are elected at both the Meeting and at Weston's Annual Meeting of Shareholders, Ms. Harris will be in a Board interlock with Mr. Wright. The Director Interlock Policy does not apply to Mr. Weston. Please see page 8 for details on the Director Interlock Policy.

Claudia Kotchka
Los Angeles, California, United States

Age 70

Loblaw Board Details:
Director since 2016
Independent

Ms. Kotchka, a corporate director, is former Vice President, Design Innovation and Strategy at Procter & Gamble.

Ms. Kotchka obtained a B.B.A., Cum Laude, from Ohio University and is a Certified Public Accountant.

Ms. Kotchka serves on the board of the American Red Cross, Los Angeles Region and is Chair of the Mission Committee. She is a former board member of the American Red Cross, Greater Miami and the Keys and is a former Trustee of the Cooper Hewitt Smithsonian Design Museum. Ms. Kotchka is a member of International Women's Forum and Women Corporate Directors. She is also a regular guest lecturer on innovation at Stanford University.

BOARD/COMMITTEE MEMBERSHIP	Attendance	Attendance Total		Director Fees Received	
		#	%	Year	Amount
Board	10/10	18/18	100 %	2021	$240,000
Governance Committee	4/4			2020	$240,000
Risk and Compliance Committee	4/4				

EQUITY OWNERSHIP Year	Common Shares	DSUs	Total Common Shares and DSUs	Total Market Value of Common Shares and DSUs	Minimum Equity Ownership	In Progress or Satisfies Share Ownership Policy
2021	—	19,276	19,276	$2,207,873	$960,000	Yes
2020	—	16,061	16,061	$1,062,596		

CURRENT PUBLIC BOARD MEMBERSHIPS		Public Board Interlocks Directors	Boards
—	—	—	—
PAST PUBLIC BOARD MEMBERSHIPS (LAST FIVE YEARS)			
—	—		

Sarah Raiss
Calgary, Alberta, Canada

Age 64

Loblaw Board Details:
Director since 2014
Independent

Ms. Raiss, a corporate director, formerly held senior positions at TransCanada Corporation, including Executive Vice President of Corporate Services.

Ms. Raiss has a B.S. in Applied Math and an M.B.A. from the University of Michigan. She also a Fellow of the Institute of Corporate Directors.

Ms. Raiss became Lead Director for Commercial Metals Company in 2022 and is the former Chair of the Alberta Electric System Operator board of directors.

BOARD/COMMITTEE MEMBERSHIP	Attendance	Attendance Total		Director Fees Received	
		#	%	Year	Amount
Board	10/10	18/18	100%	2021	$247,500
Governance Committee	4/4			2020	$247,500
Pension Committee (Chair)	4/4				

EQUITY OWNERSHIP Year	Common Shares	DSUs	Total Common Shares and DSUs	Total Market Value of Common Shares and DSUs	Minimum Equity Ownership	In Progress or Satisfies Share Ownership Policy
2021	907	45,052	45,959	$5,264,144	$960,000	Yes
2020	907	42,798	43,705	$2,891,523		

CURRENT PUBLIC BOARD MEMBERSHIPS		Public Board Interlocks Directors	Boards
Commercial Metals Company	2011 to present	—	—
Ritchie Bros. Auctioneers Incorporated	2016 to present		
PAST PUBLIC BOARD MEMBERSHIPS (LAST FIVE YEARS)			
Vermilion Energy Inc.	2014 to 2018		

Galen G. Weston
Toronto, Ontario, Canada

Age 49

Loblaw Board Details:
Director since 2006
Non-Independent

Mr. Weston is Chairman and President of the Corporation and Chairman and Chief Executive Officer of George Weston Limited. 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 Chairman of Wittington Investments, Limited ("Wittington") and is also a director of Selfridges Group Limited and President of the Weston Family Foundation. Mr. Weston is the former Chairman of President's Choice Bank and the former Chair and trustee of Choice Properties Real Estate Investment Trust.

BOARD/COMMITTEE MEMBERSHIP	Attendance	Attendance Total		Director Fees Received	
Board	10/10	#	%	Year	Amount[1]
		10/10	100%	2021	—
				2020	—

EQUITY OWNERSHIP Year	Common Shares	DSUs	Total Common Shares and DSUs
2021	473,636	—	473,636
2020	473,636	—	473,636

The value of Mr. Weston's current eligible holdings is $12,456,734,450. Mr. Weston satisfies the Executive Share Ownership Policy. For details relating to his equity-based share ownership as an executive, please see the table on page 64.

CURRENT PUBLIC BOARD MEMBERSHIPS		Public Board Interlocks[2] Directors	Boards
George Weston Limited	2016 to present		
PAST PUBLIC BOARD MEMBERSHIPS (LAST FIVE YEARS)			
Choice Properties Real Estate Investment Trust	2019 to 2021		
Choice Properties Real Estate Investment Trust	2013 to 2017		

(1) Directors who are members of management do not receive any remuneration for their role as directors of the Corporation.

(2) Mr. Weston, Ms. Harris and Mr. Wright are each standing for election at Weston's Annual Meeting of Shareholders on May 10, 2022. The Director Interlock Policy does not apply to Mr. Weston. Please see page 8 for details on the Director Interlock Policy.

Cornell Wright
Toronto, Ontario, Canada

Age 48

Loblaw Board Details:
Director Nominee
Non-Independent

Mr. Wright is President of Wittington. Mr. Wright joined Wittington in 2021 following a 20-year career at the law firm of Torys LLP, where he was a leading corporate lawyer. Mr. Wright served as Chair of the firm's Corporate practice and former co-head of the firm's M&A practice. Mr. Wright has a broad range of experience in complex transactional, securities, private equity, regulatory, governance and compliance matters. Mr. Wright is a Fellow of The American College of Governance Counsel.

In addition to his public board membership listed below, Mr. Wright is the Chair of the Board of Directors of the National Ballet of Canada, a Trustee of University Health Network and Executive in Residence at the University of Toronto's Rotman School of Management.

Mr. Wright holds J.D. and M.B.A. degrees from the University of Toronto and a B.A. from McGill University.

BOARD/COMMITTEE MEMBERSHIP	Attendance	Attendance Total		Director Fees Received	
—	—	#	%	Year	Amount
		—	—	2021	$—

EQUITY OWNERSHIP Year	Common Shares	DSUs	Total Common Shares and DSUs	Total Market Value of Common Shares and DSUs[1]	Minimum Equity Ownership	In Progress or Satisfies Share Ownership Policy
2021	315	—	315	$36,080	$960,000	Yes

CURRENT PUBLIC BOARD MEMBERSHIPS		Public Board Interlocks[2] Directors	Boards
BCE, Inc.	2021 to present	—	—
PAST PUBLIC BOARD MEMBERSHIPS (LAST FIVE YEARS)			
—	—		

(1) If elected, Mr. Wright will have five years to satisfy the Director Share Ownership Policy.

(2) Mr. Clark and Mr. Wright are each standing for election at Choice Properties' Annual Meeting of Unitholders on April 28, 2022. If Mr. Clark and Mr. Wright are both elected at both the Meeting and at Choice Properties' Annual Meeting of Unitholders, Mr. Wright will be in a Board interlock with Mr. Clark. Ms. Harris, Mr. Wright and Mr. Weston are each standing for election at Weston's Annual Meeting of Shareholders on May 10, 2022. If Ms. Harris and Mr. Wright are elected at both the Meeting and at Weston's Annual Meeting of Shareholders, Mr. Wright will be in a Board interlock with Ms. Harris. The Director Interlock Policy does not apply to Mr. Weston. Please see page 8 for details on the Director Interlock Policy.

Meeting Attendance

The following table provides a summary of each director's attendance at Board and committee meetings in 2021:

Name	Board (10 meetings)	Audit Committee (6 meetings)	Governance Committee (4 meetings)	Risk and Compliance Committee (4 meetings)	Pension Committee (4 meetings)	Overall Attendance (#)	Overall Attendance (%)
Paviter S. Binning(1)	9/10	—	—	—	—	9/10	90%
Scott B. Bonham	10/10	6/6	—	4/4	—	20/20	100%
Warren Bryant(1)	10/10	—	4/4	4/4	—	18/18	100%
Christie J.B. Clark	10/10	6/6	—	4/4	4/4	24/24	100%
Daniel Debow	10/10	6/6	—	—	—	16/16	100%
William A. Downe	10/10	—	4/4	—	—	14/14	100%
Janice Fukakusa	10/10	6/6	—	—	—	16/16	100%
M. Marianne Harris	10/10	6/6	—	4/4	4/4	24/24	100%
Claudia Kotchka	10/10	—	4/4	4/4	—	18/18	100%
Beth Pritchard(1)	10/10	—	3/4	3/4	—	16/18	89%
Sarah Raiss	10/10	—	4/4	—	4/4	18/18	100%
Galen G. Weston	10/10	—	—	—	—	10/10	100%
Total	**99%**	**100%**	**95%**	**96%**	**100%**		**99%**

(1) Messrs. Binning and Bryant and Ms. Pritchard will not be standing for re-election at the Meeting.

DIRECTOR COMPENSATION

The Corporation's director compensation program is structured to compensate directors appropriately for their time, commitment and responsibility as Board members and to remain competitive with director compensation practices in Canada. The program is designed to attract and retain committed and qualified directors and to align their compensation with the long-term interests of the shareholders. To achieve these objectives, directors are required to take 100% of their board retainer and committee fees in DSUs until they satisfy the Director Share Ownership Policy, after which a director has the option to receive up to 50% of all fees in cash, with the balance taken in DSUs. Directors who are employees of the Corporation receive no additional compensation for serving as directors.

Director Deferred Share Unit Plan

A 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 or is required to receive in the form of DSUs divided by the volume-weighted average trading price of a Common Share on the TSX for the five trading days prior to the date of the award. DSUs are not paid out until the director ceases to serve on the Board and ceases to hold any position with any company related to the Corporation, thereby providing an equity stake in the Corporation throughout the director's term as a Board member. Dividend equivalents in the form of additional DSUs that are equal in value to dividends paid on Common Shares are credited to the director's account on each dividend payment date based on the number of DSUs in the account as of the dividend record date. Following cessation of service with the Corporation and its related entities, payment of DSUs is made in Common Shares purchased on the open market. A director may elect to defer payment until December 15th of the calendar year following the year in which he or she ceases to hold any position with the Corporation or any of its related entities. DSUs do not entitle the director to any voting or other shareholder rights.

Director Share Ownership Policy

The Corporation believes that it is important that directors demonstrate their commitment to the Corporation through share ownership. In that regard, the Corporation has established a Director Share Ownership Policy for non-management directors. Under this Policy, non-management directors are required to hold Common Shares or DSUs with a value of not less than four times the amount of the director's annual retainer. Effective January 1, 2022, the ownership requirement under the Director Share Ownership Policy increased from $900,000 to $960,000, as further discussed below under "Director Compensation Review and Changes for 2022". For purposes of this Policy, securities are valued at their market value and directors are expected to meet the required level of share ownership within five years of initially being elected or appointed to the Board. To the extent the directors receive an increase in their annual retainer, they have a five-year period from the date of the increase to attain the incremental ownership requirement. Directors elected or appointed to the Board who, at the time of election or appointment, were directors or trustees of either Weston and/or Choice Properties are permitted under the Policy to count their then holdings in Weston and/or Choice Properties towards their target ownership, provided that any such holdings were eligible for inclusion toward the individual's previous ownership requirement at Weston and/or Choice Properties. All directors either meet the required level of share ownership or are in the process of accumulating securities as required under the Policy. For the status of each director nominee under the Policy, see their profiles on pages 9 to 13 of this Circular. Management directors are not subject to the Policy but instead must satisfy the Executive Share Ownership Policy described on page 64.

2021 Director Compensation Amounts

A summary of the 2021 director compensation amounts is set out below:

Type of Fee	Amount ($)
Annual Fees	
Total Board Retainer	225,000
Chair and Committee Fees	
Lead Director retainer	50,000
Audit Committee Chair	30,000 (1)
Governance Committee Chair	30,000 (1)
Risk and Compliance Committee Chair	30,000 (1)
Pension Committee Chair	15,000 (1)
Member of Board committee	7,500

(1) Includes fees received as a committee member.

Mr. Weston did not receive any remuneration for his role as a director of the Corporation in 2021. The details of Mr. Weston's executive compensation are set out in the section of this Circular titled "Compensation Discussion and Analysis". If elected, Mr. Weston will not receive any remuneration in 2022 for his role as a director of the Corporation.

2021 Director Compensation Table

The following table sets out the compensation elements and total compensation earned by each non-management director in 2021 and the manner in which the compensation was paid:

	Fees Breakdown						Allocation of Total Director Fees		
Name	Board Retainer (1) ($)	Committee Chair Retainer ($)	Committee Member Retainer ($)	Total Director Fees Earned ($)	All Other Compensation ($)	Total Compensation ($)	Cash ($)	DSUs (2) ($)	Allocation of Fees between Cash and DSUs (%)
Paviter S. Binning(3)	225,000	—	—	225,000	—	225,000	112,500	112,500	50% DSUs
Scott B. Bonham	225,000	—	15,000	240,000	—	240,000	—	240,000	100% DSUs
Warren Bryant(3)	225,000	30,000	7,500	262,500	—	262,500	—	262,500	100% DSUs
Christie J.B. Clark	225,000	30,000	16,500 (4)	271,500	—	271,500	135,750	135,750	50% DSUs
Daniel Debow	225,000	—	7,500	232,500	—	232,500	—	232,500	100% DSUs
William A. Downe	225,000	85,000 (5)	1,500 (4)	311,500	—	311,500	—	311,500	100% DSUs
Janice Fukakusa	225,000	—	7,500	232,500	—	232,500	—	232,500	100% DSUs
M. Marianne Harris	225,000	—	22,500	247,500	56,000 (6)	303,500	—	247,500	100% DSUs
Claudia Kotchka	225,000	—	15,000	240,000	—	240,000	—	240,000	100% DSUs
Beth Pritchard(3)	225,000	—	15,000	240,000	—	240,000	—	240,000	100% DSUs
Sarah Raiss	225,000	15,000	7,500	247,500	—	247,500	123,748	123,752	50% DSUs
Total ($)	**2,475,000**	**160,000**	**115,500**	**2,750,500**	**56,000**	**2,806,500**	**371,998**	**2,378,502**	

(1) Directors are required to take 100% of their board retainer and committee fees in DSUs until they satisfy the Director Share Ownership Policy, after which they may elect to receive up to 50% of their total fees in cash, with the balance taken in DSUs.

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

(3) Messrs. Binning and Bryant and Ms. Pritchard will not be standing for re-election at the Meeting.

(4) Includes fees received for attendance at meetings of another Board committee.

(5) Includes Lead Director fee and fees received for chairing meetings of another Board committee.

(6) Includes the fees that the director received, in cash, for the director's role as a director of President's Choice Bank, a subsidiary of the Corporation.

Director Compensation Review and Changes for 2022

The Board, through the Governance Committee, is responsible for reviewing and approving any changes to the directors' compensation arrangements. In 2021, the Governance Committee engaged Meridian Compensation Partners ("Meridian") to review the compensation paid to the Corporation's non-management directors. Meridian completed a comprehensive review of the Board's compensation practices relative to the comparator group of 29 companies used to benchmark executive compensation. The comparator group is set out below. As part of this review, Meridian analyzed: (i) the amount of the base retainer; (ii) committee and chair fees; (iii) the lead director fee; and (iv) minimum share ownership requirements.

Comparator Group of 29 of the Corporation's Peers

Alimentation Couche-Tard Inc.	Dollar Tree, Inc.	Rogers Communications Inc.
BCE Inc.	Empire Company Limited	Suncor Energy Inc.
Best Buy Co., Inc.	Enbridge Inc.	Sysco Corporation
Bombardier Inc.	Imperial Oil Limited	Target Corporation
Brookfield Asset Management Inc.	Lowe's Companies, Inc.	TELUS Corporation
Canadian Natural Resources Limited	Metro Inc.	The Home Depot, Inc.
Canadian Tire Corporation, Limited	Nutrien Ltd.	The Kroger Co.
Cenovus Energy Inc.	Power Corporation of Canada	US Foods Holding Corp.
Costco Wholesale Corporation	Publix Super Markets, Inc.	Walgreens Boots Alliance, Inc.
Dollar General Corporation	Rite Aid Corporation	

Following the review, Meridian determined that director compensation was slightly below the market median. As a result of this finding, the Board, on the recommendation of the Governance Committee, approved the following changes to director compensation effective January 1, 2022:

- an increase of the annual base retainer from $225,000 to $240,000; and
- an increase to the annual Committee membership fee from $7,500 to $10,000.

Non-management directors are expected to hold Common Shares or DSUs with a value of not less than four times the amount of the directors' annual retainer. Based on this multiple of base retainer, the ownership requirement has increased from $900,000 to $960,000 in 2022. No changes were made to the Lead Director fee or any Committee Chair fees.

A summary of the 2022 director compensation amounts reflecting the changes is set out below:

Type of Fee	Amount ($)
Annual Fees	
Total Board Retainer	240,000
Chair and Committee Fees	
Lead Director retainer	50,000
Audit Committee Chair	30,000 (1)
Governance Committee Chair	30,000 (1)
Risk and Compliance Committee Chair	30,000 (1)
Pension Committee Chair	15,000 (1)
Member of Board committee	10,000

(1) Includes fees received as a Committee member.

Outstanding Share-Based Awards

The following table sets forth the value of all share-based awards granted by the Corporation to non-management directors that were outstanding as at January 4, 2022:

Name of Participant	Number of Shares or Units of Shares That Have Not Vested (#)	Market or Payout Value of Share-Based Awards That Have Not Vested ($)	Market or Payout Value of Vested Share-Based Awards Not Paid Out or Distributed (1) ($)
Paviter S. Binning(2)	—	—	836,428
Scott B. Bonham	—	—	1,844,620
Warren Bryant(2)	—	—	3,463,747
Christie J.B. Clark	—	—	1,220,330
Daniel Debow	—	—	525,669
William A. Downe	—	—	1,566,633
Janice Fukakusa	—	—	881,629
M. Marianne Harris	—	—	2,037,136
Claudia Kotchka	—	—	1,980,223
Beth Pritchard(2)	—	—	3,377,762
Sarah Raiss	—	—	4,628,192

(1) The value of the outstanding DSUs, which are considered to be vested share-based awards, held by the directors is based on the closing price of the Common Shares on the TSX on January 4, 2022, which was $102.73, multiplied by the number of outstanding DSUs. The values also include additional DSUs which were accumulated based on notional equivalents of dividends paid on Common Shares.

(2) Messrs. Binning and Bryant and Ms. Pritchard will not be standing for re-election at the Meeting.

APPOINTMENT OF THE AUDITOR

Appointment of the Auditor

Following completion of a tender process, the Board determined to request the resignation of KPMG LLP ("KPMG") as auditor of the Corporation effective on the business day following the filing of the consolidated financial statements of the Corporation for the financial year ended January 1, 2022, and the auditor's report thereon, and to appoint PwC to fill the vacancy as the auditor of the Corporation. Additional documents related to the change of auditor, being the Change of Auditor Notice and the acknowledgments of that notice by PwC and KPMG, are set out in Schedule 'C' to this Circular.

The Board, on the recommendation of the Audit Committee, recommends that PwC be appointed as the auditor of the Corporation to hold office until the next annual meeting of shareholders of the Corporation and that the directors be authorized to fix PwC's remuneration. The Corporation's representatives named in the accompanying form of proxy intend to vote **FOR** the appointment of PwC as the Corporation's auditor until the next annual meeting of shareholders.

Audit and Other Service Fees

The Audit Committee oversees the fees paid to the independent auditor, which in 2021 was KPMG, for audit and non-audit services. The following table sets forth the aggregate fees billed for professional services rendered by KPMG, for the fiscal years 2021 and 2020, respectively:

	2021 $(000's)	2020 $(000's)
Audit fees(1)	5,222	5,353
Audit-related fees(2)	563	475
Tax-related fees(3)	60	84
All other fees(4)	205	89
Total Fees	$6,050	$6,000

(1) Audit fees include fees for services related to the audit of the Corporation's consolidated financial statements, including the audit of Shoppers Drug Mart ("SDM") and President's Choice Bank (each a subsidiary of the Corporation). Audit fees also include fees for services related to the review of quarterly reports, the interpretation of accounting and financial reporting standards and auditor involvement with filings, such as prospectuses.

(2) Audit-related fees include fees for French translation services associated with the Corporation's financial and regulatory filings, the audit of pension plans and for services rendered for certain special projects.

(3) Tax-related fees include fees for tax compliance services and advice and for services rendered for certain special projects.

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

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

ADVISORY RESOLUTION ON APPROACH TO EXECUTIVE COMPENSATION

Advisory Resolution on Approach to Executive Compensation

At the Meeting, the shareholders will be asked to consider an advisory resolution (the "Say on Pay Resolution") regarding the Corporation's approach to executive compensation, which is described in detail in the section of this Circular titled "Compensation Discussion and Analysis", which commences on page 45. In 2021, shareholders were asked to consider an advisory resolution regarding the Corporation's approach to executive compensation, which received the approval of 94.82% of shareholders.

Pay for performance is a cornerstone of the Corporation's compensation philosophy, which is intended to align the interests of the Corporation's executives with those of its shareholders. This compensation philosophy enables the Corporation to attract and retain high-performing executives who will be motivated to create value for shareholders.

The Board and management of the Corporation recommend that the shareholders vote **FOR** the adoption of the advisory Say on Pay Resolution.

The Corporation's representatives named in the accompanying form of proxy intend to vote **FOR** the adoption of the advisory Say on Pay Resolution.

Votes on the Say on Pay Resolution are advisory and will not be binding on the Board or the Corporation. However, the Governance Committee will review and analyze the results of the vote and take them into consideration when reviewing the Corporation's executive compensation philosophy.

The form of Say on Pay Resolution to be submitted to the shareholders at the Meeting, subject to such amendments, variations or additions as may be approved at the Meeting, is set forth below:

BE IT RESOLVED THAT on an advisory basis and not to diminish the role and responsibilities of the Board of Directors, the shareholders accept the approach to executive compensation disclosed in the Circular, delivered in advance of the 2022 Annual Meeting of the Shareholders of Loblaw Companies Limited.

SHAREHOLDER PROPOSALS

Shareholder Proposals

Shareholders will be asked to consider the shareholder proposals set out in Schedule B of this Circular.

THE BOARD RECOMMENDS THAT SHAREHOLDERS VOTE AGAINST THE SHAREHOLDER PROPOSALS FOR THE REASONS SET OUT IN THE STATEMENTS OF OPPOSITION.

The Corporation's representatives named in the accompanying form of proxy intend to vote AGAINST the 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. The final date for submission of proposals by shareholders to the Corporation for inclusion in the Management Proxy Circular in connection with the 2023 Annual Meeting of Shareholders is December 28, 2022.

2 Committee Reports

AUDIT COMMITTEE

Christie J.B. Clark (Chair) Independent

Scott B. Bonham Independent

Daniel Debow Independent

Janice Fukakusa Independent

M. Marianne Harris Independent

The Audit Committee, on behalf of the Board, oversees the integrity of the Corporation's financial statements and related public disclosure. In doing so, the Audit Committee oversees the Corporation's internal controls over financial reporting, disclosure controls and procedures, internal audit function and anti-fraud program. The Committee also oversees procedures for the receipt, retention and follow-up of any complaints regarding the Corporation's accounting, internal controls and auditing matters.

Each year, the Audit Committee reviews and evaluates the qualifications, performance and independence of the auditor and recommends the auditor to the Board for appointment by the shareholders. The Chair of the Audit Committee is involved in the selection process for the Lead Audit Partner at the auditor of the Corporation. The Audit Committee ensures that a regular rotation occurs as required under current auditing standards.

All members of the Audit Committee are independent and financially literate as required under applicable Canadian securities legislation.

AUDIT COMMITTEE REPORT TO SHAREHOLDERS

Dear Shareholders:

On behalf of the Board, the Audit Committee is pleased to share with you the Audit Committee's report and some of the Committee's significant accomplishments in 2021.

2021 Highlights:

- ✓ Oversaw the change of auditor of the Corporation from KPMG to PwC, including the tender process
- ✓ Reviewed the financial impacts of COVID-19, including the estimates and judgments made by management and the impacts on controls and related disclosure
- ✓ Reviewed the changes to the Corporation's non-GAAP financial measures disclosure
- ✓ Oversaw management's monitoring and mitigation of risks relating to vendor management
- ✓ Reviewed the adequacy and effectiveness of controls relating to the Corporation's 2020 Corporate Social Responsibility Report

Overview

The Audit Committee meets at least once every quarter. The Audit Committee's specific duties and responsibilities are based on its mandate and work plan. At each quarterly meeting, the Audit Committee meets separately *in camera* with representatives of the internal audit group and the external auditor. In addition, it holds an *in camera* session without management present at each meeting. The Audit Committee met six times in 2021.

Each year, the Audit Committee reviews its mandate to ensure its effectiveness in fulfilling its responsibilities. The Audit Committee communicates regularly with management and the internal and external auditors.

The Audit Committee approved its mandate in 2021 and it is available at www.loblaw.ca. The members of the Audit Committee are satisfied that the Committee fulfilled its responsibilities in 2021.

Financial Reporting

The Audit Committee reviewed and discussed with management the Corporation's annual and interim consolidated financial statements and management's discussion and analysis for the year ended January 1, 2022, and the interim quarters, including the impacts of the COVID-19 pandemic and related disclosure. The Audit Committee also reviewed the auditor's reports thereon and heard directly from the auditor on key risk areas. The purpose of this review is to provide reasonable assurance that the Corporation's financial reporting is complete and fairly presented in all material respects, and that the accounting principles used to prepare the financial statements are appropriate, in particular where judgments, estimates and risks are involved. This review is also designed to ensure that adequate disclosure of material issues has been provided. Based on the considerations above, the Audit Committee recommended to the Board that the Corporation's annual audited consolidated financial statements be approved and released on February 24, 2022.

Environmental, Social and Governance ("ESG") Reporting

The Audit Committee reviewed the adequacy and effectiveness of controls relating to the Corporation's 2020 Corporate Social Responsibility Report and was satisfied that such controls were sufficient.

Internal and External Auditor

Throughout the year, the Chair of the Audit Committee met regularly with KPMG, representatives of the internal audit group and senior members of the Corporation's financial reporting group. In 2021, the Committee reviewed and approved the annual audit plan of the internal audit group and KPMG and received regular reports from Internal Audit Services. In addition, the Audit Committee received reports on key audit matters from KPMG.

The Audit Committee oversaw the Corporation's completion of a tender process, and recommended that the Board request the resignation of KPMG as auditor of the Corporation effective on the business day following the filing of the consolidated financial statements of the Corporation for the financial year ended January 1, 2022, and the auditor's report thereon, and appoint PwC to fill the vacancy as the auditor of the Corporation.

The Audit Committee was satisfied that PwC is independent from the Corporation and management. The Audit Committee proposed that the Board recommend to the shareholders the appointment of PwC as auditor of the Corporation at the Meeting.

Internal Control Compliance

Throughout 2021, the Audit Committee reviewed management's administration of the Corporation's Internal Control Compliance ("ICC") program, including by reviewing the 2021 ICC Scoping and Risk Assessment Plan and periodic progress thereon.

Review of Risks

The Audit Committee reviewed certain risks faced by the Corporation, including inflation, vendor management and management of franchisees and associates, as well as the controls and procedures that management has implemented to identify, manage and mitigate such risks.

Legal, Regulatory, Related Party Transactions and Tax

Throughout 2021, the Audit Committee reviewed updates on compliance matters relating to financial reporting and updates on material legislative and regulatory developments, material litigation, regulatory filings, material transactions with related parties and tax matters affecting the Corporation. The Audit Committee continues to work with management to ensure adherence to a robust process for reviewing and approving significant related party transactions. This is particularly relevant with Choice Properties given that the Corporation is Choice Properties' largest tenant and an affiliate. The Audit Committee is confident that management has considered the relevant legal and governance considerations associated with related party transactions and has implemented a sound governance framework to address significant related party transactions when they arise.

Respectfully submitted,

Audit Committee
Christie J.B. Clark (Chair)
Scott B. Bonham
Daniel Debow
Janice Fukakusa
M. Marianne Harris

For additional information regarding each member of the Audit Committee, please see pages 9 to 14. For additional information regarding the activities of the Audit Committee, see the Corporation's Statement of Corporate Governance Practices on pages 31 to 44.

RISK AND COMPLIANCE COMMITTEE

Warren Bryant (Chair) Independent

Scott B. Bonham Independent

Christie J.B. Clark Independent

M. Marianne Harris Independent

Claudia Kotchka Independent

Beth Pritchard Independent

The Risk and Compliance Committee, on behalf of the Board, oversees the Corporation's legal and regulatory compliance and ethics program, the Corporation's Enterprise Risk Management ("ERM") program and the Corporation's policies, management systems and performance with respect to various key risk areas.

RISK AND COMPLIANCE COMMITTEE REPORT TO SHAREHOLDERS

Dear Shareholders:

On behalf of the Board, the Risk and Compliance Committee is pleased to share with you the Risk and Compliance Committee's report and some of the Committee's significant accomplishments in 2021.

2021 Highlights:

- ✓ Oversaw the Corporation's response to risks related to the COVID-19 pandemic
- ✓ Oversaw the Corporation's maintenance of assurance by the International Organization for Standardization ("ISO") of the Corporation's competition law compliance program
- ✓ Oversaw the Corporation's Enterprise Risk Assessment and ERM programs and reviewed key risks facing the Corporation and how these risks are being managed
- ✓ Oversaw the implementation of updated colleague and supplier Codes of Conduct across the Corporation and supplier base, respectively
- ✓ Oversaw the development and implementation of a new corporate policy management framework, intended to reduce the volume of and simplify corporate policies to promote compliance and understanding
- ✓ Oversaw the development and introduction of the Corporation's enhanced anti-bribery and corruption program
- ✓ Oversaw maintenance of the Integrity Action Line, which included monitoring reported incidents and noteworthy trends and addressing actions to be taken as a result

Overview

The Risk and Compliance Committee meets at least once every quarter. The Committee's specific duties and responsibilities are based on its mandate and work plan. The Risk and Compliance Committee oversees the design and implementation of the Corporation's legal and regulatory compliance and ethics program and ERM program, as well as environmental, occupational health and safety, pharmacy, food and product safety and ESG programs. At each meeting in 2021, the Committee invited key members of management to attend and present on issues that are relevant to the Committee's mandate. Additionally, at each meeting, the Risk and Compliance Committee met separately *in camera* with the Senior Vice President and Chief Compliance & Ethics Officer and with the Senior Vice President, Audit and Risk Management. The Committee also held an *in camera* session without management present at each meeting. The Risk and Compliance Committee met four times in 2021.

The Risk and Compliance Committee approved its mandate in 2021 and it is available at www.loblaw.ca. The members of the Risk and Compliance Committee are satisfied that the Risk and Compliance Committee fulfilled its responsibilities in 2021.

The Corporation's Management Risk and Compliance Committee assists the Risk and Compliance Committee in fulfilling its responsibility to oversee the Corporation's ERM and legal and regulatory compliance and ethics programs. The main purpose of the Management Risk and Compliance Committee is to oversee and govern the Corporation's programs to ensure that enterprise risks facing the Corporation remain within acceptable tolerances, to ensure that risk mitigation actions are implemented and are effective, to ensure that any matters requiring action are discussed, escalated and reported-on accurately and on a timely basis, to foster a strong compliance and ethics culture within the Corporation and to manage and resolve any incidents and minimize any adverse consequences caused by any non-compliance with applicable law or unethical conduct.

COVID-19 Risk Response

In 2021, the Board, and particularly the Risk and Compliance Committee, was actively engaged with the Corporation's response to the risks posed by the ongoing COVID-19 pandemic. The Risk and Compliance Committee reviewed the risks of COVID-19 to each of the Corporation's divisions as well as other groups including sourcing, supply chain, information technology, human resources, labour relations and asset protection, and considered the corresponding mitigating activities. In particular, the Committee reviewed the risks associated with the Corporation's administration of COVID-19 tests and vaccinations in its pharmacy locations. The Risk and Compliance Committee continues to oversee the Corporation's COVID-19 response.

Legal and Regulatory Compliance and Ethics

In executing its mandate, the Risk and Compliance Committee monitors the Corporation's legal and regulatory compliance and ethics program and receives regular reports from the Senior Vice President and Chief Compliance & Ethics Officer and the compliance and ethics function leads in the Corporation's business. The Risk and Compliance Committee reviews the actions of management to ensure that the Corporation has sound compliance and ethics management systems, that employees of the Corporation are aware of the Corporation's policies and procedures regarding legal and regulatory compliance and ethics and that the Corporation supports its franchised businesses with respect to legal and regulatory compliance and ethics standards and programs and provides timely and effective support and education. The Risk and Compliance Committee also receives and reviews periodic reports from management and independent consultants on legal and regulatory compliance and ethics matters. Each quarter, the Risk and Compliance Committee received a report from the Senior Vice President and Chief Compliance & Ethics Officer regarding the Corporation's incident management platform and the Integrity Action Line.

In 2021, the Risk and Compliance Committee oversaw certain activities required to be completed in order for the Corporation to maintain ISO assurance of the Corporation's competition law compliance program. Such activities included advancing a culture of supporting compliance with competition law, creating and implementing plans to incorporate more robust compliance controls into business units across the Corporation, delivering competition law training modules and conducting rigorous competition law control testing.

The Risk and Compliance Committee also oversaw the development and introduction of the Corporation's enhanced anti-bribery and corruption program, including a governance model designed to operationalize anti-bribery and corruption related improvements, development and delivery of anti-bribery and corruption training to applicable stakeholders and development of a web-based portal that collects information from third parties to assess anti-bribery and corruption risks. In connection with its oversight of the program, the Risk and Compliance Committee reviewed and approved the Corporation's new Anti-Bribery and Corruption Policy.

In addition, the Risk and Compliance Committee oversaw management's review of the universe of corporate policies and the updating of such policies, which resulted in the simplification of and a reduction in the overall number of policies, and policies that were more consistent, visual and inclusive for colleagues.

Building off of the work done in 2020, the Risk and Compliance Committee reviewed management's approach to promoting awareness of and obtaining sign-off on the colleague and supplier Codes of Conduct and oversaw their implementation across the Corporation and supplier base, respectively.

Enterprise Risk Management

The Risk and Compliance Committee is responsible for overseeing the design and structure of the Corporation's ERM program and for monitoring and assessing its effectiveness. The Risk and Compliance Committee also oversees certain risks delegated to it by the Board and is responsible for satisfying itself that management has taken appropriate actions to ensure the effective management of such risks.

At Risk and Compliance Committee meetings, the Risk and Compliance Committee received reports from management on various key risks facing the Corporation and how they were being mitigated. Management provides quarterly reports to the Risk and Compliance Committee on the status of certain key risks, anticipated impacts in future quarters, and significant changes in key risk indicators.

Information Technology

The Risk and Compliance Committee also reviews management's oversight of risks relating to information technology affecting the Corporation and the Corporation's information technology systems, including cyber-security. The Risk and Compliance Committee receives regular reports from management with respect to the Corporation's systems, policies, controls and procedures that management has implemented to identify, manage and mitigate risks related to information technology and the Corporation's information technology systems, including cyber-security.

Food Safety

The Risk and Compliance Committee receives periodic reports from management and reviews the actions taken by management to ensure that the Corporation's food safety programs address safe manufacturing, handling and preparation standards, that suppliers of food products adhere to high safety standards and that best practices are in place for storage, handling, distribution and packaging of food products, along with necessary control systems to monitor compliance with such policies.

Drug Safety

The Risk and Compliance Committee oversees risks related to the production, handling and dispensing of pharmaceuticals and the operation of pharmacies, monitors and assesses the Corporation's effectiveness in managing such risks, and ensures such risks are managed in accordance with best practices. The Risk and Compliance Committee receives periodic reports from management in order to perform its oversight role.

Environmental, Occupational Health and Safety Matters

The Risk and Compliance Committee also receives periodic reports from management on environmental and occupational health and safety matters.

ESG

The Risk and Compliance Committee reviews the Corporate Social Responsibility Report (which will be referred to as the "ESG Report" going forward) and oversees its ESG strategy. The Risk and Compliance Committee also receives periodic reports on the Corporation's ESG initiatives.

Respectfully submitted,

Risk and Compliance Committee
Warren Bryant (Chair)
Scott B. Bonham
Christie J.B. Clark
M. Marianne Harris
Claudia Kotchka
Beth Pritchard

For additional information regarding each member of the Risk and Compliance Committee, please see pages 9 to 14. For additional information regarding the activities of the Risk and Compliance Committee, see the Corporation's Statement of Corporate Governance Practices on pages 31 to 44.

PENSION COMMITTEE

Sarah Raiss
(Chair)
Independent

Christie J.B. Clark
Independent

M. Marianne Harris
Independent

The Pension Committee, on behalf of the Board, oversees the administration, management, design, funding and governance of the Corporation's pension plans, as well as the administration and management of the Corporation's benefit programs. The Pension Committee met four times in 2021.

PENSION COMMITTEE REPORT TO SHAREHOLDERS

Dear Shareholders:

On behalf of the Board, the Pension Committee is pleased to share with you the Pension Committee's report and some of the Committee's significant accomplishments in 2021.

2021 Highlights:

- ✓ Oversaw updates and impacts to the Corporation's pension and benefit plans related to Weston's sale of its bakery business
- ✓ Oversaw the transition of actuarial and consulting services to Mercer (Canada) Limited ("Mercer")
- ✓ Oversaw the transition from the then-current manager of global equities to another
- ✓ Oversaw the launch of a flexible benefits program

Oversight of the Corporation's Pension and Benefit Plans

The Pension Committee, on behalf of the Board, oversees the governance and administration of the Corporation's pension and benefit plans. To fulfill its oversight responsibilities, the Pension Committee approved the framework within which investment decisions are made for the Corporation's defined benefit plans and reviewed the financial statements of such plans with management and the external auditor. The Pension Committee also received regular reporting on: (i) the Corporation's defined benefit plans, including the investment performance and funded status of such plans, and (ii) the Corporation's defined contribution plans, including the investment performance of the investment options made available to pension plan members. Throughout the year, the Pension Committee also monitored compliance with the Corporation's policies, the pension plan texts and applicable regulatory and legislative requirements.

Oversight of Impacts to the Corporation's Pension and Benefit Plans related to Weston's Sale of its Bakery Business

In connection with Weston's sale of its bakery business and related internal corporate reorganizations, certain pension and benefit plans of the Corporation required updates, including to reflect that former employees of the bakery business would no longer participate in the plans following closing of the sale. The Pension Committee reviewed reporting by management on the actions taken and the governance processes observed.

Oversight of Actuarial and Consulting Services Transition

The Pension Committee oversaw the transition of actuarial and consulting services from Willis Towers Watson to Mercer.

Oversight of Global Equity Manager Transition

The Pension Committee approved and oversaw management's termination of its former manager of global equities and participated in the selection process to find a new manager of global equities. The Pension Committee approved management's recommendation of a new manager of global equities.

Flexible Benefit Program

The Pension Committee continued its oversight of the strategy for offering a flexible benefit program to over 20,000 employees across Canada and reviewed management's activities in connection with the program's launch in 2021.

COMMITTEE REPORTS

Respectfully submitted,

Pension Committee
Sarah Raiss (Chair)
Christie J.B. Clark
M. Marianne Harris

For additional information regarding each member of the Pension Committee, please see pages 9 to 14. For additional information regarding the activities of the Pension Committee, see the Corporation's Statement of Corporate Governance Practices on pages 31 to 44.

GOVERNANCE COMMITTEE

William A. Downe (Chair) Independent

Warren Bryant Independent

Claudia Kotchka Independent

Beth Pritchard Independent

Sarah Raiss Independent

The Governance Committee believes that good corporate governance is essential to strong performance. The Corporation's governance practices are designed to provide oversight and accountability, ensure trust with stakeholders and promote the long-term interests of its shareholders.

The Governance Committee is responsible for the oversight of the Corporation's governance practices, including the development and implementation of good governance principles, consistent with high standards of corporate governance. On an annual basis, the Governance Committee evaluates the performance and practices of the Board, including a review of Board policies and mandates and, together with the Chairman and President, a review of the composition of the Board committees.

As part of its mandate, the Governance Committee, together with the Chairman and President, identifies and recommends candidates for nomination to the Board as directors. The Governance Committee also recommends to the Board for approval any changes to directors' compensation arrangements. In addition, the Governance Committee monitors the orientation program for new directors and continuing education for all directors, and oversees the process for assessing the performance of the Board, its committees and individual directors.

The Governance Committee assists the Board with overseeing the design of the Corporation's executive compensation programs, including its incentive programs and the compensation of the named executive officers (the "NEOs") identified on page 46. The Governance Committee is also responsible for overseeing talent management and succession planning for the Corporation's senior executive positions.

Key Skills and Experiences

The Board believes that the members of the Governance Committee individually and collectively have the requisite knowledge, skill and experience in governance and compensation matters, including human resource management, executive compensation and general business leadership, to fulfill the Committee's mandate. All members of the Committee have substantial knowledge and experience as senior executives of large and complex organizations and have served as directors of other publicly traded companies. The chart below sets out the relevant experience of each member of the Governance Committee:

Name of Member	Experience in Governance and Executive Compensation
Warren Bryant(1)	• Executive experience as former Chairman, President and Chief Executive Officer of Longs Drug Stores • Executive experience at Kroger Co. • Former Chair of the Governance Committee of Office Depot (formerly Office Max) • Director and member of Dollar General Corporation's Compensation Committee
William A. Downe	• Executive experience as former Chief Executive Officer of BMO Financial Group • Lead Director and Chair of the Executive Compensation and HR Committee of Manpower Group Inc. • Trustee and member of the Compensation and HR Committee of Rush University Medical Center • Former director of Bank of Montreal
Claudia Kotchka	• Executive experience as former Vice President, Design Innovation and Strategy at Procter & Gamble • Public company board experience as a former director of BlackBerry Limited
Beth Pritchard(1)	• Executive experience as former President, Chief Executive Officer and Vice Chair of Dean & DeLuca Inc. • Executive experience as former President and Chief Executive Officer of Bath & Body Works • Executive experience as former Chief Executive Officer of Victoria's Secret Beauty • Lead Independent Director of e.l.f. Beauty, Inc. • Former Chair and former member of the Compensation and Governance Committee of The Vitamin Shoppe Inc. • Former member of the Compensation and Governance Committee of Cabela's Incorporated • Former member of the Human Resources and Compensation Committee of Shoppers Drug Mart Corporation • Former member of the Compensation Committee of Zale Corporation • Former director of Ecolab, Inc.
Sarah Raiss	• Executive experience at TransCanada Corporation (now TC Energy) • Chair of the Compensation Committee of Ritchie Bros. Auctioneers Inc. • Member and Chair of the Nominations and Governance Committee and former Chair of the Compensation Committee for Commercial Metals Company • Former member and Chair of the Governance and Human Resources Committee of Vermilion Energy Inc. • Former Chair of the Alberta Electric Systems Operator and member of the Governance and Nominations Committee • Former member and Chair of the Corporate Governance and Compensation Committee of Canadian Oil Sands Limited • Former member of the Human Resources and Compensation Committee of Shoppers Drug Mart Corporation • Former Chair of the Human Resources Committee and former member of the Governance and Nominating Committee at Business Development Bank of Canada

(1) Mr. Bryant and Ms. Pritchard will not be standing for re-election at the Meeting.

Board Succession Planning and Nomination Process

The Board regularly reviews potential vacancies on the Board. The Governance Committee assists the Board by reviewing an evergreen list of potential candidates and identifying individuals for the Board's consideration at the appropriate time. The Corporation has in place director tenure guidelines, which provide that the Chairman and President and the Governance Committee will undertake an assessment of a director's continued participation on the Board upon the director reaching the age of 75, and annually thereafter, or upon a change in the director's principal occupation. The director tenure guidelines do not apply to the Chairman and President or any management directors.

In addition to the formal director tenure guidelines, the Governance Committee:

1. undertakes an annual Board effectiveness evaluation that enables the Governance Committee and the Board to solicit feedback regarding director contribution, skill set and expertise;
2. maintains a director skills matrix to ensure that, in choosing director candidates, it focuses appropriately on critical competencies and experience;
3. monitors director turnover through the evaluation process and, to the extent appropriate, from time to time requests directors who are long serving and who have a readily replaceable skill set or experience not to stand for re-election;
4. annually reviews Board committee chairs and memberships with a view to balancing the desire for diverse perspectives with the need for experience and subject matter expertise; and
5. provides disclosure in this Circular in respect of director tenure, the director evaluation process and director turnover with an explanation of how the Corporation's approach ensures diversity of skills, experience and background on the Board and an appropriate level of turnover.

In summary, each year the Governance Committee undertakes a review of the composition of the Board, the performance of the individual directors and the mandate and composition of the committees of the Board. Recommendations for changes, if any, are developed by the Governance Committee and subsequently discussed with the Board and with the controlling shareholder. The Board is of the view that these processes have worked well and have resulted in governance that has been both effective and adaptive to the changing nature of the businesses and the markets in which the Corporation operates.

GOVERNANCE COMMITTEE REPORT TO SHAREHOLDERS

Dear Shareholders:

On behalf of the Board, the Governance Committee is pleased to share with you some of the Committee's significant accomplishments in 2021.

2021 Highlights:

- ✓ Oversaw Board succession plans
- ✓ Oversaw the design of the Corporation's 2022 Short Term Incentive Plan and Long Term Incentive Plan
- ✓ Oversaw the transition of certain senior executives
- ✓ Oversaw Meridian's review of director compensation and approved an increase to director compensation, effective January 1, 2022

Executive Talent Management and Succession Planning

The Governance Committee is entrusted with the responsibility of overseeing the Corporation's approach to talent management and succession planning for senior executive roles. The Governance Committee receives reports on the development of senior executives, updates on the talent management plans across the organization and performance evaluation processes, which are designed to improve individual leadership and management skills. The succession planning process includes an annual review of each senior executive position and the performance of the incumbent. Effective in May 2021, Sarah Davis retired from her role as President of the Corporation and Darren Myers ceased his position as Chief Financial Officer of the Corporation. Upon Ms. Davis' retirement, Galen G. Weston assumed the role of President and was appointed Chairman and President of the Corporation. Richard Dufresne assumed the role of Chief Financial Officer of the Corporation effective following Mr. Myers' departure. Effective concurrently, Robert Sawyer joined the Corporation as its Chief Operating Officer, with responsibility for the Corporation's day-to-day business performance. Such transitions were reviewed, approved and overseen by the Governance Committee.

As a result of Messrs. Weston's and Dufresne's respective appointments to the offices of Chairman and President and Chief Financial Officer of the Corporation, the Governance Committee reviewed management's proposed cost split for Messrs. Weston and Dufresne between the Corporation and Weston, given that they are officers of both companies. The Governance Committee approved that the Corporation would pay 70% of Mr. Weston's compensation, with the remaining 30% payable by Weston, and that the Corporation would pay 80% of Mr. Dufresne's compensation, with the remaining 20% payable by Weston.

Board Composition and Succession

The Governance Committee's focus is to maintain a strong, vibrant and engaged Board that understands the Corporation's businesses and the retail industry generally. One of the key areas of responsibility for the Governance Committee is succession planning for the Board. The Committee assesses and evaluates the effectiveness of the Board and identifies areas where the Board may benefit from new directors with additional skills, experience and diverse backgrounds. In early 2021, the Board, upon the recommendation of the Governance Committee, updated the Corporation's board diversity policy to reflect a target that people who identify as women will comprise at least 40% of the Board's directors, increased from 30%. In addition, such policy provides that, by 2024, people who identify as visible minorities will comprise at least 25% of the Board's directors. The list of nominees for the upcoming Meeting includes four nominees who identify as women and two nominees who identify as visible minorities, representing approximately 40% and 20% of the nominees, respectively.

This year, the Governance Committee has again included in this Circular a skills matrix that the Governance Committee used as a tool in managing Board succession. This matrix was used to identify the skills, experience and expertise required on the Board.

In May 2022, Messrs. Binning and Bryant and Ms. Pritchard will be retiring from the Board after serving for three (most recently), nine and eight years, respectively. The Governance Committee would like to acknowledge and thank these directors for their dedicated service and outstanding contributions to the Corporation.

The Governance Committee is responsible for the process of identifying prospective director nominees. The Governance Committee assesses the appropriate size of the Board and whether any vacancies are expected and reviews the skills matrix of current Board members to determine criteria and qualifications to be considered when recruiting new director nominees. Each candidate is evaluated with respect to the candidate's 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, interlocking board memberships, or time commitment that the candidate may present. Before being put forward as a director nominee, a candidate must meet the Chair of the Governance Committee, the Chairman and President and other Board members to discuss the Board's expectations in regards to contribution and commitment obligations.

The Governance Committee recommended that the number of Board members be reduced from 12 to 10. The Governance Committee has identified Cornell Wright as having the requisite skills, experience and qualifications to be a Board member and therefore being a suitable director nominee. Mr. Wright will stand for election at the Meeting.

Director Compensation

In 2021, the Governance Committee engaged Meridian to review the compensation paid to the Corporation's non-management directors. Meridian completed a comprehensive review of the Board's compensation practices relative to the comparator group of 29 companies used to benchmark executive compensation. As part of this review, Meridian analyzed: (i) the amount of the base retainer; (ii) committee and chair fees; (iii) the lead director fee; and (iv) minimum share ownership requirements .

As a result of the review, the Governance Committee recommended that the Board approve an increase to director compensation. The Board approved such recommendation such that, effective January 1, 2022: (i) each director's annual base retainer increased from $225,000 to $240,000 and (ii) the membership fee for each member of a Committee of the Board increased from $7,500 to $10,000.

Director Education and Training Program

The Governance Committee is responsible for ensuring the provision of continuing education programs for the Corporation's directors. The educational program includes presentations by internal and external experts on specific topics of interest and importance to the Board and each of its committees and on specialized or complex areas of the Corporation's business, to assist directors in carrying out their responsibilities. These presentations are in addition to regular reporting from senior management and other elements of the Corporation's continuing education program.

KEY PERFORMANCE HIGHLIGHTS IN 2021

The Board reviewed the Corporation's financial performance in 2021 and determined the NEOs' incentive payouts in part based on such performance:

- The Corporation's short-term incentive plan ("STIP") paid out at 198.1% of target for the NEOs (excluding individual performance components).
- The 2019 performance share units ("PSUs") that vested in 2022 had a payout factor at 130.8% of target for the NEOs.

EXECUTIVE COMPENSATION PHILOSOPHY

The Corporation's compensation philosophy guides every aspect of the Corporation's strategy, programs, policies and decisions on executive compensation. The Governance Committee reviews and approves the Corporation's compensation philosophy and programs for executive officers. The philosophy is set out below:

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

Pay for performance is a cornerstone of the Corporation's compensation philosophy. The compensation programs for all employees, including executives, are results oriented. The Corporation believes that a strong pay-for-performance focus should align compensation with the successful execution of business strategy, sustained long-term performance and shareholder interests. This objective is achieved through the design of the Corporation's STIP and long-term incentive plan ("LTIP"). In particular, the Corporation believes that granting PSUs to all executives provides a strong link between pay and performance.

Executive compensation should align with the long-term interests of shareholders. The Corporation believes its STIP and LTIP programs accomplish this objective. The Corporation's STIP is a balanced program comprised of different performance measures that focus executives on the key drivers of the business and value creation over both the short and long-term. The LTIP balances the use of (i) stock options, which align an executive's interest with shareholders in share price appreciation; (ii) restricted share units ("RSUs"), which serve as a key component in retaining executives and aligning their interests with those of shareholders; and (iii) PSUs, which focus executives on the delivery of key objectives set forth in the Corporation's strategic plan. The Corporation also expects executives to meet minimum share ownership requirements that apply to executives at the senior vice president level and higher to reinforce the alignment between executive compensation and long-term shareholder interests.

Executive compensation programs should have flexibility to be tailored to business objectives. The Corporation believes that its executive compensation programs should be flexible and adaptive to enterprise and divisional needs. The performance measures under the STIP program are designed to focus executives on driving performance across the Loblaw and SDM businesses and include a performance measure based on a customer satisfaction index (OSAT) to focus management on customer satisfaction.

The principles of good governance must underlie the Corporation's executive compensation programs. The programs are designed to promote responsible decision-making by rewarding senior executives for execution of business strategy without taking undue risks.

Governance Practices

The Governance Committee is committed to ensuring that the Corporation's approach to governance practices satisfies regulatory requirements and aligns with best practices. The Governance Committee is confident that the Corporation has strong and practical governance systems in place, including protocols for managing conflicts of interest. At the same time, the Governance Committee remains committed to the ongoing evaluation of its practices and monitoring emerging best practices to deliver shareholder value.

Respectfully submitted,

Governance Committee
William A. Downe (Chair)
Warren Bryant
Claudia Kotchka
Beth Pritchard
Sarah Raiss

For additional information regarding each member of the Governance Committee, please see pages 9 to 14. For additional information regarding the activities of the Governance Committee, see the Corporation's Statement of Corporate Governance Practices on pages 31 to 44.

3 Statement of Corporate Governance Practices

STATEMENT OF CORPORATE GOVERNANCE PRACTICES

The Corporation's Board and management are dedicated to strong corporate governance practices designed to maintain high standards of oversight, accountability, integrity and ethics while promoting long-term growth and complying with the Canadian Securities Administrators' Corporate Governance Guidelines (the "Governance Guidelines"). The Corporation's strong governance practices are reflected in its approach and application of policies and practices, some of which are highlighted below:

GOVERNANCE			
Approach	***Reference***	***Application***	***Highlights***
Majority Voting Policy	*See page 8 of the Circular for additional detail* *See Policy on: www.loblaw.ca/en/corporate-governance*	• Annual election of directors by Shareholders • Director who receives greater number of votes withheld than votes in favour must tender resignation • Governance Committee reviews resignation and makes recommendation to the Board	• **At least 96%** of total votes cast at the 2021 Annual Meeting of Shareholders were cast in favour of each of the Directors
Independence Statement	*See pages 36 and 37 of the Circular for additional detail*	• Majority of the Board to be comprised of independent Directors	• **80%** of director nominees are independent • **100%** of Audit Committee members are Independent • **100%** of Governance Committee members are Independent
Board Effectiveness	*See page 40 of the Circular for additional detail*	• Ensure that the Board and its Committees are functioning at optimal levels	• Annual assessment of the performance and effectiveness of the Board and its Committees and Committee Chairs • Lead Independent Director in place to drive strong independent Board oversight
Share Ownership Policy	*See pages 14, 15 and 64 of the Circular for additional detail*	• Aligns the interests of Directors and executives with those of Shareholders • Applies to each Director and executive at the SVP level and higher	• All Directors and executives either satisfy the required level of share ownership or are in the process of accumulating the securities as required under the Policy
Continuing Education	*See page 39 and 40 of the Circular for additional detail*	• Ensuring relevant continuing education sessions are provided to Directors	• **19** continuing education sessions provided to a Committee or the Board in 2021
Director Tenure Guidelines	*See pages 7 and 27 of the Circular for additional detail*	• Foster ongoing renewal of the Board's membership • Chairman and President and Governance Committee Chair assess each Directors' continued participation on the Board upon the director reaching the age of 75 and annually thereafter, or upon a change in the director's principal occupation	• **40%** of Director nominees have tenure of 0 to 5 years • **40%** of Director nominees have tenure of 5 to 10 years • **20%** of Director nominees have tenure exceeding 10 years • Average tenure of 6.0 years
Director Interlock Policy	*See page 8 of the Circular for additional detail*	• Ensure that interlocking director relationships will not adversely affect independent judgement • Prohibited interlock occurs when more than two Directors sit on the board of another public entity • Governance Committee reviews interlocking Directors	• **0** prohibited interlocks among independent Directors and among director nominees
Related Party Transactions	*See pages 35 of the Circular for additional detail*	• Oversight of related party transactions rests with the Audit Committee • The Board, through the Audit Committee or a special committee of independent directors, reviews and approves significant related party transactions	• Quarterly reports on related party transactions provided to the Audit Committee • Audit Committee oversaw significant related party transactions in 2021
Corporate Opportunities Principles	*See page 35 of the Circular for additional detail*	• Framework established to facilitate decision-making process to deal with corporate opportunities which could be of interest to more than one entity in the Weston Group (as defined below)	• Annual review of strategic focus areas for each of the main businesses in the Weston Group • Annual review of corporate opportunity principles against entity strategies

GOVERNANCE (Continued)			
Approach	***Reference***	***Application***	***Highlights***
Advisory Vote on Executive Compensation (Say On Pay)	*See pages 17 and 18 of the Circular for additional detail*	• Providing Shareholders with an opportunity to cast advisory votes on the Corporation's approach to executive compensation	• **94.82%** of votes cast at the 2021 Annual Meeting of Shareholders were cast in favour of the Corporation's approach to executive compensation
Executive Clawback Agreement	*See page 47 of the Circular for additional detail*	• Deterrent to executives taking excessive risk	• Part of overall executive compensation program designed to align interests of the Shareholders with the Corporation

COMPLIANCE AND ETHICS			
Approach	***Reference***	***Application***	***Highlights***
Competition Law Compliance Program	*See page 22 of the Circular for additional detail*	• Reflects the Corporation's ongoing commitment to a rigorous competition law compliance program, including controls, training programs and reporting processes	• Maintained ISO assurance in respect of the Corporation's competition law compliance program
Code of Conduct	*See Code: www.loblaw.ca/en/corporate-governance*	• Reflects the Corporation's commitment to high standards of ethical conduct and business practices • Addresses conflicts of interest, compliance with laws, rules and regulations, confidentiality and fair dealing	• Annual review and approval of the Code • Annual acknowledgment by the Corporation's employees and directors of their commitment to abide by the Code
Compliance with Laws Policy	*Referenced within the Code: www.loblaw.ca/en/corporate-governance*	• Reflects the Corporation's commitment to compliance with all applicable laws and regulations and describes expectations of colleagues to ensure such compliance	• Approved by the Management Risk and Compliance Committee • Applies to all employees of the Corporation and its subsidiaries
Ethical Business Conduct	*See pages 42 and 43 of the Circular for additional detail*	• Integrity Action Line – Toll-free number that any employee, director or supplier can use to report conduct thought to violate the Code • Anti-Fraud Policy – Fraud reporting protocols established to ensure fraud reporting to senior management • Accounting, Auditing and Internal Controls Procedures - outlines the procedures for receipt and treatment of complaints received in connection with accounting, internal controls, disclosure controls or auditing matters	• Quarterly review of integrity action line reports with the Audit Committee • Annual review of the Anti-Fraud Policy and the Accounting, Auditing and Internal Controls Procedures by the Audit Committee • Quarterly compliance reporting to the Risk and Compliance Committee
Disclosure Policy	*See page 44 of the Circular for additional detail*	• The Disclosure Committee is responsible for the administration and implementation of the Disclosure Policy • Describes the processes and procedures of the Corporation in connection with the timely disclosure of material information • Provides direction and guidance on communications with external audiences • Establishes consistent guidance for determining what information is material and avoiding selective disclosure	• Quarterly review of disclosure documents, including the interim management's discussion and analysis, interim financial statements and news releases • Quarterly review and reporting on the application of non-GAAP measures • Annual review of the management proxy circular and annual information form • File all continuous disclosure documents within the required timelines, including earnings releases, annual and interim reports, annual information form and management proxy circular
Securities Trading Policy	*See page 48 of the Circular for additional detail*	• Addresses trading restrictions for the Corporation's employees and others subject to the policy • Addresses procedures for the reporting of trades by the Corporation's reporting insiders	• Annual review and approval of the policy • Prohibits trading, directly or indirectly, in the securities of Weston, Loblaw or Choice Properties while in possession of material undisclosed information

ENVIRONMENTAL, SOCIAL AND GOVERNANCE			
Approach	***Reference***	***Application***	***Highlights***
Mandate of the Risk and Compliance Committee	*See mandate on: www.loblaw.ca/en/corporate-governance*	• Oversight over ESG	• Risk and Compliance Committee receives periodic reports on ESG initiatives with annual reporting to the Board
ESG Reporting	*See reports on: www.loblaw.ca/en/responsibility*	• ESG Steering Committee, comprised of senior leaders, responsible for setting priorities, tracking metrics and championing program initiatives across the Corporation	• Release of 2020 Corporate Social Responsibility Report • Achieved targets of reducing the Corporation's operational carbon footprint by 30% against a 2011 baseline in 2020 (10 years prior to the target completion date of 2030) • Adoption of the Sustainability Accounting Standards Board (SASB) standard for Food Retailers & Distributors and Drug Retailers, ESG-reporting standards which guide the disclosure of financially-material sustainability information specific to the subset of ESG issues most relevant to financial performance for the industries in which Loblaw operates
Human Rights Statement	*See statement on: www.loblaw.ca/en/responsibility*	• Outlines the Corporation's commitment to respect and protect the human rights of all people who support and intersect with the Corporation's business	• Established a Human Rights Statement, "Our Position on Human Rights", that was approved by the Board in November 2020
Board Diversity Policy	*See pages 40 and 41 of the Circular for additional detail*	• 40% target for female representation on the Board • Consideration of age, ethnicity, gender, diverse backgrounds • Annual self-identification on designated group membership	• **40%** of Director nominees identify as women • Revised target in 2021 from 30% to **40%** of the Board to be comprised of people who identify as women • **20%** of Director nominees identify as visible minorities • Target that 25% of Board's composition be comprised of people who identify as visible minorities by 2024 • Annual assessment of Board composition
Management Diversity and Inclusion Programs	*See pages 41 and 42 of the Circular for additional detail*	• Diversity and Inclusion framework created with involvement of hundreds of colleagues across the organization • Drives the Corporation's diversity priorities by creating resource groups, generating awareness and implementing activities that embed diversity principles into the culture of the organization • Diversity driven mentoring and recruiting practices and talent development strategies • Consider diversity at the talent development and succession planning process at various senior levels • Annual self-identification on designated group membership	• Adoption of formal targets in respect of women and visible minorities in management positions • Target that by 2024, **40%** of Vice President or higher positions be held by people who identify as women and **25%** of such positions be held by people who identify as visible minorities • Target that by 2024, **43%** of management positions be held by people who identify as women and **30%** of such positions be held by people who identify as visible minorities • Advancing diversity, equity and inclusion through an inclusion council and a network of diversity, equity and inclusion committees, and within the Corporation's communities through strategic partnerships • Training sessions held on diversity and inclusion

ENTERPRISE RISK MANAGEMENT			
Approach	***Reference***	***Application***	***Highlights***
Mandate of the Risk and Compliance Committee	*See pages 21 and 34 of the Circular for additional detail on the Board and Risk and Compliance Committee's oversight of the Corporation's ERM program*	• Risk and Compliance Committee assists the Board in its oversight of ERM policies and procedures to ensure that relevant risks are identified and mitigation plans are put into place • Risk and Compliance Committee oversees risks related to information technology and systems	• Annual review of Corporation's ERM Plan, risk rankings and Risk Appetite Statement • Oversees monitoring and mitigation of information security risks and risks related to COVID-19 • Management delivers regular reports on information/cyber security to the Risk and Compliance Committee

Board Responsibilities and Duties

The Board is responsible for the overall stewardship and governance of the Corporation. It oversees the management of the business and affairs of the Corporation, both directly and through its committees. In addition, the Board has the following responsibilities and duties:

Strategic Oversight

The Board oversees the development, execution and fulfillment of the Corporation's strategic plans and assigns responsibility to management for achievement of that strategy. As part of its responsibility for overseeing the strategic direction of the Corporation, the Board reviews and approves:

- management's strategic plans;
- material capital expenditures, acquisitions, divestitures and restructurings; and
- investments outside the ordinary course of business.

In overseeing the strategic planning of the Corporation, the Board has a high level of engagement with management. In addition to annual multi-day meetings dedicated to strategic planning, the Board regularly receives updates from management on the Corporation's progress in achieving its strategic plans. At each meeting, the Board monitors the Corporation's performance against both short-term and long-term strategic plans and annual operating objectives.

Oversight of Management

Although the Board delegates to management the responsibility for managing the day-to-day affairs of the Corporation, the Board reviews management's performance and effectiveness on an ongoing basis. The Board's expectations of management are communicated to management directly and through committees of the Board. The Board approves the Corporation's business and operating plans and budgets, which take into account the opportunities and risks of the business. The Board also regularly receives reports on the operating and financial results of the Corporation and on other matters such as the COVID-19 response, ESG-related matters, pensions, tax, food, pharmacy and healthcare, workplace safety, technology and security, treasury and legal matters.

Enterprise Risk Management

The Board has oversight responsibility for ERM activities associated with the Corporation's businesses. In order to identify and address any material risks, the Board undertakes an annual assessment of the Corporation's ERM structure. The annual ERM assessment is carried out through interviews, surveys, and facilitated workshops between management and the Board. Risks are identified and then assessed and evaluated based on the Corporation's vulnerability to the risk and the potential impact that the underlying risks would have on the Corporation's ability to execute its strategies and achieve its objectives. To assist with the ERM process, the Corporation has adopted a risk appetite statement that takes into consideration important aspects of the Corporation's businesses, values and brands. The risk appetite framework articulates key aspects of the Corporation's business, values and brands and provides directional guidance on risk taking. The types of risks the Corporation is exposed to include: strategic; financial; operational; cyber-security; regulatory; human capital; and reputational risks. Management provides periodic updates to the applicable committees of the Board on the status of the key risks including any anticipated near and longer term impacts and significant changes in key risk indicators. In addition, long-term (three to five year) risk levels are assessed to assist in risk mitigation planning activities. Accountability for oversight of each risk is allocated by the Board either to the full Board or to a committee of the Board. For more information on the Corporation's ERM program and the types of risks the Corporation is exposed to, refer to Loblaw's 2021 Annual Report and the Annual Information Form for the year ended January 1, 2022, which are available on SEDAR at www.sedar.com.

Internal Controls and Financial Reporting

The Board is responsible for overseeing the Corporation's financial reporting and disclosure obligations to ensure compliance with applicable audit, accounting, regulatory and reporting requirements. The Board, through the Audit Committee, assesses and evaluates the integrity and effectiveness of the Corporation's internal controls over financial reporting and information systems.

Talent Management and Succession Planning

The Board, with support from the Governance Committee, oversees the Corporation's talent management and succession planning for senior executive roles. The Governance Committee receives reports on the development of senior executives and on the talent management plans across the organization and reports on performance evaluation processes, which are designed to improve individual leadership and management skills. The succession planning process includes an annual review of each senior executive position and the performance of the incumbents to ensure the Corporation has a pipeline of talented leaders.

Governance Matters

The Board is responsible for developing and monitoring the Corporation's approach to corporate governance. The Board, through the Audit and Governance Committees, closely monitors any potential conflicts of interest between the Corporation and its affiliates and related parties, including Weston, Wittington (the controlling shareholder of Weston) and Choice Properties, and, through the Audit Committee or a special committee of independent directors, reviews and approves any significant related party transactions. The Audit Committee ensures that a robust process is followed in reviewing and approving related party transactions. Individual directors, with the approval of the Lead Director, may also retain an outside advisor at the expense of the Corporation with regards to related party transactions.

The Corporation, Weston and Choice Properties, are part of a common control group (the "Weston Group"). Although the entities making up the Weston Group each have their own strategies and, for the most part, focus on different businesses, the entities acknowledge that from time to time new corporate opportunities may arise that potentially could be of interest to more than one entity of the Weston Group. Accordingly, the entities making up the Weston Group have adopted Corporate Opportunities Principles that facilitate the decision making process to deal with any such opportunities in a manner that is consistent with good governance, taking into account existing businesses and other considerations.

A copy of the Board's mandate is attached as Schedule A to this Circular.

Board Leadership Structure

Mr. Weston serves as Chairman and President of the Corporation. As Chairman and President, Mr. Weston is responsible for the management, development and effective performance of the Board, and for providing leadership to the directors in carrying out their collective responsibilities to provide a Board oversight role regarding the management of the business and affairs of the Corporation. Recognizing the importance of strong independent board oversight, the Board has re-appointed an independent director, Mr. William A. Downe, to serve as Lead Director. The Board's view on the effective role of an independent lead director has also been endorsed by leading corporate governance organizations.

The Board maintains a position description for the Chairman and President that is reviewed annually and approved by the Governance Committee. The Board also maintains a position description for the Lead Director. The following is a description of the roles of the Chairman and President and Lead Director:

Chairman and President
Galen G. Weston

- Directs the operations of the Board
- Chairs each meeting of the Board
- Responsible for the management and effective functioning of the Board
- Provides leadership to the Board on all matters
- Ensures that the Board has all the information it needs to discuss the matters brought before the Board
- Ensures that all of the Board's responsibilities, as set out in the Board mandate, are being fulfilled
- Monitors the reports from the committees of the Board to ensure the committees are fulfilling the responsibilities delegated to them by the Board
- Chairs meetings of shareholders and facilitates the response by management to shareholder concerns
- Ensures that strategic plans are communicated to and evaluated by the Board
- In his capacity as President, responsible for the operations of the Corporation

Independent Lead Director
William A. Downe

- Provides leadership to the Board and particularly to the independent directors
- Ensures that the Board operates independently of management and that directors have an independent leadership contact
- Chairs meetings when the Chairman and President is absent and chairs meetings of the independent directors following each Board meeting and on other occasions, as required or desirable
- Regularly meets with the Chairman and President and serves as liaison between the Chairman and President and the independent directors
- Works with the Chairman and President on appropriate agenda items
- Oversees the Board's self-assessment and evaluation of its leadership structure
- Meets periodically with the other independent directors to obtain insight as to areas where the Board and its committees can operate more effectively and to ensure that the Board is able to discharge its responsibilities independently of management

Director Independence

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

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

When assessing materiality, the Governance Committee considers all relevant factors and circumstances including transactions between the Corporation and the director directly, immediate family members of the director, and organizations with which the director is affiliated, and the frequency and dollar amounts associated with any such transactions. The Governance Committee has reviewed each existing and proposed director's factual circumstances and relationships with the Corporation to determine whether he or she is independent within the meaning of the Governance Guidelines. The Governance Committee determined that 8 of the 10 director nominees are independent. The Governance Committee reviews its findings with the Board.

The table below describes whether each director nominee is independent or non-independent and, in the case where certain director nominees are of non-independent status, the reason for such status is provided. Mr. Cornell Wright, President of Wittington, the controlling shareholder of Weston, and Mr. Galen G. Weston, the Chairman and President of the Corporation and Chairman and Chief Executive Officer of Weston and Chairman of Wittington, the controlling shareholder of Weston, were determined not to be independent because they have a material relationship with the Corporation.

Status of Director Nominees

Name	Independent	Not Independent	Reason for Non-Independent Status
Scott B. Bonham	x		
Christie J.B. Clark	x		
Daniel Debow	x		
William A. Downe	x		
Janice Fukakusa	x		
M. Marianne Harris	x		
Claudia Kotchka	x		
Sarah Raiss	x		
Galen G. Weston		x	Chairman and President of the Corporation, Chairman and CEO of Weston, and Chairman of Wittington, the controlling shareholder of Weston
Cornell Wright		x	President of Wittington, the controlling shareholder of Weston

The Corporation has taken steps to ensure that adequate structures and processes are in place to permit the Board to function independently of management of the Corporation. The Chair of the Board and of each committee meet separately with the Board or committee members after each meeting without other members of management present. The independent directors meet separately and meet without the non-independent directors or management's presence after each Board meeting. Additional information relating to the directors standing for election, including other public company boards on which they serve as well as their attendance record for all Board and committee meetings during fiscal 2021, can be found on pages 9 to 14 of this Circular.

Lead Director

The Board is confident that the current leadership structure ensures the appropriate level of oversight, independence and responsibility is applied to Board decisions. The Board is of the view that having a Lead Director who is independent ensures that any potential conflicts of interest between the Corporation and the controlling shareholder are addressed. The Chair of the Governance Committee serves as the Lead Director. The Lead Director's role is to ensure that the interests of the Corporation and of the minority shareholders and other relevant stakeholders are protected and that the Board is following good governance processes and prioritizing the right matters. The Lead Director has the responsibilities set out above under "Board Leadership Structure".

Board Committees

The Board has four standing committees:

- Audit Committee;
- Governance Committee;
- Pension Committee; and
- Risk and Compliance Committee

The Chair of each committee reports to the Board on material issues discussed and the actions taken at each committee meeting.

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; holding management accountable for matters delegated to the committee by the Board; ensuring the proper flow of information from the committee to the Board regarding the matters discussed and decisions taken at each committee meeting; reviewing the agenda for each meeting of the committee to ensure that all appropriate matters are brought forward for discussion; ensuring that the committee meets as frequently as is necessary to fulfill its mandate; and ensuring, with the assistance of management, that all proper materials and information are brought before the committee in connection with matters to be discussed at each meeting.

Committee Membership

At least once a year, the Governance Committee reviews the composition and chair of each committee and tables its recommendations to the Board for approval. All committees may engage outside advisors or consultants as necessary and have the authority to approve fees for any such engagements.

All committees are comprised solely of independent directors.

Committee Responsibilities

Each committee has a formal mandate and a position description for its Chair, both of which are established by the Board. On an annual basis, each committee reviews its mandate and the position description for its Chair to ensure they reflect best practices and address applicable regulatory and other requirements. The results of those reviews are presented to the Board for approval. Copies of the committees' mandates are available on the Corporation's website at www.loblaw.ca.

The following is a summary of the responsibilities of each committee:

1. ***Audit Committee***

The Audit Committee reviews with management and the auditor the Corporation's annual and interim consolidated financial statements, Management's Discussion and Analysis, Annual Information Form and other matters relating to the Corporation's financial disclosure. The Audit Committee also assesses and evaluates the integrity of the Corporation's internal controls over financial reporting and information systems. In addition, the Audit Committee is responsible for:

- recommending the appointment of the auditor;
- reviewing and approving the annual audit plan for the auditor;
- reviewing the independence of the auditor;
- considering and evaluating with management the design and effectiveness of internal controls over financial reporting and financial disclosure controls and reviewing any proposed corrective actions;
- overseeing procedures for the receipt, retention and follow-up of complaints regarding the Corporation's accounting, internal controls and auditing matters and for the confidential anonymous submission by employees of concerns regarding such matters;
- reviewing and approving internal audit's annual plan and receiving regular reports thereon;
- reviewing and approving the audit fees paid to the auditor and pre-approval of non-audit related fees to the auditor;
- assessing the performance of the Corporation's internal audit function;
- reviewing significant related party transactions not dealt with by a special committee of independent directors of the Board; and
- reviewing the Corporation's ESG disclosures and the adequacy and effectiveness of controls relating to such disclosure.

The Audit Committee, whose current members are Christie J.B. Clark (Chair), Scott B. Bonham, Daniel Debow, Janice Fukakusa and M. Marianne Harris, had six meetings in 2021. Further information relating to the Audit Committee's accomplishments in 2021 is set out in the "Audit Committee Report to Shareholders" on pages 19 to 20.

2. ***Governance Committee***

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

- developing criteria and qualifications for selecting director candidates and identifying and recommending candidates for membership on the Board;
- evaluating the independence of directors and assessing their performance on an ongoing basis;
- assessing and reporting to the Board on its performance and effectiveness and that of its committees;
- assisting in the directors' orientation program;
- ensuring that the Corporation provides appropriate continuing education opportunities for the Corporation's directors;
- shaping the Corporation's approach to corporate governance and recommending to the Board the corporate governance principles to be followed by the Corporation;
- assisting the Board in discharging its responsibilities relating to compensation and succession planning processes for the Corporation's senior executives; and
- reviewing and determining the design of the compensation of directors and executive officers.

The Governance Committee, whose current members are William A. Downe (Chair), Warren Bryant, Claudia Kotchka, Beth Prichard and Sarah Raiss, had four meetings in 2021. Further information relating to the Governance Committee's accomplishments in 2021 is set out in the "Governance Committee Report to Shareholders" on pages 28 to 30.

3. ***Pension Committee***

The Pension Committee assists the Board in overseeing the administration and governance of the Corporation's pension plans, benefit plans and other post/retirement arrangements in order to meet applicable legal and fiduciary obligations. Additionally, the Pension Committee is responsible for:

- reviewing the performance of the Corporation's and its subsidiaries' pension plans and pension funds;
- reviewing and recommending managers for the funds' portfolios;
- reviewing the performance of pension fund managers;
- reviewing and approving the assumptions used, the funded status and amendments to the Corporation's and its subsidiaries' pension plans;
- reviewing the management and administration of the Corporation's pension plans, capital accumulation plans, and retiree health and welfare benefit plans;

- reviewing and setting the investment objectives of the Corporation and approving the Statement of Investment Policies and Procedures;
- overseeing management's monitoring, timely identification and mitigation of material risks associated with the administration and investment activities of the plans, and reporting and providing recommendations to the Board in relation to such risks; and
- managing the retention and oversight of all third parties retained for the Corporation's pensions plans, including trustees, actuaries and investment managers.

The Pension Committee, whose current members are Sarah Raiss (Chair), Christie J.B. Clark and M. Marianne Harris, had four meetings in 2021. Further information relating to the Pension Committee's accomplishments in 2021 is set out in the "Pension Committee Report to Shareholders" on pages 24 and 25.

4. ***Risk and Compliance Committee***

The Risk and Compliance Committee is responsible for assisting the Board in fulfilling its oversight responsibilities in relation to the Corporation's compliance with legal and regulatory requirements; food safety and product safety matters, including safe preparation and handling standards; pharmacy and pharmaceutical matters; and environmental, health, safety and wellness matters. Although the Board oversees the Corporation's ERM program, it delegates the oversight of certain risks to the Risk and Compliance Committee. The Risk and Compliance Committee reviews the design and structure of the Corporation's ERM program and monitors and assesses its effectiveness. The Committee reviews and recommends to the Board for approval the Corporation's ERM policy and risk appetite statement. In addition, while the Board is responsible for overseeing the Corporation's approach, policies and practices related to ESG matters, it has delegated responsibility to the Risk and Compliance Committee for reviewing management's reporting on specific ESG programs and initiatives.

The Risk and Compliance Committee's specific responsibilities include:

- overseeing the Corporation's approach to legal and regulatory compliance matters and receiving reports from the Senior Vice President and Chief Compliance & Ethics Officer;
- reviewing and monitoring the Corporation's policies relating to ethics;
- receiving and reviewing reports from management on various key risks affecting the Corporation and how they are being managed;
- reviewing regular reports by management relating to information technology and the Corporation's information technology systems, including cyber-security;
- overseeing the risks associated with the Corporation's pharmacy operations;
- reviewing actions taken by management with respect to food safety programs to address safe manufacturing, handling and preparation standards and receiving timely reports on any major incidents or violation of the Corporation's policies and any food safety issues;
- reviewing actions taken by management with respect to environmental and occupational health and safety matters; and
- reviewing reporting on the Corporation's ESG programs.

The Risk and Compliance Committee, whose current members are Warren Bryant (Chair), Scott B. Bonham, Christie J.B. Clark, M. Marianne Harris, Claudia Kotchka and Beth Pritchard, had four meetings in 2021. Further information relating to the Risk and Compliance Committee's accomplishments in 2021 is set out in the "Risk and Compliance Committee Report to Shareholders" on pages 21 to 23.

New Director Orientation

The Governance Committee is responsible for the orientation of new directors and their education about the business of the Corporation. When a new director is elected, the Governance Committee coordinates an in-depth orientation session for all new directors, which is attended by the Chairman and President and other senior executives of key operating divisions and includes:

- a review of the Corporation's business strategy, financial information and governance processes;
- historical information on the Corporation;
- store and facility visits (where public health rules and guidelines permit); and
- one-on-one meetings with the heads of each of the Corporation's principal business divisions.

In addition, new directors are provided with a reference manual in advance of the orientation session describing the Corporation's operations, strategy and business plan, the structure and role of the Board and its committees, the Board's mandate, compliance requirements for directors and corporate policies, as well as agendas and minutes for recent Board and committee meetings.

Director Continuing Education

The Governance Committee is also responsible for the continuing education of the Corporation's directors. On an ongoing basis, as part of regular Board and committee meetings, directors are given presentations on various aspects of the Corporation's operations, take part in site visits to the Corporation's facilities and receive reports from management.

In 2021, the Board and its committees received targeted training on the following topics as part of the Corporation's director continuing education program:

Educational Sessions	Date	Participants
Update on Stock Option Taxation	February 23, 2021	Governance Committee
Drug Safety Risk Update	February 23, 2021	Risk and Compliance Committee
Privacy Risk Update	February 23, 2021	Risk and Compliance Committee
Labour Relations Risk Update	February 24, 2021	Board
Environmental Compliance	May 3, 2021	Risk and Compliance Committee
Information Security and Technology Risk Update	May 3, 2021	Risk and Compliance Committee
Associate and Franchisee Risk Update	May 4, 2021	Audit Committee
Beauty and the Role of Influencers	May 4, 2021	Board
ESG - Investor Considerations	July 22, 2021	Board
Governance Insights	July 26, 2021	Governance Committee
Human Capital Risk Update	July 26, 2021	Governance Committee
Food Safety Risk Update	July 26, 2021	Risk and Compliance Committee
Technology Risk Update	July 26, 2021	Risk and Compliance Committee
Collaborative Candour	August 18, 2021	Board
Governance Insights	November 15, 2021	Governance Committee
Distribution and Supply Chain Risk Update	November 15, 2021	Risk and Compliance Committee
Information Security and Technology Risk Update	November 15, 2021	Risk and Compliance Committee
Vendor Management Risk Update	November 16, 2021	Audit Committee
ESG	November 16, 2021	Board

Assessment of the Board and its Committees

Each year, the Governance Committee undertakes a review process to assess the performance and effectiveness of the Board and its committees. The results of the review are considered by the Governance Committee and then presented to the full Board by the Lead Director. In 2021, the Lead Director assessed the performance and effectiveness of the Board and its committees through written questionnaires, supplemented by one-on-one interviews with each of the directors, that included obtaining peer feedback and evaluating committee and Board performance.

Each year, the Governance Committee reviews committee composition, recommends committee Chairs and makes recommendations to the Board for approval.

In addition to the assessment that the Governance Committee performs in connection with compensation matters, each year the Governance Committee assesses, with the participation of the entire Board, the performance of the Chairman and President and other senior executives. The Lead Director also routinely meets with each of the directors who may provide suggestions on the performance and effectiveness of the Board and its committees.

Nomination of Directors

The Governance Committee is responsible for the process of identifying prospective director nominees. The Governance Committee reviews the relevant experience, skills and competencies of nominees. It also recommends the appointment of directors to the various committees.

The Governance Committee meets on an annual basis, or when required, to assess the appropriate size of the Board and whether any vacancies are expected due to retirement in accordance with the director tenure guidelines or otherwise. As part of this assessment, the Governance Committee reviews an evergreen list of potential candidates, as well as the skills matrix of current Board members to determine criteria and qualifications to be considered when recruiting new director nominees. The members of the Board are canvassed with respect to potential candidates and each candidate is evaluated with respect to his or her experience and expertise, with particular attention paid to those areas of expertise that could best complement the current Board. As part of this evaluation process, the Board is mindful of diversity considerations in terms of thought, experiences, perspectives, gender and ethnicity, and recognizes the benefits of promoting diverse candidates to the Board. The Corporation has a target that people who identify as women comprise at least 40% of the Board's directors and that by 2024, people who identify as visible minorities comprise at least 25% of the Board's directors. The Governance Committee also assesses any concerns relating to potential conflicts, independence, interlocking board memberships, or time commitment that the candidate may present. The Chairman and President, the Chair of the Governance Committee, as well as other members of the Governance Committee, meet with the potential candidates to determine their interest, availability and suitability. The Governance Committee then presents its list of potential candidates and recommendations to the Board. A continuous list of potential candidates is maintained by the Governance Committee.

Before being put forward as a director nominee, candidates must meet the Chair of the Governance Committee, the Chairman and President and other Board members to discuss the Board's expectations in regards to contribution and commitment obligations.

Messrs. Binning and Bryant and Ms. Pritchard will not be standing for re-election at the Meeting. The Board has identified Mr. Cornell Wright, who has the requisite skills, experience and qualifications to be a Board member and therefore is a suitable director nominee. Mr. Wright will stand for election at the Meeting.

Diversity and Inclusion - Board and Management

The Corporation values diversity of views, thought, experience, skill sets, gender and ethnicity and supports the identification and nomination of diverse directors and candidates for senior management positions. Diversity is an important factor that is taken into account in identifying and selecting Board members and in considering the hiring, promotion and appointment of senior management. The Board believes that diversity is important to ensure that directors and senior management provide a wide range of thoughts, perspectives, experience and expertise required to achieve effective stewardship of the Corporation.

The Corporation adopted a written board diversity policy in 2015. The board diversity policy sets out guidelines for the Governance Committee to find the best qualified candidates for Board positions given the needs and circumstances of the Board and the Corporation, taking into account the current representation of diverse groups on the Board. The board diversity policy provides that when identifying suitable candidates for appointment to the Board, the Committee must consider candidates on merit using objective criteria with due regard to the benefits of diversity and the needs of the Board and the Corporation. The board diversity policy states that, among other qualities, a nominee's gender, age, ethnicity, disabilities and geographic background may be considered in his or her assessment. The board diversity policy also requires that the Governance Committee measure and report to the Board annually with respect to the Corporation's progress in identifying and considering diverse candidates for appointment to the Board. To measure the effectiveness of the policy, the Governance Committee reviews: (i) the number of candidates representing various diversity categories considered or brought forward for Board positions; and (ii) the skills, knowledge, experience and character of candidates representing various diversity categories, to ensure that these candidates are being fairly considered relative to other candidates. The results of the Governance Committee's review are taken into account when identifying and nominating candidates for election or re-election to the Board. The Corporation's approach in circumstances where diverse candidates are not selected for Board positions is to satisfy itself that there are justifiable reasons to support the selection.

In 2017, the Board enhanced the board diversity policy by adding a target that people who identify as women comprise at least 30% of the Board's directors. Having exceeded this target, in early 2021, the Board revised its target to 40% of the Board's directors. This year, four of the 10 director nominees identify as women, representing approximately 40% of the Board's composition. The board diversity policy also includes a target that people who identify as visible minorities comprise at least 25% of the Board's directors by 2024. This year, two of the 10 director nominees identify as visible minorities, representing approximately 20% of the Board's composition. The board diversity policy does not currently specifically address, or include formal targets for, board representation of aboriginal peoples (being Indian, Inuit, Métis) or persons with disabilities* (together with women and visible minorities, the "designated groups" as defined under Article 3 of the Employment Equity Act (Canada)), as diversity is already an important factor that is considered in the director identification process, and ultimately it is the skills, experience, expertise, character and behavioral qualities of an individual that are most important in determining the value that an individual could bring to the Board. The Corporation will continue to monitor its level of board diversity and consider whether it would be appropriate to include specific reference to, or formal targets for, the representation of certain other diversity categories, including the designated groups, in the future.

The Corporation is committed to an inclusive and diverse workplace and recognizes that diversity is an important consideration in creating and maintaining an effective senior management team. The Corporation has a robust Diversity and Inclusion Framework that is put into practice with the involvement of hundreds of colleagues across the organization, including senior leaders. The Framework drives the Corporation's diversity priorities by creating resource groups, generating awareness and implementing activities that embed diversity principles into the culture of the organization at the deepest levels. A number of talent initiatives support the Corporation's diversity and inclusion activities, including diversity driven mentoring and recruiting practices and talent development strategies that ensure diversity is considered in the Corporation's talent development and succession planning process at various seniority levels, including at the senior management level. These programs were established to ensure that the Corporation's rich and diverse talent pool is supported and provided opportunities to grow their careers to the highest levels within the organization.

Management has set formal targets that, by the end of 2024, (i) at least 40% of positions at the vice-president level or higher will be held by people who identify as women and at least 25% of such positions will be held by people who identify as visible minorities and (ii) at least 43% of other management positions (Senior Director, Director, Senior Manager, Manager, Store Manager, Assistant Store Manager and Distribution Centre Management) will be held by women and at least 30% of such positions will be held by people who identify as visible minorities. The Corporation has not adopted targets in respect of other designated groups, as diversity is already an important factor that is considered in hiring and promoting senior management, and ultimately it is the skills, experience, expertise, character and behavioral qualities of an individual that are most important in determining the value that an individual could bring to the Corporation as a member of senior management. The Corporation will continue to monitor its level of diversity in senior management and consider whether it would be appropriate to adopt formal targets for the representation of certain other diversity categories, including the designated groups, in the future. The Corporation's approach in circumstances where diverse candidates are not selected for senior management positions is to satisfy itself that there are justifiable reasons to support the selection.

* *"Persons with disabilities" means persons who have a long term or recurring physical, mental, sensory, psychiatric or learning impairment and who: (i) consider themselves to be disadvantaged in employment by reason of that impairment; or (ii) believe that an employer or potential employer is likely to consider them to be disadvantaged in employment by reason of that impairment. This definition also includes persons whose functional limitations owing to their impairment have been accommodated in their current job or workplace.*

Diversity Survey Results

In early 2022, the Corporation surveyed the Board and senior management to determine the number and proportion of individuals that self-identified as belonging to one or more of the designated groups. Participation in the survey was voluntary and, as such, the results represent only those individuals who elected to participate and may not be entirely representative of the designated groups at the Board or senior management level.

The Corporation has four director nominees who identify as women, representing 40% of the nominees. Two director nominees identify as visible minorities, representing 20% of the nominees. No director nominees identify as Aboriginal persons. One director nominee identifies as a person with disabilities, representing 10% of the nominees and no director nominees preferred not to disclose any information as part of the self-identification survey.

The Corporation's senior management, which is comprised of vice-president level positions and higher, includes: 70 individuals who identify as women, representing 38% of senior management; 44 individuals who identify as visible minorities, representing 24% of senior management; one individual who identifies as Aboriginal, representing 1% of senior management; and six individuals who identify as persons with disabilities, representing 3% of senior management.

The Corporation is committed to ensuring that it attracts and retains the most highly qualified and experienced directors and senior management and recognizes that diversity is an important consideration in creating and maintaining an effective Board and senior management team.

CORPORATE GOVERNANCE MATTERS

Ethical Business Conduct

The Corporation's Code of Conduct reflects its commitment to high standards of ethical conduct and business practices. The Board annually reviews the Code to ensure it is current and reflects best practices in ethical business conduct and integrity and includes a strong "tone from the top" message. The Code addresses, among other things, conflicts of interest, compliance issues including compliance with laws, rules and regulations, confidentiality and fair dealing with the Corporation's shareholders, customers and suppliers and reporting of illegal or unethical behavior. All directors, officers and employees of the Corporation are required to comply with the Code and must acknowledge their commitment to abide by the Code on a periodic basis. The Audit Committee receives periodic reports on compliance. The Governance Committee also receives periodic reports from management discussing various policies and procedures that support this important area. Material issues under the Code are brought to the attention of the Audit Committee and, if appropriate, to the Board. A copy of the Code is available on the Corporation's website at www.loblaw.ca.

Senior management oversees the implementation of the Code, the education of employees regarding the Code and all material breaches. Senior management also reviews the Code annually to determine if it requires revision or enhancement, and if so, such revisions are reviewed with the Board.

The Code also deals with conflicts of interest. If an officer or employee has a conflict of interest with respect to any matter, that individual is required to bring the conflict to the attention of his or her manager or the Human Resources Department. If a director has a conflict of interest with respect to any matter, he or she may not participate in any discussion and is required to abstain from voting on it. The Code also addresses such matters as the protection of confidential information and the protection and proper use of the Corporation's assets to ensure cyber and information security.

The Corporation encourages the reporting of violations and potential violations of the Code and has established an Integrity Action Line (i.e. a "whistle-blower" program), accessible online and by toll-free phone number, which any employee or director may use to report conduct that they feel violates the Code or otherwise constitutes fraud or unethical conduct. In 2020, the Integrity Action Line was extended to the Corporation's supplier network, encouraging the reporting of unethical practices, suspicious behaviour and suspected non-compliance with the Corporation's policies and procedures. A fraud reporting protocol also ensures that fraud is reported to senior management in a timely manner. In addition, the Audit Committee has endorsed procedures for the anonymous receipt, retention and handling of complaints regarding accounting, internal controls and auditing matters. Reports are received periodically by the Audit Committee regarding any concerns reported through any of these procedures. These procedures are available at www.loblaw.ca. Senior management reports regularly to the Audit Committee regarding complaints received through the whistleblower procedures so that the Audit Committee can ensure that any complaints are handled appropriately.

The Corporation has a Supplier Code of Conduct that sets out the Corporation's expectations of its supplier community with respect to ethical conduct and social responsibilities. The Supplier Code of Conduct deals with such matters as labour practices, environmental practices and compliance with applicable laws.

The Corporation also has a corporate ethics framework. This framework is intended to guide the creation of common ethical values across the Corporation, with the goal of having an enterprise-wide mechanism to assist colleagues in making good decisions and prompting them to report unwanted behaviour. In conjunction with the creation of the ethics framework, the Corporation developed ethics objectives, which focus on communicating ethical values to colleagues and developing educational tools to assist colleagues in day-to-day ethical decision-making.

Environmental, Social and Governance

The Corporation strives to be a trusted brand and recognizes the important role it plays in bringing about positive environmental and social change, and demonstrating robust corporate governance practices. As a multi-generational, family-owned company, as well as the largest retailer and private-sector employer in the country, Loblaw is uniquely positioned to make an impact on the issues that matter most to Canadians. This perspective has been fundamental to Loblaw's purpose-led approach to addressing ESG issues, with a focus on two priorities where the Corporation can have the biggest impact: fighting climate change and advancing social equity.

Fighting Climate Change

Loblaw has been an industry leader on environmental action for decades, and is extending this focus with an emphasis on further reducing green-house gas (GHG) emissions and eliminating waste from the business. The Corporation is committed to:

- Achieving Net-Zero Scope 1 and Scope 2 GHG emissions by 2040, and Scope 3 emissions by 2050;
- Adopting a science-based approach to reducing emissions across operations by 50% by 2030;
- Operating a zero emissions fleet by 2030;
- Reducing plastic waste by making all plastic packaging on control brand products recyclable or reusable and implementing the Consumer Goods Forum's Golden Design Rules for these products and in-store packaging by 2025; and
- Sending zero food waste to landfill by 2030, and over the next 24 months, achieving measurable food waste reductions in every store.

Advancing Social Equity

Loblaw is committed to being Canada's most representative and inclusive employer, and to supporting the health of children and women as the building blocks of healthy communities. The Corporation is committed to:

- Achieving industry-leading representation goals for management, senior management and the Board by 2024;
- Creating a ripple effect of inclusion and empathy in the communities in which it operates by deploying an inclusion training program for the Corporation's workforce of over 200,000 Canadians by the end of 2024;
- Supporting President's Choice Children's Charity (PCCC), Canada's top non-government provider of in-school children's nutrition programs, as PCCC seeks to raise $150 million by 2027 and feed one million children a year by 2025;
- Helping feed more individuals and families in need, through food bank and food recovery programs – both nationally and through stores; and
- Supporting the efforts of the LOVE YOU by Shoppers Drug Mart program to advance women's health through improved access to care, by contributing $50 million over the next five years to advance the network of local community-based efforts and partners.

Loblaw's long-standing commitment to sustainability and social impact, and its approach to addressing material ESG risks and opportunities, are driven by its purpose and its goal of creating long-term value for the business and communities in which it operates. This includes determining sustainable solutions; establishing measurable targets; and ensuring transparent disclosure, proactive stakeholder engagement and robust governance practices.

In addition, Loblaw has a robust corporate governance framework in place, elements of which are discussed in this Circular, including the section titled "Statement of Corporate Governance Practices". In particular, the Board oversees and monitors the Corporation's approach, policies and practices related to ESG matters. There is an ESG Steering Committee, comprised of senior leaders, responsible for setting priorities, tracking metrics and championing program initiatives across the Corporation. Various management committees are responsible for setting priorities and implementing and monitoring ESG-related initiatives across the organization.

Additional statements, policies and disclosures pertaining to the Corporation's key initiatives and achievements are included on the Corporation's website at www.loblaw.ca, including its historical Corporate Social Responsibility Reports and, going forward, its ESG Reports.

Disclosure Policy

The Corporation has adopted a corporate disclosure policy to deal with the timely dissemination of all material information. The disclosure policy establishes guidance for determining what information is material and how to ensure that all material information is publicly disclosed on a timely basis to avoid selective disclosure. The Board, directly and through its committees, reviews and approves the content of major disclosure documents, including annual and interim consolidated financial statements, the Annual Report, the Annual Information Form, Management's Discussion and Analysis and the Management Proxy Circular. The Corporation seeks to communicate to its shareholders through these documents as well as by means of news releases, its website and investor relations calls and meetings.

Disclosure Committee

A Disclosure Committee comprised of the Corporation's senior management oversees the Corporation's disclosure process as outlined in its disclosure policy. The Disclosure Committee's mandate includes ensuring that effective controls and procedures are in place to enable the Corporation to satisfy all of its continuous disclosure obligations including evaluating events to determine whether they give rise to material information that must be publicly disclosed and reviewing all disclosure documents before they are presented to the Audit Committee and the Board. In addition, the Disclosure Committee is responsible for ensuring that the policies and procedures contained in the Corporation's disclosure policy are in compliance with regulatory requirements.

The Corporation's website, www.loblaw.ca, sets out governance information, including the Code, disclosure policy and mandates of the Board and of its committees.

4 Compensation Discussion and Analysis

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INTRODUCTION

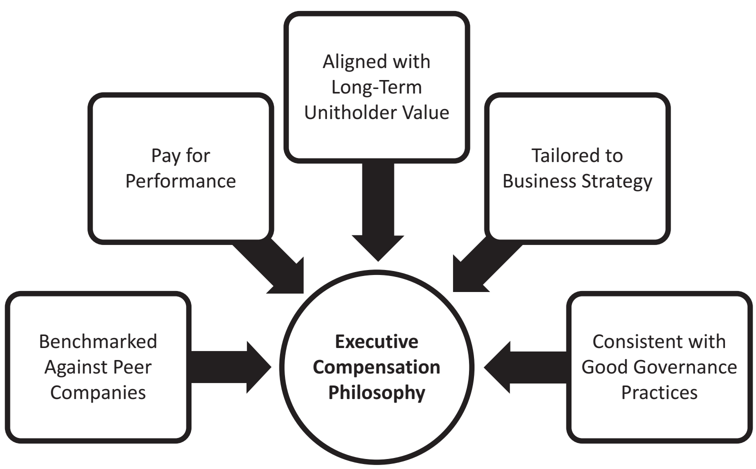
This Compensation Discussion and Analysis describes the compensation programs of the NEOs. For 2021, the NEOs were:

Name	Position
Galen G. Weston	Chairman and President
Richard Dufresne	Chief Financial Officer
Robert Sawyer	Chief Operating Officer
Jocyanne Bourdeau	President, Discount Division
Greg Ramier	President, Market Division
Darren Myers	Former Chief Financial Officer

Mr. Weston assumed the role of President of Loblaw, in addition to his roles as Chairman of Loblaw and Chairman and Chief Executive Officer of Weston, upon the retirement of Ms. Sarah Davis as President of Loblaw, effective May 6, 2021. Mr. Richard Dufresne assumed the role of Chief Financial Officer of Loblaw, in addition to his role as President and Chief Financial Officer of Weston, effective May 6, 2021. Mr. Robert Sawyer, a former director of Weston, was appointed as Chief Operating Officer of Loblaw, effective May 6, 2021. Mr. Myers left his role as Chief Financial Officer of the Corporation effective May 6, 2021.

EXECUTIVE COMPENSATION PHILOSOPHY

The Corporation's executive compensation programs are designed to attract, retain and incent outstanding executives who are committed to improving the Corporation's performance and creating value for its shareholders. Five key principles underlie the Corporation's executive compensation programs, as set out below:



1. Benchmarked Against Peer Companies

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

2. Pay for Performance

The Corporation structures its compensation programs to align executive compensation with the financial and strategic performance of the Corporation and the performance of its Common Shares. A significant portion of executive compensation is in the form of at-risk pay, namely STIP and LTIP compensation. This creates a performance-based corporate culture that rewards individual and team-based contributions to the achievement of the Corporation's operational and financial goals and aligns compensation with total return to shareholders. The at-risk components for the NEOs in 2021 ranged from 71.3% to 91.7% of their total direct compensation, as discussed under "Components of Executive Compensation for 2021" starting on page 51.

3. Aligned with Long-Term Shareholder Value

The Corporation structures its executive compensation programs to align the interests of its executives with those of its shareholders. A significant portion of executive compensation takes the form of long-term equity-based awards. Structuring executive compensation in this manner rewards executives for the creation of sustainable, long-term shareholder value.

4. Tailored to Business Strategy

The Corporation believes that it should be flexible in applying its compensation programs to company and divisional needs. Incorporating appropriate flexibility into the design of the Corporation's incentive plans, such as in the design of performance measures in the STIP program, drives alignment at enterprise and divisional levels to key business and strategic objectives.

5. Consistent with Good Governance Practices

The Corporation structures its executive compensation programs to reward senior executives for the execution of business strategies while also taking an expected and reasonable level of risk. In 2021, the Corporation's STIP and LTIP programs were comprised of multiple performance measures to reduce the risk of executives focusing on a single performance measure.

EXECUTIVE COMPENSATION AND RISK MANAGEMENT

RISK MITIGATION PRACTICES

The Corporation has risk mitigation practices that include balanced incentive plans that are not focused on a single financial measure, a clawback policy for short- and long-term compensation, share ownership requirements for NEOs and other senior executives and trading restrictions and hedging prohibitions.

1. Incentive Plan Design

The Corporation's 2021 STIP and LTIP included a variety of performance measures, including share price appreciation, earnings, sales performance, compliance, earnings as a percentage of revenue, Overall Satisfaction ("OSAT"), return on capital, and an individual performance factor. Using multiple performance measures requires that the operating results of the Corporation and its operating businesses outperform in all key metrics in order for executives to achieve the maximum compensation award. This balanced approach is intended to reduce the risk of a disproportionate focus by executives on any single aspect of the business for the sole purpose of increasing their compensation.

Short-term incentives are designed to focus executives on the key drivers of the operating businesses and on value creation over both the short term and long term and, as such, minimize the likelihood of inappropriate or excessive risk-taking. The Corporation's STIP has a maximum payout level that limits the amount that an executive can be paid, thereby limiting the incentive to take excessive risk.

As part of its annual review process, the Governance Committee reviews stress testing of the STIP design to illustrate the payouts under various scenarios. The testing is intended to ensure that the performance shoulders (i.e. threshold to target to maximum) are set appropriately, such that performance levels are achievable with significant effort but without taking excessive risk.

The Governance Committee also carefully considers the sharing of profit between the Corporation's management and its shareholders in various performance scenarios. The affordability of payouts in different performance scenarios and the portion of profit that is allocated to employees and to shareholders provide comfort around the reasonableness and affordability of STIP payouts in light of performance achieved. The Governance Committee reviews the five year history of the Corporation's STIP performance and its correlation to key financial performance measures over this period. The stress testing and look back analyses are used to evaluate and confirm the reasonableness and affordability of the STIP payout results.

A significant portion of executive compensation is allocated to long-term incentives to focus executives on sustainable value creation. The Corporation's objective is to design incentive plans that do not motivate executives to take excessive or unexpected risks given the potential negative impacts on the long-term equity components of their compensation. The Governance Committee also requires that a sensitivity analysis be performed prior to any increase in an NEO's incentive compensation to ensure that the potential payouts are evaluated in the context of the Corporation's long-term plan and anticipated share price performance.

The Governance Committee regularly reviews each compensation plan and has the ability to make adjustments to incentive awards and actual payouts, as appropriate.

2. Clawback Policy

The Corporation has a clawback policy for STIP and LTIP payments for certain senior executives, including the NEOs. Under the policy, the Corporation can require an executive to repay STIP and LTIP payouts if the executive engages in misconduct that results in the need for the restatement of financial results. The clawback policy also provides that the Governance Committee may, in its discretion, claw back an executive's STIP and LTIP payouts if the executive engages in misconduct that would justify the executive's termination for just cause. The clawback policy applies to all incentive payments received by the executive over the two most recently completed years.

3. Share Ownership Requirements

Senior executives are required to maintain a significant equity investment in the Corporation. The Corporation's Executive Share Ownership Policy (the "Policy") is designed to align executives' interests with those of the Corporation's shareholders, and to mitigate the likelihood of undue risk taking. The Policy establishes minimum share ownership levels for executives which are set at a multiple of an executive's base salary, with the multiple increasing to reflect the level and responsibility of an executive.

The Corporation imposes a mandatory hold period requiring the Chairman and President to maintain his required share ownership level for one year following the end of his employment.

Senior executives, including NEOs, are subject to a mandatory holding requirement that requires an executive subject to the Policy to retain 50% of any after-tax proceeds received on the payout of RSUs or PSUs or an exercise of stock options in Common Shares until such executive's ownership level has been met. The Policy applies to a broad group of senior management, as further discussed under Executive Share Ownership Policy on page 64.

4. Trading Restrictions and Hedging Prohibitions

Directors, officers, executives, employees and certain other designated persons are subject to the Corporation's Securities Trading Policy, which prohibits trading, directly or indirectly, in the securities of Weston, Loblaw or Choice Properties while in possession of material undisclosed information. The Securities Trading Policy also prohibits informing unauthorized persons of such information and recommending or encouraging others to trade in the companies' securities while in possession of material undisclosed information.

Hedging transactions involving the securities of Weston, Loblaw or Choice Properties are prohibited. The prohibition covers transactions such as prepaid variable forward contracts, short sales, puts or calls, equity swaps or other equity monetization transactions, that are designed to hedge or offset a decrease in the market value of securities of Weston, Loblaw or Choice Properties.

The Corporation has regularly scheduled quarterly closed trading windows which include the period during each fiscal quarter when the Corporation's financial results are being compiled but not released to the public. Directors and executive officers must not trade in the securities or exercise options of Weston, Loblaw or Choice Properties outside prescribed open trading windows.

ROLE OF MANAGEMENT AND COMPENSATION CONSULTANTS

ROLE OF MANAGEMENT IN THE COMPENSATION AND EVALUATION PROCESS

In 2021, the Chairman and President participated in the compensation design process, evaluated the performance of key senior executives and made recommendations to the Governance Committee with respect to the compensation of the other NEOs and the specific business goals to be used as performance targets for the various incentive programs. The views of the Chairman and President are valued because of his ongoing involvement with key senior executives. As a result, he is in the best position to effectively assess the performance of the NEOs, other than himself, and how each NEO's efforts have contributed to the achievement of the Corporation's strategic objectives and operational targets.

These evaluations are based on the achievement of objectives and targets related to both the individual and the Corporation and include an assessment of leadership capabilities and team development. The results of these evaluations are presented to the Governance Committee. The Executive Vice President, and Chief Human Resources Officer assists the Chairman and President in developing and presenting to the Governance Committee management's recommendations and supporting material regarding the design of the incentive plans and the compensation of the other senior executives.

COMPARATIVE MARKET DATA

Comparative market data is one factor used in setting the compensation of each NEO. Other factors include the scope of the role, individual performance and experience, leadership ability, internal equity among executives and the operating results of the business or area for which the NEO has responsibility. From time to time, the Governance Committee uses benchmarking or comparisons of compensation programs from a peer group of companies to confirm that the Corporation's programs remain competitive. See the discussion below under the heading "Compensation Comparator Group" for a detailed description of the comparator group. When performing compensation reviews, the Governance Committee has determined that its compensation positioning should be targeted within a competitive range of the 50th percentile (median) of the Corporation's comparator group based on target total direct compensation, which is comprised of base salary, short-term and long-term compensation targeted amounts.

ROLE OF MERIDIAN COMPENSATION PARTNERS

In the second half of 2020, the Boards of both Loblaw and Weston engaged Meridian to review and benchmark Mr. Weston's compensation relative to the Weston and Loblaw comparator groups. The results of the 2020 review suggested that Mr. Weston's total direct compensation was below the market median and Loblaw's compensation policy objective. For a description of the resulting changes to Mr. Weston's compensation, please see the section "2021 Compensation Decisions Regarding the Named Executive Officers - Galen G. Weston, Chairman and President". In 2021, Meridian was retained to review and benchmark the compensation of certain senior executives, relative to Loblaw's executive compensation comparator group. Meridian was also engaged to assist in evaluating the competitiveness of the Corporation's STIP and LTIP against its peers and industry, as well as for alignment with the Corporation's growth- and efficiency-focused strategic initiatives.

Meridian is not an independent compensation advisor. In 2021 and 2020, Meridian received $118,574 and $99,069, respectively, from the Corporation for advisory services to the Corporation.

The Governance Committee regularly evaluates whether to formally retain an independent compensation advisor to assist in compensation matters. As part of its annual assessment of governance practices, the Governance Committee determined that it did not require the services of an independent compensation advisor in 2021 or 2020.

ROLE OF OTHER COMPENSATION CONSULTANT PARTNERS

In 2021, Willis Towers Watson was engaged to provide consulting services on various executive compensation matters. Willis Towers Watson is not an independent compensation advisor. For 2021 and 2020, Willis Towers Watson received $32,232 and $62,031, respectively, from the Corporation for advisory services to the Corporation.

COMPENSATION COMPARATOR GROUP

Loblaw uses a comparator group developed in consultation with Meridian to benchmark executive compensation.

Determining a comparator group to benchmark NEO compensation is challenging in light of Loblaw's presence in the Canadian market as one of the largest companies in Canada by revenue and number of employees. Loblaw also has a limited number of direct retail peers in Canada and there are few large, Canadian companies outside of the financial services and resource-based industries against which Loblaw may easily compare.

The Committee approved a blended comparator group comprised of three types of companies: (i) Canadian retail companies; (ii) US retail companies; and (iii) large (non-retail) Canadian companies. The US retail companies reflect the broader retail talent market and are direct competitors for talent at the senior executive level. The large Canadian companies were selected to reflect how Canadian companies pay executives for their skill set and experience. Most of the comparators listed below are within one-third to three times Loblaw's revenue size. Revenue was selected as the criterion for members of each comparator group because it is generally a stronger and more predictive measure for compensation comparisons for a retail company than other criteria (e.g. assets or market capitalization). Loblaw was positioned at the 63rd percentile based on revenue and at the 32nd percentile based on market capitalization of this blended comparator group in 2018.

The group of comparator companies is set out below:

Canadian Retail Companies	US Retail Companies	Large Canadian Companies	
Alimentation Couche-Tard Inc.	Best Buy Co Inc.	BCE Inc.	Imperial Oil Limited
Canadian Tire Corporation, Limited	Costco Wholesale Corporation	Bombardier Inc.	Nutrien Ltd.
Empire Company Limited	Dollar General Corp.	Brookfield Asset Management Inc.	Power Corporation of Canada
Metro Inc.	Dollar Tree Inc.	Canadian Natural Resources Limited	Rogers Communications Inc.
	The Home Depot, Inc.	Cenovus Energy Inc.	Suncor Energy Inc.
	The Kroger Co.	Enbridge Inc.	TELUS Corporation
	Lowe's Companies, Inc.	Husky Energy Inc.(1)	
	Publix Super Markets, Inc.		
	Rite Aid Corporation		
	Sysco Corporation		
	Target Corporation		
	Walgreen Co.		
	US Foods Holdings Corporation		

(1) Since its acquisition by Cenovus Energy Inc. in May 2021, Husky Energy Inc. has been excluded from the comparator group.

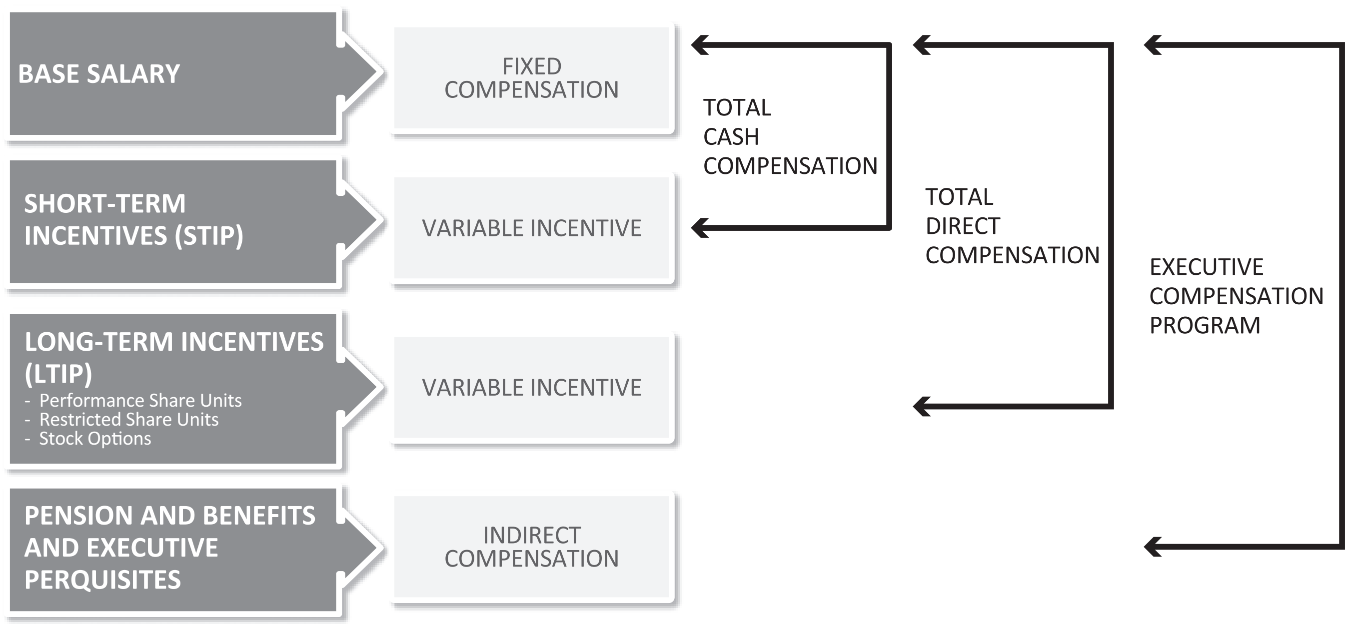
2021 COMPENSATION ANALYSIS

The Governance Committee reviews the compensation of the NEOs on a bi-annual basis. In 2021, the Governance Committee reviewed the results of the compensation analysis performed by Meridian, which results were considered when making decisions regarding NEO compensation.

COMPONENTS OF COMPENSATION

SUMMARY OF THE COMPONENTS OF COMPENSATION

The Corporation's executive compensation program is comprised of the elements described in this Compensation Discussion and Analysis, as summarized below:



OVERVIEW OF COMPONENTS

In 2021 NEO compensation was comprised principally of base salary, short-term cash incentives (which executives may elect to receive in the form of Executive Deferred Share Units ("EDSUs")) and long-term incentives (RSUs, PSUs and stock options) as described in the table that follows. Benefits, pensions and perquisites comprise a relatively small part of an NEO's total annual compensation.

Base Salary	Short-Term Incentives	Long-Term Incentives	Pension and Benefits	Perquisites
Compensate executives for fulfilling their day- to-day responsibilities	Reward executives for meeting annual financial and/or operating performance targets	Motivate and reward executives for increasing shareholder value and serve to retain executives	Assist executives in providing for their health and retirement planning	Provide additional benefits to executives that are competitive with market practice

Components		Form	Period	Program Objectives and Details
Fixed Compensation	Base Salary	Cash	Annual	• Reflects the executive's level of responsibility and experience, market competitiveness, internal equity among executives and the executive's overall performance.
Variable Compensation	Short-Term Incentive Plan (STIP)	Cash	Annual	• Each executive has a target annual bonus (% of base salary). • Actual payout is determined by the achievement of predetermined financial and/or operating performance objectives and the individual performance of each NEO. • Payouts generally range from zero to a maximum of 200% of an executive's target bonus.
		EDSUs (Elective)	Annual election; EDSUs held until cessation of employment	• Each executive can choose to receive all or a portion of the executive's STIP payout in the form of EDSUs, to a cumulative maximum of three times the executive's base salary. • Align executives' interests with those of shareholders and count towards the Executive Share Ownership Policy. • EDSUs are settled in Common Shares purchased on the open market no later than December 15th of the year following the year in which the executive's employment ceases for any reason. • EDSU Plan provides for the crediting of additional EDSUs in respect of dividends paid on Common Shares for the period when an EDSU is outstanding. Dividend EDSUs vest at the same time as EDSUs.
	Long-Term Incentive Plan (LTIP)	RSUs	3 year vesting period	• Motivate and reward executives for increasing shareholder value. • Serve as a key component in retaining executives. • RSU grants are generally made once per year. • RSUs typically comprise one-third of the total value of annual LTIP grants to executives. • RSUs are settled in Common Shares purchased on the open market at the end of the applicable vesting period. • RSU Plan provides for the crediting of additional RSUs in respect of dividends paid on Common Shares for the period when a RSU is outstanding. Dividend RSUs vest at the end of the applicable vesting period.
		PSUs	3 year performance period	• Motivate and reward executives for increasing shareholder value. • PSU grants are generally made once per year. • PSUs typically comprise one-third of the total value of annual LTIP grants to executives. • PSU vesting is based on the Corporation's success in achieving revenue and return on capital targets. • The overall number of PSUs that vest at the end of a performance period ranges from 0% to 200% of the initial grant. • PSUs are settled in Common Shares purchased on the open market at the end of the applicable performance period. • PSU Plan provides for the crediting of additional PSUs in respect of dividends paid on Common Shares for the period when a PSU is outstanding. Dividend PSUs vest at the same time and based on the same performance factor as the PSUs.
		Stock Options	5 year vesting period (20% per year); 7 year term	• Motivate and reward executives for increasing share price. • Stock option grants are generally made once per year. • Stock options typically comprise one-third of the total value of annual LTIP grants to executives.
Benefits	Group health, dental and insurance benefits		Employment and post- employment	• Executive benefit plans provide health, dental, disability and insurance coverage.
Pensions	Weston Group Consolidated Executive Plan (the "Consolidated Executive Plan") - Defined Benefit Provisions		Post-employment	• The defined benefit provisions of the Consolidated Executive Plan are designed to provide a reasonable level of retirement income to executives to reward them for their service. • Pension entitlements for an executive who participates in the defined benefit provisions of the Consolidated Executive Plan are based on length of service and eligible salary. • The total annual benefits payable under the defined benefit provisions of the Consolidated Executive Plan are capped at $125,000 per year. • The defined benefit provisions of the Consolidated Executive Plan were closed to new participants in 2006.
	Consolidated Executive Plan - Defined Contribution Provisions		Post-employment	• Since 2006, new executives participate on a non-contributory basis in the defined contribution provisions of the Consolidated Executive Plan. • Contributions were set as a percentage of base salary (maximum of $250,000) and in 2021 were capped at $29,210 per year.
	Supplemental Executive Retirement Plan ("SERP")		Post-employment	• The SERP is an unfunded obligation of the Corporation. • Senior executives of the Corporation whose pension benefits exceed the prescribed limits under the applicable tax legislation may participate in the SERP on a non-contributory basis if they comply with certain eligibility provisions.
Perquisites	Cash allowance/ reimbursement for professional services		Annual	• A limited number of personal benefits are provided, including use of a car or car allowance, an annual medical examination and a discretionary health care spending account and the ability to participate in the employee share ownership plan.

COMPONENTS OF EXECUTIVE COMPENSATION FOR 2021

BASE SALARY

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

The following table sets out the base salary for each NEO for 2021. For further details with respect to the reasons for any increase in annualized base salary from 2020, refer to the section titled "2021 Compensation Decisions Regarding the Named Executive Officers" starting on page 64.

Name	2021 Annualized Base Salary ($)	Increase From 2020 (%)
Galen G. Weston	869,400 (1)	3.5 (1)
Richard Dufresne	760,000 (2)	n/a
Robert Sawyer	1,000,000 (3)	n/a
Jocyanne Bourdeau	625,000	4.2
Greg Ramier	625,000	25.0
Darren Myers	865,000 (4)	Nil

(1) Mr. Weston's aggregate base salary from Loblaw and Weston was allocated 60% to Weston and 40% to Loblaw until May 6, 2021. As of May 6, 2021, Mr. Weston's aggregate base salary was allocated 30% to Weston and 70% to Loblaw. In aggregate, Weston paid $490,454 and Loblaw paid $730,546 in 2021. Mr. Weston's aggregate base salary for 2021 increased by 3.5% compared to 2020, however the amount of his base salary paid by Loblaw in 2021 increased by 81.1% over the amount paid by Loblaw in 2020.

(2) Mr. Dufresne's aggregate base salary of $950,000 was allocated 100% to Weston until May 6, 2021. As of May 6, 2021, Mr. Dufresne's aggregate base salary was allocated 20% to Weston and 80% to Loblaw. In the aggregate, Weston paid $452,103 and Loblaw paid $497,897 in 2021.

(3) Mr. Sawyer joined Loblaw on May 1, 2021. His actual base salary received for 2021 was $666,667.

(4) Mr. Myers left Loblaw on May 6, 2021. His actual base salary received for 2021 was $301,641.

SHORT-TERM INCENTIVE PLAN

All NEOs participate in the Loblaw STIP. For 2021, the STIP was designed so that NEOs would be focused on key drivers of the Loblaw and SDM businesses, with an additional focus on compliance. The STIP program is designed to incent executives, including the NEOs, to meet certain annual business and financial objectives. Each fiscal year, the performance of the executives is measured by the achievement of specific financial and operational goals, which may vary from year to year. The Governance Committee believes that the STIP program is balanced as it is comprised of various performance measures that are designed to focus executives on the key drivers of the operating businesses and value creation over both the short term and long term and, therefore, reduce the risk of inappropriate or excessive risk-taking behaviour by executives.

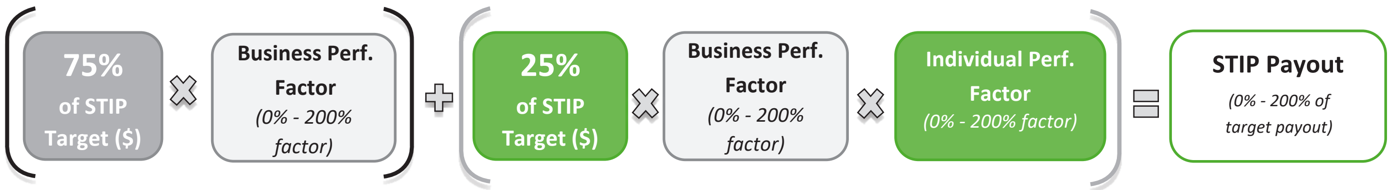
The Governance Committee is responsible for approving the plan design and awards made by the Corporation pursuant to the STIP. The Governance Committee receives periodic reports on the performance of the STIP metrics, including performance against targets.

All participating executives have STIP award targets that are expressed as a percentage of their base salary, with such targets determined by the executive's position and level within the organization. Depending on actual performance relative to the performance targets, payouts for each performance target range from zero to a maximum of 200% of target for each component of the STIP, with a maximum payout under the STIP of 200%.

The 2021 STIP also included an individual performance component weighted at 25% of each NEO's overall STIP target. In assessing individual performance, the Governance Committee took into account the executive's role in the overall achievement of the Corporation's goals, as well as the individual performance objectives and leadership qualities of the executive. The overall STIP design for Mr. Weston and, as of May 6, 2021, Mr. Dufresne, was determined by the Governance Committees of the Corporation and Weston, to reflect their respective responsibilities at both organizations.

Under the STIP, awards are determined separately for each performance measure and then aggregated to determine the final amount. The STIP award payments are made in cash, although executives may elect to receive all or a portion of their STIP award in EDSUs, to a cumulative maximum of three times the executive's base salary.

STIP awards are determined using the formula set out below.



Plan Design

The STIP is designed to incent executives to achieve the Corporation's overall business plan and strategic objectives, while maintaining a strong focus on compliance. At the beginning of each fiscal year, the Governance Committee establishes the STIP design, including specific business performance measures, weightings and targets. In determining the performance measures, weightings, targets and payout ranges for each fiscal year, the Governance Committee takes into account the key components of the Corporation's annual business plan, budget and strategic objectives. Following year end, the Governance Committee reviews the financial results of the Corporation against the performance targets and considers, in its judgment, whether any adjustments are required to account for unexpected events during the year.

As part of its annual review process, the Governance Committee reviews stress testing of the STIP design to illustrate the payouts under various scenarios. The testing is intended to ensure that the performance shoulders (i.e. threshold to target to maximum) are set appropriately, such that performance levels are achievable with significant effort and without taking excessive risk.

The Governance Committee also carefully considers the sharing of profit between the Corporation's management and its shareholders in various performance scenarios. The affordability of payouts in light of actual performance is important to understand as it relates to the portion of profit that is allocated to employees and to shareholders. Analysis of the respective allocation of profits between the Corporation's management and its shareholders provides context that supports the reasonableness and affordability of STIP payouts in light of performance achieved. The Governance Committee reviews the five year history of the Corporation's STIP performance and its correlation to key financial performance measures over this period. The stress testing and look back analyses are used to evaluate and confirm the reasonableness and affordability of the STIP payout results.

The following table sets forth details regarding the STIP targets and maximum aggregate STIP awards for each NEO:

Name	Base Salary [1] ($)	STIP Target as Percentage of Base Salary (%)	STIP Target ($)	Maximum STIP [2] ($)
Galen G. Weston	869,400 [3]	150	1,097,300	2,194,600
Richard Dufresne	760,000 [4]	125	624,658	1,249,316
Robert Sawyer	1,000,000 [5]	150	1,006,850	2,013,700
Jocyanne Bourdeau	625,000	100	625,000	1,250,000
Greg Ramier	625,000	100	625,000	1,250,000
Darren Myers	865,000 [6]	125	373,254	746,508

(1) 2021 STIP awards are calculated using each NEO's STIP-eligible salary for 2021. The STIP-eligible salaries for Ms. Bourdeau and Mr. Ramier were the same as their base salaries; the STIP-eligible salaries for Messrs. Weston, Dufresne, Sawyer and Myers are described in footnotes (3) through (6).

(2) Maximum STIP awards are presented above based on a maximum STIP payout achievable of 200% of target.

(3) Mr. Weston's aggregate base salary was allocated 60% to Weston and 40% to Loblaw until May 6, 2021. As of May 6, 2021, Mr. Weston's aggregate base salary was allocated 30% to Weston and 70% to Loblaw. In aggregate, Weston paid $490,454 and Loblaw paid $730,546 in 2021. Mr. Weston's aggregate STIP target from Weston and Loblaw was $1,831,501 in 2021, and his aggregate maximum STIP was $3,479,452. Mr. Weston's STIP-eligible salary from Loblaw was $731,533.

(4) Mr. Dufresne's aggregate base salary of $950,000 was allocated 100% to Weston until May 6, 2021. As of May 6, 2021, Mr. Dufresne's aggregate base salary was allocated 20% to Weston and 80% to Loblaw. In the aggregate, Weston paid $452,103 and Loblaw paid $497,897 in 2021. Mr. Dufresne's aggregate STIP target from Weston and Loblaw was $1,187,501 in 2021, and his aggregate maximum STIP was $2,234,291. Mr. Dufresne's STIP-eligible salary from Loblaw was $499,726.

(5) Mr. Sawyer joined Loblaw effective May 1, 2021. His actual base salary received for 2021 was $666,667 and his STIP-eligible salary was $671,233.

(6) Mr. Myers left Loblaw on May 6, 2021. His actual base salary received for 2021 was $301,641 and his STIP-eligible salary was $298,603.

2021 STIP Performance Measures

In 2021, the STIP was designed so that NEOs would be focused on key drivers of the Loblaw and SDM businesses, with an additional focus on compliance. The STIP was designed with the following five business performance measures, weightings and targets to drive the Corporation's strategic goals in 2021:

Loblaw STIP - 2021 Business Performance Measures

Consolidated Sales	Consolidated Earnings	Compliance	EBIT Margin	Consolidated OSAT [(1)]
35%	35%	10%	10%	10%

(1) OSAT refers to the customer satisfaction index, Overall Satisfaction.

Descriptions of each performance measure and charts summarizing performance ranges and payout percentages are set forth below:

Consolidated Sales Target

The consolidated sales target for 2021 ($51,725 million) was designed to focus executives on growth in consolidated revenues, including, for the first time, the consolidation of franchises. The consolidated sales target included a qualifier such that performance would be capped at 100% if year-over-year adjusted tonnage share, normalized for change in square footage, declined more than five basis points.

		Threshold		Target		Maximum
Performance Range	Less than $50,690 million	$50,690 million	Each additional 0.20% ($103.5 million)	$51,725 million	Each additional 0.20% ($103.5 million)	$52,760 million or more
Payout Factor (% of Target)	0%	50%	+5%	100%	+10%	200%

Consolidated Earnings Target

The consolidated earnings target for 2021 ($3,634 million) was designed to focus executives on delivering adjusted earnings before interest, income taxes, depreciation and amortization ("Adjusted EBITDA") pursuant to Loblaw's and SDM's combined annual and multi-year business plans. Adjusted EBITDA, as referred to in relation to Loblaw's 2021 STIP target, includes certain further adjustments, in addition to those noted in section 17, "Non-GAAP Financial Measures" of the 2021 MD&A. For 2021, the consolidated earnings target included a qualifier that in order to be eligible for above target achievement, year-over-year Adjusted EBITDA growth must be positive and target Adjusted EBITDA must be achieved.

		Threshold		Target		Maximum
Performance Range	Less than $3,498 million	$3,498 million	Each additional 0.375% ($13.6 million)	$3,634 million	Each additional 0.4% ($14.5 million)	$3,779 million or more
Payout Factor (% of Target)	0%	50%	+5%	100%	+10%	200%

*Non-GAAP financial measure. Please see note in the "Other Information" section of this Circular.

Compliance

The compliance target for 2021 was designed to focus executives on Loblaw's ongoing commitment to legal and regulatory compliance. Achievement of the compliance metric was determined based on Loblaw's three compliance initiatives of maintaining ISO Assurance in respect of its Competition Law Compliance program; operational effectiveness testing (for food safety certification training, pharmacy action plans, competition law, risk management by design and IT projects); and on-time completion of mandatory compliance training (for food safety, pharmacy, competition law, privacy and Code of Conduct). If Loblaw achieved its compliance target, then to the extent that the combined performance of the consolidated sales, consolidated earnings, EBIT margin and consolidated OSAT targets exceeded 100%, the same combined performance factor would be applied to the compliance metric. To the extent that the compliance targets were not met, any performance payout for the compliance metric would be at the discretion of the Governance Committee. There would be no payout in respect of the compliance metric in the event the Corporation experienced a major non-compliance incident, even if the compliance targets were achieved.

Initiative	Target
ISO Assurance	Yes/No achievement
Operational Effectiveness Testing	Established targets
On-time completion of mandatory compliance training	Established targets

EBIT Margin Target

For 2021, to replace the former operating leverage target, the Corporation introduced a new EBIT margin* target, determined by calculating Adjusted EBIT** as a percentage of revenue. Adjusted EBIT, as referenced in relation to Loblaw's 2021 STIP targets, includes certain further adjustments in addition to those noted in the 2021 MD&A. The EBIT margin target was designed to measure management's ability to translate revenue into profitability. The introduction of the EBIT margin measure aligns with the increased focus on data benefits along with ongoing process and efficiency initiatives. The target for 2021 was 5.92%*.

		Threshold		Target		Maximum
Performance Range	Lower than 5.67%	5.67%	Each 2.5 basis point improvement	5.92%	Each 2.5 basis point improvement	6.17% or higher
Payout Factor (% of Target)	0%	50%	+5%	100%	+10%	200%

*Non-GAAP financial measure. See the note in the "Other Information" section of this Circular.
**Non-GAAP financial measure. See the note in the "Other Information" section of this Circular and section 17 of the 2021 MD&A.

Overall Satisfaction Target

The enterprise-wide customer satisfaction index, OSAT, is a direct measure of customer interaction in-store. The OSAT target for 2021 (62.6%) was designed to focus executives on customer satisfaction in the short term to drive loyalty in the longer term. The 2021 target and performance range were developed with the target representing a proposed improvement of 60 basis points in the Corporation's OSAT compared to the 2020 OSAT.

		Threshold		Target		Maximum
Performance Range	Less than 59.1%	59.1%	Each 0.35% improvement	62.6%	Each 0.35 % improvement	66.1%
Payout Factor (% of Target)	0%	50%	+5%	100%	+10%	200%

2021 Loblaw STIP Calculation

In February 2022, the Governance Committee reviewed Loblaw's 2021 financial results. Following the review, the Loblaw 2021 STIP payout was approved as follows:

Performance Objective	Weighting (%)	Target	Actual	Performance	Payout Factor (% of Target)
Consolidated Sales	35	$51,725 million	$53,170 million	200.0 %	70.0 %
Consolidated Earnings	35	$3,634 million	$4,024 million	200.0 %	70.0 %
Compliance	10	Established targets	Targets Achieved	198.1 %	19.8 %
EBIT Margin	10	5.92 %	6.5 %	200.0 %	20.0 %
Overall Satisfaction	10	62.6 %	65.5 %	182.9 %	18.3 %
Overall STIP Payout					**198.1 %**

Key Factors Influencing Results

Early in 2022, the Governance Committee reviewed the Corporation's 2021 financial results and determined the key factors contributing to each component's performance relative to target, as set out below:

- Consolidated sales exceeded target, driven by strong sales in Food Retail and Drug Retail, continued eat-at-home trends and growth in pharmacy services.
- Consolidated earnings exceeded target, driven by strong underlying operating performance.
- EBIT margin was favourable relative to target, driven by the strong underlying operating performance of both the Retail and Financial Services segments.

In 2021, the Corporation continued to focus on compliance, with industry-leading competition compliance programs administered by the independent compliance function led by the Senior Vice President, Chief Compliance & Ethics Officer. The Corporation achieved all of its compliance targets by the end of 2021. In 2021, the Corporation successfully maintained its ISO Assurance for Compliance Management Systems with respect to its Competition Law Compliance Program.

Individual STIP Components

Galen G. Weston, Chairman and President

The 2021 STIP award for Mr. Weston reflected Mr. Weston's role as Chairman and President during the year and included an individual performance component weighted at 25% of his overall Loblaw STIP target. In assessing individual performance, the Governance Committee took into account quantitative factors including Mr. Weston's performance in achieving the Corporation's strategic objectives and his role in the overall achievement of the Corporation's 2021 financial plan. The Governance Committee also considered qualitative factors, such as Mr. Weston's leadership qualities in the management of the impact of the COVID-19 pandemic on the Corporation, the Corporation's ongoing focus on compliance and ethics, and in driving the organization's culture plan objectives. Based on these criteria, the Committee awarded Mr. Weston an individual performance component of $543,438, representing 100% of target.

Richard Dufresne, Chief Financial Officer

The 2021 STIP award for Mr. Dufresne reflected Mr. Dufresne's role as Chief Financial Officer during the year and included an individual performance component weighted at 25% of his overall Loblaw STIP target. In assessing individual performance, the Governance Committee took into account quantitative factors including Mr. Dufresne's management of the impact of the COVID-19 pandemic on the Corporation, his role in supporting and advancing the Corporation's strategic initiatives and operating efficiencies and in the implementation of the Corporation's 2021 financial plan. The Governance Committee also considered qualitative factors, such as Mr. Dufresne's leadership qualities. Based on these criteria, the Committee awarded Mr. Dufresne an individual performance component of $309,361, representing 100% of target.

Robert Sawyer, Chief Operating Officer

The 2021 STIP award for Mr. Sawyer reflected Mr. Sawyer's role as Chief Operating Officer during the year and included an individual performance component weighted at 25% of his overall STIP target. In assessing individual performance, the Governance Committee took into account quantitative factors including Mr. Sawyer's management of the impact of the COVID-19 pandemic on the Corporation, his role in leading and advancing the Corporation's enhanced focus on retail excellence and in the execution of the Corporation's 2021 financial plan. The Governance Committee also considered qualitative factors, such as Mr. Sawyer's leadership qualities. Based on these criteria, the Governance Committee determined that Mr. Sawyer's individual performance factor would be 125%. Because the total payout is capped at 200%, the individual performance component actually paid to Mr. Sawyer was $517,771.

Jocyanne Bourdeau, President, Discount Division

The 2021 STIP award for Ms. Bourdeau reflected Ms. Bourdeau's role as President, Discount Division during the year and included an individual performance component weighted at 25% of her overall STIP target. In assessing individual performance, the Governance Committee took into account quantitative factors including Ms. Bourdeau's role in the execution of the 2021 Discount Division Business Plan. The Governance Committee also considered qualitative factors, such as Ms. Bourdeau's leadership qualities and her delivery of the Discount Division's strategic goals. Based on these criteria, the Governance Committee determined that Ms. Bourdeau's individual performance factor would be 125%. Because the total payout is capped at 200%, the individual performance component actually paid to Ms. Bourdeau was $321,406.

Greg Ramier, President, Market Division

The 2021 STIP award for Mr. Ramier reflected Mr. Ramier's role as President, Market Division during the year and included an individual performance component weighted at 25% of his overall STIP target. In assessing individual performance, the Governance Committee took into account quantitative factors including Mr. Ramier's role in the execution of the 2021 Market Division Business Plan. The Governance Committee also considered qualitative factors, such as Mr. Ramier's leadership qualities and his delivery of the Market Division's 2021 strategic goals. Based on these criteria, the Governance Committee determined that Mr. Ramier's individual performance factor would be 125%. Because the total payout is capped at 200%, the individual performance component actually paid to Mr. Ramier was $321,406.

Darren Myers, Former Chief Financial Officer

Mr. Myers left Loblaw effective May 6, 2021 and was eligible for a pro-rated STIP award for 2021.

The following table sets forth the performance measures and weightings that were used in determining the STIP awards for 2021 for the NEOs:

2021 Loblaw STIP Award [(1)]

Name	Consolidated Sales ($)	Consolidated Earnings ($)	Compliance ($)	EBIT Margin ($)	Overall Satisfaction ($)	STIP Total from Business Performance (at 198.1%) ($)	Individual Performance [(2)] ($)	Loblaw STIP Award ($)
Galen G. Weston[(3)]	576,083	576,083	163,030	164,595	150,522	**1,630,313**	543,438	**2,173,751**
Richard Dufresne[(4)]	327,945	327,945	92,809	93,699	85,688	**928,086**	309,361	**1,237,447**
Robert Sawyer	528,596	528,596	149,593	151,028	138,115	**1,495,928**	517,771	**2,013,699**
Jocyanne Bourdeau	328,125	328,125	92,860	93,750	85,734	**928,594**	321,406	**1,250,000**
Greg Ramier	328,125	328,125	92,860	93,750	85,734	**928,594**	321,406	**1,250,000**
Darren Myers[(5)]	195,958	195,958	55,456	55,988	51,201	**554,563**	184,854	**739,415**

(1) STIP awards are calculated using the NEO's actual base salary received in 2021, as applicable.

(2) Individual Performance dollar value is calculated as 25% of the STIP target dollar value multiplied by the business performance factor and the individual performance factor.

(3) Mr. Weston also receives a STIP award from Weston. Mr. Weston's aggregate base salary was allocated 40% to the Corporation and 60% to Weston until May 6, 2021. As of May 6, 2021, Mr. Weston's aggregate base salary is allocated 70% to the Corporation and 30% to Weston, with each applicable allocation thereof being subject to the applicable company's STIP. Full details of Mr. Weston's compensation from Weston are set forth in the Weston Management Proxy Circular, which is available at www.sedar.com.

(4) Mr. Dufresne also receives a STIP award from Weston. Mr. Dufresne's aggregate base salary was allocated 100% to Weston until May 6, 2021. As of May 6, 2021, Mr. Dufresne's aggregate base salary is allocated 80% to the Corporation and 20% to Weston, with each applicable allocation thereof being subject to the applicable company's STIP. Full details of Mr. Dufresne's compensation from Weston are set forth in the Weston Management Proxy Circular, which is available at www.sedar.com.

(5) The amount shown above reflects the prorated STIP award received by Mr. Myers based on his STIP-eligible salary until May 6, 2021.

Executive Deferred Share Unit Plan

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

LONG-TERM INCENTIVE PLAN

The Corporation's equity-based LTIP is designed to retain executives and align their interests with long-term shareholder value creation by providing them with equity-based incentive awards that vest over time. Under the LTIP, the Corporation awards executives long-term incentives in the form of stock options, RSUs and PSUs, the values of which are directly linked to the market value of the Common Shares. Executives eligible for LTIP grants generally receive them on an annual basis.

Annual LTIP grants for NEOs are comprised of 1/3 stock options, 1/3 RSUs and 1/3 PSUs by grant date fair value (which proportions may vary immaterially due to rounding). The Board, on recommendation of the Governance Committee and after consultation with Meridian, has determined that the current LTIP mix is an appropriate balance of (i) stock options, which align an executive's interest with shareholders in share price appreciation; (ii) RSUs, which serve as a key component in retaining executives and aligning their interests with those of shareholders; and (iii) PSUs, which focus executives on the delivery of key objectives set forth in the strategic plan. A balanced approach of equal weighting for stock options, RSUs and PSUs continues to be competitive in North America and well aligned to the Corporation's long-term strategy.

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

In 2021, the Governance Committee approved LTIP awards to the NEOs as set out below. Mr. Dufresne did not receive an LTIP award from Loblaw in 2021. Mr. Sawyer was granted an LTIP award based on his annualized base salary.

Name	Base Salary (1) ($)	Annual LTIP Grant as a Percentage of Base Salary (%)	Grant Date Fair Value (2) ($)	Type of LTIP Grant
Galen G. Weston	869,400	500	2,473,801 (3)	Stock Options, RSUs and PSUs
Robert Sawyer	1,000,000	400	3,999,999	Stock Options, RSUs and PSUs
Jocyanne Bourdeau	625,000	200	1,250,153	Stock Options, RSUs and PSUs
Greg Ramier	625,000	200	1,250,153	Stock Options, RSUs and PSUs
Darren Myers	865,000	300	2,595,284 (4)	Stock Options, RSUs and PSUs

(1) Other than one-time grants, LTIP awards are calculated using each NEO's base salary on the date of grant. Mr. Weston's aggregate base salary was allocated 40% to Loblaw and 60% to Weston until May 6, 2021. As of May 6, 2021, Mr. Weston's aggregate base salary is allocated 70% to Loblaw and 30% to Weston. In aggregate, Weston paid $490,454 and Loblaw paid $730,546 in 2021. Mr. Weston's grant value shown above includes the Loblaw portion of an LTIP grant that Mr. Weston received in August 2021 representing the incremental grant value owing in connection with the increase to his base salary during the year.

(2) Stock options, RSUs and PSUs each comprise one-third of the annual LTIP grant.

(3) In addition to Mr. Weston's annual LTIP grants from the Corporation, he received annual LTIP grants from Weston with an aggregate grant date fair value of $3,631,542. Full details of Mr. Weston's compensation from Weston are set forth in the Weston Management Proxy Circular, which is available at www.sedar.com.

(4) Upon his departure from Loblaw on May 6, 2021, Mr. Myers' 2021 grant of stock options was cancelled and he received pro-rated settlements of his 2021 grants of RSUs and PSUs.

The key features of the Stock Option Plan, RSU Plan and PSU Plan are described below.

Stock Option Plan

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

The table below provides details regarding the outstanding options to purchase Common Shares and Common Shares available for future option grants:

As at:	January 1, 2022	As at: March 14, 2022
Issued and Outstanding Common Shares	333,527,369	334,220,410
Outstanding Options		
Number Outstanding	6,431,449	6,789,820
Number Outstanding as a Percentage of the Issued and Outstanding Common Shares	1.9 %	2.0 %
Maximum Number of Common Shares Issuable Pursuant to the Stock Option Plan at Any Time		
Number Issuable	28,137,162	28,137,162
Number Issuable as a Percentage of the Issued and Outstanding Common Shares	8.4 %	8.4 %
Common Shares Available for Future Option Grants		
Number Available	4,484,056	3,432,644
Number Available as a Percentage of the Issued and Outstanding Common Shares	1.3 %	1.0 %

The Stock Option Plan provides that Common Shares issuable pursuant to outstanding stock options that are cancelled, expired, forfeited or terminated for any reason without having been exercised will again be available for grant under the Stock Option Plan. Stock options are not transferable or assignable otherwise than by will or by laws of descent and distribution, and during the lifetime of an optionee will be exercisable only by the holder. Please see page 67 for details regarding the treatment of stock options upon the resignation, termination with or without cause, or retirement of a participant as well as the effect of a change of control of the Corporation.

The exercise price for options may not be less than the fair market value of a Common Share, which is defined as the greater of: (i) the volume-weighted average of the trading price of a Common Share on the TSX for the five trading days prior to the grant date; or (ii) the volume-weighted average of the trading price of a Common Share on the TSX on the trading day immediately preceding the grant date. The exercise price for options granted to U.S. participants is no less than the closing price of the Common Shares on the TSX on the day immediately preceding the grant date.

Options may not be exercised prior to the first anniversary of the date of the grant. The vesting of options is determined on the grant of the option. Under the Stock Option Plan, each option has a term of not less than five and not more than 10 years. Generally, options vest over a five-year period at a rate of 20% per year and expire at the end of seven years.

If the expiry date of an option occurs during a blackout period or other period during which an insider is prohibited from trading in securities of the Corporation pursuant to its Securities Trading Policy, the expiry date will automatically be extended for 10 business days after the blackout period ends.

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

In the event of a consolidation, subdivision or reclassification of the Common Shares, or any stock dividend of Common Shares paid otherwise than in lieu of a normal cash dividend, or any amalgamation or reorganization of the Corporation, the Board will make appropriate adjustments to the number of Common Shares subject to any options then outstanding and the exercise price thereof. The Stock Option Plan provides that shareholder approval is not required for any amendments to the Stock Option Plan or an option granted under the Stock Option Plan, except for any amendment or modification that:

1. increases the number of Common Shares that can be issued under the Stock Option Plan, including an increase to a fixed number of Common Shares or a change from a fixed maximum number of Common Shares to a fixed maximum percentage;
2. reduces the exercise price of an option (including, without limitation, a cancellation and re-grant of an option, constituting a reduction of the exercise price of such option), except in connection with a change in the number of the Corporation's outstanding Common Shares by reason of a stock dividend or split, recapitalization, reorganization, amalgamation, consolidation, combination or exchange of Common Shares, or another corporate change affecting Common Shares;
3. extends the term of an option beyond its original expiry date, except where the expiry date would have occurred during a blackout period or at any other time when the holder may be prohibited from trading in securities of the Corporation pursuant to the Corporation's Securities Trading Policy;
4. changes the provisions relating to the transferability of an option;
5. extends eligibility to participate in the Stock Option Plan to a non-employee director;
6. permits awards, other than options, to be made under the Stock Option Plan;
7. requires shareholder approval under applicable laws, regulations or stock exchange rules; or
8. affects the amending provisions of the Stock Option Plan.

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

There were no amendments to the Stock Option Plan in 2021.

The Corporation's annual burn rate, which represents the number of Stock Options awarded under an arrangement divided by the weighted average number of Common Shares outstanding as at the end of a fiscal year, under the Stock Option Plan was 0.67% in 2021, 0.51% in 2020 and 0.42% in 2019.

In 2021, the following NEOs exercised stock options as described in the table below.

Name	Grant Date	Exercise Date	Quantity Exercised (#)	Exercise Price ($)	Market Price ($)
Richard Dufresne(1)	September 16, 2014	August 11, 2021	816	46.87	85.22
	March 5, 2015	August 11, 2021	9,184	53.41	85.34
	March 5, 2015	November 22, 2021	10,000	53.41	98.00
	March 5, 2015	November 23, 2021	5,000	53.41	97.22
	March 5, 2015	December 6, 2021	5,000	53.41	98.15
	March 5, 2015	December 17, 2021	6,281	53.41	104.43
Jocyanne Bourdeau	March 28, 2014	May 7, 2021 (2)	13,172	39.97	70.46
	March 5, 2015	December 29, 2021	14,783	53.41	104.85
Darren Myers	March 1, 2018	May 7, 2021	40,000	55.69	70.56
	March 1, 2018	May 10, 2021	25,272	55.69	71.79
	September 1, 2017	May 11, 2021	18,600	56.86	71.75
	September 1, 2017	May 12, 2021	42,697	56.86	71.50
	February 28, 2019	May 12, 2021	33,676	65.55	71.66
	February 27, 2020	May 12, 2021	21,175	70.06	71.66

(1) *Mr. Dufresne also exercised stock options from Weston in 2021. The full details of Mr. Dufresne's compensation from Weston are set forth in the Weston Management Proxy Circular, which is available at www.sedar.com.*

(2) *The original expiry date for Ms. Bourdeau's stock options granted March 28, 2014 fell within one of the Corporation's self-imposed trading blackout periods trading windows; the expiry date was automatically extended until 10 business days after the end of the blackout period, which ended on May 6, 2021, in accordance with the Stock Option Plan.*

In 2021, the NEOs received stock option grants from the Corporation as described in the table below.

Name	Options Granted (#)	Exercise Price ($)	Grant Date Fair Value ($)	Vesting Schedule	Term of Grant
Galen G. Weston	89,010 (1)	62.67	800,200	20% per year over 5 years	7 years
	1,836	86.30	24,492	20% per year over 5 years	7 years
Robert Sawyer	122,989	71.32	1,333,201	20% per year over 5 years	7 years
Jocyanne Bourdeau	46,359	62.67	416,767	20% per year over 5 years	7 years
Greg Ramier	46,359	62.67	416,767	20% per year over 5 years	7 years
Darren Myers	96,242	62.67	865,216 (2)	20% per year over 5 years	7 years

(1) *Mr. Weston received grants of stock options from Weston in 2021 with a grant date fair value of $1,815,766. The full details of Mr. Weston's compensation from Weston are set forth in the Weston Management Proxy Circular, which is available at www.sedar.com.*

(2) *Mr. Myers' 2021 grant of stock options was cancelled following his departure from Loblaw on May 6, 2021.*

Restricted Share Unit Plan

RSUs entitle an executive to receive the value of the RSU award in Common Shares purchased on the open market at the end of the applicable vesting period, which is usually three years in length. An executive receives the number of Common Shares equal to the number of RSUs granted, with the ultimate award value determined by the Common Share price at the end of the applicable vesting period. Dividend equivalents in the form of additional RSUs that are equal in value to dividends paid on Common Shares are credited to the participant's account on each dividend payment date based on the number of RSUs in the account as of each dividend record date. The additional RSUs are subject to the same vesting conditions applicable to the related RSUs.

In 2021, the NEOs were awarded RSUs from the Corporation as follows:

Name	RSUs Granted (#)	Grant Value Per Unit ($)	Grant Date Fair Value ($)	Vesting Date
Galen G. Weston	12,764 (1)	62.67	799,920	March 4, 2024
	284	86.30	24,509	August 5, 2024
Robert Sawyer	18,693	71.32	1,333,185	May 12, 2024
Jocyanne Bourdeau	6,648	62.67	416,630	March 4, 2024
Greg Ramier	6,648	62.67	416,630	March 4, 2024
Darren Myers	13,801	62.67 (2)	864,909	March 4, 2024

(1) *Since 2019 the annual grants for senior executives of Weston are comprised of stock options and PSUs, with no RSUs granted to its senior executives. The full details of Mr. Weston's compensation from Weston are set forth in the Weston Management Proxy Circular, which is available at www.sedar.com.*

(2) *Mr. Myers received a pro-rata settlement of his 2021 RSU grant following his departure from Loblaw on May 6, 2021.*

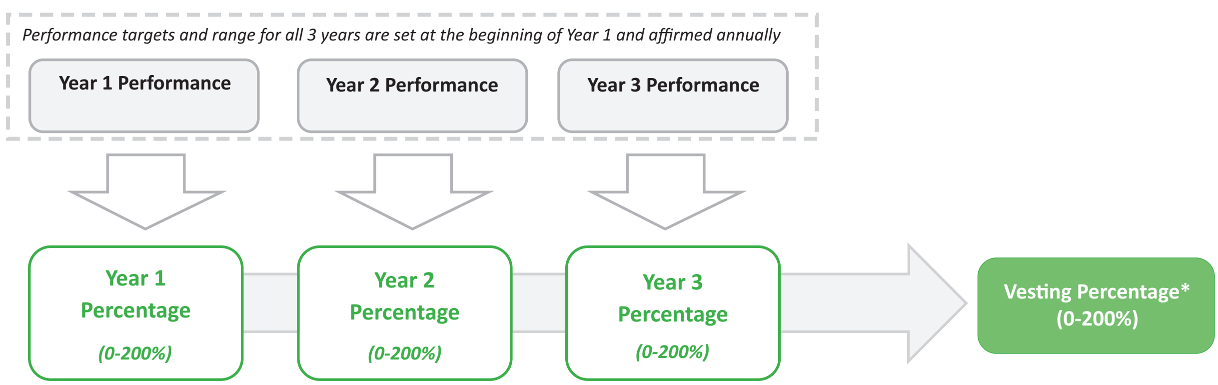
Performance Share Unit Plan

PSUs represent a form of at-risk long-term compensation that serves to motivate the recipient to deliver on objectives set forth in the Corporation's strategic plan. PSUs serve to focus executives on selected key drivers of corporate performance and reduce the number of stock options granted and potential shareholder dilution. PSUs also serve as a pay-for-performance incentive to reward executives for the achievement of prescribed corporate goals and share price appreciation. PSUs entitle an executive to receive the value of a PSU award in Common Shares purchased on the open market at the end of the applicable performance period, typically three years in length. However, the number of PSUs that vest during such period depends on the achievement of certain performance measures. For 2021, the Corporation's PSU performance measures were consolidated revenue and return on capital, excluding consolidated franchises.

Though the Governance Committee closely monitors the Corporation's performance relative to that of its peers when making compensation decisions, the Governance Committee believes that the best approach for the Corporation is to tie its executive compensation to performance metrics that are aligned with the Corporation's strategy and operating plans and that can be directly impacted by its executives. Consolidated revenue and return on capital are important indicators of retail performance. The Governance Committee has determined that relative total shareholder return is not an appropriate performance measure for the PSUs due to the lack of size-appropriate Canadian retail peers and the significantly different inflation, foreign exchange and macro-economic factors to which comparable U.S. retailers are subject.

The Governance Committee has determined that consolidated revenue is appropriate as a significantly-weighted performance measure for the PSUs, notwithstanding its inclusion as a measure for the STIP, as it serves as a proxy for market share and is intended to reward growth of the business. Growth in revenue and market share is critical to the success of the Corporation and to the Corporation remaining competitive relative to its peers. Using consolidated revenue as a factor in the LTIP and STIP aligns the interests of executives with those of shareholders.

PSUs vest at the end of the applicable three-year performance period, however the performance factor that determines the number of PSUs that vest is determined by averaging results against target in each year in the performance period. Setting yearly performance targets reduces the need for the Corporation to make provisions for adjustments or moderation of macro-economic impacts which may be more likely over a longer term. The results in each year, in turn, are determined based upon the level of achievement of each of the performance conditions during that year. When setting the three one-year targets, the Governance Committee considers the longer term financial operating model of the Corporation. The setting of three one-year targets, as opposed to one three-year target, aligns with the emerging trend among retail organizations to set targets over shorter periods and reflects a retail industry specific incentive design. The overall number of PSUs that vest at the end of a performance period range from 0% to 200% of the initial grant as illustrated below:



**Calculated as a simple average of performance in Years 1, 2, and 3.*

Each PSU measure has a threshold, target and maximum performance level. Where performance is below threshold, PSUs do not vest. PSUs vest at 100% if target performance is achieved and at 200% if maximum performance is achieved.

For performance between threshold and target and target and maximum, vesting of PSUs is determined on a linear basis. Dividend equivalents in the form of additional PSUs that are equal in value to dividends paid on Common Shares are credited to the participant's account on each dividend payment date based on the number of PSUs in the account as of the dividend record date. The additional PSUs are subject to the same vesting conditions applicable to the underlying PSUs.

The performance targets for the PSUs granted in 2021 relate to a three-year period ending December 30, 2023 and were developed taking into account the Corporation's confidential business strategies, plans and initiatives and its expectations regarding financial and operational performance. These targets are intended to be challenging – neither impossible nor easy to achieve. These measures were stress-tested to ensure they were appropriately challenging taking into consideration historical trends and budget growth expectations in the Corporation's financial plan. PSU targets are forward-looking and disclosure of them before the end of the performance period would seriously prejudice the Corporation's interests. As a result, targets are disclosed at the time of payout of PSUs.

In 2021, the following NEOs were awarded PSUs from the Corporation for which the grant date fair value assumes vesting at 100% of target:

Name	PSUs Granted (#)	Grant Value Per Unit ($)	Grant Date Fair Value ($)	Vesting Date
Galen G. Weston	12,768 (1)	62.67	800,171	March 4, 2024
	284	86.30	24,509	August 5, 2024
Robert Sawyer	18,699	71.32	1,333,613	May 12, 2024
Jocyanne Bourdeau	6,650	62.67	416,756	March 4, 2024
Greg Ramier	6,650	62.67	416,756	March 4, 2024
Darren Myers	13,805	62.67 (2)	865,159	March 4, 2024

(1) Mr. Weston also received grants of PSUs from Weston in 2021 with a grant date fair value of $1,815,776. The full details of Mr. Weston's compensation from Weston are set forth in the Weston Management Proxy Circular, which is available at www.sedar.com.

(2) Mr. Myers received a pro-rata settlement of his 2021 PSU grant following his departure from Loblaw on May 6, 2021.

Performance of 2019 PSUs

In 2019, the Corporation's NEOs were awarded PSUs whose vesting was tied to consolidated revenue and return on capital targets over a three-year period. Revenue excluded the consolidation of franchises in 2019 and 2020, but was included as of 2021. The return on capital measure was defined as Adjusted EBIT* divided by capital at the start of the year. Adjusted EBIT, as referenced in relation to Loblaw's 2019 PSU targets, includes certain further adjustments in addition to those noted in the 2021 MD&A. At the time of grant, the performance targets relating to the 2019 return on capital and enterprise consolidated revenue metrics were forward-looking as they related to the three-year period ending in 2021 and were developed taking into account the Corporation's business strategies, plans and initiatives and its expectations regarding financial and operational performance. The targets were intended to be challenging – neither impossible nor easy to achieve.

*Non-GAAP financial measure. Please see the note in the "Other Information" section of this Circular and section 17 of the 2021 MD&A.

In early 2022, the Governance Committee reviewed the performance of the 2019 PSU grants and determined the following results based on the average of the three year performance:

- the enterprise consolidated revenue component achieved a performance result of 166.5%; and
- the return on capital component achieved a performance result of 95.0%.

The target and performance for each component for PSUs awarded in 2019 which were equally weighted on results from 2019, 2020 and 2021 and paid out in 2022, are set out below:

Measures		2019		2020		2021		Performance by Measure	Performance Factor
		Target	Results	Target	Results	Target	Results		
Enterprise Consolidated Revenue	Max:	$47,317		$49,436		$52,760			
	Target:	**$46,618**	**$46,618**	**$48,705**	**$50,847**	**$51,725**	**$53,170**	**166.5%**	**83.3%**
50% weighting	Min:	$46,152		$48,218		$50,690			
Loblaw Return on Capital	Max:	16.29%		10.95%		12.02%			
	Target:	**15.79%**	**15.72%**	**10.45%**	**9.95%**	**11.27%**	**12.90%**	**95.0%**	**47.5%**
50% weighting	Min:	15.29%		9.95%		10.52%			
Performance by Year		**92.7%**		**100.0%**		**200.0%**		—	—
Vesting		**30.9%**		**33.3%**		**66.6%**		—	—
Overall Payout									**130.8%**

COMPENSATION DISCUSSION AND ANALYSIS

2019 PSU Payout Summary

In 2022, the Governance Committee determined that the 2019 grant of PSUs paid out at 130.8% of target. The number of PSUs that vested pursuant to these performance results is set out in the table below. Messrs. Dufresne and Sawyer were not employed by Loblaw in 2019 and Mr. Myers received a pro-rata settlement of his 2019 PSU grant following his departure from Loblaw on May 6, 2021.

	Vesting of 2019 PSU Award					
Name	**2019 PSUs Granted (#)**	**Total number of PSUs vested prior to application of performance factor [1] (#)**	**Enterprise Consolidated Revenue Component (#)**	**Return on Capital Component (#)**	**Total number of PSUs Vested (#)**	**Actual Settlement Value ($)**
Galen G. Weston	12,204	12,882	10,727	6,122	16,849	1,666,054 [2]
Jocyanne Bourdeau	6,102	6,441	5,363	3,061	8,424	832,978 [2]
Greg Ramier	3,814	4,026	3,352	1,912	5,264	520,512 [2]

(1) The total number of PSUs vested prior to the application of the performance factor reflects the original number of PSUs granted plus the dividend equivalents earned subsequent to the grant date.

(2) The actual value of the PSU settlements was based on the closing price of the Common Shares on the TSX on February 28, 2022, the vesting date of the PSUs, which was $98.8815.

Long-Term Incentive Plan Clawback

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

Securities Authorized for Issuance under Equity Compensation Plans as of January 1, 2022

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

Plan Category	**Number of Securities to be Issued Upon Exercise of Outstanding Options, Warrants and Rights (a)**	**Weighted Average Exercise Price of Outstanding Options, Warrants and Rights (b)**	**Number of Securities Remaining Available for Future Issuance Under Equity Compensation Plans (Excluding Securities Reflected in Column (a)) (c)**
Equity Compensation Plans Approved by Securityholders			
• Stock Option Plan	6,431,449	$63.15	4,484,056
Equity Compensation Plans Not Approved by Securityholders	N/A	N/A	N/A
Total	**6,431,449**	**$63.15**	**4,484,056**

RETIREMENT AND PENSION ARRANGEMENTS

The Corporation's retirement and pension arrangements are designed to provide a reasonable level of retirement income to executives. Senior executives of the Corporation, other than Mr. Weston, participate in the defined benefit or the defined contribution component of the Consolidated Executive Plan. All new Loblaw executives join the Consolidated Executive Plan and participate in the defined contribution portion of the plan. Mr. Weston does not participate in any of the Corporation's or Weston's pension plans.

In addition, senior executives of the Corporation whose pensionable earnings exceed prescribed levels participate in a non-contributory SERP.

The details of these retirement and pension arrangements are set out in the section "Pension Plan and Long Service Executive Arrangements" on page 74.

EXECUTIVE BENEFIT PLANS

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

PERQUISITES

NEOs generally receive a limited number of perquisites, including the use of a car, an annual medical examination, a discretionary health care spending account and the right to participate in the employee share ownership plan.

EXECUTIVE SHARE OWNERSHIP POLICY

The Corporation maintains an Executive Share Ownership Policy to further align the interests of senior executives with those of the Corporation's shareholders. The Policy establishes minimum share ownership levels for executives which, based on their executive level, are set at a multiple of their base salary.

Under the Policy, Common Shares, EDSUs and the in-the-money value of vested stock options of the Corporation are the only eligible holdings included in determining an executive's ownership value. The Policy applies to every executive at the senior vice president level and higher. Senior executives who serve the Corporation as well as Weston may include their eligible holdings of Weston to satisfy the Policy.

Under the Policy, 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:

Chairman	5x base salary
President (if a separate role)	3x base salary
CFO, COO and Executive Vice Presidents or equivalent, including Divisional Presidents	2x base salary
Senior Vice Presidents	0.5x base salary

Executives are expected to attain the required ownership level within five years of their appointment. The Chairman and President of the Corporation is subject to a post-employment hold period which requires him to maintain his share ownership level for one year following the end of his employment.

Executives subject to the Policy are required to retain a minimum of 50% of the after-tax proceeds received on the settlement of RSUs or PSUs or an exercise of stock options in Common Shares until their respective executive ownership levels has been attained.

The dollar values of each NEO's eligible equity-based holdings, based on the closing price of the Common Shares on the TSX on March 14, 2022 of $114.54 and the closing price of the Weston common shares on the TSX on March 14, 2022 of $157.26, as applicable, are set forth in the table below, along with the dollar value of those equity-based holdings that are not eligible to be included in determining an executive's ownership value.

	Ownership Requirement		Value of Eligible Equity-Based Holdings				Value of Ineligible Equity-Based Holdings			
Name	($)	Multiple of Salary	Common Shares ($)	DSUs and EDSUs ($)	In-the-Money Stock Options ($)	Eligible Total ($)	RSUs ($)	PSUs [2] ($)	In-the-Money Stock Options ($)	Ineligible Total ($)
Galen G. Weston[1]	4,347,000	5	12,422,853,373	350,375	33,530,702	12,456,734,450	4,546,436	11,210,573	25,922,022	41,679,031
Richard Dufresne[3]	1,520,000	2	2,519,829	—	17,029,068	19,548,897	—	5,993,650	15,315,098	21,308,748
Robert Sawyer[4]	2,000,000	2	900,580	1,536,116	—	2,436,696	3,704,567	3,705,713	6,716,730	14,127,010
Jocyanne Bourdeau	1,250,000	2	997,758	—	6,548,509	7,546,267	1,932,748	1,933,206	4,863,274	8,729,228
Greg Ramier	1,250,000	2	1,115,391	—	3,932,309	5,047,700	1,678,584	1,679,042	3,913,257	7,270,883

(1) Mr. Weston is also subject to Weston's Executive Share Ownership Policy. The cost of Mr. Weston's aggregate base salary was paid 40% by Loblaw and 60% by Weston until May 6, 2021. Since May 6, 2021 Mr. Weston's aggregate base salary has been paid 70% by Loblaw and 30% by Weston. For 2021, Loblaw and Weston paid $730,546 and $490,454 respectively toward the cost of Mr. Weston's aggregate base salary of $1,221,000. Mr. Weston's aggregate ownership requirement is $6,210,000. For a description of Weston's Executive Share Ownership Policy in respect of Mr. Weston, please refer to the Weston Management Proxy Circular available at www.sedar.com.

(2) The value of PSU awards assumes vesting at 100% of target.

(3) Mr. Dufresne is also subject to Weston's Executive Share Ownership Policy. The cost of Mr. Dufresne's aggregate base salary was paid 100% by Weston until May 6, 2021. Since May 6, 2021, Mr. Dufresne's aggregate base salary has been paid 80% by Loblaw and 20% by Weston. For 2021, Loblaw and Weston paid $497,897 and $452,103 respectively toward the cost of Mr. Dufresne's aggregate base salary of $950,000. Mr. Dufresne's aggregate ownership requirement is $2,850,000. For a description of Weston's Executive Share Ownership Policy in respect of Mr. Dufresne, please refer to the Weston Management Proxy Circular available at www.sedar.com.

(4) Mr. Sawyer was a director of Weston until May 2021. Pursuant to Loblaw's Share Ownership Policy, Mr. Sawyer's equity holdings in Weston, as at May 1, 2021, the date of his appointment at Loblaw, count towards his minimum equity ownership requirement. Mr. Sawyer held 4,270 Weston common shares and 9,768 Weston deferred share units with a value of $1,536,116 based on the closing price on the TSX of a Weston common share on March 14, 2022 of $157.26.

2021 COMPENSATION DECISIONS REGARDING THE NAMED EXECUTIVE OFFICERS

The following outlines the rationale underlying the compensation decisions for each of the Corporation's NEOs for 2021.

Galen G. Weston, Chairman and President

In the second half of 2020, the Boards of both Loblaw and Weston engaged Meridian to review and benchmark Mr. Weston's compensation relative to the Weston and Loblaw comparator groups. Mr. Weston's compensation was last reviewed in 2018, with a limited salary increase effective January 1, 2019. The results of the 2020 review suggested that Mr. Weston's total direct compensation was below the market median and Loblaw's compensation policy objective.

Effective May 6, 2021, Mr. Weston assumed the role of President and Chairman of Loblaw, in addition to his duties as Chairman and Chief Executive Officer of Weston. To reflect this expanded role at Loblaw, since May 6, 2021, 70% of Mr. Weston's base salary has been paid by Loblaw and 30% by Weston. Each of Loblaw and Weston determines and funds its respective share of Mr. Weston's STIP. 70% of Mr. Weston's STIP is subject to the Loblaw STIP and 30% is subject to the Weston STIP.

Recognizing Mr. Weston's unique position as Chairman and President of Loblaw and Chairman and Chief Executive Officer of Weston, and to further reflect the complexity of managing these multiple roles, Mr. Weston received a base salary increase from $1,200,000 to $1,242,000 effective July 1, 2021. For purposes of his annual STIP determination, Mr. Weston's STIP target remained at 150% of his base salary and for purposes of his annual LTIP determination, Mr. Weston's LTIP target remained at 500% of his base salary.

Mr. Weston's annual Loblaw LTIP granted in March, 2021 had an aggregate grant date fair value of $2,400,291, comprised of 89,010 stock options, 12,764 RSUs and 12,768 PSUs. In conjunction with the increase to Mr. Weston's base salary, the Governance Committee approved a one-time grant of 1,836 stock options, 284 RSUs and 284 PSUs in August 2021, with an aggregate grant date fair value of $73,510, representing Mr. Weston's incremental LTIP value from Loblaw for 2021.

Mr. Weston's annual LTIP grant from Weston for 2021 had an aggregate grant date fair value of $3,600,045, comprised of 121,786 stock options and 17,847 PSUs. In conjunction with the increase to Mr. Weston's base salary, the Weston Governance Committee approved a one-time grant of 773 stock options and 119 PSUs in August 2021, with an aggregate grant date fair value of $31,497, representing Mr. Weston's incremental LTIP value from Weston for 2021.

As discussed in the section "Individual STIP Components" on page 56, the Governance Committee awarded Mr. Weston $543,438 for the 25% individual performance component of his 2021 Loblaw STIP award.

Full details of Mr. Weston's compensation from Weston are set forth in the Weston Management Proxy Circular, which is available at www.sedar.com.

Richard Dufresne, Chief Financial Officer

Effective May 6, 2021, Mr. Dufresne assumed the role of Chief Financial Officer of Loblaw, in addition to his duties as President and Chief Financial Officer of Weston. To reflect his dual role, since May 6, 2021, 80% of Mr. Dufresne's base salary has been paid by Loblaw and 20% by Weston. Each of Loblaw and Weston determines and funds its respective share of Mr. Dufresne's STIP. 80% of Mr. Dufresne's STIP is subject to the Loblaw STIP and 20% is subject to the Weston STIP.

As discussed in the section "Individual STIP Components" on page 56, the Governance Committee awarded Mr. Dufresne $309,361 for the 25% individual performance component of his 2021 Loblaw STIP award.

Mr. Dufresne did not receive an LTIP award from Loblaw in 2021.

Full details of Mr. Dufresne's compensation from Weston are set forth in the Weston Management Proxy Circular, which is available at www.sedar.com.

Robert Sawyer, Chief Operating Officer

Mr. Sawyer, a former director of Weston, was appointed as Chief Operating Officer of Loblaw effective May 6, 2021. The compensation arrangements approved by the Governance Committee for Mr. Sawyer upon his appointment included a base salary of $1,000,000 and STIP and LTIP targets of 150% and 400% of base salary, respectively. Mr. Sawyer's compensation also includes an allowance paid for certain relocation and travel expenses.

For 2021, Mr. Sawyer received an LTIP grant comprised of 122,989 stock options, 18,693 RSUs and 18,699 PSUs, with an aggregate grant date value of $3,999,999, representing a full year grant.

In addition, as discussed in the section "Individual STIP Components" on page 56, the Governance Committee awarded Mr. Sawyer $517,771 for the individual performance component of his 2021 STIP award.

Jocyanne Bourdeau, President, Discount Division

Prior to 2021, Ms. Bourdeau's compensation arrangements were last set effective January 1, 2019. For 2021, the Governance Committee approved an increase in Ms. Bourdeau's base salary from $600,000 to $625,000. Ms. Bourdeau's STIP and LTIP targets remained unchanged at 100% and 200% of base salary, respectively.

For 2021, Ms. Bourdeau received an LTIP grant comprised of 46,359 stock options, 6,648 RSUs and 6,650 PSUs, with an aggregate grant date value of $1,250,153.

In addition, as discussed in the section "Individual STIP Components" on page 56, the Governance Committee awarded Ms. Bourdeau $321,406 for the individual performance component of her 2021 STIP award.

Greg Ramier, President, Market Division

Prior to 2021, Mr. Ramier's compensation arrangements were last set effective January 1, 2019. For 2021, the Governance Committee approved an increase in Mr. Ramier's base salary from $500,000 to $625,000 and an increase in his LTIP target from 150% to 200% of base salary. Mr. Ramier's STIP target remained unchanged at 100% of base salary.

For 2021, Mr. Ramier received an LTIP grant comprised of 46,359 stock options, 6,648 RSUs and 6,650 PSUs, with an aggregate grant date value of $1,250,153.

In addition, as discussed in the section "Individual STIP Components" on page 56, the Governance Committee awarded Mr. Ramier $321,406 for the individual performance component of his 2021 STIP award.

Darren Myers, Former Chief Financial Officer

Mr. Myers left Loblaw on May 6, 2021. His base salary of $865,000 and his STIP and LTIP targets of 125% and 300%, respectively, of base salary, did not change prior to his departure in 2021.

For 2021, Mr. Myers received an LTIP grant comprised of 96,242 stock options, 13,801 RSUs and 13,805 PSUs, with an aggregate grant date fair value of $2,595,284. Upon his departure, Mr. Myers' unvested 2021 stock option grant was cancelled and his RSU and PSU grants were paid out on a prorated basis.

In addition, as discussed in the section "Individual STIP Components" on page 56, Mr. Myers received a pro-rated STIP award for 2021, in accordance with the terms of the STIP; the Governance Committee awarded Mr. Myers $184,854 representing the 25% individual performance component of the 2021 STIP award.

TERMINATION AND CHANGE OF CONTROL BENEFITS

None of the NEOs' employment agreements provide for change of control benefits; however, the Corporation's compensation plans have termination and change of control provisions. The table below summarizes the termination and change of control benefits provided under each plan in situations that result in cessation of employment. The actual amounts that a NEO would receive upon termination of employment can only be determined at the time the NEO leaves the Corporation.

Type of Compensation	Separation Event (1) Resignation	Termination without Cause	Termination with Cause	Retirement after age 55 with at least 10 years of service (the "Conditions")	Retirement that does not meet the Conditions	Change of Control
Short-Term Incentive Plan	No payment	Bonus for the applicable year is prorated to the termination date	No payment	Bonus for the applicable year is prorated to the retirement date	Bonus for the applicable year is prorated to the retirement date	Governance Committee discretion to grant or adjust bonus
Stock Option Plan	30 days from the last day of active employment to exercise vested options	90 days from notice of termination to exercise vested options	All outstanding options forfeited at time of notice of termination	Options will continue to vest and pay out in the normal course, with the exception of any award granted in the calendar year of retirement	90 days from the date of retirement to exercise vested options	Governance Committee discretion to accelerate vesting of options
Restricted Share Unit Plan	Units forfeited upon the last day of active employment	Value of units paid out on a prorated basis	All outstanding units forfeited upon the last day of active employment	RSUs will continue to vest and pay out in the normal course, with the exception of any award granted in the calendar year of retirement	Value of outstanding units paid out on a prorated basis	Governance Committee discretion to adjust grant
Performance Share Unit Plan	Units forfeited upon the last day of active employment	Value of units paid out on a prorated basis	All outstanding units forfeited upon the last day of active employment	PSUs will continue to vest and pay out in the normal course, with the exception of any award granted in the calendar year of retirement	Value of outstanding units paid out on a prorated basis	Governance Committee discretion to adjust grant
Executive Deferred Share Unit Plan	NEO has until December 15th of the year following resignation to redeem	NEO has until December 15th of the year following termination to redeem	NEO has until December 15th of the year following termination to redeem	NEO has until December 15th of the year following retirement to redeem	NEO has until December 15th of the year following retirement to redeem	Governance Committee to ensure substantially similar award following a change of control event

(1) *For executives who die or become disabled, their RSUs and PSUs will continue to vest and pay out in the normal course. All vested and unvested stock options will immediately vest and executives (or their estates) will have 2 years from the date of death or disability (or, if earlier, expiry of the term) to exercise vested options.*

The Governance Committee has discretion to make adjustments to the general plan provisions for a particular executive if considered appropriate in the circumstances. The following summarizes the termination benefits described above as they relate to the specific arrangements under each NEO's employment agreement as at January 1, 2022.

Galen G. Weston, Chairman and President

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

Richard Dufresne, Chief Financial Officer

If Mr. Dufresne's employment is terminated without cause, he would be entitled to receive for a period of 18 months plus one additional month for every completed year of service from the effective date of his most recent employment agreement up to a maximum of 24 months: (a) his base salary and car allowance, (b) his target STIP bonus, and (c) his health care and dental benefits, participation in the employee/family assistance program and pension accrual. Mr. Dufresne would also be entitled to applicable incentive payments and share-based settlements as provided for under the terms of the LTIP. Upon termination, Mr. Dufresne would be subject to certain non-competition and confidentiality undertakings.

Robert Sawyer, Chief Operating Officer

If Mr. Sawyer's employment is terminated without cause, he would be entitled to receive (a) a lump sum of 50% of his base salary for the period beginning on the last day of his employment and ending April 30, 2023; and (b) a lump sum of 50% of his target STIP bonus for the period beginning on the last day of his employment and ending April 30, 2023. In addition, his LTIP awards received during the term of his employment would continue to vest on their original timeline without pro-ration. Upon termination, Mr. Sawyer would be subject to certain non-competition and confidentiality undertakings. If Mr. Sawyer remains employed by Loblaw until April 30, 2023 his LTIP awards received during the term of his employment will continue to vest on their original timeline.

Jocyanne Bourdeau, President, Discount Division

If Ms. Bourdeau's employment is terminated without cause, she would be entitled to receive for a period of 22 months plus one additional month for every completed year of service from January 1, 2022, up to a maximum of 24 months: (a) her base salary, (b) her target STIP bonus, (c) participation in the Corporation-leased car program, and (d) her health care and dental benefits, participation in the employee/family assistance program and pension accrual. Ms. Bourdeau would also be entitled to certain incentive payments and share-based settlements applicable to the period prior to the termination date, as provided for under the terms of the STIP and LTIP. Upon termination, Ms. Bourdeau would be subject to certain non-competition and confidentiality undertakings.

Greg Ramier, President, Market Division

If Mr. Ramier's employment is terminated without cause, he would be entitled to receive for a period of 22 months plus one additional month for every completed year of service from January 1, 2022, up to a maximum of 24 months: (a) his base salary, (b) his target STIP bonus, (c) participation in the Corporation-leased car program, and (d) his health care and dental benefits, participation in the employee/family assistance program and pension accrual. Mr. Ramier would also be entitled to certain incentive payments and share-based settlements applicable to the period prior to the termination date, as provided for under the terms of the STIP and LTIP. Upon termination, Mr. Ramier would be subject to certain non-competition and confidentiality undertakings.

Darren Myers, Former Chief Financial Officer

On March 23, 2021, the Corporation announced that Mr. Myers would be leaving the Corporation effective May 6, 2021. Mr. Myers' entitlements upon his departure were calculated in accordance with the terms of his employment agreement. Upon his departure, Mr. Myers became subject to certain non-competition and confidentiality undertakings.

POTENTIAL AMOUNTS PAID ON TERMINATION

The following table sets forth the estimated incremental payments or benefits that the NEOs would have received upon termination of employment on January 1, 2022 for the various reasons described below:

		Amounts Due on Termination							
		Contractual Severance							
						Long-Term Incentive Plans			
Name	**Event**	**Salary [1] ($)**	**Annual Bonus [1] ($)**	**Benefits ($)**	**Other ($)**	**Stock Options [2][10] ($)**	**RSUs [3][10] ($)**	**PSUs [3][10] ($)**	**Total ($)**
Galen G. Weston	Termination with cause	—	—	—	—	—	—	—	—
Chairman and President	Termination without cause	—	—	—	—	—	—	—	—
	Resignation	—	—	—	—	—	—	—	—
	Retirement	—	—	—	—	—	—	—	—
	Change of Control	—	—	—	—	—	—	—	—
Richard Dufresne[4]	Termination with cause	—	—	—	—	—	—	—	—
Chief Financial Officer	Termination without cause	1,393,333 [5]	1,741,667 [6]	98,772 [7]	23,061 [8]	—	—	—	3,256,833
	Resignation	—	—	—	—	—	—	—	—
	Retirement	—	—	—	—	—	—	—	—
	Change of Control	—	—	—	—	—	—	—	—
Robert Sawyer	Termination with cause	—	—	—	—	—	—	—	—
Chief Operating Officer	Termination without cause	666,667 [9]	1,000,000 [9]	— [9]	— [9]	3,975,004	1,604,433	1,604,948	8,851,052
	Resignation	—	—	—	—	—	—	—	—
	Retirement	—	—	—	—	—	—	—	—
	Change of Control	—	—	—	—	—	—	—	—
Jocyanne Bourdeau	Termination with cause	—	—	—	—	—	—	—	—
President, Discount Division	Termination without cause	1,145,833 [5]	1,145,833 [6]	203,337 [7]	13,751 [8]	—	—	—	2,508,754
	Resignation	—	—	—	—	—	—	—	—
	Retirement	—	—	—	—	—	—	—	—
	Change of Control	—	—	—	—	—	—	—	—
Greg Ramier	Termination with cause	—	—		—	—	—	—	—
President, Market Division	Termination without cause	1,145,833 [5]	1,145,833 [6]	241,166 [7]	21,872 [8]	—	—	—	2,554,704
	Resignation	—	—	—	—	—	—	—	—
	Retirement	—	—	—	—	—	—	—	—
	Change of Control	—	—	—	—	—	—	—	—

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

(2) The NEOs are entitled to exercise vested options following termination without cause in accordance with the Stock Option Plan. NEOs are entitled to continued vesting and payout of stock options in the normal course if they retire at age 55 with 10 years of service. Mr. Sawyer's enhanced entitlement is set out in Footnote 9.

(3) RSUs and PSUs are paid out on a prorated basis where the NEO retires or is terminated without cause in accordance with the RSU Plan and PSU Plan, respectively. NEOs are entitled to continued vesting and payout of RSUs and PSUs if they retire at age 55 with 10 years of service. Mr. Sawyer's enhanced entitlement is set out in Footnote 9.

(4) Amounts reflect the estimated incremental payments or benefits that Mr. Dufresne would have received from Loblaw. Full details of Mr. Dufresne's compensation from Weston are set forth in the Weston Management Proxy Circular, which is available at www.sedar.com.

(5) For Mr. Dufresne, Ms. Bourdeau and Mr. Ramier, calculated based on 18, 22 and 22 months' salary, respectively, plus one additional month for every completed year of service from the effective date of their respective most recent employment agreements, which amounts to 22, 22 and 22 months, respectively.

(6) Annual bonus is valued at target level.

(7) Includes benefits and pension accruals for Mr. Dufresne, Ms. Bourdeau and Mr. Ramier calculated based on 22, 22 and 22 months, respectively, as per the terms of their respective employment agreements.

(8) Includes participation in the Corporation-leased car program for Ms. Bourdeau and Mr. Ramier of 22 and 22 months, respectively, and an annual car allowance for Mr. Dufresne for 22 months.

(9) For Mr. Sawyer, the Salary and Annual Bonus figures are calculated based on 50% of the base salary and STIP that he would otherwise have received from December 31, 2021 to his contractual end of term, which amounts to 16 months. In the event of termination without cause, Mr. Sawyer's benefits and other perquisites would cease.

(10) In the event of termination without cause, all LTIP awards granted to Mr. Sawyer prior to December 31, 2021 would continue to vest in accordance with their original grant vest schedules, without proration, subject to any post-employment obligations.

COMPENSATION DECISIONS FOR 2022

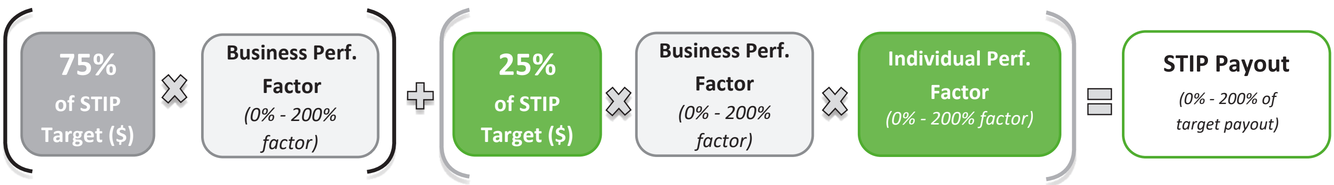
COMPENSATION CHANGES FOR NEOs

No changes were made to the compensation arrangements of any NEO for 2022.

2022 SHORT-TERM INCENTIVE PLAN

The Governance Committee has approved the performance measures and weightings for the 2022 STIP as set out below.

In early 2022, the Governance Committee determined that with the successful integration of compliance initiatives into the operational best practices of the businesses, it was appropriate to replace the compliance measure from the Corporation's STIP targets for 2022 with a new measure focused on ESG, to continue driving higher levels of corporate social responsibility across the business. For 2022 the Corporation will also continue to include the customer satisfaction index, OSAT, as well as the EBIT margin measure introduced in 2021 and designed to measure management's ability to translate revenue into profitability, calculated as Adjusted EBIT as a percentage of revenue. For 2022, the STIP design will continue to include a revenue qualifier whereby consolidated revenue performance will be capped at 100% if year-over-year adjusted tonnage share, normalized for a change in square footage, declines, and an earnings qualifier whereby in order to be eligible for above-target achievement, year-over-year Adjusted EBITDA growth must be positive and the Adjusted EBITDA target must be achieved.



Loblaw STIP - 2022 Business Performance Measures

2022 LONG-TERM INCENTIVE PLAN GRANTS

In February 2022, the Governance Committee approved LTIP awards to the Corporation's NEOs as set out below. These annual LTIP grants were comprised of equal grants (by grant value) of stock options, RSUs and PSUs, and were awarded on March 3, 2022. For 2022, the cost of the LTIP compensation arrangements for Messrs. Weston and Dufresne will be allocated 70% and 80% to the Corporation and 30% and 20% to Weston, respectively.

Name	Grant Date Fair Value (1) ($)	Stock Options (2) (#)	RSUs (#)	PSUs (#)
Galen G. Weston	4,346,772 (3)	100,112	14,586	14,591
Richard Dufresne	2,849,837 (3)	65,636	9,563	9,566
Robert Sawyer	3,999,788	92,120	13,422	13,426
Jocyanne Bourdeau	1,249,941	28,788	4,194	4,196
Greg Ramier	1,249,941	28,788	4,194	4,196

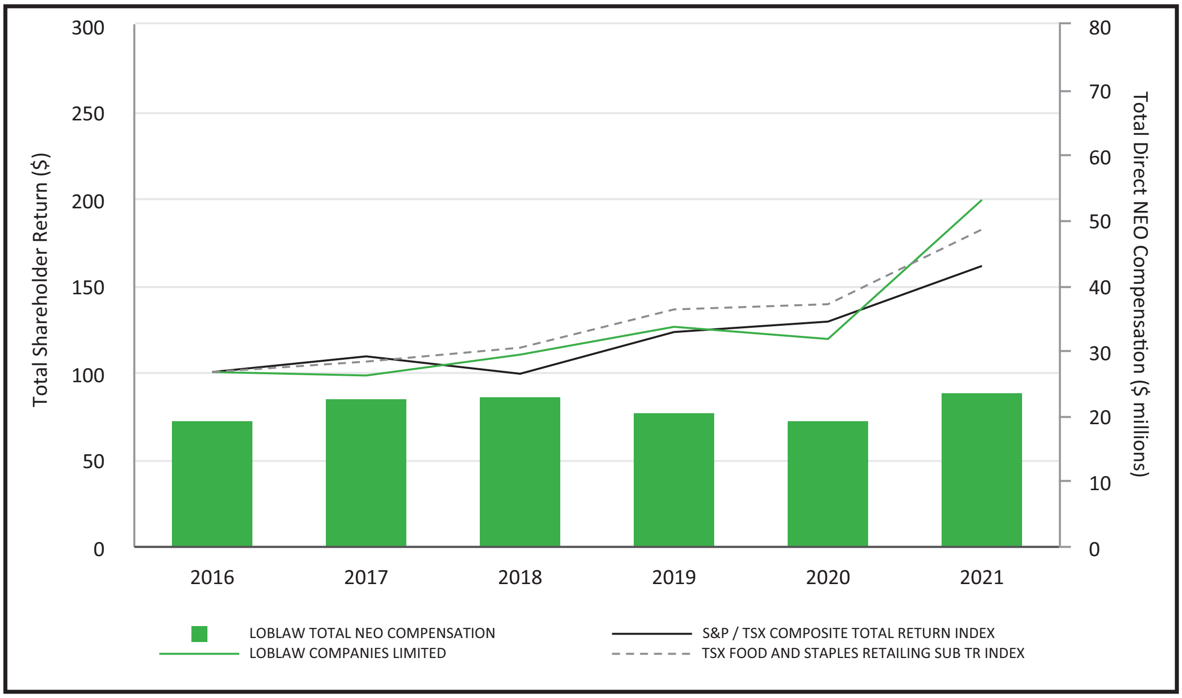
(1) *These amounts reflect the grant date fair value of the options, RSUs and PSUs. The grant date fair value of stock options is calculated in the following manner: Stock Option Value = Number of Stock Options Granted x Black-Scholes-Merton Value. The grant date fair value of the RSUs and PSUs is calculated in the following manner: RSU or PSU Value = Number of RSUs or PSUs Granted x the greater of the volume-weighted average share price on the TSX for the one or five trading days preceding the grant date, which was $99.33 as of March 3, 2022. The grant date fair value of a PSU award assumes vesting at 100% of target.*

(2) *The exercise price of the stock options is $99.33.*

(3) *In addition to Messrs. Weston's and Dufresne's annual LTIP grants for 2022 from the Corporation, they each received an annual LTIP grant for 2022 from Weston with a grant date fair value of $1,863,016 and $712,511, respectively. Full details of Messrs. Weston's and Dufresne's compensation from Weston are set forth in the Weston Management Proxy Circular, which is available at www.sedar.com.*

PERFORMANCE GRAPH

The graph below compares the cumulative total shareholder return on $100 invested in Common Shares on December 31, 2016, with the cumulative annual total return of the S&P/TSX Composite Total Return Index over the same period (assuming all dividends were reinvested). The graph also shows the Corporation's total direct NEO target compensation (which includes base salary, STIP and LTIP) over the same period.



Five-Year Cumulative Total Shareholder Return on $100 Investment

	2016	2017	2018	2019	2020	2021
S&P / TSX COMPOSITE TOTAL RETURN INDEX	$100	$109	$99	$123	$129	$161
LOBLAW COMPANIES LIMITED	$100	$98	$110	$126	$119	$199
TSX FOOD AND STAPLES RETAILING SUB TR INDEX	$100	$106	$114	$136	$139	$182

Total Direct NEO Compensation

	2016	2017	2018	2019	2020	2021
TOTAL DIRECT NEO COMPENSATION ($ millions)	$19.4	$22.8	$22.9	$20.6	$19.2	$23.7

For the five-year period ended January 1, 2022, the Corporation's total shareholder return, as shown above, outperformed the S&P/TSX Composite Total Return Index and the TSX Food and Staples Retailing Sub TR Index. During the period, the total cumulative shareholder return for $100 invested in Common Shares was $199, compared to $161 for the S&P/TSX Composite Total Return Index.

Total compensation for the Corporation's NEOs has undergone minor fluctuations over the course of the five fiscal years ended January 1, 2022. Year-over-year fluctuations in the reported total compensation are in part due to changes in the constitution of the NEO group. Over this period, the mix of NEO compensation has changed such that equity-based incentives (LTIP awards) account for approximately 43.0% of all NEO compensation in 2021. The NEO compensation disclosed in the Summary Compensation Table is not strongly correlated to shareholder returns in the short to medium term, in part because equity-based incentives were calculated at the time of grant using grant date fair values, which do not reflect the actual value of compensation received when such incentives vest or are exercised. In the longer term, NEO compensation is directly affected by the Corporation's share price performance. Stock option, RSU and PSU awards directly correlate to the share price and are therefore aligned with shareholder returns.

A substantial portion of NEO pay is at risk. In addition to the LTIP awards, the Corporation's STIP awards are made based on the successful performance of key financial objectives that are tied to the business plan. These at-risk components (the STIP and LTIP awards) for the Loblaw NEOs in 2021 ranged from 71.3% to 91.7% of their total direct compensation.

SUMMARY COMPENSATION TABLE

The following table sets forth the compensation earned by the NEOs during fiscal years 2021, 2020 and 2019, as applicable:

					Non-Equity Incentive Plan Compensation				
Name and Principal Position	**Year**	**Salary ($)**	**Share-Based Awards [1] ($)**	**Option-Based Awards [2] ($)**	**Annual Incentive Plans ($)**	**Long-Term Incentive Plans ($)**	**Pension Value ($)**	**All Other Compen-sation [3] ($)**	**Total Compensation ($)**
Galen G. Weston	2021	730,546 [4]	1,649,109 [5]	824,692 [5]	2,173,751	—	—[6]	30,265	5,408,363
Chairman and President	2020	480,000 [4]	1,600,030 [5]	799,998 [5]	648,000	—	—[6]	21,563	3,549,591
	2019	480,000 [4]	1,599,944 [5]	800,005 [5]	764,640	—	—[6]	26,129	3,670,718
Richard Dufresne	2021	497,897 [7]	— [7]	— [7]	1,237,447	—	42,500	39,299	1,817,143
Chief Financial Officer									
Robert Sawyer	2021	666,667	2,666,798	1,333,201	2,013,699	—	42,500	709,985 [8]	7,432,850
Chief Operating Officer									
Jocyanne Bourdeau	2021	625,000	833,386	416,767	1,250,000	—	95,000	44,207	3,264,360
President, Discount Division	2020	600,000	799,946	400,003	526,500	—	77,000	48,854	2,452,303
	2019	600,000	799,972	400,002	637,200	—	64,000	37,856	2,539,030
Greg Ramier	2021	625,000	833,386	416,767	1,250,000	—	110,000	49,583	3,284,736
President, Market Division	2020	500,000	499,948	250,002	461,250	—	83,800	38,498	1,833,498
	2019	500,000	500,016	249,997	531,000	—	70,400	39,406	1,890,819
Darren Myers	2021	301,641	1,730,068 [9]	865,216 [9]	739,415	—	12,842	2,066,217 [9]	5,715,399
Former Chief Financial Officer	2020	865,000	1,730,062	864,999	973,125	—	37,500	62,753	4,533,439
	2019	820,000	1,640,062	820,001	1,156,584	—	32,500	69,349	4,538,496

(1) *Amounts represent the grant date fair value of RSUs and PSUs awarded to the NEOs, calculated in the following manner: RSU Grant Date Value + PSU Grant Date Value. RSU Grant Date Value = Number of RSUs Granted x the greater of the volume-weighted average share price for the one or five trading days preceding the grant date. PSU Grant Date Value = Number of PSUs Granted x the greater of the volume-weighted average share price on the TSX for the one or five trading days preceding the grant date. The grant date fair value of an RSU or PSU award is the same as the accounting grant date fair value of such award on the applicable grant date. Dividends or equivalents of dividends, if any, earned subsequent to a grant date are not included in the values reflected in the table. The grant date fair value of a PSU award assumes vesting at 100% of target. The number of PSUs that may vest will range between 0% and 200% of the number granted.*

(2) *These amounts reflect the grant date fair value of the options when granted. The grant date fair value of stock options is calculated in the following manner: Stock Option Value = Number of Stock Options Granted x Black-Scholes-Merton Value. The Corporation has chosen to use Black-Scholes-Merton model as the methodology for calculating the grant date fair value of the options granted as this methodology is commonly used by issuers. To determine the grant date fair value of options granted using the Black-Scholes-Merton model an expected life of 7 years is used, which is based on the contractual term of the options. The other assumptions used in the model are based on relevant market data on the day of the valuation. The Corporation also uses the Black-Scholes-Merton model for accounting purposes. However, the accounting value ascribed at the grant date for the stock options is based on an expected life that reflects historical exercise patterns, as opposed to the contractual term of the option which is used for compensation reporting purposes (see Notes 2 and 26 to the Corporation's annual audited consolidated financial statements for the year ended January 1, 2022, for the other assumptions and estimates used for this calculation). As a result, when using the Black-Scholes-Merton value method, there is a difference between the grant date fair value per option for compensation reporting purposes, and the accounting value per option as set forth below:*

Grant Date	**Accounting Value, in Relation to Grant Date Fair Value for Compensation Reporting Purpose, Per Option**	**Applicable NEO Optionholder(s)**
February 28, 2019	Lower by $1.99	G. Weston, J. Bourdeau, G. Ramier, D. Myers
February 27, 2020	Lower by $1.21	G. Weston, J. Bourdeau, G. Ramier, D. Myers
March 4, 2021	Lower by $0.27	G. Weston, J. Bourdeau, G. Ramier, D. Myers
May 12, 2021	Lower by $1.08	R. Sawyer
August 5, 2021	Lower by $1.94	G. Weston

(3) *Amounts under All Other Compensation include the value of perquisites and payments made by the Corporation under the employee share ownership plans. Other than certain allowances received by Messrs. Sawyer and Myers as discussed below, the largest single payment received by certain NEOs relates to participation in the Corporation-leased car program with an annual value of approximately $14,240.*

(4) *For 2021, Mr. Weston's base salary was allocated 40% to Loblaw and 60% to Weston until May 6, 2021. As of May 6, 2021, the cost of Mr. Weston's base salary is paid 70% by Loblaw and 30% by Weston. In 2021 Weston paid $490,454. In 2020 and 2019, Mr. Weston's base salary was allocated 40% to the Corporation and 60% to Weston, with Weston paying $720,000 in each such year.*

(5) *Mr. Weston's annual LTIP grants from the Corporation in 2021, 2020 and 2019 had aggregate grant date values of $2,473,801, $2,400,028 and $2,399,949, respectively.*

(6) *Mr. Weston does not participate in any retirement plans and does not have any other retirement or pension arrangement with the Corporation.*

(7) *For 2021, Mr. Dufresne's base salary was allocated 100% to Weston until May 6, 2021. As of May 6, 2021, the cost of Mr. Dufresne's base salary is paid 80% by Loblaw and 20% by Weston. In 2021 Weston paid $452,103. For 2021, Mr. Dufresne did not receive an LTIP grant from Loblaw. The cost of Mr. Dufresne's LTIP for 2021 was allocated 100% to Weston.*

(8) *"All Other Compensation" for Mr. Sawyer included: (a) housing rental reimbursement of $192,500; (b) travel reimbursement of $249,027; and (c) tax equalization of $236,348.*

(9) *Following his departure from Loblaw on May 6, 2021, Mr. Myers' 2021 grant of stock options was cancelled and he received a pro-rata settlement of his 2021 RSU and PSU grants. In addition to amounts in respect of the period prior to Mr. Myers' departure from Loblaw, All Other Compensation for Mr. Myers includes, for the salary continuance period, (1) $563,359 in respect of base salary; (2) $1,402,541 in respect of STIP; (3) $24,658 in respect of pension accrual; and (4) $17,182 in respect of other health, drug, dental and car benefits.*

INCENTIVE PLAN AWARDS

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

The following table sets forth the number and value of all unexercised option-based and share-based awards granted to NEOs outstanding as at January 1, 2022:

	Option-Based Awards				Share-Based Awards		
Name	**Number of Securities Underlying Unexercised Options (#)**	**Option Exercise Price ($)**	**Option Expiration Date**	**Value of Unexercised In The Money Options (1) ($)**	**Number of Shares or Units of Shares That Have Not Vested (#)**	**Market or Payout Value of Share-Based Awards That Have Not Vested (2) ($)**	**Market or Payout Value of Vested Share-Based Awards Not Paid Out or Distributed ($)**
Galen G. Weston	35,667	53.41	March 5, 2022	1,791,553	75,984	7,874,993	—
Chairman and President	60,730	58.00	March 3, 2023	2,771,717			
	93,333	59.00	March 2, 2024	4,166,385			
	104,364	55.69	March 1, 2025	5,004,254			
	82,136	65.55	March 4, 2026	3,128,560			
	97,919	70.06	February 27, 2027	3,288,120			
	89,010	62.67	March 4, 2028	3,646,740			
	1,836	86.30	August 5, 2028	31,836			
Richard Dufresne	511	58.75	July 30, 2022	22,939	—	—	—
Chief Financial Officer	31,401	58.00	March 3, 2023	1,433,142			
	35,989	59.00	March 2, 2024	1,606,549			
	15,216	57.66	August 2, 2024	699,632			
Robert Sawyer	122,989	71.32	May 12, 2028	3,975,004	37,850	3,922,743	—
Chief Operating Officer							
Jocyanne Bourdeau	13,802	58.00	March 3, 2023	629,923	38,246	3,963,807	—
President, Discount Division	29,661	59.00	March 2, 2024	1,324,067			
	33,167	55.69	March 1, 2025	1,590,358			
	41,068	65.55	March 4, 2026	1,564,280			
	48,960	70.06	February 27, 2027	1,644,077			
	46,359	62.67	March 4, 2028	1,899,328			
Greg Ramier	11,320	53.41	March 5, 2022	568,604	28,976	3,003,088	—
President, Market Division	10,023	58.00	March 3, 2023	457,450			
	11,833	59.00	March 2, 2024	528,225			
	19,722	55.69	March 1, 2025	945,670			
	25,667	65.55	March 4, 2026	977,656			
	30,600	70.06	February 27, 2027	1,027,548			
	46,359	62.67	March 4, 2028	1,899,328			

(1) The value of outstanding vested and unvested option-based awards is calculated based on the closing price for the Common Shares on the TSX on January 1, 2022, which was $103.64.

(2) The value of RSUs and PSUs held by the NEOs is calculated based on the closing price of the Common Shares on the TSX on January 1, 2022, which was $103.64, multiplied by the number of RSUs or PSUs held, as applicable. The value of a PSU award assumes vesting at 100% of target.

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 2021, as well as the value of non-equity incentive plan compensation that the NEOs earned during fiscal 2021. The dollar value of the option-based and share-based awards is calculated using the number of units vested/earned multiplied by the closing price of the Common Shares on the TSX on the applicable vesting date.

Name	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			
Chairman and President	336,239	1,802,254	2,173,751
Richard Dufresne			
Chief Financial Officer	137,142	—	1,237,447
Robert Sawyer			
Chief Operating Officer	—	—	2,013,699
Jocyanne Bourdeau			
President, Discount Division	74,884	572,722	1,250,000
Greg Ramier			
President, Market Division	41,914	340,319	1,250,000
Darren Myers			
Former Chief Financial Officer	131,630	4,057,322	739,415

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

PENSION PLAN AND LONG SERVICE EXECUTIVE ARRANGEMENTS

The Corporation's retirement programs are designed to facilitate the retirement of executives who have served over the long term. The NEOs, other than Mr. Weston, who does not participate in any pension plan, participate in the same retirement programs as other executives and receive no additional enhancements in determining their pension benefits. The NEOs, other than Mr. Weston, participate in the Consolidated Executive Plan as well as the corresponding SERP. All newly hired or newly appointed executives join the defined contribution portion of the Consolidated Executive Plan.

CONSOLIDATED EXECUTIVE PLAN - DEFINED BENEFIT PROVISIONS AND SERP

The Consolidated Executive Plan includes defined benefit plan provisions that provide a reasonable level of retirement income to executives to reward them for their service. Pension entitlements for an executive who participates in the defined benefit portion of the Consolidated Executive Plan is based on length of service and eligible salary. The total annual benefits payable under the defined benefit component of the Consolidated Executive Plan and corresponding SERP combined is capped at $125,000 per year. The defined benefit provisions of both plans were closed to new participants in 2006. The following table sets forth details regarding Mr. Ramier and Ms. Bourdeau, who participate in the defined benefit portion of the Consolidated Executive Plan:

Name	Number of Years Credited Service (#)	Annual Benefits Payable ($)		Opening Present Value of Defined Benefit Obligation (1) ($)	Compensatory Change ($)	Non-Compensatory Change ($)	Closing Present Value of Defined Benefit Obligation (2) ($)
		At Year End	At Age 65				
Jocyanne Bourdeau	17	84,600	125,000	1,464,000	95,000	(175,000)	1,384,000
Greg Ramier	21	96,100	125,000	1,677,000	110,000	(233,000)	1,554,000

(1) Discount rate is 2.50%.

(2) Discount rate is 3.30%.

CONSOLIDATED EXECUTIVE PLAN - DEFINED CONTRIBUTION PROVISIONS AND SERP

Executives who do not participate in the defined benefit component of the Consolidated Executive Plan participate on a non-contributory basis in the defined contribution component of the Consolidated Executive Plan and corresponding SERP. Contributions for these plans were set as a percentage of base salary (maximum of $250,000). In 2021, contributions to the Consolidated Executive Plan were capped at $29,210 per year, as set forth in the following table:

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

The Corporation or Weston, as applicable, provide SERP benefits (both defined benefit and defined contribution) to executives for pension accrual in excess of registered plan limits. As noted above, the SERP is an unfunded obligation of the Corporation or Weston and executives who participate in the SERP must comply with certain eligibility provisions in order to receive payment; most notably, executives are not eligible to receive SERP payments while employed by a competitor of the Corporation.

The following table sets forth details regarding the plan participation of Messrs. Dufresne, Sawyer and Myers during 2021:

Name	Accumulated Value at Start of Year ($)	Compensatory ($)	Accumulated Value at Year End (1) ($)
Richard Dufresne	443,200	42,500	552,500
Robert Sawyer	—	42,500	43,100
Darren Myers	135,000	37,500	191,400

(1) The accumulated value includes interest (investment returns) earned by each member during the financial year ended January 1, 2022.

INDEBTEDNESS OF DIRECTORS, EXECUTIVE OFFICERS AND EMPLOYEES

As of March 14, 2022, none of the current or former executive officers or directors of the Corporation or any of its subsidiaries was indebted to the Corporation or any of its subsidiaries (other than “routine indebtedness” under applicable Canadian securities laws).

OTHER INFORMATION

DIRECTOR AND OFFICER LIABILITY INSURANCE

The Corporation maintains insurance for the benefit of its directors and officers, and the directors and officers of its subsidiaries, in respect of the performance by them of their duties. This insurance policy is shared with Weston. The Corporation's annual insurance premium in 2021 was $1,141,990, half of which was paid by Weston. The insurance limit is $200 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 $1 million for the Corporation.

NORMAL COURSE ISSUER BID

The Corporation has a normal course issuer bid ("NCIB") on the TSX which allows for the purchase and cancellation of up to 17,106,459 Common Shares at market price. A copy of the Corporation's Notice of Intention to make a NCIB, which has been filed with the TSX, can be obtained by the shareholders, without charge, by contacting the Corporation. As at March 14, 2022, the Corporation had purchased a total of 10,852,422 Common Shares for cancellation at a weighted average price of $84.13 per Common Share under the NCIB.

On February 25, 2020, the Corporation announced an amendment to its then-current NCIB. The amendment permits the Corporation to purchase Common Shares of the Corporation from Weston pursuant to an automatic disposition plan agreement in order for Weston to maintain its proportionate interest in the Corporation. The maximum number of Common Shares that may be purchased pursuant to the NCIB will be reduced by the number of Common Shares the Corporation purchases from Weston. As at March 14, 2022, the Corporation had purchased a total of 4,621,360 Common Shares from Weston under the automatic disposition plan at a weighted average price of $82.74 per Common Share during the term of the current NCIB.

The current NCIB expires on May 2, 2022. The Corporation intends to refile the NCIB and apply to the TSX to extend the term of the automatic disposition plan to cover the renewed NCIB term.

NON-GAAP FINANCIAL MEASURES

Certain financial measures discussed in this Circular, such as Adjusted EBITDA, EBIT Margin and Adjusted EBIT*, are non-GAAP financial measures. For more information on the Corporation's use of non-GAAP financial measures and reconciliations thereof, please see section 17, "Non-GAAP Financial Measures", included in the Corporation's 2021 MD&A, which is incorporated by reference herein and is available on SEDAR at www.sedar.com. As discussed in more detail under the "2021 STIP Performance Measures" and "Performance of 2019 PSUs" sections of this Circular, the Adjusted EBITDA and Adjusted EBIT figures reported in this Circular reflect certain additional adjustments for the purposes of determining 2021 STIP performance and 2019 PSU performance, as applicable, as compared to the Adjusted EBITDA and Adjusted EBIT figures reported in the MD&A.

These measures do not have a standardized meaning prescribed by GAAP and therefore they may not be comparable to similarly titled measures presented by other publicly traded companies, and they should not be construed as an alternative to other financial measures determined in accordance with GAAP.

** Adjusted EBIT is referred to in the Corporation's 2021 MD&A as "Adjusted Operating Income".*

ADDITIONAL INFORMATION

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

Copies of the Corporation's latest Annual Information Form, the Corporation's 2021 Annual Report and this Circular can be obtained upon request from the Vice President, Investor Relations of the Corporation at 1 President's Choice Circle, Brampton, Ontario L6Y 5S5.

Financial information is provided in the Corporation's audited consolidated financial statements and management's discussion and analysis for its most recently completed financial year. Additional information about or relating to the Corporation can also be found at www.loblaw.ca and www.sedar.com or by dialing in for regularly scheduled conference calls. Additional information regarding Weston can be found at www.weston.ca and www.sedar.com.

CONTACTING THE BOARD OF DIRECTORS

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

Lead Director
c/o Executive Vice President, Chief Legal Officer & Secretary
Loblaw Companies Limited
22 St. Clair Avenue East, Suite 2001 Toronto, Ontario M4T 2S7

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

BOARD APPROVAL

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

Nick Henn
Executive Vice President, Chief Legal Officer and Secretary

Dated in Toronto, Ontario

March 25, 2022

SCHEDULE A
LOBLAW COMPANIES LIMITED

Mandate of the Board of Directors

1. **ROLE**

The role of the Board is to provide governance and stewardship to Loblaw Companies Limited (the "Company") which consists of reviewing corporate strategy, assigning responsibility to management for achievement of that strategy, establishing limitations on the authority delegated to management and overseeing performance against approved objectives. In fulfilling this role, the Board regularly reviews management's strategic plans to ensure that they continue to be responsive to the changing business environment in which the Company operates. The Board oversees the Company's approach to corporate governance, succession planning, capital structure and finance matters, risk management activities, compliance and ethics matters, internal control over financial reporting, disclosure controls and procedures, environmental, social and governance matters, and information systems. Through its oversight, the Board assesses whether or not it is reasonable to conclude, based on its review and discussions with management and the external auditor, that the Company 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 Company engages in ethical and legal conduct and that senior management maintains a culture of integrity throughout the Company.

2. RESPONSIBILITIES

To ensure that it fulfills its role, the Board, or any Committee so delegated by the Board, will oversee the following:

a. **Strategic Goals, Corporate Performance, Performance Objectives and Operational Policies**

The Board will review and, if advisable, approve broad strategic objectives and values against which corporate performance will be measured. In this regard, the Board will:

- Determine, from time to time, the appropriate criteria against which to evaluate performance, and set corporate strategic goals and objectives within this context.
- Monitor and evaluate performance against both corporate strategic goals and objectives.
- Approve long-term strategies.
- Review and approve management's strategic and operational plans so that they are consistent with long-term goals.
- Oversee the development, execution and fulfillment of the Company's strategic plans and the operational policies within which management will operate.
- Approve significant acquisitions, sales of assets or shares, and material financing arrangements.
- Review and approve the Company's dividend policy and approve the payment of dividends.
- Approve targets and budgets against which to measure corporate and executive performance.

b. Finance and Capital Matters

- Review with management and receive periodic reports on the Company's target capital structure.
- Review with management and receive periodic reports on the Company's consolidated balance sheet, including cash, investment assets and debt position.
- Receive periodic reports from rating agencies and updates on any material discussions or communications with rating agencies.

c. Executive Compensation and Succession Planning

- 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.

d. Delegation of Management Authority to the Chairman and President

- Delegate to the Chairman and President the authority to manage and supervise the business of the Company and to make any decisions regarding the Company'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.

e. Financial Disclosure

- Oversee the Company's financial reporting and disclosure obligations in accordance with applicable law.

- Based on reviews and discussions with management and the external auditor, approve the Company's financial statements, management's discussion and analysis and related releases.
- Oversee the Company's compliance with applicable audit, accounting and reporting requirements, including in the areas of internal control over financial reporting and disclosure controls and procedures.

f. Enterprise Risk Management Program

- Oversee the Company's enterprise risk management program, including its design and structure and assessment of its effectiveness.
- Approve the Company's enterprise risk management policy, the risk appetite statement, and management's approach to enterprise risk management and its mitigation practices, including the identification, assessment and mitigation of the principal risks. Satisfy itself as to the effective oversight of risk management of individual risks by the Board or by the Risk and Compliance Committee, through the receipt of periodic reports from the Committee Chair or management, as appropriate.
- Delegate, as appropriate, the oversight of enterprise risk management design and structure, assessment of its effectiveness and the oversight of the principal risks to the Risk and Compliance Committee.

g. Related Party Transactions

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

h. External Communications

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

i. Corporate Governance

- Develop, and review 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 Chairman and President on any matters arising out of such sessions.
- Ensure that independent directors hold regular meetings without the attendance of management or non-independent directors.
- On the recommendation of the Governance, Employee Development, Nominating and Compensation Committee, approve the appointment of directors or recommend the election of director nominees to the Board at the annual meeting of shareholders.
- Develop, adopt and regularly review position descriptions for the Chairman and President, the Lead Director and the Chair of each committee of the Board.
- Assess the effectiveness and performance of the Board and its committees as well as their individual members.
- Oversee significant compensation decisions for the directors and for senior executive management.

j. Environmental, Social and Governance ("ESG"), Ethics and Compliance

- Oversee and monitor the Company's approach, policies and practices related to ESG matters.
- Oversee actions taken by management to ensure that senior executives maintain a culture of integrity throughout the Company.
- Review and approve a written code of conduct which is applicable to employees, officers and directors of the Company, and oversee compliance with the code.
- Receive periodic reports on the Company's compliance and ethics matters.

3. COMPOSITION

The Board shall be comprised of a majority of independent directors. For this purpose, a director is independent if they would be independent within the meaning of the applicable Canadian securities laws, as the same may be amended from time to time. The Board is responsible for the composition and organization of the Board, including: the number, qualifications and remuneration of directors; diversity considerations; the number of Board meetings; quorum requirements; and meeting procedures.

4. COMMITTEES

The Board may establish committees of the Board where required or prudent. The Board may delegate to such committees of the Board matters for which the Board is responsible, including the approval of Board and management compensation, the conduct of performance evaluations and oversight of internal controls, but the Board retains its oversight function and ultimate responsibility for these matters and all other delegated responsibilities. The Board has established the following committees:

- the Audit Committee (comprised entirely of independent directors);
- the Governance, Employee Development, Nominating and Compensation Committee (comprised entirely of independent directors);
- the Risk and Compliance Committee (no more than one member of the Committee shall be a management director); and
- the Pension Committee (a majority of whom shall be non-management directors).

The Board shall provide a forum for discussion and reporting of all matters considered by the committees. Circumstances may warrant the establishment of new committees, the disbanding of current committees or the reassignment of authority and responsibilities amongst committees. The authority and responsibilities of each committee are set out in a written mandate, as approved by the Board. At least annually, each mandate shall be reviewed by the respective committee and submitted to the Board for approval with such amendments as the committee proposes. Each Committee Chair shall provide a report to the Board on material matters considered by the Committee at the next regular Board meeting following such Committee's meeting.

5. ORIENTATION AND CONTINUING EDUCATION

With the Governance, 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 Company, and the skills they must use in their roles as directors.

6. EQUITY OWNERSHIP BY DIRECTORS

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

7. RETENTION OF EXPERTS

The Board may engage any professional advisors including legal, accounting or other experts, at the expense of the Company, as it considers necessary to perform its duties.

8. REVIEW AND APPROVAL

The Mandate of the Board of Directors shall be reviewed and approved by the Board annually.

SCHEDULE B
SHAREHOLDER PROPOSALS

Proposal 1

The following Shareholder Proposal has been submitted for consideration at the Meeting by the Shareholder Association for Research & Education on behalf of the British Columbia Teachers Federation Salary Indemnity Fund. The proposal and supporting statement are set out in italics below.

RESOLVED

Shareholders request the Board of Directors of Loblaw Companies Limited ("Loblaw") to publish a report, at a reasonable cost and omitting proprietary information, with the results of an independent Human Rights Impact Assessment ("Assessment") identifying and assessing the actual and potential human rights impacts on migrant workers from the Company's business activities in its operations and supply chain.

Supporting Statement

Migrant workers are the backbone of the Canadian food system. In the agri-food sector, migrant workers are widely employed in crop production and food and beverage manufacturing. In 2017, one in five workers employed in crop production was a foreign worker. In Ontario, that same year, 41.6% of the agricultural workers were Temporary Foreign Workers. In 2020, half of all foreign workers in the sector were employed by meat product manufacturers, bakeries and tortilla manufacturers.

Migrant workers in the Canadian agri-food sector face increasingly hazardous and precarious working conditions. The COVID-19 pandemic has only exacerbated the widespread abuse migrant workers in the food supply chain face, including: wage theft, racial profiling, inadequate housing, exploitation and discrimination. Migrant workers have also seen a dramatic and dangerous intensification in work. According to the Migrant Workers Alliance for Change, during the pandemic, many migrant workers in Canada reported "working for weeks without a day off, being forced to work long hours, and suffering increased strains, injuries and sickness due to increased pace of work."

In its 2020 Corporate Responsibility Report, Loblaw stated that it is: "principally committed to sourcing from Canadian suppliers and those who support a sustainable future." Its Commitment to Human Rights *and* Supplier Code of Conduct *obligates suppliers to uphold human rights within their operations. However, despite the severity of the human rights abuses alleged in the Canadian food supply chain, Loblaw does not provide clear explanations on how its policies and practices prevent and mitigate risks and harms to migrant workers employed by its suppliers. In addition, the Company's disclosure falls short in demonstrating the effectiveness of these policies and practices through the disclosure of key meaningful metrics.*

The lack of transparency regarding migrant workers in Loblaw's supply chain is concerning, as it may indicate that Loblaw underestimates serious human rights issues within its domestic supply chain. Loblaw's failure to implement a robust human rights due diligence process to mitigate migrant workers harms and rights violations may represent material, reputational, sourcing, legal and regulatory risk.

Therefore, to allow shareholders to perform their due diligence in accordance with their fiduciary duty, it is key for Loblaw to demonstrate a higher level of commitment and due diligence regarding migrant workers' rights in its supply chain. An independent Assessment would help Loblaw identify any adverse impacts of its activities to 1) ensure the fundamental rights of migrant workers in its supply chain are respected and protected; 2) and ensure alignment of its existing policies and practices with the UN Guiding Principles on Business and Human Rights*.*

The Board of Directors recommends that shareholders vote against this shareholder proposal.

Loblaw is committed to respecting and protecting the human rights of all people who support and intersect with the business. In November 2020, the Corporation released a statement, *Our Position on Human Rights*, in which the Corporation commits to creating a safe and inclusive environment for all people who interact with it. This commitment extends not only to Loblaw's customers and employees, but also to its business partners and suppliers including migrant and temporary workers engaged in the supply chain.

Loblaw has a governance structure that ensures its programs, policies and practices are operationalized and effective. Oversight is provided at the senior executive level and includes a centralized Compliance and Ethics department that oversees regulatory compliance and ethics matters, as well as Social impact, Environmental Social Governance ("**ESG**") and Supply Chain Compliance departments. The Board of Directors, through the Risk and Compliance Committee, oversees Loblaw's enterprise risk management process, regulatory compliance and ethics program, ESG activities, corporate policies and practices.

Loblaw's policies and practices are informed by international and industry-leading standards including The United Nations' Guiding Principles on Business and Human Rights and Universal Declaration of Human Rights, International Labour Organization Conventions, The Consumer Goods Forum's Forced Labour Priority Industry Principles, and local human rights laws.

In particular, Loblaw's Supplier Code of Conduct (the "**Code**") applies to domestic and foreign producers and manufacturers of Loblaw, as well as agents, brokers and other third parties who conduct business with Loblaw. Suppliers are required to share the Code with their contractors, agents, sub-contractors and sub-agents, including any labour agencies that are engaged to assist with providing goods or performing services for Loblaw, and to monitor such groups and ensure that they are adhering to the principles of the Code. The standards in the Code apply to all workers of suppliers and related third parties.

The Code focuses on worker rights and protections, including protecting the human rights and safe working conditions of workers in the supply chain. The Code particularly emphasizes the importance of monitoring and ensuring adherence to these standards for workers within vulnerable populations, including migrant workers, women and young people. The Code is managed through the Compliance and Ethics department and is reviewed annually and updated as required.

The Corporation is committed to upholding the human rights of all people with whom it interacts, including migrant workers within the supply chain, and regularly reviews its operations to ensure proper actions are being taken. Consequently, the Board of Directors does not feel that at this time it is necessary to conduct an independent Human Rights assessment of the impact of Loblaw's high-risk business activities on migrant workers.

The Board of Directors recommends that shareholders vote AGAINST this shareholder proposal.

Proposal 2

The following Shareholder Proposal has been submitted for consideration at the Meeting by the B.C. General Employees' Union General Fund and the B.C. General Employees' Union Strike Fund. The proposal and supporting statement are set out in italics below.

As shareholders, we look to the companies to manage their human rights risks and address their human rights impacts as a demonstration of strong risk oversight and sound corporate governance. Loblaw has disclosed that its policies and practices are informed by, among other things, the UN Guiding Principles on Business and Human Rights (UNGPs). The UNGPs state that companies have a responsibility to respect human rights within their operations and throughout their value chains. This responsibility requires that companies (i) be aware of their human rights risks and impacts, (ii) take concrete steps to prevent, mitigate, and remediate adverse impacts when they occur, and (iii) publicly communicate how they are addressing their most salient human rights issues.

Aware of its responsibility to respect human rights through its value chain, and in response to concerns about forced and child labour in cotton harvests, Loblaw has pledged to not source cotton produced in Uzbekistan and Turkmenistan, and in early 2021 it expanded the scope of this pledge to include Xinjiang Uyghur Autonomous Region (XUAR) of China. In July 2021 Loblaw signed on to the world's leading sustainability initiative for cotton, known as the Better Cotton Initiative. However, according to shipment data compiled by Dr. Laura Murphy, Professor of Human Rights and Contemporary Slavery at the Helena Kennedy Centre for International Justice at Sheffield Hallam University (UK), Loblaw imported textiles from XUAR as recently as August 2021.[1]

Despite its efforts, Loblaw is not without controversy. A 2021 CBC Marketplace *investigation also found that Loblaw was selling tomatoes produced with forced labour from both other brands and through Loblaw's private brand, President's Choice.*[2]

The Corporate Human Rights Benchmark (CHRB) scored Loblaw poorly on human rights due diligence.[3] *Know the Chain has scored Loblaw poorly on traceability and supply chain transparency, supplier selection and monitoring disclosure.*[4]

As part of their supply chain due diligence procedures, retailers across the globe (including Loblaw) conduct audits of suppliers. While Loblaw has begun disclosing the number of audits it conducts, its disclosure falls short of other large retailers. Both Walmart and Tesco disclose the number of audits conducted, as well as certain details on the results of those audits[5,6]*.*

Enhanced information on these audits would give investors key information to ensure that Loblaw's enterprise risks are being managed and mitigated.

RESOLVED*: Shareholders request that, consistent with its global peers, Loblaw publish annually a summary of the results of its supplier audits.*

1 Data is compiled using Panjiva Market Intelligence online database.
2 https://www.cbc.ca/news/canada/marketplace-tomato-products-investigation-1.6227359
3 https://assets.worldbenchmarkingalliance.org/app/uploads/2020/11/George-Weston-CHRB-scorecard-2020.pdf
4 https://knowthechain.org/company/loblaw-companies-ltd-canada/
5 https://corporate.walmart.com/esgreport/esg-issues/people-in-supply-chains

6 *https://www.tescoplc.com/media/757629/human-rights-factsheet-v2.pdf*

The Board of Directors recommends that shareholders vote against this shareholder proposal.

Loblaw is committed to respecting and protecting the human rights of all people who support and intersect with the business. In November 2020, the Corporation released a statement, *Our Position on Human Rights*, in which the Corporation commits to creating a safe and inclusive environment for all people who interact with it. This commitment extends not only to Loblaw's customers and employees, but also to its business partners and suppliers engaged in the supply chain.

Loblaw has a robust governance structure that ensures its programs, policies and practices are operationalized and effective. Oversight is provided at the senior executive level and includes a centralized Compliance and Ethics department that oversees regulatory compliance and ethics matters, as well as Social impact, Environmental Social Governance ("**ESG**") and Supply Chain Compliance departments. The Board of Directors, through the Risk and Compliance Committee, oversees Loblaw's enterprise risk management process, regulatory compliance and ethics program, ESG activities, corporate policies and practices.

Loblaw's Supplier Code of Conduct (the "**Code**") applies to domestic and foreign producers and manufacturers of Loblaw, as well as agents, brokers and other third parties who conduct business with Loblaw. The Code focuses on workers' rights and protections within the supply chain, emphasizing the importance of protecting their human rights and providing safe working conditions. This includes policies prohibiting child, forced and trafficked labour, as well as any discrimination, intimidation, abuse, harassment or violence against these workers. Further, the Code requires compliance with laws respecting workers' freedom of association and right to collectively bargain. The Code is managed through the Compliance and Ethics department and is reviewed annually and updated as required.

Loblaw is committed to enforcing the obligations of suppliers in its supply chain. Factories are monitored through various means, including site audits. The Corporation's representatives reinforce workers' rights and safety by conducting reviews and assessments. Any Code violations are reported to and handled by the Supply Chain Compliance and Enterprise Compliance and Ethics departments. The Corporation evaluates violations to determine corrective action plans, including the delisting of certain factories or suppliers. Loblaw will only issue new purchase orders to suppliers that adhere to its factory audit requirements and that are compliant with the Corporation's standards.

While the Board of Directors recommends voting against the shareholder proposal, Loblaw acknowledges the importance of and is committed to increased transparency with regard to its supply chain and supplier audit process. Loblaw is one of the only Canadian retailers that proactively shares the names, addresses and countries of its apparel and footwear vendors. Loblaw also discloses the total number of audits conducted and intends to provide additional disclosure and transparency on this topic in its future ESG reports.

The Board of Directors recommends that shareholders vote AGAINST this shareholder proposal.

SCHEDULE C
Change of Auditor

CHANGE OF AUDITOR NOTICE

Loblaw Companies Limited (“Loblaw”) hereby gives notice, pursuant to Section 4.11 of National Instrument 51-102, as follows:

1. Loblaw currently engages KPMG LLP (“KPMG”) as its auditor.
2. Loblaw conducted a tender process for its external auditor services for fiscal 2022.
3. On September 23, 2021, following the completion of the tender process, the board of directors of Loblaw determined to request the resignation of KPMG as its auditor effective on the business day following the filing of the consolidated financial statements of Loblaw for the financial year ending January 1, 2022 and the auditor’s report thereon, and to appoint PricewaterhouseCoopers LLP (“PwC”) as Loblaw’s auditor for fiscal 2022. KPMG will continue to act as Loblaw’s auditor for the remainder of fiscal 2021.
4. KPMG’s reports on Loblaw’s financial statements relating to the period commencing at the beginning of Loblaw’s two most recently completed financial years, being KPMG’s reports on the financial statements for the fiscal years ended December 28, 2019 and January 2, 2021, have not expressed any modified opinion.
5. There have been no reportable events (including disagreements, consultations or unresolved issues) in connection with the audits of the two most recent fiscal years and with any subsequent period to date.

DATED this 24th day of September, 2021

Confirmation of Change of Auditor Notice From Successor Auditor (PwC)

September 29, 2021

To:
British Columbia Securities Commission
Alberta Securities Commission
Financial and Consumer Affairs Authority of Saskatchewan
The Manitoba Securities Commission
Ontario Securities Commission
Autorité des marchés financiers (Québec)
Financial and Consumer Services Commission (New Brunswick)
Nova Scotia Securities Commission
Office of the Superintendent of Securities, Service Newfoundland & Labrador
Office of the Superintendent of Securities, Government of Prince Edward Island
Office of the Superintendent of Securities, Northwest Territories
Office of the Yukon Superintendent of Securities
Nunavut Securities Office

We have read the statements made by Loblaw Companies Limited in the attached copy of change of auditor notice dated September 24, 2021, which we understand will be filed pursuant to Section 4.11 of National Instrument 51-102.

We agree with the statements concerning PricewaterhouseCoopers LLP in the change of auditor notice dated September 24, 2021.

Yours very truly,

PricewaterhouseCoopers LLP
Chartered Professional Accountants

Confirmation of Change of Auditor Notice from Former Auditor (KPMG LLP)

To:
Alberta Securities Commission
British Columbia Securities Commission
The Manitoba Securities Commission
Financial and Consumer Services Commission, New Brunswick
Office of the Superintendent of Securities, Service Newfoundland & Labrador
Office of the Superintendent of Securities, Northwest Territories
Nova Scotia Securities Commission
Nunavut Securities Office
Ontario Securities Commission
The Office of the Superintendent of Securities, Consumer, Corporate and Insurance Services Division, Prince Edward Island
Autorité des marchés financiers
Financial and Consumer Affairs Authority of Saskatchewan
Office of the Yukon Superintendent of Securities

September 27, 2021

Dear Sir/Madam:

Re: Notice of Change of Auditors of Loblaw Companies Limited

We have read the Notice of Loblaw Companies Limited dated September 24, 2021 and are in agreement with the statements contained in such Notice except that we are not in a position to agree or disagree with the Loblaw Companies Limited's statements 2 and 3 contained in the Notice.

Yours very truly,

KPMG LLP
Chartered Professional Accountants, Licensed Public Accountants
Toronto, Canada

Loblaw
Companies
Limited