Notice of Special Meeting of Shareholders and Management Proxy Circular with respect to a proposed Plan of Arrangement involving Loblaw's spin out of Choice Properties REIT

The board unanimously recommends that you vote FOR the Arrangement

Vote Your Loblaw Shares Today For:

An opportunity to *unlock value*

An effective *24%* dividend increase

A *stronger more focused* company

Loblaw Companies Limited

September 19, 2018

Dear Fellow Shareholders:

You are invited to attend a special meeting (the "**Meeting**") of holders of common shares (the "**LCL Common Shares**") of Loblaw Companies Limited ("**Loblaw**") which will be held at the Metro Toronto Convention Centre, Meeting Room 714AB, South Building, 22 Bremner Boulevard, Toronto, Ontario, M5V 3L9 on October 18, 2018 at 11:00 a.m. (Toronto time).

On September 4, 2018, Loblaw and George Weston Limited ("**GWL**") announced a reorganization under which Loblaw will spin out its approximate 61.6% effective interest in Choice Properties Real Estate Investment Trust ("**Choice REIT**"). In connection with the spin-out, holders of LCL Common Shares ("**LCL Shareholders**"), other than GWL and its subsidiaries, will receive 0.135 of a common share of GWL ("**GWL Common Share**") for each LCL Common Share held, which is equivalent to the market value of their pro rata interest in Choice REIT, and GWL will receive Loblaw's approximate 61.6% effective interest in Choice REIT.

The reorganization provides compelling benefits for each of Loblaw, Choice REIT and GWL. It simplifies Loblaw as a pure-play retailer by spinning out a non-strategic business and allows Loblaw to focus on pursuing its core retail, connected healthcare, digital retail and payments and rewards strategy. It unlocks potential value creation for LCL Shareholders and offers shareholders a path to a higher overall dividend. From a Choice REIT perspective, GWL is a more natural long-term owner of Choice REIT and will provide support and capital for its growth and diversification plans. We believe the strategic benefits of the reorganization will strengthen both Loblaw and Choice REIT, and consequently GWL. After the reorganization, GWL will be more balanced and diversified, with three strong and well-positioned pillars in retail, food and real estate. Additionally, GWL will have increased financial flexibility and an enhanced share float.

In connection with the reorganization, GWL will issue approximately 26.7 million GWL Common Shares to LCL Shareholders. Following the reorganization, GWL will own an approximate 65.4% effective interest in Choice REIT directly (which includes the approximate 3.8% effective interest in Choice REIT directly owned by GWL prior to the reorganization), and GWL will continue to be controlled by Mr. W. Galen Weston who, directly and indirectly through entities which he controls, will own approximately 52.8% of the outstanding GWL Common Shares. The public shareholders of Loblaw will own approximately 16.8% of the outstanding GWL Common Shares as a result of the reorganization.

After the reorganization, LCL Shareholders will continue to own the same number of LCL Common Shares as they do today, which are expected to trade as a "pure-play" food and pharmacy retail stock, excluding the value of the distributed Choice REIT interest.

The reorganization will be implemented by way of a plan of arrangement (the "**Arrangement**"). At the Meeting, LCL Shareholders will be asked to pass a special resolution (the "**Arrangement**

Resolution") approving the Arrangement. To become effective, the Arrangement Resolution must be approved by: (i) not less than 66⅔% of the votes cast at the Meeting by LCL Shareholders; and (ii) not less than a majority of the votes cast at the Meeting by LCL Shareholders, other than GWL and its affiliates and any other person described in items (a) through (d) of section 8.1(2) of MI 61-101 ("**Minority Shareholders**").

The Arrangement is also subject to the satisfaction of certain other conditions, including the receipt of the approval of the Ontario Superior Court of Justice (Commercial List), an advance income tax ruling from the Canada Revenue Agency and required regulatory approvals from the TSX. Subject to the receipt of such approvals and ruling and the satisfaction or waiver, as applicable, of the other customary conditions, if the Arrangement Resolution is approved at the Meeting, it is anticipated that the Arrangement will be completed in the fourth quarter of 2018.

The board of directors of Loblaw (the "**Board**") established a special committee (the "**Special Committee**") of independent directors of Loblaw to assess the terms of the Arrangement. The Special Committee engaged independent legal counsel and an independent financial advisor. The Special Committee also obtained an opinion from its financial advisor that, as of the date thereof and subject to the assumptions, limitations and qualifications described therein, the consideration to be received by the Minority Shareholders pursuant to the reorganization is fair, from a financial point of view, to the Minority Shareholders.

The Board, on the unanimous recommendation of the Special Committee, has determined that the Arrangement is in the best interests of Loblaw and the Minority Shareholders and unanimously recommends that LCL Shareholders vote FOR the Arrangement Resolution.

The accompanying Notice of Special Meeting of LCL Shareholders and Management Proxy Circular provide a detailed description of the Arrangement and the other matters to be considered at the Meeting. **You are urged to read this information carefully and, if you require assistance, to consult your own legal, tax, financial or other professional advisor.**

Your vote and participation in Loblaw's business is important regardless of the number of LCL Common Shares that you own. We have made it easy for you to vote by telephone, internet, mail, facsimile or by coming to the Meeting in person. Please consult the Management Proxy Circular and the Notice of Meeting which, together, contain all of the information you need about the Arrangement, the Meeting and how to exercise your vote.

Kingsdale Advisors ("**Kingsdale**") has been engaged as proxy solicitation agent in connection with the solicitation of proxies from LCL Shareholders for the Meeting. If you have any questions regarding the Meeting or require assistance with voting, please contact Kingsdale by toll-free telephone in North America at 1-866-228-2532, by collect call outside North America at 1-416-867-2272, or by email at contactus@kingsdaleadvisors.com.

Sincerely yours,

"Galen G. Weston"

Galen G. Weston
Chairman and Chief Executive Officer

Loblaw Companies Limited

NOTICE OF SPECIAL MEETING OF SHAREHOLDERS

NOTICE IS HEREBY GIVEN that a special meeting (the "**Meeting**") of the holders of common shares (the "**LCL Common Shares**") of Loblaw Companies Limited ("**Loblaw**" or the "**Company**") will be held at the Metro Toronto Convention Centre, Meeting Room 714AB, South Building, 22 Bremner Boulevard, Toronto, Ontario, M5V 3L9 on October 18, 2018 at 11:00 a.m. (Toronto time), for the following purposes:

1. to consider, pursuant to an order (the "**Interim Order**") of the Ontario Superior Court of Justice (Commercial List) (the "**Court**") dated September 19, 2018, and, if deemed advisable, to pass a special resolution (the "**Arrangement Resolution**"), the text of which is set forth in Appendix "A" to the accompanying Management Proxy Circular (the "**Management Proxy Circular**"), with or without variation, approving an arrangement (the "**Arrangement**") under section 192 of the *Canada Business Corporations Act* (the "**CBCA**") involving, among others, the Company, the holders of LCL Common Shares, George Weston Limited ("**GWL**") and 10945544 Canada Inc., pursuant to the plan of arrangement attached as Appendix "B" to the Management Proxy Circular and as more particularly described therein; and

2. to transact such other business as may properly come before the Meeting or any adjournment or postponement thereof.

Specific details relating to the Arrangement and the other matters to be considered at the Meeting are set forth in the Management Proxy Circular.

The record date for the determination of holders of LCL Common Shares ("**LCL Shareholders**") entitled to receive notice of and to vote at the Meeting, as described in the Management Proxy Circular, is September 17, 2018.

Voting

Non-registered shareholders

LCL Shareholders who own LCL Common Shares indirectly through a bank, trust company, broker or other intermediary (known as non-registered or beneficial shareholders) are entitled to vote through Broadridge Investor Communications Corporation ("**Broadridge**") or their intermediary, as applicable, or at the Meeting in person, or by appointing a proxy, by the following appointee process. 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) or 1-800-454-8683 for U.S. Non-Registered Shareholders

MAIL: Data Processing Centre, P.O. Box 3700, Stn. Industrial Park, Markham, ON 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 a non-registered shareholder wishes to attend and vote at the Meeting in person (or have another person attend and vote on the shareholder's behalf), the shareholder must complete the voting instruction form in accordance with the appointee directions provided.

Loblaw may use the Broadridge QuickVote™ service to assist non-registered LCL Shareholders with voting their LCL Common Shares over the telephone. Alternatively, Kingsdale may contact such non-registered LCL Shareholders to assist them with conveniently voting their LCL Common Shares directly over the phone. If you have any questions about the Meeting, please contact Kingsdale by telephone at 1-866-228-2532 (toll-free in North America) or 1-416-867-2272 (collect outside North America) or by email at contactus@kingsdaleadvisors.com.

Registered shareholders

LCL Shareholders who hold a paper share certificate or a direct registration system (DRS) statement registered directly in their name (also known as registered shareholders) are entitled to vote at the Meeting either in person or by proxy. Registered shareholders who are unable to be present at the Meeting should exercise their right to vote by signing and returning the form of proxy, or voting via the internet or telephone, in accordance with the directions on the form. Computershare Investor Services Inc. must receive completed proxies no later than 4:00 p.m. (Toronto time) on October 16, 2018 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.

See "*General Proxy Matters – Appointment and Revocation of Proxies"* on page 82 of the Management Proxy Circular, *"General Proxy Matters – Voting by Registered Shareholders*" on page 83 of the Management Proxy Circular and "*General Proxy Matters – Voting by Non-Registered Shareholders*" on page 84 of the Management Proxy Circular for voting instructions.

Kingsdale has been engaged as proxy solicitation agent in connection with the solicitation of proxies from LCL Shareholders for the Meeting. If you have any questions regarding the Meeting or require assistance with voting, please contact Kingsdale by toll-free telephone in North America at 1-866-228-2532, by collect call outside North America at 1-416-867-2272, or by email at contactus@kingsdaleadvisors.com.

DATED at Toronto, Ontario as of September 19, 2018.

By Order of the Board

"Gordon A.M. Currie"

Gordon A.M. Currie
Executive Vice President, Chief Legal Officer & Secretary

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INFORMATION FOR ALL SHAREHOLDERS

This Management Proxy Circular ("**Circular**") does not constitute an offer to sell, or a solicitation of an offer to purchase, any securities, or the solicitation of a proxy, by any person in any jurisdiction in which such an offer or solicitation is not authorized or in which the person making such offer or solicitation is not qualified to do so or to any person to whom it is unlawful to make such an offer or solicitation of an offer or proxy solicitation. Neither the delivery of this Circular nor any distribution of the securities referred to in this Circular will, under any circumstances, create an implication that there has been no change in the information set forth herein since the date as of which such information is given in this Circular.

All capitalized terms used in this Circular, including the Appendices hereto, but not otherwise defined have the meanings set forth under "*Glossary of Terms*".

This Circular is delivered in connection with the solicitation of proxies by and on behalf of the management of the Company for use at the Meeting and any adjournment or postponement thereof for the purposes set forth in the accompanying Notice of Meeting. See "*General Proxy Matters*" on page 82 of this Circular.

No person has been authorized to give any information or make any representation in connection with the matters to be considered at the Meeting other than those contained, or incorporated by reference, in this Circular and, if given or made, any such information or representation must not be relied upon as having been authorized.

Unless otherwise noted, the information provided in this Circular is given as of September 19, 2018. All dollar values ($) in this Circular are in Canadian dollars unless otherwise noted.

LCL Shareholders should not construe the contents of this Circular as legal, tax or financial advice and should consult with their own legal, tax, financial or other professional advisors in considering the matters contained in this Circular.

This Circular includes market and industry data and other information that has been obtained from third party sources, including industry publications and other publicly available sources. Although the Company believes such information to be reliable, the Company has not independently verified any of the data or information included in this Circular that was obtained from third party or publicly available sources, nor has the Company evaluated the underlying data or assumptions relied upon by such sources. References in this Circular to any publications, reports, surveys or articles prepared by third parties should not be construed as depicting the complete findings of the entire publication, report, survey or article. The information in any such publication, report, survey or article is not incorporated by reference in this Circular.

This Circular and the transactions contemplated in connection with the Arrangement, including the securities to be issued pursuant to the Arrangement, have not been approved or disapproved by any securities regulatory authority nor has any securities regulatory authority passed upon the merits or fairness of such transactions or upon the accuracy or adequacy of this Circular. Any representation to the contrary is an offence.

INFORMATION FOR UNITED STATES SHAREHOLDERS

The securities issuable to LCL Shareholders in exchange for their securities pursuant to the Arrangement have not been and will not be registered under the U.S. Securities Act. Such securities

will be issued in reliance upon the exemption from the registration requirements of the U.S. Securities Act provided by Section 3(a)(10) thereof on the basis of the approval of the Court, which will consider, among other things, the fairness of the Arrangement to the persons affected. See "*Certain Legal and Regulatory Matters – United States Securities Laws Matters*".

The solicitation of proxies is not subject to the requirements of Section 14(a) of the U.S. Exchange Act. The solicitation of proxies is being made by or on behalf of a Canadian issuer in accordance with Canadian corporate and securities laws, and this Circular has been prepared in accordance with disclosure requirements applicable in Canada. LCL Shareholders should be aware that requirements under such Canadian laws and such disclosure requirements may differ from requirements under United States corporate and securities laws relating to United States corporations. The audited annual financial statements of Loblaw and GWL and the unaudited pro forma consolidated financial statements of Loblaw included in this Circular have been prepared in accordance with IFRS, and are subject to Canadian auditing and auditor independence standards, and thus may not be comparable to financial statements of United States corporations. Likewise, unless expressly noted, information concerning the Company, Spinco and GWL and their respective current or expected businesses, properties and operations, as applicable, contained or incorporated herein by reference has been prepared in accordance with disclosure requirements applicable in Canada and such disclosure requirements may be materially different from those applicable in the United States.

The enforcement by LCL Shareholders of civil liabilities under the securities laws of the United States may be affected adversely by the fact that the parties to the Arrangement are organized under the laws of jurisdictions other than the United States, that some or all of their officers and directors are residents of countries other than the United States, and that some or all of the experts named in this Circular may be residents of countries other than the United States. As a result, it may be difficult or impossible for LCL Shareholders to effect service of process within the United States upon the parties to the Arrangement, their respective officers and directors or the experts named herein, or to realize against them upon judgments of courts of the United States predicated upon civil liabilities under the securities laws of the United States. In addition, LCL Shareholders should not assume that the courts of Canada: (a) would enforce judgments of United States courts obtained in actions against such persons predicated upon civil liabilities under the securities laws of the United States; or (b) would enforce, in original actions, liabilities against such persons predicated upon civil liabilities under the securities laws of the United States.

LCL Shareholders who are U.S. taxpayers should be aware that the Arrangement described in this Circular may have tax consequences both in Canada and in the United States which are not described fully herein. LCL Shareholders are urged to consult their tax advisers regarding the U.S. federal and Canadian income tax consequences of the Arrangement.

The securities to be issued pursuant to the Arrangement have not been approved or disapproved by the U.S. Securities and Exchange Commission or the securities regulatory authority of any state of the United States, nor has the U.S. Securities and Exchange Commission or the securities regulatory authority of any state passed on the adequacy or accuracy of this Circular. Any representation to the contrary is a criminal offence.

FORWARD-LOOKING INFORMATION

This Circular contains, and incorporates by reference, forward-looking statements about the proposed reorganization of Loblaw's effective interest in Choice REIT. Forward-looking statements are typically

identified by words such as “expect”, “anticipate”, “believe”, “foresee”, “could”, “estimate”, “goal”, “intend”, “plan”, “seek”, “strive”, “will”, “may” and “should” and similar expressions. Forward-looking statements reflect current estimates, beliefs and assumptions, which are based on Loblaw’s and GWL’s perception of historical trends, current conditions and expected future developments, as well as other factors management believes are appropriate in the circumstances. Loblaw’s and GWL’s estimates, beliefs and assumptions are inherently subject to significant business, economic, competitive and other uncertainties and contingencies regarding future events and as such, are subject to change. Loblaw and GWL can give no assurance that such estimates, beliefs and assumptions will prove to be correct.

This Circular contains, and incorporates by reference, forward-looking statements concerning: Loblaw’s and GWL’s financial positions; growth prospects; certain benefits of the Arrangement; the expected impact of the Arrangement on Loblaw’s and GWL’s relationship with Choice REIT going forward; future Loblaw and GWL dividends; Loblaw’s and GWL’s credit ratings; the expected completion date of the Arrangement; the anticipated tax treatment of the proposed reorganization for Loblaw and LCL Shareholders; the completion of the Pre-Arrangement Transactions; the completion and proposed terms of, and matters relating to, the Arrangement (including, but not limited to, the allocation of the amounts and percentage interests in the outstanding shares of Loblaw and GWL following the completion of the Arrangement); the expected benefits of the Arrangement to LCL Shareholders and holders of GWL Common Shares and the anticipated effect of the completion of the Arrangement on Loblaw and GWL and their respective future operations; the anticipated business strategies or further actions of each of the Company and GWL following the completion of the Arrangement and their respective abilities to accomplish same; certain Canadian and U.S. federal income tax consequences resulting from the completion of the Arrangement; the timing for the delivery of the GWL Common Shares; GWL’s objectives and priorities for 2018 and beyond; and expectations with respect to future general economic and market conditions. The unaudited pro forma information set forth in this Circular should not be considered to be what the actual financial position or other results of operations would have necessarily been had the reorganization been completed as, at, or for the periods stated.

Numerous risks and uncertainties could cause Loblaw’s and GWL’s actual results to differ materially from the estimates, beliefs and assumptions expressed or implied in the forward-looking statements, including, but not limited to: the failure to complete the Arrangement for any reason (including due to the failure to satisfy the conditions contained in the Arrangement Agreement); the potential benefits of the Arrangement not being realized; adverse changes and volatility in the trading prices or value, as applicable, of the LCL Common Shares or GWL Common Shares following the Arrangement; substantial tax liabilities that Loblaw and GWL may be exposed to if the tax-related requirements of the Arrangement are not met; the failure to obtain any required governmental, regulatory or other approvals and/or consents; the failure to obtain the Tax Ruling in form and substance satisfactory to Loblaw and GWL or the withdrawal or modification of the Tax Ruling; risks associated with indemnity obligations arising under the Arrangement Agreement; the reduced diversity of Loblaw’s business following the Arrangement; future factors that may arise making it inadvisable to proceed with, or advisable to delay, all or part of the Arrangement; changes to the regulation of generic prescription drug prices, the reduction of reimbursements under public drug benefit plans and the elimination or reduction of professional allowances paid by drug manufacturers; failure to effectively manage Loblaw’s loyalty program; the inability of Loblaw’s and GWL’s IT infrastructure to support the requirements of their businesses, or the occurrence of any internal or external security breaches, denial of service attacks, viruses, worms and other known or unknown cybersecurity or data breaches;

failure to execute Loblaw's e-commerce initiative or to adapt its business model to the shifts in the retail landscape caused by digital advances; failure to realize benefits from investments in Loblaw's and GWL's new IT systems; failure to effectively respond to consumer trends or heightened competition, whether from current competitors or new entrants to the marketplace; changes to any of the laws, rules, regulations or policies applicable to Loblaw's and GWL's businesses, including increases to minimum wage; public health events including those related to food and drug safety; failure to realize the anticipated benefits, including revenue growth, anticipated cost savings or operating efficiencies, associated with Loblaw's and GWL's investment in major initiatives that support their strategic priorities, including Choice REIT's acquisition of CREIT; adverse outcomes of legal and regulatory proceedings and related matters; reliance on the performance and retention of third party service providers, including those associated with Loblaw's and GWL's supply chain and Loblaw's apparel business, including issues with vendors in both advanced and developing markets; failure to achieve desired results in labour negotiations, including the terms of future collective bargaining agreements; the inability of Loblaw and GWL to manage inventory to minimize the impact of obsolete or excess inventory and to control shrink; changes in economic conditions, including economic recession or changes in the rate of inflation or deflation, employment rates and household debt, political uncertainty, interest rates, currency exchange rates or derivative and commodity prices; the inability of Loblaw and GWL to effectively develop and execute their strategies; and the inability of Loblaw and GWL to anticipate, identify and react to consumer and retail trends.

Readers are cautioned that the foregoing list of factors is not exhaustive. Other risks and uncertainties not presently known to Loblaw and GWL or that Loblaw and GWL presently believe are not material could also cause actual results or events to differ materially from those expressed in its forward-looking statements. Additional information on these and other factors that could affect the operations or financial results of Loblaw or GWL are included under "*Risk Factors*" in this Circular and in reports filed by Loblaw and GWL with applicable securities regulatory authorities and may be accessed through the SEDAR website (www.sedar.com).

There can be no assurance that the Arrangement will occur or that the anticipated benefits will be realized. The proposed Arrangement is subject to the fulfillment of certain conditions, including receipt of the Required Shareholder Approval, the Final Order, the TSX Approvals, the Tax Ruling, and the completion of the Pre-Arrangement Transactions, and there can be no assurance that any such conditions will be met. The proposed Arrangement and Arrangement Agreement could be modified, restructured or terminated.

Readers are cautioned not to place undue reliance on these forward-looking statements, which reflect Loblaw's and GWL's expectations only as of the date on which it is made. Loblaw and GWL disclaim any obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law.

PRESENTATION OF FINANCIAL INFORMATION

General

The financial statements and selected unaudited pro forma financial information contained, or incorporated by reference, in this Circular have been prepared in accordance with IFRS and are reported in Canadian dollars, except when otherwise noted.

Non-GAAP Financial Measures

This Circular uses the following non-GAAP financial measures: retail EBITDA, retail EBITDA margin, adjusted diluted EPS, consolidated net debt to adjusted EBITDA, dividend payout ratio and free cash flow.

Loblaw and GWL believe these non-GAAP financial measures provide useful information to both management and investors in measuring financial performance. Management uses these and other non-GAAP financial measures to exclude the impact of certain expenses and income that must be recognized under GAAP when analyzing consolidated and segment underlying operating performance. The excluded items are not necessarily reflective of Loblaw or GWL's respective underlying operating performance and make comparisons of underlying financial performance between periods difficult. From time to time, Loblaw or GWL, respectively, may exclude additional items if it believes doing so would result in a more effective analysis of underlying operating performance. The exclusion of certain items does not imply that they are non-recurring.

- **Adjusted EBITDA and adjusted EBITDA margin**. Adjusted EBITDA is calculated as operating income, adjusted for items that are not necessarily reflective of the Company's underlying operating performance, before depreciation and amortization. Adjusted EBITDA margin is adjusted EBITDA divided by revenue. Loblaw and GWL believe these measures are useful in assessing the underlying operating performance of Loblaw and GWL's ongoing operation and in assessing the Company's ability to generate cash flows to fund its cash requirements, including its capital investment program.

- **Retail adjusted EBITDA and retail adjusted EBITDA margin**. Retail adjusted EBITDA is retail segment adjusted EBITDA, and retail adjusted EBITDA margin is retail adjusted EBITDA divided by retail segment sales. Loblaw and GWL believe these measures are useful in assessing the retail segment's underlying operating performance and in making decisions regarding the ongoing operations of the business.

- **Adjusted Diluted Earnings Per Share**. Adjusted diluted EPS is calculated as adjusted net earnings available to LCL Shareholders including the effects of all dilutive instruments divided by the diluted weighted average of the number of LCL Common Shares outstanding.

- **Consolidated net debt to adjusted EBITDA**. Consolidated net debt to adjusted EBITDA is calculated as net debt (i.e., total debt less cash and cash equivalents and short-term investments) as at June 16, 2018 divided by adjusted EBITDA based on the year ended December 30, 2017, assuming CREIT was acquired on January 1, 2017. Net debt and adjusted EBITDA are further adjusted to reflect the capitalization of operating leases at a 6x multiple and exclude PC Bank debt associated with securitized credit card receivables and GICs. Net

debt includes preferred shares, which receive 50% debt treatment for the purposes of calculating leverage. Loblaw and GWL uses consolidated net debt to adjusted EBITDA to measure leverage and profitability.

- **Dividend Payout Ratio**. Dividend payout ratio is calculated as annualized current quarterly dividends per LCL Common Share of $1.18 divided by 2017 actual adjusted diluted EPS of approximately $4.53 and 2017 pro forma adjusted diluted EPS of approximately $3.93.

- **Free Cash Flow**. Free cash flow is calculated as cash flow from operating activities less capital investments and interest paid. Loblaw and GWL believe free cash flow is useful in assessing the cash available for additional investing activities, debt repayment and return of capital to shareholders.

These measures do not have a standard meaning prescribed by GAAP and therefore they may not be comparable to similarly titled measures presented by other publicly traded companies, and should not be construed as an alternative to other financial measures determined in accordance with GAAP. More information regarding these non-GAAP measures and a reconciliation of each to the nearest IFRS financial measure is available in Loblaw's or GWL's most recent management's discussion and analysis filed on SEDAR (www.sedar.com), as applicable, and, in this Circular, in the supplemental unaudited non-GAAP pro forma financial information for Loblaw contained in Appendix "G".

QUESTIONS AND ANSWERS

The following briefly addresses some questions you may have regarding the Arrangement and the Meeting. The below information is only a summary of certain information contained elsewhere in this Circular and is qualified in its entirety by the more detailed information and financial data and statements contained in or referred to elsewhere in this Circular, including the Appendices and documents that are incorporated by reference herein, all of which are important and should be reviewed carefully. Capitalized terms used in these questions and answers but not otherwise defined herein have the meanings set forth in the "Glossary of Terms" in this Circular.

If you have any questions regarding the information described in this information circular or require assistance with voting your shares, please contact Kingsdale Advisors, our proxy solicitation agent, by telephone at 1-866-228-2532 (toll free in North America), or at 416-867-2271 (collect outside of North America), or by email at contactus@kingsdaleadvisors.com,

The Arrangement

Q: What am I being asked to vote on at the Meeting?
A: At the Meeting, you are asked to consider and, if thought advisable, pass the Arrangement Resolution approving the Arrangement. Pursuant to the Arrangement, Loblaw will, among other things, spin out its 61.6% effective interest in Choice REIT. You will receive 0.135 of a GWL Common Share for each LCL Common Share you hold, which is equivalent to the market value of your pro rata interest in Choice REIT, and GWL will receive Loblaw's approximate 61.6% effective interest in Choice REIT.

For more information, see "The Arrangement – Details of the Arrangement".

Q: How does the Board recommend I vote?
A: The Board, on the unanimous recommendation of the Special Committee, has determined that the Arrangement is in the best interests of Loblaw and the Minority Shareholders and unanimously recommends that you vote **FOR** the Arrangement Resolution.

For more information, see "The Arrangement – Recommendation of the Special Committee", "The Arrangement – Recommendation of the Board", "The Arrangement – Reasons for the Arrangement" and "The Arrangement – LCL Fairness Opinion".

Q: Why should I vote FOR the Arrangement Resolution?
A: The Special Committee and the Board, acting with the advice and assistance of independent legal and financial advisors, and management, carefully evaluated the Arrangement and believe that the Arrangement is in the best interests of Loblaw and the Minority Shareholders. In the course of its evaluation, the Special Committee and Board considered, among other things, the following factors:

- ownership of real estate is no longer core to Loblaw's strategy;
- the spin-out of Loblaw's effective interest in Choice REIT will enhance Loblaw's strategic focus, while better positioning Choice REIT to pursue its own growth strategy;
- the spin-out will result in Loblaw becoming a pure-play retailer with a clearer investment thesis, and there is potential for its newly pure-play retail shares to be revalued more appropriately compared to its peers;

- the Arrangement gives Minority Shareholders flexibility to retain similar economic exposure to what they currently have but through two more focused investment opportunities, Loblaw and GWL;
- Minority Shareholders who hold their GWL Common Shares and their LCL Common Shares following the Arrangement will receive an approximate 24% aggregate annualized dividend increase;
- the Arrangement is the only form of tax-efficient spin-out for both Loblaw and its Canadian shareholders and the structure is superior to other available alternatives; and
- following the Arrangement, Loblaw's credit rating will be maintained and it is expected that Loblaw will still generate sufficient excess free cash flow to pursue dividends, share repurchases, strategic acquisitions and other uses.

For a full description of these factors, among others, considered by the Special Committee and Board, see "The Arrangement – Reasons for the Arrangement".

Q: What will I receive upon completion of the Arrangement?
A: Under the Arrangement, you will receive 0.135 of GWL Common Share for every LCL Common Share you hold, in addition to retaining all of your current LCL Common Shares.

Q: Will Loblaw continue to pay dividends before and after the completion of the Arrangement?
A: Yes, Loblaw intends to hold its absolute dollar dividend per LCL Common Share constant at $0.295 immediately following the Arrangement. In addition, GWL plans to raise its quarterly dividend by approximately 5% to $0.515 (or $2.06 per GWL Common Share annualized) following the Arrangement, which means that if you continue to hold the GWL Common Shares you receive following the Arrangement, you will also receive dividends from the 0.135 GWL Common Shares equal to approximately $0.28[1] per LCL Common Share. Taken together, if you continue to hold your LCL Common Shares and GWL Common Shares following the Arrangement, you will receive an aggregate dividend of approximately $1.46 per LCL Common Share annualized, which is equivalent to an approximate 24% increase relative to Loblaw's current dividend of $1.18 per LCL Common Share annualized.

For more information, see "The Arrangement – Reasons for the Arrangement", "Information Concerning Loblaw – Dividend Policy" and "Information Concerning GWL – Dividend Policy".

Q: What will happen to Loblaw if the Arrangement is completed?
A: After the Arrangement, GWL will own an approximate 65.4% effective interest in Choice REIT and Loblaw will retain no interest in Choice REIT. Public shareholders of Loblaw will own approximately 16.8% of the GWL Common Shares.

Q: If the Arrangement is completed, when can I expect to receive my new shares?
A: If all conditions are met, it is anticipated that the Arrangement will be completed in the fourth quarter of 2018. As soon as practicable following the Effective Time, Computershare will deliver to each registered LCL Shareholder (other than GWL and its subsidiaries) at the close of business on the Distribution Record Date direct registration system (DRS) statements for the GWL Common Shares to which such LCL Shareholder is entitled pursuant to the Arrangement.

For more information, see "The Arrangement – Delivery of Shares" and "Certain Legal and Regulatory Matters – Steps to Implementing the Arrangement and Timing".

[1] Based on annualized current quarterly dividend per GWL Common Share plus a 5% increase in annualized dividend per GWL Common Share contingent on closing the Arrangement.

Q: What will happen if the Arrangement is not approved or completed?
A: If the Arrangement is not approved or completed for any reason, the Arrangement Agreement will be terminated. In this scenario, Loblaw will continue to operate in the ordinary course. However, if the Arrangement is delayed or not completed as currently planned, the market price of the LCL Common Shares may be materially adversely affected.

For more information, see "Risk Factors – Risks Relating to the Arrangement".

Proxy Voting

Q: What approvals are required of shareholders at the Meeting?
A: To become effective, the Arrangement Resolution must be approved by: (i) not less than 66⅔% of the votes cast at the Meeting by Loblaw shareholders; and (ii) not less than a majority of the votes cast at the Meeting by Minority Shareholders. GWL intends to vote for the Arrangement Resolution. The Arrangement does not require the approval of the holders of GWL Common Shares.

For more information, see "Certain Legal and Regulatory Matters – Required Shareholder Approval" and "Certain Legal and Regulatory Matters – Canadian Securities Law Matters – MI 61-101".

Q: What other approvals are required for the Arrangement to become effective?
A: The Arrangement is also subject to the satisfaction of certain other conditions, including the receipt of the approval of the Court, the receipt of the Tax Ruling from the CRA and required regulatory approvals from the TSX. The Arrangement is also subject to the satisfaction or waiver of other customary conditions.

For more information, see "Certain Legal and Regulatory Matters – Steps to Implementing the Arrangement and Timing".

Q: Who is eligible to vote at the Meeting?
A: If you held LCL Common Shares on the close of business on September 17, 2018, you will be entitled to receive notice of and vote at the Meeting or any adjournment or postponement, even if you have since that date disposed of your LCL Common Shares.

Q: I am a Registered Shareholder. How do I vote my LCL Common Shares?
A: Voting procedures for registered shareholders generally allow voting online at www.investorvote.com, by telephone at the number the form of proxy, by fax or by mail. Registered Shareholders are also entitled to vote in person or by proxy at the meeting. Mailed proxies must be deposited at the offices of Computershare at 100 University Avenue, Suite 800, Toronto, Ontario M5J 2Y1.

For more information, see "General Proxy Matters – Voting by Registered Shareholders"

Q: I am a Non-Registered Shareholder. How do I vote my LCL Common Shares?
A: If your LCL Common Shares are held through a bank, trust company, broker or other intermediary, you are a Non-Registered Shareholder and must contact your intermediary or Broadridge, as applicable, to vote your shares. The procedures generally allow voting on internet at www.proxyvote.com, by telephone at 1-800-474-7493, and by mail.

For more information, see "General Proxy Matters – Voting by Non-Registered Shareholders".

Q: When is the proxy cut-off?
A: Registered Shareholders must submit their proxy prior to 4:00 p.m. (Toronto time) on October 16, 2018. Non-Registered Shareholders must submit their voting instruction form to their intermediary or Broadridge, as applicable, by following the instructions on their voting instruction form.

For more information, see "General Proxy Matters – Voting by Registered Shareholders" and "General Proxy Matters – Voting by Non-Registered Shareholders".

Q: Can I appoint someone else to vote my proxy?
A: Yes. You have the right to appoint another person or company (who need not be an LCL Shareholder) to attend and act for you and on your behalf at the Meeting and you may exercise such right by inserting the name of the desired person in the blank space provided in the form of proxy.

For more information, see "General Proxy Matters".

Q: Can I change or revoke my proxy after I have submitted it?
A: Yes. Registered Shareholders have the right to revoke a proxy. In addition to revocation in any manner permitted by law, a Registered Shareholder who has given a proxy may revoke it by (i) depositing an instrument in writing either at the registered office of the Company or with Computershare, at any time up to and including the last Business Day preceding the Meeting or any adjournment or postponement thereof; or (ii) depositing such instrument in writing with the Chairman of the Meeting on the day of the Meeting or any adjournment or postponement thereof.

Non-Registered Shareholders who wish to change their vote should contact their intermediaries to determine the procedure to be followed.

For more information, see "General Proxy Matters".

Income Tax Considerations

Q: What are the tax implications for Canadian Resident Shareholders?
A: Generally, a Resident Shareholder who holds its LCL Common Shares as capital property for purposes of the Tax Act will not realize a capital gain or capital loss as a result of the transactions in the Arrangement.

You should consult your own tax advisor to determine the tax consequences of the Arrangement based on your particular circumstances, including the application and effect of the income and other tax laws of any country, province, territory, state or local jurisdiction.

For more information, see "Certain Canadian Federal Income Tax Considerations".

Q: What happens to the ACB of my LCL Common Shares following the Arrangement?
A: The aggregate ACB of the LCL Common Shares held by a Resident Shareholder immediately before the Arrangement will generally be allocated among the LCL New Common Shares and the GWL Common Shares ultimately received by the Resident Shareholder on closing of the Arrangement. Loblaw intends to inform Resident Shareholders either by press release or via its corporate website as to its estimate of such allocation.

For more information, see "Certain Canadian Federal Income Tax Considerations".

Q: What are the tax implications for Non-Resident Shareholders, including U.S. Resident Shareholders?
A: Generally, a Non-Resident Shareholder who holds its LCL Common Shares as capital property for purposes of the Tax Act will not be subject to Canadian federal income tax as a result of the transactions in the Arrangement.

For more information, see "Certain Canadian Federal Income Tax Considerations".

The Company believes the receipt of GWL Common Shares pursuant to the Arrangement should for U.S. federal income tax purposes be treated as a taxable distribution to LCL Shareholders who are U.S. taxpayers, although the matter is not entirely free from doubt. LCL Shareholders who are U.S. taxpayers are urged to consult their tax advisers regarding the U.S. federal income tax consequences of the Arrangement with regard to their particular circumstances.

For more information, see "Certain United States Federal Income Tax Considerations".

Q: What is the status of the Tax Ruling?
A: Loblaw and GWL have applied for the Tax Ruling and expect to receive it on a timely basis.

For more information, see "Certain Legal and Regulatory Matters – Tax Ruling".

Help and Support

Q: Who do I Contact if I have Questions?
A: If you have any questions or need assistance completing your form of proxy or voting instruction form, please call **Kingsdale Advisors** toll-free at **1-866-228-2532** or **416-867-2272** outside of North America or send an email to: contactus@kingsdaleadvisors.com.

SUMMARY

The following is a summary of certain information contained elsewhere in this Circular and is qualified in its entirety by reference to the more detailed information and financial data and statements contained in or referred to elsewhere in this Circular, including the Appendices and documents that are incorporated by reference herein. The capitalized terms used in this Circular are defined in the "Glossary of Terms" starting on page 88 of this Circular.

The Meeting

Loblaw has called the Meeting to consider and, if thought advisable, pass the Arrangement Resolution as set forth in Appendix "A".

The Meeting will be held at the Metro Toronto Convention Centre, Meeting Room 714AB, South Building, 22 Bremner Boulevard, Toronto, Ontario, M5V 3L9 on October 18, 2018 at 11:00 a.m. (Toronto time). Loblaw has fixed the close of business on September 17, 2018 for the determination of LCL Shareholders entitled to receive notice of, to attend and to vote at the Meeting, or any adjournment(s) or postponement(s) thereof, as described in this Circular.

See "*General Proxy Matters*".

The Arrangement

On September 4, 2018, Loblaw and GWL announced the Arrangement under which Loblaw will spin out its approximate 61.6% effective interest in Choice REIT. Under the Arrangement, LCL Shareholders (other than GWL and its subsidiaries) will receive 0.135 of a GWL Common Share for each LCL Common Share held and GWL will receive Loblaw's approximate 61.6% effective interest in Choice REIT. This will provide LCL Shareholders with GWL Common Shares that are equivalent to the market value of their pro rata interest in Choice REIT based on the 5-day VWAP of Choice REIT on the TSX at August 31, 2018 close and the 5-day VWAP of GWL on the TSX at August 31, 2018 close.

Pursuant to the Arrangement, GWL will issue approximately 26.7 million GWL Common Shares to LCL Shareholders. Following the Arrangement, GWL will own an approximate 65.4% effective interest in Choice REIT directly (which includes the approximate 3.8% effective interest in Choice REIT currently owned by wholly-owned, direct subsidiaries of GWL prior to the Arrangement), and GWL will continue to be controlled by Mr. W. Galen Weston who, directly and indirectly through entities which he controls, will own approximately 52.8% of the outstanding GWL Common Shares. The public shareholders of Loblaw will own approximately 16.8% of the outstanding GWL Common Shares as a result of the Arrangement and Loblaw will have no ownership in Choice REIT. Immediately following the Arrangement, LCL Shareholders will continue to hold the same number of LCL Common Shares that they held immediately prior to the completion of the Arrangement.

In connection with the Arrangement, Loblaw, GWL and Spinco have entered into the Arrangement Agreement which contains a number of representations, warranties and covenants of those parties, including agreement by each of those parties to indemnify and hold harmless the other parties and their

respective representatives against any loss suffered or incurred resulting from or in connection with a breach of certain tax-related covenants.

See "*The Arrangement*", and "*The Arrangement – Arrangement Agreement*"

Recommendation of the Special Committee

After careful consideration, including consulting with its independent legal and financial advisors, the Special Committee has unanimously determined that the Arrangement is in the best interests of Loblaw and the Minority Shareholders. Accordingly, the Special Committee unanimously recommended that the Board proceed with the Arrangement.

Recommendation of the Board

After careful consideration, and based upon the unanimous recommendation of the Special Committee, the Board has unanimously determined that the Arrangement is in the best interests of Loblaw and the Minority Shareholders. **The Board unanimously recommends that LCL Shareholders vote FOR the Arrangement Resolution.**

Reasons for the Recommendations

The Special Committee and the Board, acting with the advice and assistance of legal and financial advisors and management, carefully evaluated the Arrangement and believe that the Arrangement is in the best interests of Loblaw and the Minority Shareholders. In the course of its evaluation, the Special Committee and Board considered, among other things, the following factors:

- *Ownership of Real Estate No Longer Core* – Loblaw's strategic priorities have evolved such that the ownership of real estate is no longer core to its strategy. Loblaw has progressively moved away from new supermarket square footage as a growth driver and the initial public offering of Choice REIT in 2013 and Loblaw's acquisition of Shoppers Drug Mart in 2014 further reduced its reliance on owned real estate. Today, the majority of Loblaw's retail locations are leased from third parties, and Loblaw's capital investment has shifted away from new stores and towards other growth priorities in digital capabilities, payments and rewards, healthcare, process efficiencies and customer experience. Although stores continue to be an important part of the business, Loblaw does not need to own Choice REIT to manage its store network, and there are long-term leases in place to provide stability going forward. In addition, ownership of Choice REIT will remain with an affiliate, and the Strategic Alliance Agreement between Loblaw and Choice REIT will remain in place, preserving the important relationship between the companies.

- *Enhances Strategic Focus* – The strategies of Loblaw and Choice REIT have diverged. While Loblaw is focused on strengthening its core retail business and growing in areas such as digital retail, connected healthcare and payments, and rewards, Choice REIT's strategic focus is on investments in diversified real estate asset classes, mixed-use development and acquisitions. This divergence has accelerated since Choice REIT's acquisition of CREIT in 2018, with a significant proportion of Choice REIT's portfolio now focused on non-retail asset classes. The Arrangement allows Loblaw to spin out its Choice REIT interest and thus will enhance

Loblaw's focus on its own key strategic growth areas, while better positioning Choice REIT to pursue its own growth strategy.

- *Simplified Investment Thesis Potentially Unlocks Value* – Loblaw's EV/EBITDA multiple, excluding its interest in Choice REIT, is currently at the low end of the range of its Canadian grocery retail peers. As a result of the Arrangement, Loblaw will be transformed into a pure-play retailer with a clearer investment thesis, and there is potential for its newly pure-play shares to be revalued more appropriately compared to its peers. Additionally, any holding company discount currently attributed to Loblaw's holding of Choice REIT will be eliminated.

Key Metrics – Loblaw (ex. Choice REIT) vs. Peers

	Loblaw (ex. Choice Properties)	Canadian Peer Range[1]
EV / 2019E EBITDA[2]	6.9x[3]	6.4x - 9.6x
Food Retail SSS Growth[4]	0.6%	0.3% - 0.5%
EBITDA Margin[4]	7.5%	4.2% - 7.8%

1. Canadian peer range includes Metro Inc. and Empire Company Limited. Multiples are based on 2019E analyst consensus.
2. Based on Loblaw and peer 5-day VWAP as at August 31, 2018.
3. Implied multiple is based on analyst consensus 2019E EBITDA, excluding Choice REIT and PC Bank debt from securitized credit card receivables and GICs.
4. SSS (same store sales) growth % and EBITDA Margin are based on last fiscal year. Loblaw EBITDA margin includes PC Bank. For a description of how Loblaw calculates SSS, please see page 127 of Loblaw's 2017 Annual Report.

Illustratively, a 1x EV/EBITDA multiple expansion at Loblaw is equal to approximately $9 per share.

- *Flexibility for Shareholders* – The Arrangement will allow Minority Shareholders to retain similar economic exposure to what they currently have but through two more focused investment opportunities, in Loblaw, a pure-play Canadian retail business and in GWL, a company with a focus on strategic ownership interests in real estate, retail and food.

- *Dividend Increase* – Minority Shareholders who hold their GWL Common Shares and their LCL Common Shares following the Arrangement will receive an aggregate dividend of approximately $1.46 per LCL Common Share annualized, equivalent to an approximate 24% increase relative to Loblaw's current dividend of $1.18 per LCL Common Share annualized. Loblaw plans to hold its absolute dollar dividend per LCL Common Share constant immediately following the Arrangement, resulting in an increase in Loblaw's dividend payout ratio from approximately 26% to approximately 30%[2], which is in line with its peers. In addition, GWL plans to raise its quarterly dividend by approximately 5% to $0.515 (or $2.06 per GWL Common Share annualized) following the Arrangement, which means that Minority

[2] Calculated as annualized current quarterly dividends per LCL Common Share of $1.18 divided by 2017 actual adjusted diluted EPS of approximately $4.53 and 2017 pro forma adjusted diluted EPS of approximately $3.93.

Shareholders who continue to hold their GWL Common Shares following the Arrangement will also receive dividends from the 0.135 GWL Common Shares equal to approximately $0.28[3] per LCL Common Share.

- *Only Tax-efficient Form of Spin-out* – The Arrangement is the only form of spin-out that can be implemented on a basis that is tax-efficient for both Loblaw and its Canadian shareholders. Loblaw's interest in Choice REIT has an embedded deferred liability for Canadian income tax purposes in an amount that is currently approximately $640 million.[4] If Loblaw were to spin-out, or directly distribute, its interest in Choice REIT to all LCL Shareholders, Loblaw would trigger that entire liability for itself, to the detriment of LCL Shareholders in an implied amount of approximately $1.70 per share[5]. However, by structuring the spin-out on the basis that GWL acquires Loblaw's interest in Choice REIT, Loblaw can implement the spin-out on a basis that is tax-deferred for LCL and GWL under Canadian income tax law. As a result of the Arrangement, GWL will in effect assume Loblaw's former deferred tax liability. In addition, for Canadian income tax purposes, the transactions in the Arrangement will generally occur on a tax-deferred basis for Resident Shareholders who hold their LCL Common Shares as capital property for purposes of the Tax Act. However, the spin-out structure will not avoid or defer taxation of U.S. taxpayers, as the Company believes the receipt of GWL Common Shares pursuant to the Arrangement should be treated for U.S. federal income tax purposes as a taxable distribution to LCL Shareholders who are U.S. taxpayers. However, this matter is not entirely free from doubt. LCL Shareholders who are U.S. taxpayers are urged to consult their tax or financial advisors in this regard.

- *Acceptable Accounting Impact and Preservation of Credit Rating* – Following completion of the Arrangement, Loblaw will deconsolidate Choice REIT from its financial statements. As a result, Loblaw will no longer eliminate rental expenses paid to Choice REIT, which is expected to result in a downwards adjustment to retail adjusted EBITDA of approximately $516[6] million. Adjusted diluted EPS in respect of the LCL Common Shares is expected to decline by approximately $0.60[7], as the LCL Common Share value attributable to Loblaw's effective interest in Choice REIT will be spun out directly to LCL Shareholders. While Loblaw will lose approximately $227[8] million in consolidated cash and cash equivalents, primarily as a result of Loblaw no longer receiving distributions from Choice REIT or Choice LP, it is still expected to generate sufficient excess free cash flow to pursue dividends, share repurchases, strategic acquisitions and other uses. It is also expected that Loblaw's credit rating will be maintained following the Arrangement, as Loblaw's consolidated net debt to adjusted EBITDA is expected to decline due to the distribution of its effective interest in Choice REIT, which is a more highly levered business than Loblaw's other businesses.

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3 Based on annualized current quarterly dividend per GWL Common Share plus a 5% increase in annualized dividend per GWL Common Share contingent on closing the Arrangement.

4 Based on the Choice REIT 5-day VWAP at closing on August 31, 2018 of $12.53, an ACB of approximately $392 million for the 411,461,783 Trust Units and Class B LP Units held by Loblaw, and a corporate tax rate of 27%.

5 $1.70 equals the approximate $640 million tax liability divided by the approximate 375.9 million LCL Common Shares issued and outstanding, adjusted by dilutive options.

6 Based on unaudited 2017 actual status quo and pro forma financials.

7 Based on unaudited 2017 actual status quo and pro forma financials.

8 Based on unaudited 2017 actual status quo and pro forma financials.

- *Superiority to Available Alternatives* – The Special Committee and the Board considered a range of alternatives, including maintaining the status quo, a sale to an arm's length third party and a spin-out to all LCL Shareholders. The Special Committee and the Board also considered GWL's controlling interest in Loblaw and its stated desire to keep control of Choice REIT within the GWL corporate group, together with the divergent corporate strategies of Loblaw and Choice REIT and the tax efficiencies discussed above. Based on the foregoing, the Special Committee and the Board concluded that the Arrangement is the most attractive alternative available to Loblaw.

- *LCL Fairness Opinion* – The Special Committee and the Board have received and considered the LCL Fairness Opinion and its conclusion that, as of the date thereof and subject to assumptions, limitations and qualifications described therein, the consideration to be received by the Minority Shareholders pursuant to the Arrangement is fair, from a financial point of view, to Minority Shareholders.

- *Shareholder and Court Approval* – The procedures by which the Arrangement will be approved, including the Required Shareholder Approval, and the requirement for approval of the Arrangement by the Court after a hearing at which fairness to the shareholders will be considered, offers substantial protection to Minority Shareholders.

The foregoing summary of factors considered by the Board and Special Committee is not intended to be exhaustive. In reaching the determination to unanimously approve and recommend the Arrangement to the LCL Shareholders and given the variety and complexity of factors considered, the Special Committee and the Board did not assign any relative or specific weight to the factors that were considered. Additionally, individual directors may have given different weights to these factors. The Special Committee's and the Board's recommendations were made after consideration of all of the above and other factors, the risk factors set out in this Circular, and in light of their collective knowledge of the business, financial condition and prospects of Loblaw and was based upon the advice of financial and legal advisors.

See "*The Arrangement – Background to the Arrangement*", "*The Arrangement – Reasons for the Arrangement*" and "*The Arrangement – LCL Fairness Opinion*".

Completion of the Arrangement

Loblaw anticipates the Arrangement will be completed in the fourth quarter of 2018. However, completion of the Arrangement is dependent on many factors and it is not possible at this time to determine precisely when the Arrangement will become effective. In particular, completion of the Arrangement is subject to the conditions precedent in the Arrangement Agreement having been satisfied or waived including receipt of the Required Shareholder Approval, the Final Order, the TSX Approvals, the Tax Ruling and the completion of the Pre-Arrangement Transactions.

See further details under the heading "*The Arrangement – Arrangement Agreement – Conditions Precedent*".

Required Shareholder Approval

To become effective, the Arrangement Resolution must be approved by: (i) not less than 66⅔% of the votes cast at the Meeting by LCL Shareholders; and (ii) not less than a majority of the votes cast at the Meeting by Minority Shareholders. GWL intends to vote all of its LCL Common Shares for the Arrangement Resolution. The Arrangement does not require the approval of the holders of GWL Common Shares.

See "*Certain Legal and Regulatory Matters – Required Shareholder Approval*" and "*Certain Legal and Regulatory Matters – Canadian Securities Law Matters – MI 61-101*".

Court Approval and Final Order

It is a condition of the Arrangement Agreement that the Interim Order and the Final Order must be obtained from the Court. Prior to the mailing of this Circular, the Company obtained the Interim Order, which provides for, among other things, the calling and holding of the Meeting.

It is expected that shortly after the Meeting, subject to the approval of the Arrangement Resolution by LCL Shareholders at the Meeting, an application will be made for the Court's final approval of the Arrangement. At the hearing for the Final Order, the Court will determine whether to approve the Arrangement in accordance with the legal requirements and the evidence before the Court. Participation in the hearing for the Final Order, including who may participate and present evidence or argument and the procedure for doing so, is subject to the terms of the Interim Order and any subsequent direction of the Court. Subject to the approval of the Arrangement Resolution by LCL Shareholders at the Meeting, the Company will announce by news release the time and place of the hearing for the Final Order.

See "*Certain Legal and Regulatory Matters – Court Approval and the Final Order*" below and a copy of the Interim Order in Appendix "E".

TSX Approvals

The LCL Common Shares currently trade on the TSX under the symbol "L" and will continue to do so following completion of the Arrangement.

The GWL Common Shares currently trade on the TSX under the symbol "WN". GWL has applied to the TSX for approval of the listing and posting for trading of the GWL Common Shares to be issued pursuant to the Arrangement.

See "*Certain Legal and Regulatory Matters – TSX Approvals*".

Income Tax Considerations

Certain Canadian Federal Income Tax Considerations

Tax Ruling

Loblaw and GWL requested the Tax Ruling from the CRA, which seeks to confirm, among other things, that, based on the provisions of the Tax Act as of the date of the issue of the Tax Ruling, the

LCL Spin-off Butterfly, pursuant to which LCL will transfer the LCL Spin-off Distribution Property to Spinco, will qualify as a tax-deferred "butterfly reorganization" under paragraph 55(3)(b) of the Tax Act for LCL and Spinco.

See "*Certain Legal and Regulatory Matters – Tax Ruling*".

Resident Shareholders

Generally, a Resident Shareholder who holds its LCL Common Shares as capital property for purposes of the Tax Act will not realize a capital gain or capital loss as a result of the transactions in the Arrangement, unless such holder chooses to recognize a capital gain or a capital loss in respect of the exchange of such holder's LCL Spin-off Butterfly Shares for Spinco Common Shares pursuant to the provisions of the Tax Act.

See "*Certain Canadian Federal Income Tax Considerations*".

Non-Resident Shareholders

Generally, a Non-Resident Shareholder who holds its LCL Common Shares as capital property for purposes of the Tax Act will not be subject to Canadian federal income tax as a result of the transactions in the Arrangement.

See "*Certain Canadian Federal Income Tax Considerations*".

Certain United States Federal Income Tax Considerations

The Company believes the receipt of GWL Common Shares pursuant to the Arrangement should be treated as a taxable distribution to LCL Shareholders who are U.S. taxpayers, although the matter is not entirely free from doubt. LCL Shareholders who are U.S. taxpayers are urged to consult their tax advisers regarding the U.S. federal income tax consequences of the Arrangement with regard to their particular circumstances.

See "*Certain United States Federal Income Tax Considerations*".

Risk Factors

LCL Shareholders should be aware that there are various risks in connection with the Arrangement and the ownership of securities of Loblaw and GWL after the Arrangement. In deciding whether to approve the Arrangement Resolution, LCL Shareholders should carefully consider the risk factors described in the section of this Circular entitled "*Risk Factors*".

Selected Pro Forma Financial Information

Appendix "F" attached to this Circular contains unaudited pro forma financial information for Loblaw after giving effect to the Arrangement. The unaudited pro forma financial statements for Loblaw for the year ended December 30, 2017 and the 24-week period ended June 16, 2018, have been prepared on the basis that the Arrangement occurred on the dates set out in the notes to the unaudited pro forma financial statements contained in Appendix "F". The pro forma adjustments are based on the

assumptions described in the notes to the unaudited pro forma financial statements contained in Appendix "F". The unaudited pro forma financial statements are presented for illustrative purposes only and are not necessarily indicative of the operating or financial results that would have occurred had the Arrangement actually occurred on January 1, 2017 or of the results expected in future periods. The unaudited pro forma financial information contained in this Circular should be read in conjunction with the audited annual financial statements of Loblaw for the year ended December 30, 2017 and the unaudited financial statements of Loblaw for the 24-week period ended June 16, 2018, which are each incorporated by reference into this Circular.

Below are certain key impacts that the Arrangement is expected to have on Loblaw's financial statements, which are discussed in further detail below.

	Expressed in millions $	**Status Quo 2017[1]**	**Pro Forma 2017[2]**	***Change***
Income Statement impacts	**Retail Adjusted EBITDA**	**3,836**	**3,320**	***(516)***
	Retail Adjusted EBITDA margin (%)	8.4%	7.2%	*(1.2%)*
	Adjusted EBITDA	**4,089**	**3,512**	***(577)***
	Adjusted EBITDA margin (%)	8.8%	7.5%	*(1.3%)*
	Adjusted Net Income available to common shareholders	1,797	1,561	*($236)*
	Adjusted Diluted EPS	**$4.53**	**$3.93**	***($0.60)***
Balance Sheet impacts	Cash & Cash Equivalents	1,798	1,571	*(227)*
	Total Assets	35,147	30,059	*(5,088)*
	Total Liabilities	22,013	17,601	*(4,412)*

1. Certain 2017 actual figures are 2017 actual figures that have been restated to include the impact of accounting standards implemented in 2018 and changes to accounting polices implemented retrospectively in 2018.

2. Based on the pro forma adjusted net earnings of Loblaw retail; total adjustments are equal to $392 million.

GWL currently consolidates Loblaw and Choice REIT into its financial statements and will continue to do so following completion of the Arrangement. While the presentation of GWL's financial statements may be modified following completion of the Arrangement to reflect that GWL's interest in Choice REIT is held directly instead of indirectly through Loblaw, GWL does not anticipate any substantive material change to its adjusted net earnings due to the Arrangement.

THE MEETING

Time, Date and Place

The Meeting will be held at the Metro Toronto Convention Centre, Meeting Room 714AB, South Building, 22 Bremner Boulevard, Toronto, Ontario, M5V 3L9 on October 18, 2018 at 11:00 a.m. (Toronto time).

Record Date for Notice and LCL Shareholders Entitled to Vote

Loblaw has fixed the close of business on September 17, 2018 for the determination of LCL Shareholders entitled to receive notice of, to attend and to vote at the Meeting, or any adjournment(s) or postponement(s) thereof, as described in this Circular. As of such date, 375,139,818 LCL Common Shares were outstanding and entitled to vote at the Meeting. At the Meeting, each LCL Common Share entitles the holder of record thereof to one vote per LCL Common Share.

Business of the Meeting

At the Meeting, LCL Shareholders will be asked to consider and vote upon, pursuant to the Interim Order, the Arrangement Resolution, as set forth in Appendix "A".

THE ARRANGEMENT

Background to the Arrangement

Loblaw's real estate strategy has been evolving steadily since 2012. The spin-out of Choice REIT is the culmination of that evolutionary process.

Over the past few years, the strategies of Loblaw and Choice REIT have diverged. Loblaw is focused on strengthening its core retail business and growing in areas such as digital retail, connected healthcare, payments and rewards. While its store network is important to the Loblaw retail business, ownership of Choice REIT and real estate is no longer core to its strategy. Choice REIT is focused on mixed-use development and acquisitions, and investments in diversified real estate classes.

Prior to 2012, ownership of real estate was a core pillar of Loblaw's overall strategy. The Company was growing rapidly and new store development was a major source of that growth during the rapid expansion of suburban neighbourhoods surrounding Canada's major urban markets. By 2012, however, new store growth had slowed and capital expenditures became increasingly focused on reinvestment in existing stores to offer customers a more compelling shopping experience.

In parallel with the decline in new store growth, Loblaw realized that its traditional focus on developing real estate exclusively to support its food retail business meant that the value of its real estate holdings was not being maximized. This led to the creation of Choice REIT, which completed its initial public offering in July 2013. Choice REIT was established to acquire the majority of Loblaw's owned real estate and to optimize the value of those properties through development and intensification of the traditional Loblaw-anchored sites, and in so doing to create a solid platform for a growth-oriented public real estate entity that over time would expand its footprint to include other retail-oriented real estate.

As part of the initial public offering, the relationship between Choice REIT and Loblaw was put on a commercial, arm's length basis that protected Loblaw's long-term strategic interests. The arrangements with Choice REIT included long-term leases at market rates and a Strategic Alliance Agreement, which created a mutually beneficial business and operating relationship.

With the creation of Choice REIT, the market value of the LCL Common Shares increased substantially. Following the initial public offering, Loblaw held an approximate 81.7% effective interest in Choice REIT. Concurrent with the offering, GWL purchased an approximate 5.6% interest.

In March 2014, Loblaw acquired Shoppers Drug Mart in a transformative transaction that both expanded and diversified Loblaw's retail operations. Unlike Loblaw, Shoppers Drug Mart had never had a strategy of owning real estate, with virtually all of its stores being located on premises leased from third party landlords.

By the first half of 2015, two key factors were beginning to influence the strategic direction of Choice REIT. First, it was apparent that by 2017, the vast majority of Loblaw's remaining portfolio of owned real estate would be vended-in to Choice REIT, which would require that future growth for Choice REIT come from other sources. Second, the growth of e-commerce and emergence of new, online retailers were significantly changing the retail landscape in Canada, which would require that Choice REIT's strategy evolve to include other, complementary real estate asset classes.

In parallel with the evolution of Choice REIT's strategy, Loblaw's retail strategy was also evolving further. The "bricks and mortar" network of stores remained a foundational pillar of Loblaw's strategy, but it was becoming increasingly clear that ownership of real estate through Choice REIT was no longer critical. Like the traditional approach taken by Shoppers Drug Mart and many other retailers, the strength of Loblaw's store network could be assured through long-term, market-based leases with Choice REIT and other third party landlords.

As the strategies of Loblaw and Choice REIT were evolving, management continued to assess the appropriate relationship between them. In doing so, management consulted with financial and legal advisors to assist in evaluating the merits of various alternative structures. In this process, GWL indicated that it was committed to maintaining control of Choice REIT within the GWL corporate group and Loblaw concurred with that objective from its perspective. Management accordingly proceeded to consider alternatives that were consistent with that objective.

In the summer of 2015, management decided to evaluate the feasibility of a spin-out of Loblaw's interest in Choice REIT pro rata to all shareholders. Strategic planning is a corporate function shared within the GWL corporate group and management assessed and planned the spin-out by Loblaw on that basis. Management undertook extensive work to assess, from the perspective of each of Loblaw, Choice REIT and GWL, the merits and feasibility of such a spin-out. Management did so with the advice of Torys LLP and TD Securities Inc. Management determined that a pro rata spin-out to all shareholders would be the best strategic alternative and would be financially attractive but also determined that spinning out or distributing Loblaw's interest in Choice REIT directly to LCL Shareholders could not be accomplished on a tax-efficient basis. If Loblaw were to have spun out its Choice REIT interest in a direct distribution to all LCL Shareholders, it would have triggered an amount of tax payable by Loblaw that today would be approximately $640 million.

To address this impediment, management and its advisors developed a spin-out structure that would involve distributing the Choice REIT interest to GWL and providing LCL Shareholders other than

GWL and its subsidiaries with the equivalent market value of their pro rata interest in Choice REIT in the form of GWL Common Shares. In this structure, the Choice REIT interest and the GWL Common Shares would be distributed at FMV based on their respective trading prices at the time of the spin-out. That was consistent with the characterization of the transaction as a spin-out and necessary for tax purposes. This structure appeared promising but achieving the desired result of tax-free treatment under Canadian tax law for Loblaw and its shareholders required substantial further analysis and development. Management determined it was not the right time to pursue a spin-out for a variety of business and financial reasons and explored a range of other, unrelated strategic opportunities.

In mid-2017, having resumed its consideration of the spin-out, management determined that it was in a position to seek an advance income tax ruling from the CRA, which was a condition of the spin-out and would take significant time to obtain. Thomas O'Neill, the Lead Independent Director of Loblaw, endorsed this step in order to put the Board in a position where it could assess the merits of the spin-out. The GWL Board, which continued to favour the spin-out, also supported this step. The Tax Ruling Application was submitted to the CRA in September 2017.

In December 2017, the CEO and Chairman briefed the Board on management's continuing work to assess the feasibility of a spin-out, indicating that management would likely bring forward a specific proposal for discussion sometime in 2018 if a viable structure could be confirmed. At that time, Choice REIT was in preliminary discussions with CREIT with respect to a potential transaction. The CEO and Chairman noted that a CREIT transaction, although a separate matter being pursued by Choice REIT, would not change management's view that the spin-out should be pursued if and when there were an appropriate basis for doing so.

In February 2018, Choice REIT announced its proposed acquisition of CREIT. This transformational acquisition expanded Choice REIT's diversified real estate portfolio and made it into Canada's leading diversified REIT. Loblaw and GWL both supported the transaction. As a result of the transaction, Loblaw's then effective interest in Choice REIT of approximately 82.4% was diluted to approximately 61.7%. The transaction closed in May 2018.

The completion of the acquisition of CREIT accelerated the divergence of the strategies of Loblaw and Choice REIT. At a meeting of the Board on June 18, 2018, management provided the Board with management's view as to the merits and feasibility of the spin-out, including the status of the Tax Ruling Application. At that meeting, the Board established the Special Committee to review and evaluate the proposed spin-out and other alternatives, including the current structure, and to determine whether the spin-out would be in the best interests of Loblaw. The members of the Special Committee were Mr. O'Neill, M. Marianne Harris and William Downe. Mr. O'Neill served as Chair. The Special Committee engaged McCarthy Tétrault LLP as its independent legal advisor and BMO Capital Markets as its independent financial advisor.

On June 19, 2018, management met with the GWL Board to provide an overview of the structure for the proposed spin-out and of the process that had been established at Loblaw to assess its merits.

On June 21, 2018, representatives of McCarthy Tétrault LLP met with representatives of Torys LLP to discuss the spin-out structure, including matters relating to the Tax Ruling Application and regulatory and other third party approvals that may be required.

On June 22, 2018, management and representatives of Torys LLP and TD Securities Inc. met with representatives of McCarthy Tétrault LLP and BMO Capital Markets to discuss the spin-out. Management provided an overview of the spin-out, including the strategic rationale, the process

undertaken to date, the characterization of the transaction as a spin-out and valuation consequences, the status of the Tax Ruling process and the implications for holders of equity-based compensation arrangements.

Several meetings and conference calls were held over the following weeks between BMO Capital Markets and the respective management teams of Loblaw, GWL and Choice REIT to assist BMO Capital Markets in its financial analysis work being undertaken on behalf of the Special Committee. Periodic update calls between management and the various legal and financial advisors were also conducted during this time.

On July 19, 2018, the Special Committee met to consider the proposed spin-out. Management provided an overview of the spin-out and a progress update on the Tax Ruling process. The Special Committee then met separately with its advisors and the President and Chief Financial Officer of Loblaw. Representatives of McCarthy Tétrault LLP advised the members of the Special Committee on their duties in the context of the proposed spin-out and the different stakeholder interests that would need to be considered. Representatives of BMO Capital Markets outlined the work they had undertaken to date and the key financial considerations. The Special Committee discussed the strategic rationale for the proposed spin-out and potential alternatives. The Special Committee and its advisors also discussed various other matters, including the potential impact of the proposed spin-out on the trading price of the LCL Common Shares, the appropriate basis for valuing the Choice REIT interest and the tax treatment to Loblaw and LCL Shareholders.

On July 24, 2018, the Board met and received an interim report from the Special Committee and its advisors on the matters that had been discussed by the Special Committee at its previous meeting. The Board discussed the strategic rationale for the proposed spin-out, the work that remained to be completed by BMO Capital Markets and the time required for the Special Committee and the Board to consider and fully understand the implications of the proposed spin-out and to negotiate the terms with GWL. The Board reviewed in detail the anticipated benefits and risks of the proposed spin-out, including the implications for shareholders, debtholders, employees and other stakeholders, the potential market reaction, the impact on Loblaw's credit rating and the ongoing relationship with Choice REIT.

As the Special Committee was considering the proposed spin-out, the Chief Executive Officer and Chairman briefed Stephen Johnson, the President and Chief Executive Officer of Choice REIT, about the proposed spin-out. Mr. Johnson indicated that he thought the spin-out would be positive for Choice REIT.

On July 30, 2018, the GWL Board met and received a report from management on the continued analysis and potential terms of the spin-out transaction and the status of the Tax Ruling Application. The GWL Board requested that management further its financial analysis of the spin-out.

On August 9, 2018, the Special Committee met with its advisors and management to consider the proposed spin-out further. At the commencement of the meeting, the Chairman and Chief Executive Officer was invited to speak to the Special Committee about the proposed spin-out. The Chairman and Chief Executive Officer reiterated management's views about the benefits of the spin-out for each of Loblaw, Choice REIT and GWL. Management then provided the Special Committee with a summary of proposed terms, including the proposed methodology for the calculation of the exchange ratio that would be used to determine the number of GWL Common Shares to be received by LCL Shareholders

in exchange for their pro rata interest in Choice REIT, based on the 5-day VWAP of GWL and Choice REIT. After management and their advisors left the meeting, representatives of BMO Capital Markets provided their financial analysis of each of the Choice REIT interest, Loblaw and GWL in the context of the spin-out as compared with potential alternatives. Representatives of BMO Capital Markets also provided their views regarding anticipated equity capital markets reactions.

The Special Committee met again with its advisors on August 10, 2018 to review the proposal in more detail, including the exchange ratio calculation. Representatives of BMO Capital Markets and McCarthy Tétrault LLP provided their analysis of the proposed terms.

At a regularly scheduled meeting on August 16, 2018, the Board further considered the proposed spin-out and received a report from the Special Committee and its advisors. Management updated the Board on the status of transaction preparedness. After a detailed review and discussion, for the reasons set out below, the Board determined that in principle it favoured proceeding with the spin-out and directed management to advance the Tax Ruling Application and other critical workstreams to put the Special Committee and the Board in a position to make a decision.

On August 20, 2018, management and its advisors provided drafts of the Arrangement Agreement and the Plan of Arrangement to the Special Committee's advisors for their review. Over the course of the next week, representatives of McCarthy Tétrault LLP discussed the drafts with the Special Committee and provided comments to management and their advisors.

At a meeting of the GWL Board on August 21, 2018, management provided a further detailed analysis of the proposed spin-out and TD Securities Inc. provided its financial analysis and assessment of the transaction.

On August 29, 2018, the Special Committee met with its advisors and management with a view to making a decision on whether to recommend the proposed spin-out. In the first part of the meeting, management provided an update on the status of the Tax Ruling and investor communications and reviewed with the Special Committee and its advisors draft investor communications materials. After management left the meeting, representatives of BMO Capital Markets provided their financial analysis of the spin-out. They also confirmed their views regarding equity capital markets reactions and their expectation that they would be in a position to provide a fairness opinion as to the fairness of the consideration to be received by the Minority Shareholders. Representatives of McCarthy Tétrault LLP reported that the draft transaction documentation had been resolved. The Special Committee decided that it would recommend the proposed spin-out to the Board and authorized Mr. O'Neill to contact other members of the Board to discuss the Special Committee's recommendation and analysis in anticipation of a discussion at a Board meeting scheduled for September 4, 2018.

At a meeting on August 30, 2018, the Choice REIT Board was provided with an overview of the proposed spin-out and its implications for Choice REIT and its stakeholders. The Choice REIT board concluded that it was supportive of the spin-out and the long-term support of GWL, which would facilitate further growth of Choice REIT.

On September 4, 2018, the Board met with a view to making a decision on the proposed spin-out. Management provided an update, including on the status of the Tax Ruling Application and investor communications. The Board received an updated presentation from BMO Capital Markets summarizing its analysis of the proposed spin-out and BMO Capital Markets provided an oral opinion

to the Board (which was subsequently confirmed in writing) to the effect that, as of the date thereof and subject to the assumptions, limitations and qualifications described in the LCL Fairness Opinion, the consideration to be received by the Minority Shareholders pursuant to the Arrangement is fair, from a financial point of view, to the Minority Shareholders. The Special Committee provided its unanimous recommendation of the spin-out. The Board unanimously determined to approve the Arrangement and the Arrangement Agreement. The Board also unanimously determined to recommend that shareholders vote in favour of the Arrangement Resolution at the Meeting. The Board noted that the GWL Board was due to meet later in the day and made its approvals conditional on the GWL Board providing its required approvals.

Later that day, the GWL Board met to approve the proposed spin-out. Management provided an update, including on the status of the Tax Ruling Application and investor communications. The GWL Board received an updated presentation from TD Securities Inc. summarizing their analysis of the proposed spin-out and their oral fairness opinion. The GWL Board unanimously determined to approve the Arrangement and the Arrangement Agreement.

Authorized representatives of Loblaw, GWL and Spinco executed the Arrangement Agreement. Loblaw and GWL then announced the spin-out. Choice REIT also announced its support.

Recommendation of the Special Committee

The Board established the Special Committee to, among other things, review and consider the Arrangement and make recommendations to the Board regarding the Arrangement. The Special Committee retained BMO Capital Markets to act as independent financial advisor to Loblaw. BMO Capital Markets has provided the LCL Fairness Opinion to the effect that, as of the date thereof and subject to the assumptions, limitations and qualifications described therein, the consideration to be received by the Minority Shareholders pursuant to the Arrangement is fair, from a financial point of view, to the Minority Shareholders.

The Special Committee, having undertaken a thorough review of, and having carefully considered, information concerning Loblaw, Choice REIT, GWL and the Arrangement, and after consulting with independent financial and legal advisors, has unanimously determined that the Arrangement is in the best interests of Loblaw and fair to the Minority Shareholders. **Accordingly, the Special Committee unanimously recommended that the Board proceed with the Arrangement.**

Recommendation of the Board

After careful consideration, and based upon the unanimous recommendation of the Special Committee, the Board unanimously determined that the Arrangement is in the best interests of Loblaw and the Minority Shareholders.

The Board unanimously recommends that LCL Shareholders vote FOR the Arrangement Resolution.

Reasons for the Arrangement

The Special Committee and the Board, acting with the advice and assistance of legal and financial advisors and management, carefully evaluated the Arrangement and believe that the Arrangement is in

the best interests of Loblaw and the Minority Shareholders. In the course of its evaluation, the Special Committee and Board considered, among other things, the following factors:

- *Ownership of Real Estate No Longer Core* – Loblaw's strategic priorities have evolved such that the ownership of real estate is no longer core to its strategy. Loblaw has progressively moved away from new supermarket square footage as a growth driver and the initial public offering of Choice REIT in 2013 and Loblaw's acquisition of Shoppers Drug Mart in 2014 further reduced its reliance on owned real estate. Today, the majority of Loblaw's retail locations are leased from third parties, and Loblaw's capital investment has shifted away from new stores and towards other growth priorities in digital capabilities, payments and rewards, healthcare, process efficiencies and customer experience. Although stores continue to be an important part of the business, Loblaw does not need to own Choice REIT to manage its store network, and there are long-term leases in place to provide stability going forward. In addition, ownership of Choice REIT will remain with an affiliate, and the Strategic Alliance Agreement between Loblaw and Choice REIT will remain in place, preserving the important relationship between the companies.

- *Enhances Strategic Focus* – The strategies of Loblaw and Choice REIT have diverged. While Loblaw is focused on strengthening its core retail business and growing in areas such as digital retail, connected healthcare and payments, and rewards, Choice REIT's strategic focus is on investments in diversified real estate asset classes, mixed-use development and acquisitions. This divergence has accelerated since Choice REIT's acquisition of CREIT in 2018, with a significant proportion of Choice REIT's portfolio now focused on non-retail asset classes. The Arrangement allows Loblaw to spin out its Choice REIT interest and thus will enhance Loblaw's focus on its own key strategic growth areas, while better positioning Choice REIT to pursue its own growth strategy.

- *Simplified Investment Thesis Potentially Unlocks Value* – Loblaw's EV/EBITDA multiple, excluding its interest in Choice REIT, is currently at the low end of the range of its Canadian grocery retail peers. As a result of the Arrangement, Loblaw will be transformed into a pure-play retailer with a clearer investment thesis, and there is potential for its newly pure-play shares to be revalued more appropriately compared to its peers. Additionally, any holding company discount currently attributed to Loblaw's holding of Choice REIT will be eliminated.

Key Metrics – Loblaw (ex. Choice REIT) vs. Peers

	Loblaw (ex. Choice Properties)	Canadian Peer Range[1]
EV / 2019E EBITDA[2]	6.9x[3]	6.4x - 9.6x
Food Retail SSS Growth[4]	0.6%	0.3% - 0.5%
EBITDA Margin[4]	7.5%	4.2% - 7.8%

1. Canadian peer range includes Metro Inc. and Empire Company Limited. Multiples are based on 2019E analyst consensus.

2. Based on Loblaw and peer 5-day VWAP as at August 31, 2018.

3. Implied multiple is based on analyst consensus 2019E EBITDA, excluding Choice REIT and PC Bank debt from securitized credit card receivables and GICs.

4. SSS (same store sales) growth % and EBITDA Margin are based on last fiscal year. Loblaw EBITDA margin includes PC Bank. For a description of how Loblaw calculates SSS, please see page 127 of Loblaw's 2017 Annual Report.

Illustratively, a 1x EV/EBITDA multiple expansion at Loblaw is equal to approximately $9 per share.

- *Flexibility for Shareholders* – The Arrangement will allow Minority Shareholders to retain similar economic exposure to what they currently have but through two more focused investment opportunities, in Loblaw, a pure-play Canadian retail business and in GWL, a company with a focus on strategic ownership interests in real estate, retail and food.

- *Dividend Increase* – Minority Shareholders who hold their GWL Common Shares and their LCL Common Shares following the Arrangement will receive an aggregate dividend of approximately $1.46 per LCL Common Share annualized, equivalent to an approximate 24% increase relative to Loblaw's current dividend of $1.18 per LCL Common Share annualized. Loblaw plans to hold its absolute dollar dividend per LCL Common Share constant immediately following the Arrangement, resulting in an increase in Loblaw's dividend payout ratio from approximately 26% to approximately 30%[9], which is in line with its peers. In addition, GWL plans to raise its quarterly dividend by approximately 5% to $0.515 (or $2.06 per GWL Common Share annualized) following the Arrangement, which means that Minority Shareholders who continue to hold their GWL Common Shares following the Arrangement will also receive dividends from the 0.135 GWL Common Shares equal to approximately $0.28[10] per LCL Common Share.

- *Only Tax-efficient Form of Spin-out* – The Arrangement is the only form of spin out that can be implemented on a basis that is tax-efficient for both Loblaw and its Canadian shareholders. Loblaw's interest in Choice REIT has an embedded deferred liability for Canadian income tax purposes in an amount that is currently approximately $640 million.[11] If Loblaw were to spin-out, or directly distribute, its interest in Choice REIT to all LCL Shareholders, Loblaw would trigger that entire liability for itself, to the detriment of LCL Shareholders in an implied amount of approximately $1.70 per share[12]. However, by structuring the spin-out on the basis that GWL acquires Loblaw's interest in Choice REIT, Loblaw can implement the spin-out on a basis that is tax-deferred for LCL and GWL under Canadian income tax law. As a result of the Arrangement, GWL will in effect assume Loblaw's former deferred tax liability. In addition, for Canadian income tax purposes, the transactions in the Arrangement will generally occur on a tax-deferred basis for Resident Shareholders who hold their LCL Common Shares as capital property for purposes of the Tax Act. However, the spin-out structure will not avoid or defer taxation of U.S. taxpayers, as the Company believes the receipt of GWL Common Shares pursuant to the Arrangement should be treated for U.S. federal income tax purposes as a taxable distribution to LCL Shareholders who are U.S. taxpayers. However, this matter is not

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9 Calculated as annualized current quarterly dividends per LCL Common Share of $1.18 divided by 2017 actual adjusted diluted EPS of approximately $4.53 and 2017 pro forma adjusted diluted EPS of approximately $3.93.

10 Based on annualized current quarterly dividend per GWL Common Share plus a 5% increase in annualized dividend per GWL Common Share contingent on closing the Arrangement.

11 Based on the Choice REIT 5-day VWAP at closing on August 31, 2018 of $12.53, an ACB of approximately $392 million for the 411,461,783 Trust Units and Class B LP Units held by Loblaw, and a corporate tax rate of 27%.

12 $1.70 equals the approximate $640 million tax liability divided by the approximate 375.9 million LCL Common Shares issued and outstanding, adjusted by dilutive options.

entirely free from doubt. LCL Shareholders who are U.S. taxpayers are urged to consult their tax or financial advisors in this regard.

- *Acceptable Accounting Impact and Preservation of Credit Rating* – Following completion of the Arrangement, Loblaw will deconsolidate Choice REIT from its financial statements. As a result, Loblaw will no longer eliminate rental expenses paid to Choice REIT, which is expected to result in a downwards adjustment to retail adjusted EBITDA of approximately $516[13] million. Adjusted diluted EPS in respect of the LCL Common Shares is expected to decline by approximately $0.60[14], as the LCL Common Share value attributable to Loblaw's effective interest in Choice REIT will be spun out directly to LCL Shareholders. While Loblaw will lose approximately $227[15] million in consolidated cash and cash equivalents, primarily as a result of Loblaw no longer receiving distributions from Choice REIT or Choice LP, it is still expected to generate sufficient excess free cash flow to pursue dividends, share repurchases, strategic acquisitions and other uses. It is also expected that Loblaw's credit rating will be maintained following the Arrangement, as Loblaw's consolidated net debt to adjusted EBITDA is expected to decline due to the distribution of its effective interest in Choice REIT, which is a more highly levered business than Loblaw's other businesses.

- *Superiority to Available Alternatives* – The Special Committee and the Board considered a range of alternatives, including maintaining the status quo, a sale to an arm's length third party and a spin-out to all LCL Shareholders. The Special Committee and the Board also considered GWL's controlling interest in Loblaw and its stated desire to keep control of Choice REIT within the GWL corporate group, together with the divergent corporate strategies of Loblaw and Choice REIT and the tax efficiencies discussed above. Based on the foregoing, the Special Committee and the Board concluded that the Arrangement is the most attractive alternative available to Loblaw.

- *LCL Fairness Opinion* – The Special Committee and the Board have received and considered the LCL Fairness Opinion and its conclusion that, as of the date thereof and subject to assumptions, limitations and qualifications described therein, the consideration to be received by the Minority Shareholders pursuant to the Arrangement is fair, from a financial point of view, to Minority Shareholders.

- *Shareholder and Court Approval* – The procedures by which the Arrangement will be approved, including the Required Shareholder Approval, and the requirement for approval of the Arrangement by the Court after a hearing at which fairness to the shareholders will be considered, offers substantial protection to Minority Shareholders.

The foregoing summary of factors considered by the Board and Special Committee is not intended to be exhaustive. In reaching the determination to unanimously approve and recommend the Arrangement to the LCL Shareholders and given the variety and complexity of factors considered, the Special Committee and the Board did not assign any relative or specific weight to the factors that were considered. Additionally, individual directors may have given different weights to these factors. The Special Committee's and the Board's recommendations were made after consideration of all of the

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13 Based on unaudited 2017 actual status quo and pro forma financials.

14 Based on unaudited 2017 actual status quo and pro forma financials.

15 Based on unaudited 2017 actual status quo and pro forma financials.

above and other factors, the risk factors set out in this Circular, and in light of their collective knowledge of the business, financial condition and prospects of Loblaw and was based upon the advice of financial and legal advisors.

LCL Fairness Opinion

The Special Committee initially contacted BMO Capital Markets regarding a potential financial advisory assignment in June 2018. BMO Capital Markets was formally engaged by the Special Committee pursuant to an agreement dated August 29, 2018 and effective as of June 19, 2018 (the "**BMO Engagement Agreement**"). Under the terms of the BMO Engagement Agreement, BMO Capital Markets has agreed to provide the Special Committee and the Board of Directors with various advisory services in connection with the Arrangement including, among other things, the provision of the LCL Fairness Opinion, subject to appropriate qualifications, as to whether the consideration to be received by the Minority Shareholders pursuant to the Arrangement is fair from a financial point of view.

Under the terms of the BMO Engagement Agreement, BMO Capital Markets will receive a fixed fee for providing advisory services and the LCL Fairness Opinion. The Special Committee has also agreed to reimburse BMO Capital Markets for its reasonable out-of-pocket expenses and to indemnify BMO Capital Markets against certain liabilities that might arise out of its engagement.

Neither BMO Capital Markets, nor any of its affiliates is an insider, associate or affiliate (as those terms are defined in the Securities Act (Ontario) or the rules made thereunder) of Loblaw, GWL or Choice REIT or any of their respective associates (collectively, the "**Interested Parties**").

BMO Capital Markets has not been engaged to provide any financial advisory services nor has it participated in any financings involving the Interested Parties within the past two years, other than, (i) acting as financial advisor to the Special Committee and the Board pursuant to the BMO Engagement Agreement; (ii) acting as joint bookrunner for Eagle Credit Card Trust's $250 million offering of credit card receivables-backed notes which closed on July 17, 2018 (PC Bank, a wholly owned subsidiary of Loblaw, participated in a single seller revolving co-ownership securitization program with Eagle Credit Card Trust); (iii) acting as joint bookrunner for Choice REIT's $1.3 billion offering of senior unsecured debentures, which closed on March 8, 2018, in connection with the acquisition of CREIT; (iv) acting as joint bookrunner for Choice REIT's $650 million offering of senior unsecured debentures which closed on January 12, 2018; (v) acting as joint bookrunner for Eagle Credit Card Trust's $250 million offering of credit card receivables-backed notes which closed on October 10, 2017; and (vi) acting as provider of a $150 million bilateral conduit credit facility to PC Bank which closed on December 11, 2017.

BMO Capital Markets or one or more of its affiliates acts as a lender under GWL's letter of credit facility. BMO Capital Markets is also the counterparty to GWL's equity forward arrangement dated November 8, 2001. In connection with that arrangement, BMO Capital Markets is a lender to GWL and GWL has pledged 9.6 million LCL Common Shares to BMO Capital Markets.

BMO Capital Markets or one or more of its affiliates acts as joint lead arranger, joint bookrunner and syndication agent and as a lender under Loblaw's term loan facility and acts as a lender under other credit facilities for Loblaw or one or more of its affiliated entities.

BMO Capital Markets or one or more of its affiliates acts as a lender under credit facilities for Choice REIT or one or more of its affiliated entities.

BMO Capital Markets or one or more of its affiliates provides certain treasury, insurance, risk management and cash management services to Interested Parties or one or more of their affiliated entities.

There are no understandings, agreements or commitments between BMO Capital Markets and any of the Interested Parties with respect to future business dealings. BMO Capital Markets may, in the future, in the ordinary course of business, provide financial advisory, investment banking, or other financial services to one or more of the Interested Parties from time to time.

BMO Capital Markets and certain of its affiliates act as traders and dealers, both as principal and agent, in major financial markets and, as such, may have had and may in the future have positions in the securities of one or more of the Interested Parties and, from time to time, may have executed or may execute transactions on behalf of one or more Interested Parties for which BMO Capital Markets or such affiliates received or may receive compensation. As investment dealers, BMO Capital Markets and certain of its affiliates conduct research on securities and may, in the ordinary course of business, provide research reports and investment advice to clients on investment matters, including with respect to one or more of the Interested Parties or the Arrangement. In addition, Bank of Montreal ("**BMO**"), of which BMO Capital Markets is a wholly-owned subsidiary, or one or more affiliates of BMO, may provide banking or other financial services to one or more of the Interested Parties in the ordinary course of business.

The LCL Fairness Opinion states that, in the opinion of BMO Capital Markets, as of September 4, 2018, the consideration to be received by the Minority Shareholders pursuant to the Arrangement is fair, from a financial point of view, to the Minority Shareholders.

BMO Capital Markets has not prepared a formal valuation or appraisal of Loblaw, Choice REIT, or GWL and the LCL Fairness Opinion is subject to the assumptions, limitations and qualifications described therein and should be read in its entirety. See Appendix "D" for the full text of the LCL Fairness Opinion. The LCL Fairness Opinion is not a recommendation as to how to vote in respect of the Arrangement Resolution.

Details of the Arrangement

Under the Arrangement, LCL Shareholders other than GWL and its subsidiaries will receive 0.135 of a GWL Common Share for each LCL Common Share held and GWL will receive Loblaw's approximate 61.6% effective interest in Choice REIT. This will provide LCL Shareholders with GWL Common Shares that are equivalent to the market value of their pro rata interest in Choice REIT based on the 5-day VWAP of Choice REIT on the TSX at August 31, 2018 close and the 5-day VWAP of GWL on the TSX at August 31, 2018 close.

Pursuant to the Arrangement, GWL will issue approximately 26.7 million GWL Common Shares to LCL Shareholders. Following the Arrangement, GWL will own an approximate 65.4% effective interest in Choice REIT directly (which includes the approximate 3.8% effective interest in Choice REIT currently owned by wholly-owned, direct subsidiaries of GWL prior to the Arrangement), and GWL will continue to be controlled by Mr. W. Galen Weston who, directly and indirectly through entities which he controls, will own approximately 52.8% of the outstanding GWL Common Shares.

The public shareholders of Loblaw will own approximately 16.8% of the outstanding GWL Common Shares as a result of the Arrangement and Loblaw will have no ownership in Choice REIT. Immediately following the Arrangement, LCL Shareholders will continue to hold the same number of LCL Common Shares that they held immediately prior to the completion of the Arrangement.

Arrangement Agreement

The following is a summary of the material terms and conditions of the Arrangement Agreement; however, it may not contain all of the information about the Arrangement Agreement that is important for LCL Shareholders. This summary is qualified in its entirety by the full text of the Arrangement Agreement which is attached as Appendix "C" to this Circular. LCL Shareholders are urged to read the Arrangement Agreement in its entirety.

The Company, Spinco, and GWL have entered into the Arrangement Agreement providing for, among other things, the terms of the Plan of Arrangement, the conditions to the completion of the Arrangement, actions to be taken prior to and after the Effective Date and certain indemnities. The parties to the Arrangement Agreement have also made certain representations and warranties to each other and have agreed to certain other terms and conditions discussed below.

Covenants Regarding the Arrangement

Subject to the satisfaction or waiver, as applicable, of the terms and conditions set out in the Arrangement Agreement, the parties thereto have agreed to use commercially reasonable efforts and do all things reasonably required to cause the Effective Date to occur on or before December 31, 2018 and, in determining the Effective Date, to ensure coordination between GWL dividends and Choice REIT distributions, it being the intention of the parties thereto that LCL Shareholders should not receive a dividend on GWL Common Shares for any quarter unless GWL is entitled to receive distributions in respect of the effective interest in Choice REIT for the same period.

Conditions Precedent

The parties to the Arrangement Agreement are not required to complete the transactions contemplated by the Arrangement Agreement unless each of the following conditions is satisfied at or prior to the Effective Time, which conditions may be waived, in whole or in part, with the mutual written consent of the parties to the Arrangement Agreement:

(a) the Pre-Arrangement Transactions which are required to be completed prior to the Effective Time, as contemplated in the Tax Ruling, will have been completed;

(b) the Arrangement Resolution will have been approved by the LCL Shareholders at the Meeting in accordance with the Interim Order;

(c) the Interim Order and the Final Order will have each been obtained on terms consistent with the Arrangement Agreement and shall not have been set aside or modified in a manner unacceptable to the parties to the Arrangement Agreement, acting reasonably, on appeal or otherwise;

(d) all governmental, court, regulatory, third party and other approvals, consents, expiry of waiting periods, waivers, permits, exemptions, orders and agreements and all

amendments and modifications to, and terminations of, agreements, indentures and arrangements considered by the parties to the Arrangement Agreement, each acting reasonably, to be necessary or desirable for the completion of the transactions provided for in the Arrangement Agreement, the Plan of Arrangement or the Pre-Arrangement Transactions will have been obtained or received on terms that are satisfactory to the parties to the Arrangement Agreement, each acting reasonably;

(e) no law, regulation or policy will have been proposed, enacted, issued, promulgated, enforced or entered into which would adversely affect any of the parties if the Arrangement was completed or has the effect of making the Arrangement illegal, including any material change to the income tax laws of Canada or the United States that is adverse to any of the parties to the Arrangement Agreement;

(f) there will not be in force any order or decree restraining or enjoining the completion of the transactions contemplated by the Arrangement Agreement;

(g) the Tax Ruling having been received by Loblaw and GWL, in form and substance satisfactory to Loblaw and GWL, will not have been withdrawn or modified and will remain in full force and effect and all of the transactions referred to in the Tax Ruling as occurring on or prior to the Effective Time will have occurred and all conditions or terms of the Tax Ruling shall have been satisfied;

(h) (A) the LCL New Common Shares and the LCL Common Shares to be issued on the conversion of the LCL New Common Shares will have been conditionally approved to continue to be listed and posted for trading on the TSX; and (B) the LCL Common Shares issuable on the exercise of LCL New Stock Options to be issued under the LCL New Stock Option Plan pursuant to the Arrangement will have been conditionally approved for listing and posting for trading on the TSX, subject to, in each case, standard listing conditions imposed by the TSX in similar circumstances;

(i) the Spinco Common Shares will have been conditionally approved for listing and posting for trading on the TSX, subject to standard listing conditions imposed by the TSX in similar circumstances;

(j) (A) the GWL Common Shares and GWL Preferred Shares (including shares issuable on the exercise of GWL stock options issued under GWL's existing stock option plan) will have been conditionally approved to continue to be listed and posted for trading on the TSX; and (B) the GWL Common Shares to be issued to the applicable holders of Spinco Common Shares in accordance with the Plan of Arrangement will have been conditionally approved for listing and posting for trading on the TSX, subject, in each case, to standard listing conditions imposed by the TSX in similar circumstances; and

(k) the Arrangement Agreement will not have been terminated.

Indemnification

The Arrangement Agreement provides for, among other things, a covenant of each of Loblaw, Spinco and GWL that, for a period of three years after the Effective Date, it will not (and it will cause its subsidiaries to not) take any action, omit to take any action or enter into any transaction that could

cause the Pre-Arrangement Transactions, the Arrangement or any transaction contemplated by the Arrangement Agreement to be taxed in a manner that is inconsistent with that provided for in the Tax Ruling without obtaining a tax ruling or an opinion of a nationally recognized accounting firm or law firm that such action, omission or transaction will not have such effect. Each of Loblaw, Spinco and GWL has agreed that it will indemnify the other parties to the Arrangement Agreement against any loss suffered or incurred, directly or indirectly, that results from, or is in connection with, the indemnifying party's breach of this covenant. For a discussion of certain actions and transactions that could cause a loss requiring Loblaw, Spinco or GWL to indemnify the other parties under the Arrangement Agreement, and the associated risks, see "*Certain Legal and Regulatory Matters – Tax Ruling*" and "*Risk Factors – Risks Relating to the Arrangement – Indemnification Obligations*".

Amendments

Subject to the provisions of the Interim Order, the Plan of Arrangement and Applicable Law, the Arrangement Agreement and the Plan of Arrangement may be amended at any time and from time to time before or after the holding of the Meeting, but not later than the Effective Time, with the written agreement of the parties to the Arrangement Agreement, without further notice to or authorization on the part of the LCL Shareholders. It is possible that market or other conditions could make it imprudent to proceed with the Arrangement or make it advisable to otherwise amend the Arrangement Agreement or the Plan of Arrangement. The Arrangement Resolution authorizes the Board to amend, modify or supplement the Arrangement Agreement in accordance with its terms. See Appendix "A".

Termination

The Arrangement Agreement may, at any time before or after the holding of the Meeting but prior to the issuance of the Certificate of Arrangement, be terminated without further notice to or the authorization of the LCL Shareholders (i) by the written agreement of the parties thereto, or (ii) by either GWL or Loblaw if the GWL Board or the Board, as the case may be, determines in good faith after consultation with its financial advisors and outside legal counsel that in order to comply with its fiduciary duties it is necessary to terminate the Arrangement Agreement. The Arrangement Agreement will terminate without any further action of the parties thereto if the Effective Date has not occurred on or before June 30, 2019. The Board considers it appropriate to retain the flexibility not to proceed with the Arrangement should some event occur after the Meeting and prior to the issuance of the Certificate of Arrangement which, in the opinion of the Board, makes it inappropriate to complete the Arrangement. Accordingly, the Arrangement Resolution authorizes the Board not to proceed with the Arrangement prior to the Effective Time without prior notice to or authorization of any of the LCL Shareholders.

Pre-Arrangement Transactions

Prior to the Effective Date, LCL, GWL and certain of their respective subsidiaries have or will undertake the applicable Pre-Arrangement Transactions in preparation for, and to facilitate, the Arrangement. In particular, under the Pre-Arrangement Transactions: (i) LCL and its applicable subsidiaries will undertake various reorganizations to ensure that the Trust Units and Class B LP Units representing LCL's approximate 61.6% effective interest in Choice REIT are held by TC Amalco prior to the Effective Time, and (ii) GWL and its applicable subsidiaries will undertake various reorganizations to ensure that the Trust Units representing GWL's approximate 3.8% effective interest in Choice REIT are held by WFDI Amalco prior to the Effective Time.

On August 14, 2018, LCL incorporated Spinco under the CBCA in order to enter into the Arrangement Agreement and facilitate the Arrangement. Until the Arrangement is effected, Spinco will not have any assets or liabilities, carry on any business or issue any shares in its capital stock. Pursuant to the Arrangement, LCL will transfer to Spinco the LCL-Spin-off Distribution Property, and LCL's approximate 61.6% effective interest in Choice REIT will ultimately be acquired by GWL (as successor of Spinco Amalco, which corporation will be the successor to WFDI Amalco, Spinco and TC Amalco, among other corporations) as part of the Arrangement.

Arrangement Steps

The following description of the steps of the Arrangement is qualified in its entirety by reference to the full text of the Plan of Arrangement set out in Appendix "B" to this Circular. LCL Shareholders are urged to read the Plan of Arrangement in its entirety.

If all of the conditions to the implementation of the Arrangement have been satisfied or waived, the Arrangement will become effective at the Effective Time. Commencing at the Effective Time, except as otherwise specified in the Plan of Arrangement, the following steps shall occur in the following order without any further act or formality required, with each step occurring two minutes after the completion of the immediately preceding step:

Loblaw Spin-off Butterfly

(a) The articles of incorporation of Loblaw will be amended to create and authorize the issuance (in addition to the shares that Loblaw is authorized to issue immediately before such amendment) of the following:

(i) an unlimited number of new common shares (the "**LCL New Common Shares**"), having the rights, privileges, restrictions and conditions set out in Exhibit I to the Plan of Arrangement; and

(ii) an unlimited number of a series of second preferred shares designated as the "Second Preferred Shares, Series C" (the "**LCL Spin-off Butterfly Shares**"), having the rights, privileges, restrictions and conditions set out in Exhibit I to the Plan of Arrangement.

(b) Each LCL Shareholder will exchange each issued and outstanding LCL Common Share that it owns for one LCL New Common Share and one LCL Spin-off Butterfly Share, and the LCL Common Shares so exchanged will be cancelled (the "**LCL Capital Reorganization**"). In connection with the LCL Capital Reorganization:

(i) Loblaw will not make a joint election under the provisions of section 85 of the Tax Act (or the provisions of any corresponding applicable provincial tax legislation) with any LCL Shareholder; and

(ii) the aggregate amount to be added by Loblaw to the stated capital of the LCL New Common Shares and the LCL Spin-off Butterfly Shares will be an amount equal to the aggregate PUC of the LCL Common Shares immediately prior to the LCL Capital Reorganization, and such PUC will be allocated between the LCL New Common Shares and the LCL Spin-off Butterfly Shares

based on the proportion that the FMV of the LCL New Common Shares and the LCL Spin-off Butterfly Shares, as the case may be, is of the aggregate FMV of all of the LCL New Common Shares and the LCL Spin-off Butterfly Shares issued on the LCL Capital Reorganization.

(c) Concurrently with the LCL Capital Reorganization, the LCL New Common Shares will, outside of the Plan of Arrangement, continue to be listed and posted for trading on the TSX (subject to standard listing conditions imposed by the TSX in similar circumstances), and for greater certainty, such continued listing will be effective before the LCL Spin-off Distribution in the Plan of Arrangement.

(d) Concurrently with the LCL Capital Reorganization, and in order to reflect the FMV Reduction of an LCL Common Share, each holder of LCL Stock Options will exchange all of such holder's outstanding LCL Stock Options for a number of LCL New Stock Options (with the aggregate number of LCL New Stock Options being rounded down to the nearest whole number) granting each respective holder the right to acquire a number of LCL Common Shares for an exercise price that when taken together with the number of LCL New Stock Options issued per LCL Stock Option, will result in the aggregate In The Money Amount of a holder's LCL New Stock Options not exceeding the aggregate In The Money Amount of such holder's LCL Stock Options, and the LCL Stock Options so exchanged will be cancelled. None of the LCL New Stock Options will be exercisable until after the completion of the transaction in subsection 3.1(dd) of the Plan of Arrangement.

For the purpose of computing the In The Money Amount of a holder's LCL Stock Option or LCL New Stock Option, the FMV of an LCL Common Share issuable under an LCL Stock Option or an LCL New Stock Option, as the case may be, will be determined based on the weighted average trading price of an LCL Common Share on the TSX for a five-day trading period, beginning on the Effective Date in respect of the LCL New Stock Options, and ending immediately before the Effective Date in respect of the LCL Stock Options.

(e) Concurrently with the LCL Capital Reorganization:

(i) the number of LCL DSUs recorded in the account of each participant in the LCL DSU Plans;

(ii) the number of LCL PSUs recorded in the account of each participant in the LCL PSU Plan; and

(iii) the number of LCL RSUs recorded in the account of each participant in the LCL RSU Plan

will be proportionately increased to reflect the FMV Reduction of an LCL Common Share.

(f) Each holder of LCL Spin-off Butterfly Shares will transfer each LCL Spin-off Butterfly Share that it owns to Spinco in exchange for one Spinco Common Share (the "**Spinco Share Exchange**"). In connection with the Spinco Share Exchange, the aggregate amount to be added by Spinco to the stated capital of the Spinco Common Shares will be an amount equal to the aggregate stated capital of the LCL Spin-off Butterfly Shares so transferred to Spinco.

(g) Concurrently with the issuance of the Spinco Common Shares on the Spinco Share Exchange, the Spinco Common Shares will, outside of the Plan of Arrangement, be listed and posted for trading on the TSX (subject to standard listing conditions imposed by the TSX in similar circumstances), and for greater certainty, such listing will be effective before the LCL Spin-off Distribution in subsection 3.1(h) of the Plan of Arrangement.

(h) Loblaw will transfer the LCL Spin-off Distribution Property to Spinco for a purchase price equal to its aggregate FMV (the "**LCL Spin-off Distribution**"), which Spinco will satisfy by issuing 1,000,000 Spinco Preferred Shares to Loblaw. The aggregate amount to be added by Spinco to the stated capital of the Spinco Preferred Shares will be an amount equal to the agreed amount in the subsection 85(1) election described below.

The net FMV of the LCL Spin-off Distribution Property received by Spinco will be equal to or approximate that proportion of the net FMV of all property owned by Loblaw immediately before the LCL Spin-off Distribution that:

(i) the aggregate FMV of the LCL Spin-off Butterfly Shares owned by Spinco immediately before the LCL Spin-off Distribution;

is of

(ii) the aggregate FMV of all of the issued and outstanding shares in the capital of Loblaw immediately before the LCL Spin-off Distribution.

Loblaw and Spinco will jointly elect, in prescribed form and within the time limits referred to in subsection 85(6) of the Tax Act, to have the provisions of subsection 85(1) of the Tax Act apply to the transfer of the LCL Spin-off Distribution Property, and if applicable, Loblaw and Spinco will jointly elect under the provisions of any corresponding provincial tax legislation. The agreed amount specified in the subsection 85(1) election will be an amount that is not less than the aggregate ACB of the LCL Spin-off Distribution Property to Loblaw immediately before the transfer, which amount will be less than the FMV of such property at the time of the transfer.

(i) Spinco will redeem and cancel all of the Spinco Preferred Shares held by Loblaw and will issue to Loblaw, as payment therefor, the Spinco Redemption Note. Loblaw will accept the Spinco Redemption Note as full payment of the aggregate redemption amount of the Spinco Preferred Shares so redeemed, with the risk of this note being dishonoured. The amount of any deemed dividend resulting from the application of subsection 84(3) of the Tax Act to the redemption of all of the Spinco Preferred Shares will be designated by Spinco, to the extent permitted under the Tax Act, as an eligible dividend.

(j) The first taxation year of Spinco will end.

(k) Loblaw will redeem and cancel all of the LCL Spin-off Butterfly Shares held by Spinco and will issue to Spinco, as payment therefor, the LCL Redemption Note. Spinco will accept the LCL Redemption Note as full payment of the aggregate

redemption amount of the LCL Spin-off Butterfly Shares so redeemed, with the risk of this note being dishonoured. The amount of any deemed dividend resulting from the application of subsection 84(3) of the Tax Act to the redemption of all of the LCL Spin-off Butterfly Shares will be designated by Loblaw, to the extent permitted under the Tax Act, as an eligible dividend.

(l) In order to settle the promissory notes issued by Spinco and Loblaw, the following transactions will occur simultaneously:

(i) Loblaw will satisfy its obligations under the LCL Redemption Note by transferring the Spinco Redemption Note to Spinco and Spinco will accept the Spinco Redemption Note in full satisfaction of Loblaw's obligations under the LCL Redemption Note; and

(ii) Spinco will satisfy its obligations under the Spinco Redemption Note by transferring the LCL Redemption Note to Loblaw and Loblaw will accept the LCL Redemption Note in full satisfaction of Spinco's obligations under the Spinco Redemption Note.

The LCL Redemption Note and the Spinco Redemption Note will be cancelled.

(m) Each holder of LCL New Common Shares will exercise the conversion rights of those shares and each LCL New Common Share will be converted into one LCL Common Share. An amount equal to the stated capital of the LCL New Common Shares will be deducted from the stated capital of those shares and will be added to the stated capital of the LCL Common Shares.

(n) Concurrently with the share conversion in subsection 3.1(m) of the Plan of Arrangement, the LCL Common Shares will, outside of the Plan of Arrangement, continue to be listed and posted for trading on the TSX (subject to standard listing conditions imposed by the TSX in similar circumstances).

Transfer of LCL Common Shares to Holding Companies

(o) WFIC Sub will transfer all of the LCL Common Shares that it owns to WFIC Sub Holdco for a purchase price equal to their FMV, which WFIC Sub Holdco will satisfy by issuing 10,000 common shares in the capital of WFIC Sub Holdco to WFIC Sub. WFIC Sub and WFIC Sub Holdco will file an election under section 85 of the Tax Act (and the provisions of any corresponding applicable provincial tax legislation) in respect of this transfer and an amount equal to the agreed amount in the section 85 election will be added to the stated capital of the common shares in the capital of WFIC Sub Holdco.

(p) Rocky will transfer all of the LCL Common Shares that it owns to Rocky Holdco for a purchase price equal to their FMV, which Rocky Holdco will satisfy by issuing 10,000 common shares in the capital of Rocky Holdco to Rocky. Rocky and Rocky Holdco will file an election under section 85 of the Tax Act (and the provisions of any corresponding applicable provincial tax legislation) in respect of this transfer and an amount equal to the agreed amount in the section 85 election will be added to the stated capital of the common shares in the capital of Rocky Holdco.

(q) Rocky Sub will transfer all of the LCL Common Shares that it owns to Rocky Sub Holdco for a purchase price equal to their FMV, which Rocky Sub Holdco will satisfy by issuing 10,000 common shares in the capital of Rocky Sub Holdco to Rocky Sub. Rocky Sub and Rocky Sub Holdco will file an election under section 85 of the Tax Act (and the provisions of any corresponding applicable provincial tax legislation) in respect of this transfer and an amount equal to the agreed amount in the section 85 election will be added to the stated capital of the common shares in the capital of Rocky Sub Holdco.

WHL Spin-off Butterfly

(r) WFDI Amalco will exchange each issued and outstanding WHL Common Share that it owns for one WHL New Common Share and one WHL Spin-off Butterfly Share, and the WHL Common Shares so exchanged will be cancelled (the "**WHL Capital Reorganization**"). In connection with the WHL Capital Reorganization:

(i) WFDI Amalco and WHL will not make a joint election under the provisions of subsection 85(1) of the Tax Act (or the provisions of any corresponding applicable provincial tax legislation); and

(ii) the aggregate amount to be added by WHL to the stated capital of the WHL New Common Shares and the WHL Spin-off Butterfly Shares will be an amount equal to the aggregate PUC of the WHL Common Shares immediately prior to the WHL Capital Reorganization, and such PUC will be allocated between the WHL New Common Shares and the WHL Spin-off Butterfly Shares based on the proportion that the FMV of the WHL New Common Shares and the WHL Spin-off Butterfly Shares, as the case may be, is of the aggregate FMV of all of the WHL New Common Shares and the WHL Spin-off Butterfly Shares issued on the WHL Capital Reorganization.

(s) WFDI Amalco will transfer all of the WHL Spin-off Butterfly Shares that it owns to WHL/TC for a purchase price equal to their FMV, which WHL/TC will satisfy by issuing 10,000 WHL/TC Common Shares to WFDI Amalco. The aggregate amount to be added by WHL/TC to the stated capital of the WHL/TC Common Shares will be an amount equal to the agreed amount in the subsection 85(1) election described below.

WFDI Amalco and WHL/TC will jointly elect, in prescribed form and within the time limits referred to in subsection 85(6) of the Tax Act, to have the provisions of subsection 85(1) of the Tax Act apply to the transfer of the WHL Spin-off Butterfly Shares, and if applicable, WFDI Amalco and WHL/TC will jointly elect under the provisions of any corresponding provincial tax legislation. The agreed amount specified in the subsection 85(1) election will be an amount that is not less than the aggregate ACB of the WHL Spin-off Butterfly Shares to WFDI Amalco immediately before the transfer, which amount will be less than the FMV of such shares at the time of the transfer.

(t) WHL will transfer the WHL Spin-off Distribution Property to WHL/TC for a purchase price equal to its aggregate FMV (the "**WHL Spin-off Distribution**"), which WHL/TC will satisfy by issuing 1,000,000 WHL/TC Preferred Shares to WHL. The

aggregate amount to be added by WHL/TC to the stated capital of the WHL/TC Preferred Shares will be an amount equal to the aggregate agreed amounts in the subsection 85(1) election described below.

The net FMV of the WHL Spin-off Distribution Property received by WHL/TC will be equal to or approximate that proportion of the net FMV of all property owned by WHL immediately before the WHL Spin-off Distribution that:

(i) the aggregate FMV of the WHL Spin-off Butterfly Shares owned by WHL/TC immediately before the WHL Spin-off Distribution;

is of

(ii) the aggregate FMV of all of the issued and outstanding shares in the capital of WHL immediately before the WHL Spin-off Distribution.

WHL and WHL/TC will jointly elect, in prescribed form and within the time limits referred to in subsection 85(6) of the Tax Act, to have the provisions of subsection 85(1) of the Tax Act apply to the transfer of the WHL Spin-off Distribution Property, and if applicable, WHL and WHL/TC will jointly elect under the provisions of any corresponding provincial tax legislation. The agreed amount of each eligible property in the subsection 85(1) election will be an amount that is not less than the aggregate ACB of each property to WHL immediately before the transfer, which amount will be less than the FMV of such property at the time of the transfer.

(u) WHL/TC will redeem all of the WHL/TC Preferred Shares held by WHL and will issue to WHL, as payment therefor, the WHL/TC Redemption Note. WHL will accept the WHL/TC Redemption Note as full payment of the aggregate redemption amount of the WHL/TC Preferred Shares so redeemed, with the risk of this note being dishonoured. The amount of any deemed dividend resulting from the application of subsection 84(3) of the Tax Act to the redemption of all of the WHL/TC Preferred Shares will be designated by WHL/TC, to the extent permitted under the Tax Act, as an eligible dividend.

(v) The first taxation year of WHL/TC will end.

(w) WHL will redeem all of the WHL Spin-off Butterfly Shares held by WHL/TC and will issue to WHL/TC, as payment therefor, the WHL Redemption Note. WHL/TC will accept the WHL Redemption Note as full payment of the aggregate redemption amount of the WHL Spin-off Butterfly Shares so redeemed, with the risk of this note being dishonoured. The amount of any deemed dividend resulting from the application of subsection 84(3) of the Tax Act to the redemption of all of the WHL Spin-off Butterfly Shares will be designated by WHL, to the extent permitted under the Tax Act, as an eligible dividend.

(x) In order to settle the promissory notes issued by WHL/TC and WHL, the following transactions will occur simultaneously:

(i) WHL will satisfy its obligations under the WHL Redemption Note by transferring the WHL/TC Redemption Note to WHL/TC and WHL/TC will

accept the WHL/TC Redemption Note in full satisfaction of WHL's obligations under the WHL Redemption Note; and

(ii) WHL/TC will satisfy its obligations under the WHL/TC Redemption Note by transferring the WHL Redemption Note to WHL and WHL will accept the WHL Redemption Note in full satisfaction of WHL/TC's obligations under the WHL/TC Redemption Note.

The WHL Redemption Note and the WHL/TC Redemption Note will be cancelled.

(y) WFDI Amalco will exercise its conversion rights on the WHL New Common Shares and each WHL New Common Share will be converted into one WHL Common Share. An amount equal to the stated capital of the WHL New Common Shares will be deducted from the stated capital of those shares and will be added to the stated capital of the WHL Common Shares.

Amalgamation of WFDI Amalco, Spinco, TC Amalco and Certain Other Subsidiaries of GWL

(z) WFDI Amalco, WHL/TC, 2397454, Rocky, Rocky Sub, WFIC Sub, Spinco and TC Amalco (referred to in this subsection as "predecessor corporations") will amalgamate pursuant to the provisions of section 181 of the CBCA to form Spinco Amalco in such a manner that, on and by virtue of the amalgamation:

(i) WFDI Amalco, WHL/TC, 2397454, Rocky, Rocky Sub, WFIC Sub, Spinco and TC Amalco will cease to exist as entities separate from Spinco Amalco;

(ii) Spinco Amalco will possess all the property, rights, privileges and franchises (including all of the Class B LP Units, and the related Special Voting Units, and the Trust Units held by a predecessor corporation, but excluding any amounts receivable from any predecessor corporation) and will be subject to all liabilities, including civil, criminal and quasi-criminal, and all contracts, disabilities and debts of each of the predecessor corporations (other than any amounts payable to any predecessor corporation);

(iii) each issued and outstanding share in the capital of a predecessor corporation, other than common shares in the capital of WFDI Amalco described in paragraph 3.1(z)(vi) of the Plan of Arrangement and the Spinco Common Shares described in paragraph 3.1(z)(vii) of the Plan of Arrangement, immediately prior to the amalgamation will be cancelled without any repayment of capital in respect thereof;

(iv) the Articles of Arrangement will be the articles of amalgamation of Spinco Amalco and the certificate of arrangement will be the certificate of amalgamation of Spinco Amalco;

(v) Spinco Amalco's share capital will be comprised of common shares having the same terms and conditions as the common shares in the capital of WFDI Amalco (the "**Spinco Amalco Common Shares**") and preferred shares having the same terms and conditions as the preferred shares in the capital of WFDI Amalco (the "**Spinco Amalco Preferred Shares**");

(vi) each issued and outstanding common share in the capital of WFDI Amalco immediately prior to the amalgamation will be converted into one Spinco Amalco Common Share;

(vii) each issued and outstanding Spinco Common Share (other than a Spinco Common Share held by a predecessor corporation) will be cancelled, and in consideration therefor, GWL will issue to each such holder of Spinco Common Shares a number of GWL Common Shares per Spinco Common Share equal to the Spinco/GWL Conversion Ratio, and such holders will receive cash in lieu of any fractional shares;

(viii) as consideration for the issuance of the GWL Common Shares as described in paragraph 3.1(z)(vii) of the Plan of Arrangement, Spinco Amalco will issue 1,000,000 Spinco Amalco Preferred Shares to GWL;

(ix) the stated capital of the Spinco Amalco Common Shares, and the stated capital of the Spinco Amalco Preferred Shares, will be an amount equal to $0.01;

(x) the amount to be added by GWL to the stated capital of the GWL Common Shares will be an amount equal to the PUC of the Spinco Common Shares described in paragraph 3.1(z)(vii) of the Plan of Arrangement immediately before the amalgamation;

(xi) no securities will be issued except as described in paragraph 3.1(z)(viii) of the Plan of Arrangement, and no assets will be distributed, by Spinco Amalco in connection with the amalgamation;

(xii) the name of Spinco Amalco will be "Weston Food Distribution Inc.";

(xiii) the registered office of Spinco Amalco will be 22 St. Clair Avenue East, Suite 1901, Toronto, Ontario M4T 2S5;

(xiv) with respect to the directors of Spinco Amalco: (A) the directors will consist of a minimum number of three directors and a maximum number of six directors, (B) until changed by the sole shareholder of Spinco Amalco, or by the directors of Spinco Amalco if authorized to do so, the number of directors of Spinco Amalco will be three (3), and (C) the initial directors of Spinco Amalco will be: Gordon Currie, Richard Dufresne and Andrew Bunston, each of whom is a resident Canadian;

(xv) there will be no restrictions on the business Spinco Amalco may carry on or on the powers it may exercise; and

(xvi) the by-laws of Spinco Amalco will be the by-laws of WFDI Amalco, mutatis mutandis.

Amalgamation of GWL and Spinco Amalco

(aa) GWL and Spinco Amalco (referred to in this subsection as "predecessor corporations") will amalgamate pursuant to the provisions of section 181 and

subsection 184(1) of the CBCA to form an amalgamated entity named "George Weston Limited" in such a manner that, on and by virtue of the amalgamation:

(i) GWL and Spinco Amalco will cease to exist as entities separate from GWL;

(ii) GWL will possess all the property, rights, privileges and franchises (including all of the Class B LP Units, and the related Special Voting Units, and the Trust Units held by a predecessor corporation, but excluding any amounts receivable from any predecessor corporation) and will be subject to all liabilities, including civil, criminal and quasi-criminal, and all contracts, disabilities and debts of each of the predecessor corporations (other than any amounts payable to any predecessor corporation);

(iii) each issued and outstanding share in the capital of Spinco Amalco immediately prior to the amalgamation will be cancelled without any repayment of capital in respect thereof;

(iv) GWL's share capital will be comprised of common shares having the same terms and conditions as the GWL Common Shares and preferred shares having the same terms and conditions as the respective class or series of GWL Preferred Shares;

(v) the issued and outstanding GWL Common Shares and GWL Preferred Shares immediately prior to the amalgamation will survive and continue to be GWL Common Shares and GWL Preferred Shares, respectively, without amendment;

(vi) the stated capital of the GWL Common Shares and each class or series of GWL Preferred Shares will be an amount equal to the stated capital of the GWL Common Shares and the corresponding class or series of GWL Preferred Shares, respectively, immediately before the amalgamation;

(vii) no securities will be issued and no assets will be distributed by GWL in connection with the amalgamation;

(viii) the name of GWL will be "George Weston Limited";

(ix) the registered office of GWL will be 22 St. Clair Avenue East, Suite 1901, Toronto, Ontario M4T 2S5;

(x) there will be no restrictions on the business GWL may carry on or on the powers it may exercise;

(xi) the by-laws of GWL will be the by-laws of GWL, mutatis mutandis; and

(xii) in accordance with subsection 184(1) of the CBCA, the articles of amalgamation and directors of GWL will be the same as the articles of incorporation and directors, respectively, of GWL immediately prior to the amalgamation in subsection 3.1(aa) of the Plan of Arrangement.

(bb) Concurrently with the continuation of the GWL Common Shares and GWL Preferred Shares pursuant to the amalgamation of GWL as described in subsection 3.1(aa) of the Plan of Arrangement:

(i) the GWL Common Shares and GWL Preferred Shares will, outside of the Plan of Arrangement, continue to be listed and posted for trading on the TSX; and

(ii) each outstanding stock option to acquire a GWL Common Share will become a stock option entitling the holder to acquire the same number of GWL Common Shares, and GWL's stock option plan will become the stock option plan of GWL, with all of the other terms and conditions of, and restrictions on, the stock options, including the exercise price, the vesting conditions and the exercise or surrender restrictions, being the same as the stock options to acquire GWL Common Shares.

Issuance of GWL Common Shares

(cc) As part of the Arrangement, GWL expects to issue 1,296,000 GWL Common Shares to a third party for a cash subscription price per GWL Common Share equal to the effective price being used for the GWL Common Shares being issued to LCL Shareholders in the Arrangement.

Amendment to Loblaw Articles

(dd) The articles of incorporation of Loblaw will be amended to delete the amendments made to the authorized capital of Loblaw pursuant to the Plan of Arrangement, such that the articles of incorporation of Loblaw as so amended will be the articles of Loblaw as they read immediately before the Effective Time.

Delivery of Shares

As soon as practicable following the Effective Time, Computershare will deliver to each Registered Shareholder (other than GWL and its subsidiaries) at the close of business on the Distribution Record Date direct registration system (DRS) statements for the GWL Common Shares to which such Registered Shareholder is entitled pursuant to the Arrangement. Such DRS statements will be sent to Registered Shareholders by mail to the most recent address of the LCL Shareholder on the lists of Registered Shareholders maintained by Computershare in respect of the LCL Common Shares.

No new certificates will be issued in respect of the LCL Common Shares, which will remain outstanding.

Cash In Lieu of Fractional Shares

In no event shall any fractional GWL Common Shares be issued under the Arrangement. If the aggregate number of GWL Common Shares to be issued to a LCL Shareholder under the Arrangement would result in a fraction of a GWL Common Share being issuable, then the number of GWL Common Shares to be issued to such LCL Shareholder shall be rounded down to the closest whole number and, in lieu of the issuance of a fractional GWL Common Share thereof, GWL will pay to each such holder a cash payment (rounded down to the nearest cent) determined by reference to the 5-day VWAP of GWL Common Shares on the TSX at August 31, 2018 close of $101.76.

Expenses of the Arrangement

Each of Loblaw and GWL will bear its own out-of-pocket expenses relating to the Arrangement and the transactions contemplated hereby. The estimated fees, costs and expenses of the Arrangement, payable by Loblaw are expected to be approximately $9 million, including financial advisory fees, legal and accounting fees, tax advisor fees, printing, solicitation and mailing costs, and stock exchange and regulatory filing fees.

Compensation Modifications

Certain modifications will be made to Loblaw's compensation arrangements in connection with the Arrangement. The objective is to make such modifications on a basis that will result in compensation arrangements as equivalent as possible to those in effect prior to the Arrangement becoming effective. Other than as described herein, the Arrangement will not result in employees, officers or directors of Loblaw receiving any material benefit that LCL Shareholders do not receive generally in connection with the Arrangement. There will be no accelerated vesting of options, triggering of change in control provisions or other payments or, other than described herein, benefits being made to the employees, officers or directors of Loblaw in connection with the Arrangement.

Treatment of Outstanding LCL Stock Options

Under the Arrangement, in order to reflect the FMV Reduction of an LCL Common Share, each holder of LCL Stock Options will exchange all of his or her outstanding LCL Stock Options for the same number of LCL New Stock Options granting each respective holder the right to acquire a number of LCL Common Shares for an exercise price that when taken together with the number of LCL Common Shares such LCL New Stock Option is exercisable for, will result in the aggregate in the money amount of a holder's LCL New Stock Options not exceeding the aggregate in the money amount of such holder's LCL Stock Options, and the LCL Stock Options so exchanged will be cancelled. The material financial terms and conditions of LCL New Stock Options will be substantially similar to those of the LCL Stock Options, other than the exercise price and the number of LCL Common Shares each LCL New Stock Option is exercisable for.

For the purpose of computing the in the money amount of a holder's LCL Stock Option or LCL New Stock Option, the FMV of an LCL Common Share issuable under an LCL Stock Option or an LCL New Stock Option, as the case may be, will be determined based on the VWAP of an LCL Common Share on the Exchange for a five-day trading period, beginning on the Effective Date in respect of the LCL New Stock Options, and ending immediately before the Effective Date in respect of the LCL Stock Options.

Treatment of LCL DSUs, LCL RSUs, LCL PSUs, and EBP Trust

Under the Arrangement, the number of LCL DSUs, LCL RSUs and LCL PSUs recorded in the account of each participant in the LCL DSU Plan, LCL RSU Plan and LCL PSU Plan, respectively, will be proportionately increased to reflect the FMV Reduction of an LCL Common Share.

Following the completion of the Arrangement, it is expected that the EBP Trusts will dispose of any GWL Common Shares in the market, and if necessary, purchase additional LCL Common Shares in the market, to ensure that they hold the appropriate number of LCL Common Shares after taking into account the FMV Reduction of an LCL Common Share.

CERTAIN LEGAL AND REGULATORY MATTERS

Steps to Implementing the Arrangement and Timing

Completion of the Arrangement is subject to the conditions precedent in the Arrangement Agreement having been satisfied or, where legally permissible, waived, as applicable, including receipt of the following:

- the Required Shareholder Approval;
- the Final Order;
- the TSX Approvals; and
- the Tax Ruling;

The Company intends to file the Articles of Arrangement with the Director as soon as reasonably practicable after the satisfaction or, where legally permissible, waiver, as applicable, of the conditions set forth in the Arrangement Agreement (other than those which by their nature are to be satisfied at the Effective Time). Subject to the receipt of the Required Shareholder Approval, the issue of the Final Order, the receipt of the TSX Approvals, the issue of the Tax Ruling, and the completion of the Pre-Arrangement Transactions, it is anticipated that the Arrangement will be completed in the fourth quarter of 2018. However, completion of the Arrangement is dependent on many factors and it is not possible at this time to determine precisely when the Arrangement will become effective.

Required Shareholder Approval

At the Meeting, LCL Shareholders will be asked to approve the Arrangement Resolution. In accordance with the Interim Order, the approval of the Arrangement Resolution will require the affirmative vote of:

1. not less than 66⅔% of the votes cast at the Meeting by LCL Shareholders, voting together as a single class; and

2. not less than a majority of the votes cast at the Meeting by Minority Shareholders.

See "*Canadian Securities Law Matters – MI 61-101*".

GWL intends to vote for the Arrangement Resolution.

Notwithstanding the approval by the LCL Shareholders of the Arrangement Resolution in accordance with the foregoing (the "**Required Shareholder Approval**"), the Arrangement Resolution authorizes the Board to, without notice to or approval of the LCL Shareholders, (i) amend, modify or supplement the Arrangement Agreement or the Plan of Arrangement to the extent permitted thereby, as described under "*The Arrangement – Arrangement Agreement – Amendments*", and (ii) subject to the terms of the Arrangement Agreement, not to proceed with the Arrangement and/or any related transactions.

The Arrangement is not required to be approved by existing holders of GWL Common Shares because the number of GWL Common Shares to be issued will be less than 25% of the number of currently issued and outstanding GWL Common Shares and all GWL shareholders, including Wittington, will be similarly affected by the dilution.

Court Approval and the Final Order

It is a condition of the Arrangement Agreement that the Interim Order and the Final Order must be obtained from the Court. Prior to the mailing of this Circular, the Company obtained the Interim Order, which provides for, among other things:

- the calling and holding of the Meeting;
- the Required Shareholder Approval;
- the quorum requirement at the Meeting in respect of the LCL Shareholders;
- the notice requirements with respect to the presentation of the application to the Court for the Final Order; and
- the ability of the Company to adjourn or postpone the Meeting from time to time in accordance with the terms of the Arrangement Agreement without the need for additional approval of the Court.

It is expected that shortly after the Meeting, subject to the approval of the Arrangement Resolution by LCL Shareholders at the Meeting, an application will be made for the Court's final approval of the Arrangement. At the hearing for the Final Order, the Court will determine whether to approve the Arrangement. Participation in the hearing for the Final Order, including who may participate and present evidence or argument and the procedure for doing so, is subject to the terms of the Interim Order and any subsequent direction of the Court. Subject to the approval of the Arrangement Resolution by LCL Shareholders at the Meeting, the Company will announce by news release the time and place of the hearing for the Final Order. The copy of the Interim Order is appended hereto as Appendix "E".

At the hearing for the Final Order, the Court will consider, among other things, the fairness and reasonableness of the Arrangement and the rights of every person affected. The Court may approve the Arrangement in any manner the Court may direct, subject to compliance with such terms and conditions, if any, as the Court deems fit. In connection with the hearing for the Interim Order, the Court was informed that the Final Order will also constitute the basis for an exemption from registration under the U.S. Securities Act for the GWL Common Shares to be issued pursuant to the Arrangement to LCL Shareholders pursuant to Section 3(a)(10) of the U.S. Securities Act.

TSX Approvals

The LCL Common Shares currently trade on the TSX under the symbol "L" and will continue to do so following completion of the Arrangement.

The GWL Common Shares currently trade on the TSX under the symbol "WN". GWL has applied to the TSX for approval of the listing and posting for trading of the GWL Common Shares to be issued pursuant to the Arrangement.

The receipt of the TSX's approval for the above listings, in addition to other technical listings required pursuant to the Arrangement, subject only to the satisfaction of the standard listing conditions imposed by the TSX in similar circumstances, is a condition precedent to the completion of the Arrangement under the terms of the Arrangement Agreement, and the Company will not proceed with the Arrangement without all required TSX Approvals.

Types of Trading and Markets

The following is a summary of the trading markets that are expected to develop for the LCL Common Shares prior to the Effective Date. LCL Shareholders are encouraged to consult their brokers and financial advisors regarding the specific consequences of trading LCL Common Shares prior to the Effective Date.

Due Bills

Due Bills are entitlements that can be used to defer the "ex-distribution" trading of listed securities undergoing certain material corporate events such as stock-splits, spin-offs or other distributions in circumstances where the effective date or payment date of the event cannot be determined with certainty in advance. Generally, Due Bills attach to securities traded during the period that commences on the date that is two trading days prior to the expected record date and come off at the close of trading on the applicable payment/effective date (the "**Due Bill Period**"). This allows the listed security to carry the appropriate market value until the entitlement has been paid.

Historically, the general process in the Canadian securities industry has been for listed securities of an issuer that are entitled to a distribution to commence trading on an "ex-distribution" basis (i.e. purchases of the security will no longer have an attaching right to the distribution) at the opening of trading on the date that is two trading days prior to the record date (the "**Ex Date**"). For example, in the event that a cash dividend is declared payable on a listed security to securityholders as of the record date, the listed security would begin to trade without the entitlement to receive the dividend at the opening of trading on the Ex Date in recognition of the fact that such trades will settle two trading days after the trade date and, accordingly, the buyer will not be a securityholder of record on the record date for the dividend despite having purchased the security prior to the record date. As a result, the market value of the listed security will typically decline as of the Ex Date to reflect this lack of entitlement.

With respect to the Arrangement, since completion of the Arrangement is subject to the satisfaction of conditions precedent, it is possible that the Arrangement will not be completed on the expected Effective Date or at all, in which case the expected Distribution Record Date will change or be nullified, as the case may be. Therefore, the Ex Date in respect of the Arrangement cannot be determined with certainty and market valuation issues could arise between the expected Ex Date and the actual Effective Date. Accordingly, Due Bill trading will be used in connection with the Arrangement in order to address such uncertainties.

Due Bill trading may only be used in connection with a "push-out" of listed securities (i.e. where the certificates representing the originally listed securities to which the entitlement attaches will not be replaced with new certificates; rather, only the entitlement (e.g. the dividend, shares of a new company, etc.) will be "pushed-out" to shareholders). In the case of the Arrangement, this means that Due Bill trading will only be used in connection with the LCL Common Shares, as the certificates representing the LCL Common Shares will not be replaced with new certificates (the certificates representing the LCL Common Shares will continue to represent the LCL Common Shares from and after the Effective Time) and only certificates representing the GWL Common Shares (the "entitlement") will be "pushed-out" (i.e. delivered to the registered holders of LCL Common Shares as at the close of business on the Distribution Record Date). Please see "*The Arrangement – Delivery of New Share Certificates*" for further information in this regard.

Any LCL Common Shares traded during the Due Bill Period will have Due Bills attached and will therefore carry the right to receive GWL Common Shares. By using a Due Bill market for the LCL

Common Shares/GWL Common Shares, the Ex Date for the LCL Common Shares will be deferred and buyers and sellers of the LCL Common Shares will be certain of the entitlements attaching thereto. LCL Shareholders trading such LCL Common Shares during the Due Bill Period will not be required to take any special action. Any trades of LCL Common Shares that are executed during the Due Bill Period will be automatically flagged to ensure purchasers receive the distribution entitlement and sellers do not.

Canadian Securities Law Matters

MI 61-101

As a reporting issuer or the equivalent in all provinces and territories of Canada, the Company is, among other things, subject to MI 61-101. MI 61-101 regulates certain types of related party and other transactions to ensure equality of treatment among security holders and may require enhanced disclosure, approval by a majority of security holders (excluding interested or related parties), independent valuations and, in certain instances, approval and oversight of certain transactions by a special committee of independent directors. The protections afforded by MI 61-101 apply to, among other transactions, "business combinations" (as defined in MI 61-101) which may terminate the interests of security holders without their consent and "related party transactions" (as defined in MI 61-101), being transactions with a related party. The Arrangement is considered both a business combination and a related party transaction in respect of the Company. In such situations, MI 61-101 specifies that the rules applicable to business combinations will govern. MI 61-101 generally requires an issuer to obtain a formal valuation and seek minority approval before completing a business combination.

Pursuant to MI 61-101, the Arrangement is not a business combination for which a formal valuation is required as the Company is not being acquired as a part of the Arrangement.

Loblaw is required to seek minority approval for the Arrangement Resolution. Each of Wittington and GWL may be considered an "interested party" or a "related party of an interested party" (as such terms are defined in MI 61-101) in respect of the Arrangement. Accordingly, the votes attached to the LCL Common Shares held by Wittington, GWL, each of their respective directors and senior officers, and any other related party of GWL within the meaning of MI 61-101 will be excluded in determining minority approval of the Arrangement Resolution.

As at September 18, 2018, Loblaw estimates that a total of 193,577,357 LCL Common Shares (approximately 51.6% of the outstanding LCL Common Shares) will be excluded in determining whether minority approval for the Arrangement Resolution is obtained, including: (i) 187,815,136 LCL Common Shares beneficially owned, or which are controlled or directed, directly or indirectly by GWL; (ii) 5,096,189 LCL Common Shares beneficially owned, or which are controlled or directed, directly or indirectly by Mr. W. Galen Weston; and (iii) 666,032 LCL Common Shares beneficially owned, or which are controlled or directed, directly or indirectly by the directors or senior officers of Wittington and GWL.

Qualification and Resale of Securities

The GWL Common Shares to be issued in connection with the Arrangement will be issued in reliance on an exemption from the prospectus requirements of securities legislation in each province and territory of Canada. Subject to certain disclosure and regulatory requirements and to customary restrictions applicable to distributions of shares that constitute "control distributions", the GWL

Common Shares issued pursuant to the Arrangement may be resold in each province and territory in Canada, subject in certain circumstances, to the usual conditions that no unusual effort, or no effort, has been made to prepare the market or create demand.

United States Securities Laws Matters

The following discussion is only a general overview of certain requirements of U.S. federal securities laws that may be applicable to holders of the GWL Common Shares to be issued in connection with the Arrangement. All holders of such securities are urged to obtain legal advice to ensure that the resale of such securities complies with applicable U.S. federal and state securities laws.

Exemption from U.S. Registration

The issuance of the GWL Common Shares pursuant to the Arrangement will not be registered under the U.S. Securities Act and will be made in reliance on Section 3(a)(10) of the U.S. Securities Act. Section 3(a)(10) of the U.S. Securities Act exempts from registration the offer and sale of a security which is issued in exchange for outstanding securities, claims or property interests, or partly in such exchange and partly for cash, where the terms and conditions of such issue and exchange are approved, after a hearing upon the fairness of such terms and conditions at which all persons to whom it is proposed to issue securities in such exchange have the right to appear, by a court or governmental authority expressly authorized by law to grant such approval. The Final Order, if granted, will constitute the basis for the Section 3(a)(10) exemption from the registration requirements of the U.S. Securities Act with respect to the GWL Common Shares issued in connection with the Arrangement. In connection with the hearing for the Interim Order, the Court will be advised that the GWL Common Shares will be issued in reliance on the Section 3(a)(10) exemption.

The U.S. Securities Act will impose certain restrictions on resale on the GWL Common Shares to be received by a LCL Shareholder who will be an "affiliate" of GWL after the Arrangement. As defined in Rule 144 under the U.S. Securities Act, an "affiliate" of an issuer is a person that directly or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with, the issuer. Typically, persons who are executive officers, directors or 10% or greater shareholders of an issuer are considered to be its "affiliates".

LCL Shareholders who are not "affiliates" of GWL, and have not been "affiliates" of GWL within 90 days of the date of the Arrangement, may resell their GWL Common Shares issued to them pursuant to the Arrangement in the United States without restriction under the U.S. Securities Act.

LCL Shareholders who are "affiliates" of GWL after the Arrangement may not resell their GWL Common Shares that they receive in connection with the Arrangement in the absence of registration under the U.S. Securities Act, unless an exemption from registration is available, such as the exemptions contained in Rule 144 or Regulation S under the U.S. Securities Act.

Tax Ruling

The respective obligations of the parties to the Arrangement Agreement to complete the Arrangement are conditional upon: (i) the Tax Ruling having been received by Loblaw and GWL, in form and substance satisfactory to Loblaw and GWL, and the Tax Ruling not having been withdrawn or modified and remaining in full force and effect, (ii) all of the transactions (including the Pre-Arrangement Transactions) referred to in the Tax Ruling as occurring on or prior to the Effective Time having occurred, and (iii) all conditions or terms of the Tax Ruling having been satisfied.

The Tax Ruling is expected to confirm that, based on the provisions of the Tax Act as of the date of the issue of the Tax Ruling, the LCL Spin-off Butterfly, whereby LCL will transfer the LCL Spin-off Distribution Property to Spinco, will be treated for the purposes of the Tax Act as a tax-deferred "butterfly reorganization" under paragraph 55(3)(b) of the Tax Act, thereby not imposing any material current Canadian federal income tax on any of Loblaw, Spinco (or GWL, as the successor to Spinco), their affiliates or Resident Shareholders who hold their LCL Common Shares as capital property for purposes of the Tax Act. The Tax Ruling is also expected to confirm that the Pre-Arrangement Transactions that are intended to occur on a tax-deferred basis under the Tax Act will generally occur on a tax-deferred basis for Loblaw, GWL and their applicable subsidiaries and affiliates. Loblaw and GWL have submitted the Tax Ruling Application to the CRA, and expect to receive the Tax Ruling on a timely basis, although no assurances can be given in that regard.

Advance income tax rulings are issued by the CRA in respect of provisions of the Tax Act as enacted as of the date of the relevant ruling and are binding upon the CRA, provided that the material facts presented are accurately stated and the transactions are implemented as disclosed to the CRA. This requires, among other things, that the transactions comply with all requirements of the public company "butterfly" rules in section 55 of the Tax Act. The LCL Spin-off Butterfly to occur as part of the Arrangement is structured to comply with these rules. However, there are certain requirements of these rules that may depend on events occurring after the Arrangement is completed or that may not be within the control of Loblaw, GWL or Spinco (or GWL, as the successor of Spinco). For example, under section 55 of the Tax Act, Loblaw and Spinco will recognize a taxable gain on the transfer by Loblaw of the LCL Spin-off Distribution Property as part of the LCL Spin-off Butterfly if: (i) within three years of the transfer, Spinco (or GWL, as the successor of Spinco) engages in a subsequent spin-off or split-up transaction under section 55 or Loblaw engages in a split-up (but not a spin-off) transaction under section 55; (ii) a "specified shareholder" as defined for purposes of the "butterfly" rules in section 55 of the Tax Act disposes of shares in the capital of Loblaw or Spinco (or GWL, as the successor of Spinco), or property that derives 10% or more of its value from such shares or property substituted therefor, to an unrelated person or a partnership as part of the series of transactions which includes the LCL Spin-off Butterfly; (iii) there is an acquisition of control of Loblaw or of Spinco (or of GWL, as the successor to Spinco) that is part of the series of transactions that includes the LCL Spin-off Butterfly; or (vi) certain persons acquire shares in the capital of Loblaw (other than in specified permitted transactions) in contemplation of, and as part of the series of transactions that includes, the LCL Spin-off Butterfly. If any of the above events were to occur and to cause the LCL Spin-off Butterfly to be taxable to Loblaw and Spinco under section 55, each of Loblaw and Spinco (and GWL, as the successor of Spinco), would be liable for a substantial amount of tax.

Loblaw, Spinco and GWL believe that the facts and other information contained in the Tax Ruling Application, and in all correspondence to the CRA regarding the Tax Ruling Application, are accurate in all material respects and that, to the best of their knowledge, there has been no omission to state a material fact or to provide other material information to the CRA that counsel believes would be relevant to the Tax Ruling.

Torys LLP has opined herein that the transactions in the Arrangement generally will occur on a tax-deferred basis for Resident Shareholders who hold their LCL Common Shares as capital property for purposes of the Tax Act, as discussed in "*Certain Canadian Federal Income Tax Considerations*".

INFORMATION RELATING TO LOBLAW

Business Overview

Loblaw was incorporated on January 18, 1956, although portions of its business originated before 1900. Loblaw was continued under the CBCA by certificate of continuance dated May 7, 1980. The registered office of Loblaw is located at 22 St. Clair Avenue East, Toronto, Ontario M4T 2S7. The National Head Office and Store Support Centre of Loblaw is located at 1 President's Choice Circle, Brampton, Ontario L6Y 5S5.

Loblaw is one of Canada's largest grocery, pharmacy and health and beauty retailers and is a leading provider of apparel and general merchandise. Loblaw's retail business is comprised primarily of corporate and franchise-owned grocery stores and associate-owned drug stores.

Loblaw's Discount banners, including *No Frills*, *Maxi* and *Maxi & Cie*, are focused on delivering a fresh-led shop with an offering of products and services aimed at keeping costs low to continuously invest in price. The *Real Canadian Superstore* banner prioritizes total value and offers a one-stop-shop with a broad assortment of food, health and beauty and general merchandise products. Many of Loblaw's Discount grocery stores also include pharmacies.

Loblaw's full-service or Market banners, including *Loblaw*, *Zehrs*, *Independent*, *Fortinos*, *T&T Supermarket*, *Provigo*, *City Market* and *Valu-Mart*, support Loblaw's vision by delivering a leading fresh offering, breadth of assortment, innovative and quality products, and customer-centric services with strong ties to the communities they operate in. Most of Loblaw's Market grocery stores include pharmacies.

Shoppers Drug Mart operates stand-alone drug stores under the banners *Shoppers Drug Mart* and *Pharmaprix*. Many Shoppers Drug Mart stores also include a *BeautyBOUTIQUE*, which is a store-within-a-store concept with open-sell displays focused on prestige cosmetics.

Loblaw offers one of Canada's strongest control label programs in the food, health and beauty and general merchandise categories, which labels include *President's Choice, PC Organics, PC Blue Menu, PC Black Label Collection, no name, Farmers Market, Everyday Essentials, Life at Home, T&T, Exact and Life Brand*. Loblaw also offers *Joe Fresh* branded apparel, accessories, footwear and cosmetics in many grocery stores, stand alone *Joe Fresh* stores and certain Shoppers Drug Mart stores.

Loblaw also rewards its customers for shopping at its stores, including through its PC Optimum program. PC Optimum is a fully digital program, with weekly personalized offers on the items customers purchase most and a customized experience for each individual customer. Customers can earn PC Optimum points by presenting their PC Optimum cards when making qualifying purchases and through use of a *President's Choice Financial* Mastercard, which points can be redeemed for groceries and other products at participating stores within Loblaw's network and certain e-commerce sites. Loblaw's PC Optimum program provides Loblaw with a significant opportunity to improve Loblaw's understanding of customer needs and design promotions that can be targeted to specific customers and customer segments, thereby driving increased sales, profitability and customer engagement.

In addition, PC Bank offers financial services to consumers under the *President's Choice Financial* brand, including the *President's Choice Financial* Mastercard. In 2017, PC Bank entered into an

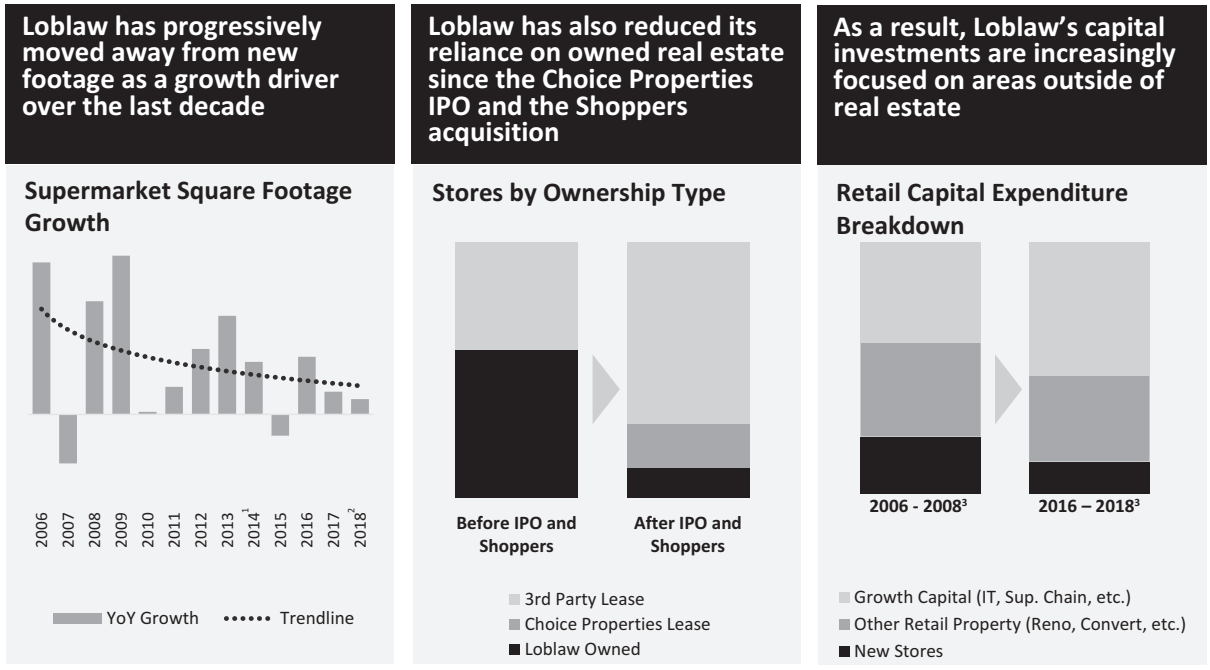
agreement to end its business relationship with a major Canadian chartered bank, which resulted in the discontinuance of the personal banking services offered under the *President's Choice Financial* brand. PC Bank will continue to operate the *President's Choice Financial* Mastercard program and customers will continue to earn PC Optimum points through use of such Mastercard. PC Bank remains committed to growth by bringing innovative payment products to its customers and will aim to continue to strengthen its credit card services and loyalty programs. Through its insurance entities, the Company offers products such as auto and home insurance. The Company also offers wireless products and services through *The Mobile Shop*, as well as prepaid cell phones and gift cards, through its network of grocery stores located across the country.

Currently, Loblaw holds an approximate 61.6% effective interest in Choice REIT through its indirect ownership of 21,500,000 Trust Units and 389,961,783 Class B LP Units, representing all of the outstanding Class B LP Units. Choice REIT is the owner, manager and developer of a high-quality portfolio of commercial retail, industrial, office and residential properties across Canada. Choice REIT is one of Canada's largest REITs with a portfolio comprised of 757 properties with a total gross leasable area of approximately 67 million square feet as of June 30, 2018. Choice REIT's portfolio includes 594 retail properties, 119 industrial properties, 18 office complexes, 3 multi-family residential buildings and 23 development properties. The retail properties are made up of: (i) 307 properties with a stand-alone Loblaw-bannered retail store; (ii) 226 properties anchored by a retail store operating under a Loblaw banner that also contain one or more third-party tenants; and (iii) 61 properties containing only third-party tenants.

Additional information on Choice REIT can be found in the annual information form of Choice REIT dated February 13, 2018, the information statement of Choice REIT with respect to its acquisition of CREIT dated March 15, 2018 and the management discussion and analysis of Choice REIT dated July 18, 2018, which are available at www.sedar.com or www.choicereit.ca.

Strategic Focus After the Arrangement

Loblaw's real estate strategy has been evolving steadily since 2012. Loblaw is focused on strengthening its core retail business and growing in areas such as digital retail, connected healthcare, payments and rewards, as opposed to owning real estate. Loblaw has progressively moved away from new square footage as a growth driver, and Loblaw has also reduced its reliance on owned real estate since Choice REIT completed its initial public offering in 2013 and Loblaw's acquisition of Shoppers Drug Mart in 2014. As a result, Loblaw's capital investments are increasingly focused on areas outside of real estate.



1. Excludes the impact of the acquisition of Shoppers Drug Mart
2. Based on actual annual retail capital expenditures and FY18 Company estimates
3. Average annual spend for 2006-2008 and 2016-2018 of ~$770M and ~$1,000M

Upon completion of the Arrangement, Loblaw will increasingly focus on enhancing its core retail business and investing in and growing in three pillars, namely, digital retail experience, connected healthcare networks, and payments and rewards. Loblaw's strengths make it uniquely positioned to succeed as a pure-play retailer amidst a changing marketplace.

Enhancing the core retail businesses through new technology and capabilities

Best in Food, Health & Beauty

- Three retail operating divisions with distinct value propositions:

  Shoppers "Your Life. Made Easier"
  Discount "Feed Everyone"
  Market "We love Food"

Data-Driven Insights

- Enterprise view of the customer
- Increase promotional effectiveness through 1-to-1 personalization
- Optimized category management

Process & Efficiencies

- Culture of continuous improvement
- Simplification and automation of both store and central processes
- Opportunities for continued cost leverage

Investing in new strategic pillars to win amidst changing customer needs

Digital Retail Experience

- 700 PC Express pick-up locations by the end of 2018
- Complemented by a national urban delivery network

Connected Healthcare Network

- Thousands of patients using digital pharmacy solutions
- Canada's largest single EMR platform (QHR), continuing growth

Payments and Rewards

- PC Optimum in 4,000 locations
- 327 million loyalty transactions since February 2018 launch

Selected Pro Forma Financial Information and Financial Impacts

Appendix "F" attached to this Circular contains unaudited pro forma financial information for Loblaw after giving effect to the Arrangement. The unaudited pro forma financial statements for Loblaw for the year ended December 30, 2017 and the 24-week period ended June 16, 2018, have been prepared on the basis that the Arrangement occurred on the dates set out in the notes to the unaudited pro forma financial statements contained in Appendix "F". The pro forma adjustments are based on the assumptions described in the notes to the unaudited pro forma financial statements contained in Appendix "F". The unaudited pro forma financial statements are presented for illustrative purposes only and are not necessarily indicative of the operating or financial results that would have occurred had the Arrangement

actually occurred on January 1, 2017 or of the results expected in future periods. The unaudited pro forma financial information contained in this Circular should be read in conjunction with the audited annual financial statements of Loblaw for the year ended December 30, 2017 and the unaudited financial statements of Loblaw for the 24-week period ended June 16, 2018, which are each incorporated by reference into this Circular.

Below are certain expected key impacts that the Arrangement will have on Loblaw's financial statements, which are discussed in further detail below.

	Expressed in millions $	Status Quo 2017[1]	Pro Forma 2017[2]	*Change*
Income Statement impacts	**Retail Adjusted EBITDA**	**3,836**	**3,320**	***(516)***
	Retail Adjusted EBITDA margin (%)	8.4%	7.2%	*(1.2%)*
	Adjusted EBITDA	**4,089**	**3,512**	***(577)***
	Adjusted EBITDA margin (%)	8.8%	7.5%	*(1.3%)*
	Adjusted Net Income available to common shareholders	1,797	1,561	*($236)*
	Adjusted Diluted EPS	**$4.53**	**$3.93**	***($0.60)***
Balance Sheet impacts	Cash & Cash Equivalents	1,798	1,571	*(227)*
	Total Assets	35,147	30,059	*(5,088)*
	Total Liabilities	22,013	17,601	*(4,412)*

1. Certain 2017 actual figures are 2017 actual figures that have been restated to include the impact of accounting standards implemented in 2018 and changes to accounting polices implemented retrospectively in 2018.

2. Based on the pro forma adjusted net earnings of Loblaw retail; total adjustments are equal to $392 million.

Following completion of the Arrangement, Loblaw will deconsolidate Choice REIT from its financial statements. As a result, Loblaw will no longer eliminate rental expenses paid to Choice REIT, which is expected to result in a downwards adjustment to retail adjusted EBITDA. The pro forma adjustments to retail adjusted EBITDA for the year ended December 30, 2017 as if the Arrangement occurred on January 1, 2017 amounted to approximately $516 million. In addition, the pro forma adjusted EBITDA margin for the year ended December 30, 2017 is approximately 7.5%, which is in line with Loblaw's peers.

Pro forma adjusted diluted EPS of Loblaw for the year ended December 30, 2017 declines by approximately $0.60 as compared to the actual adjusted diluted EPS of Loblaw for the year ended December 30, 2017, as the LCL Common Share value attributable to LCL's effective interest in Choice REIT will be spun out directly to LCL Shareholders.

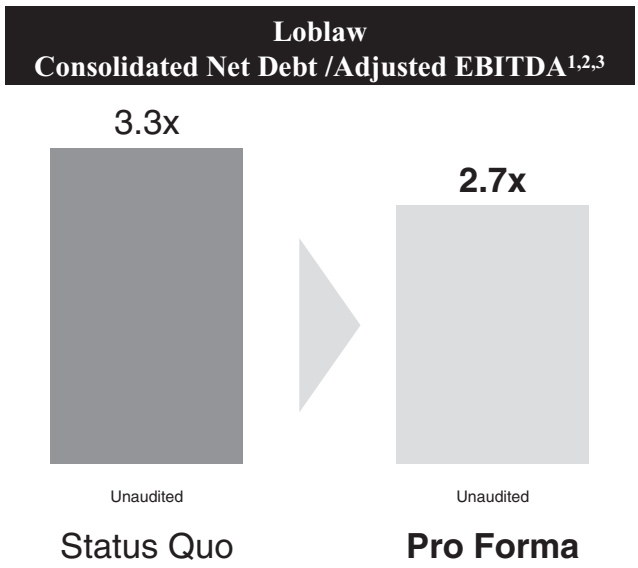
Pro forma adjustments as at December 31, 2017 in relation to consolidated cash and cash equivalents are approximately $227 million, primarily due to no longer receiving distributions from Choice REIT or Choice LP. Loblaw is expected to generate sufficient excess free cash flow to pursue dividends, share repurchases, strategic acquisitions and other uses.

Credit Ratings After the Arrangement

The credit ratings for the various classes of securities of Loblaw are as follows:

	Standard & Poor's		DBRS	
	Rating	**Outlook**	**Rating**	**Trend**
Issuer Credit Rating	BBB	Stable	BBB	Stable
Medium Term Notes	BBB	-	BBB	Stable
Other Notes and Debentures	BBB	-	BBB	Stable
Preferred Shares	P-3 (High)	-	Pfd-3	Stable

See Loblaw's annual information form dated February 22, 2018 for further information regarding Loblaw's credit ratings. S&P and DBRS affirmed the credit ratings of Loblaw subsequent to the announcement of the Arrangement. Loblaw does not expect any change to its credit ratings as a result of the Arrangement, as Loblaw's consolidated net debt to adjusted EBITDA is expected to decline due to the distribution of its effective interest in Choice REIT, which is a more highly levered business than Loblaw's other businesses.



1. Calculated using Loblaw net debt as at June 16, 2018 (total debt less cash and cash equivalents and short term investments) / Loblaw adjusted EBITDA for the year ended December 30, 2017, assuming CREIT was acquired on January 1, 2017.
2. Net debt and adjusted EBITDA are adjusted to reflect the capitalization of operating leases at 6x multiple and excluding PC Bank.
3. Net debt includes Loblaw's preferred shares, which receive 50% debt treatment for the purposes of calculating leverage.

Dividend Policy

Loblaw has paid quarterly dividends on the LCL Common Shares for over 50 years. The declaration and payment of dividends on the LCL Common Shares and the amount thereof are at the discretion of the Board, which takes into account the Company's financial results, capital requirements, available cash flow, future prospects of the Company's business and other factors considered relevant from time to time. Over time, it is the Company's intention to increase the amount of the dividend while retaining appropriate free cash flow to finance future growth. The amount of cash dividends declared per LCL Common Share in each of the two years preceding the date hereof is as follows:

Payment Date	Dividend Declared (Per LCL Common Share)
October 1, 2016	$0.26
December 30, 2016	$0.26
April 1, 2017	$0.26
July 1, 2017	$0.27
October 1, 2017	$0.27
December 30, 2017	$0.27
April 1, 2018	$0.27
July 1, 2018	$0.295
October 1, 2018	$0.295

Loblaw intends to hold its absolute dollar dividend per LCL Common Share constant at $0.295 immediately following the Arrangement. This is expected to increase Loblaw's payout ratio from 26% to 30% based on 2017 actual Status Quo and Pro Forma Adjusted Diluted EPS respectively, which is believed to be in line with peers.

Principal Holder of LCL Common Shares

As at September 18, 2018, GWL beneficially owns, directly and indirectly, a total of 187,815,136 LCL Common Shares, representing approximately 50.1% of the outstanding LCL Common Shares. GWL is controlled by Mr. W. Galen Weston who, as at September 18, 2018, beneficially owned, directly and indirectly through entities which he controls, including Wittington, a total of 80,777,041 GWL Common Shares, representing approximately 63.4% of the outstanding GWL Common Shares. Following the completion of the Arrangement, Mr. W. Galen Weston will beneficially own, directly or indirectly, approximately 52.8% of the outstanding GWL Common Shares. As at September 18, 2018, Mr. W. Galen Weston also beneficially owned, directly and indirectly through entities which he controls, including Wittington, a total of 5,096,189 LCL Common Shares, representing approximately 1.4% of the outstanding LCL Common Shares. To the knowledge of Loblaw, no other person beneficially owns, directly or indirectly, or exercises control or direction over, 10% or more of the outstanding LCL Common Shares.

GWL and Mr. W. Galen Weston intend to vote their LCL Common Shares for the Arrangement Resolution.

Information Respecting Directors and Senior Officers

The names of the directors and senior officers of Loblaw, the positions held by them with Loblaw and the designation, percentage of class and number of outstanding securities of Loblaw beneficially owned, directly or indirectly, or over which control or direction is exercised by each of them are as follows:

		Holdings (Approximate Percentage Ownership of Class or Series of LCL securities)		
Name	**Position**	**LCL Common Shares[1]**	**LCL Stock Options**	**RSUs, PSUs, and DSUs**
Paul M. Beeston	Director	7,900	- (-%)	47,395 DSUs (15.2640%)
Scott B. Bonham	Director	-	- (-%)	4,712 DSUs (1.5175%)
Warren Bryant	Director	-	- (-%)	16,346 DSUs (5.2644%)
Christie J.B. Clark	Director	18,078	- (-%)	4,007 DSUs (1.2905%)
William A. Downe	Director	10,000	- (-%)	389 DSUs (0.1253%)
M. Marianne Harris	Director	2,337	- (-%)	5,770 DSUs (1.8583%)
Claudia Kotchka	Director	-	- (-%)	5,754 DSUs (1.8531%)
Nancy H.O. Lockhart	Director	750	- (-%)	49,842 DSUs (16.0521%)
Thomas C. O'Neill	Director	3,703	- (-%)	42,807 DSUs (13.7864%)
Beth Pritchard	Director	-	- (-%)	16,497 DSUs (5.3130%)
Sarah Raiss	Director	907	- (-%)	29,968 DSUs (9.6515%)
Galen G. Weston	Chairman and Chief Executive Officer	357,683	1,050,094 (14.5027%)	44,748 RSUs (5.0553%) 44,748 PSUs (7.2396%)
Sarah R. Davis	President	10,059	440,589 (6.0849%)	47,754 RSUs (5.3949%) 42,449 PSUs (6.8676%)
Michael Motz	Chief Operating Officer	42,947	287,286 (3.9677%)	51,382 RSUs (5.8048%) 36,611 PSUs (5.9231%)
Darren Myers	Chief Financial Officer	385	177,909 (2.4571%)	66,190 RSUs (7.4777%) 24,828 PSUs (4.0168%)
Garry Senecal	Chief Customs Officer	5,895	281,377 (3.8861%)	22,148 RSUs (2.5021%) 22,148 PSUs (3.5832%)
Gordon A.M. Currie	Executive Vice President, Chief Legal Officer and Secretary	5,189	- (-%)	- (-%)
Barry K. Columb	President, President's Choice Financial	12,291	261,232 (3.6078%)	21,084 RSUs (2.3819%) 16,513 PSUs (2.6716%)
Jocyanne Bourdeau	President, Discount Division	2,580	107,108 (1.4793%)	9,394 RSUs (1.0613%) 9,394 PSUs (1.5198%)

1. The directors and senior officers collectively beneficially own, directly or indirectly, or exercise control or direction over less than 1% of the issued and outstanding LCL Common Shares.

Trading Price and Volume of LCL Common Shares

The LCL Common Shares are listed for trading on the TSX under the trading symbol "L". The following table sets forth, for the calendar periods indicated, the intraday high and low sale prices and composite volume of trading of the LCL Common Shares as reported on the TSX.

	Price Range ($)		
	High	**Low**	**Volume**
September 2017	68.53	64.65	15,763,124
October 2017	69.46	66.54	8,170,075
November 2017	70.39	66.22	10,047,345
December 2017	69.16	67.59	9,570,979
January 2018	69.92	65.98	12,936,060
February 2018	67.44	63.30	11,899,930
March 2018	67.62	63.14	11,902,444
April 2018	66.65	63.03	7,258,464
May 2018	67.07	64.21	12,092,326
June 2018	68.88	64.19	10,282,306
July 2018	69.94	66.30	9,919,992
August 2018	69.44	66.70	9,177,269
September 1, 2018 to September 18, 2018	69.60	69.24	6,730,743

The closing price of the LCL Common Shares on the TSX on August 31, 2018, the last trading day prior to the announcement of the Arrangement, was $67.50.

Prior Sales, Distributions and Purchases

Except as described below, during the 12 months preceding the date hereof, no securities were purchased or sold by Loblaw.

The following table sets out the number of shares that were issued by Loblaw on an annual basis for the five years preceding the date hereof upon the exercise of LCL Stock Options:

Fiscal Year of Distribution	Number of Shares Issued on Exercise (#)	Average Price per Issued Share ($)	Aggregate Value ($)
Current fiscal year to September 18, 2018	1,512,586	$66.95	$101,268,395.94
Fiscal year ending December 30, 2017	1,019,610	$71.07	$72,461,165.12
Fiscal year ending December 31, 2016	1,131,944	$70.27	$79,543,202.86
Fiscal year ending January 2, 2016	1,841,174	$66.80	$122,997,020.92
Fiscal year ending January 3, 2015	3,536,489	$50.91	$180,053,807.02

In addition, over the past 12 months, Loblaw granted an aggregate of 2,256,431 LCL Stock Options, LCL RSUs, LCL PSUs and LCL DSUs at an average exercise/grant price of approximately $66.28 per award to directors or employees under its various equity compensation plans.

From time to time Loblaw repurchases LCL Common Shares pursuant to its normal course issuer bid in compliance with the TSX Company Manual. Loblaw purchased approximately 16,966,237 LCL Common Shares in the twelve months preceding the date hereof at an average price of $66.96.

Prior Valuations

Loblaw is not aware of any "prior valuations", as such term is defined in MI 61-101, in respect of Loblaw within the 24-month period preceding the date of this Circular.

Auditor, Transfer Agent and Registrar

Loblaw's auditor is KPMG LLP, located in Toronto, Ontario, Canada.

Loblaw's transfer agent and registrar is Computershare Investor Services Inc., located in Toronto, Ontario, Canada.

Available Information

Loblaw files reports and other information with applicable securities regulatory authorities in each of the provinces and territories of Canada. These reports and information are available to the public free of charge on SEDAR at www.sedar.com.

Loblaw Documents Incorporated by Reference

The following documents, filed by Loblaw with the applicable securities regulatory authorities in each of the provinces and territories of Canada, are specifically incorporated by reference into, and form an integral part of, this Circular on the basis set forth under "Information Relating to Loblaw":

1. the annual information form of Loblaw dated February 22, 2018 for the fiscal year ended December 30, 2017;

2. the audited consolidated financial statements of Loblaw and the notes thereto as at and for the year ended December 30, 2017 and December 31, 2016, together with the report of the independent auditor thereon;

3. management's discussion and analysis of financial results of Loblaw as at and for the year ended December 30, 2017;

4. the unaudited interim period condensed consolidated financial statements of Loblaw as at and for the 12 and 24-week periods ended June 16, 2018;

5. management's discussion and analysis of financial results of Loblaw as at and for the 12 and 24-week periods ended June 16, 2018;

6. the management proxy circular of Loblaw dated March 29, 2018; and

7. the material change report of Loblaw dated September 5, 2018 with respect to the Arrangement.

All material change reports (other than confidential reports), audited annual financial statements and management's discussion and analysis and all other documents of the type referred to in section 11.1 of Form 44-101F1 – Short Form Prospectus filed by Loblaw with the applicable securities regulatory authorities in each of the provinces and territories of Canada on SEDAR at www.sedar.com after the date of this Circular and before the Meeting are deemed to be incorporated by reference into this Circular.

Any statement contained in this Circular or in any other document incorporated by reference in this Circular shall be deemed to be modified or superseded to the extent that a statement contained herein or in any other subsequently filed document which also is deemed to be incorporated by reference in this Circular modifies or supersedes such statement. The modifying or superseding statement need not state that it has modified or superseded a prior statement or include any other information set forth in the document which it modifies or supersedes. The making of a modifying or superseding statement shall not be deemed an admission for any purposes that the modified or superseded statement, when made, constituted a misrepresentation, an untrue statement of a material fact or an omission to state a material fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it was made. Any statement so modified or superseded shall not constitute a part of this Circular except as so modified or superseded.

INFORMATION RELATING TO GWL

Business Overview

GWL was incorporated by letters patent under the laws of Canada on January 27, 1928. It was continued under the CBCA on April 29, 1980 and amalgamated with Weston Food Processing Ltd. pursuant to Articles of Amalgamation effective January 1, 1989. The registered head office is located at 22 St. Clair Avenue East, Suite 800, Toronto, Ontario, Canada M4T 2S5.

GWL and its operating subsidiaries constitute one of North America's largest food processing and distribution groups. GWL has two reportable operating segments: Weston Foods and Loblaw. See "*Information Relating to Loblaw*" in this Circular for information on Loblaw.

The Weston Foods operating segment is primarily engaged in the baking industry within North America. Weston Foods produces a variety of fresh, frozen (raw dough, pre-proofed, par-baked, pre-fried and fully baked) and specialty bakery products, including commercial and artisanal style breads, rolls, bagels, flatbreads, rye bread, tortillas, doughnuts, cakes, pies, cookies, and crackers. Weston Foods is also a leading provider of control brand products to retailers and consumer food companies, a supplier of ice cream cones and sandwich wafers to manufacturers in the frozen novelty category and a supplier of Girl Scout cookies.

Weston Foods operates in an evolving marketplace, impacted by consumers' demands for convenient, portable, portionable, healthy and nutritious products. Weston Foods has been proactive in meeting these demands by developing a variety of products that meet these lifestyle needs such as whole grain, natural, gluten-free, GMO-free, wheat-free and nutritionally enhanced bread offerings, and products containing Omega-3. Additionally, new product offerings from Weston Foods have focused on providing healthier alternatives under certain of its mainstream brands, namely *Wonder*, *Country Harvest* and *Gadoua*.

As at the date hereof, Weston Foods has 43 production facilities in Canada and the U.S.

Weston Foods sells its products through a variety of customer channels within the North American food retailing market, including many national and regional supermarkets, wholesale and club stores, dollar stores, convenience store chains, food service distributors and outlets as well as other food retailing customers and devotes a considerable amount of effort to building and maintaining consumer brand awareness. Weston Foods also distributes control brand products to international retailers and distributors in various countries worldwide.

Weston Foods distributes most of its fresh bakery products through direct store delivery route systems. Frozen bakery products, biscuits, and other specialty bakery products are distributed primarily through warehouse channels using outsourced transportation services. Weston Foods also supplies Girl Scout cookies through a third-party warehouse and distributor network directly to local Girl Scout councils. Weston Foods continues to explore opportunities to create distribution efficiencies.

For the 2017 fiscal year, Loblaw accounted for approximately 29% of Weston Foods' sales. No other single customer accounted for more than 15% of sales. For the 2017 and 2016 fiscal years, sales by Weston Foods to Loblaw amounted to $651 million and $654 million respectively.

GWL currently beneficially owns, directly or indirectly, 25,356,415 Trust Units, representing an approximate 3.8% effective interest in Choice REIT. Pursuant to the Arrangement, Loblaw's approximate 61.6% effective interest in Choice REIT through its indirect ownership of 21,500,000 Trust Units and 389,961,783 Class B LP Units, representing all of the Class B LP Units, will ultimately be acquired by GWL. Following completion of the Arrangement, GWL's effective interest in Choice REIT will be approximately 65.4%.

For information on Choice REIT, see "*Information Relating to Loblaw – Business Overview*".

Strategic Focus After the Arrangement

In recent history, GWL's investment thesis was largely defined by its ownership of Loblaw, accounting for approximately 93% of GWL's market capitalization. After the Arrangement, GWL will benefit from (i) an investment thesis that is more strategic, stable and has meaningful opportunities for growth

and value creation, (ii) a more efficient group structure and greater balance in its direct holdings, (iii) assets that are strategically independent, but have connectivity, and are in areas in which GWL has an affinity, (iv) increased cash flow, enabling flexibility and growth, and (v) the ability to actively support businesses and allocate capital to generate shareholder value.

GWL is a long-term investor in real estate, supporting investment in diversified real estate classes while also continuing to support Choice REIT's largest tenant, Loblaw. While it is not aligned with Loblaw's strategic priorities to allocate capital to diversified real estate, Loblaw would like to preserve its important relationship with Choice REIT as a landlord and real estate partner. The Arrangement will have no impact on the ongoing operating relationship between Loblaw and Choice REIT and all current agreements and arrangements, including the Strategic Alliance Agreement and leases, will remain in place after the Arrangement. In addition, Loblaw will continue to be Choice REIT's largest tenant following completion of the Arrangement.

GWL views capital investment in mixed-use development and acquisitions to be key growth drivers for Choice REIT in the future. As a result of the CREIT acquisition, Choice REIT has diversified and is one of Canada's largest REITs, with a long-term development pipeline of over 60 properties in core urban markets with mixed-use potential. As such, GWL and Choice REIT are aligned on a strong growth plan for Choice REIT.

Distributions from Choice REIT will provide enhanced stability and optionality for GWL. Based on the Choice REIT distribution for the year ended December 31, 2017 as if the Arrangement occurred on January 1, 2017, the Arrangement would generate approximately $239 million of incremental cash sources (calculated as change in cash and cash equivalents and short term investments of GWL (excluding Loblaw) before interest paid, change in short term bank loans, GWL preferred share dividends and common dividends paid) to GWL excluding Loblaw from Choice REIT distributions, net of taxes. This will provide additional and diversified sources of cash flow beyond Weston Foods and increase GWL's financial flexibility to invest in portfolio companies and/or pursue additional growth opportunities. Distributions from Choice REIT will also enable GWL to raise its quarterly dividend by approximately 5% to $0.515 per GWL Common Share (or $2.06 per GWL Common Share annualized), contingent on completion of the Arrangement.

In addition, the issuance of GWL Common Shares pursuant to the Arrangement improves GWL's public float, potentially enhancing its trading liquidity. GWL's market capitalization is expected to increase from approximately $13.0 billion to $15.7 billion, an increase of approximately 21%. Similarly, the GWL public float of GWL Common Shares is expected to increase from approximately $4.6 billion to $7.3 billion upon completion of the Arrangement, an approximately 57% increase.

GWL currently consolidates Loblaw and Choice REIT into its financial statements and will continue to do so following completion of the Arrangement. While the presentation of GWL's financial statements may be modified following completion of the Arrangement to reflect that GWL's interest in Choice REIT is held directly instead of indirectly through Loblaw, GWL does not anticipate any substantive material change to its adjusted net earnings due to the Arrangement.

Credit Ratings After the Arrangement

The credit ratings for the various classes of securities of GWL are as follows:

Credit Ratings	Dominion Bond Rating Service		Standard & Poor's	
(Canadian Standards)	Credit Rating	Trend	Credit Rating	Outlook
Issuer Credit Rating	BBB	Stable	BBB	Stable
Medium Term Notes	BBB	Stable	BBB	
Other Notes and Debentures	BBB	Stable	BBB	
Preferred Shares	P-3	Stable	Pfd-3 (high)	

See GWL's annual information form dated March 1, 2018 for further information regarding GWL's credit ratings. S&P and DBRS affirmed the credit ratings of GWL subsequent to the announcement of the Arrangement. GWL does not expect any change to its credit ratings as a result of the Arrangement, as GWL's consolidated net debt to adjusted EBITDA is largely unaffected, as it will consolidate Choice REIT directly rather than through Loblaw.

GWL's consolidated net debt/adjusted EBITDA ratio is not expected to significantly change following the completion of the Arrangement and is expected to remain at about 3.3x, based on Loblaw's and GWL's net debt as at June 16, 2018 (being total debt less cash and cash equivalents and short term investments) over Loblaw and GWL adjusted EBITDA for the year ended December 30, 2017, and December 31, 2017, respectively, assuming CREIT was acquired on January 1, 2017. For the purposes of determining the ratio, net debt and adjusted EBITDA are adjusted to reflect the capitalization of operating leases at 6x multiple and excluding PC Bank and net debt includes Loblaw's and GWL's preferred shares, which receive 50% debt treatment for the purposes of calculating leverage.

Dividend Policy

The declaration and payment of dividends on the GWL Common Shares and the amount thereof are at the discretion of the board of directors of GWL, which takes into account GWL's financial results, capital requirements, available cash flow, future prospects of GWL's business and other factors considered relevant from time to time. Over time, it is GWL's intention to increase the amount of the dividend while retaining appropriate free cash flow to finance future growth. The amount of cash dividends declared per GWL Common Share in each of the two years preceding the date hereof is as follows:

Payment Date	Dividend Declared (Per GWL Common Share)
October 1, 2016	$0.44
January 1, 2017	$0.44
April 1, 2017	$0.44
July 1, 2017	$0.455
October 1, 2017	$0.455
January 1, 2018	$0.455
April 1, 2018	$0.455
July 1, 2018	$0.49
October 1, 2018	$0.49

GWL intends to increase its quarterly dividend by approximately 5% to $0.515 per GWL Common Share (or $2.06 per GWL Common Share annually), contingent on completion of the Arrangement.

Principal Holder of GWL Common Shares

As of September 18, 2018, Mr. W. Galen Weston beneficially owned, directly and indirectly through entities which he controls, including Wittington, a total of 80,777,041 GWL Common Shares, representing approximately 63.4% of the outstanding GWL Common Shares. Following the completion of the Arrangement, Mr. W. Galen Weston will beneficially own, directly or indirectly, approximately 52.8% of the outstanding GWL Common Shares. To the knowledge of GWL, no other person beneficially owns, directly or indirectly, or exercises control or direction over, 10% or more of the outstanding GWL Common Shares.

Trading Price and Volume of GWL Common Shares

The GWL Common Shares are listed for trading on the TSX under the trading symbol "WN". The following table sets forth, for the calendar periods indicated, the intraday high and low sale prices and composite volume of trading of the GWL Common Shares as reported on the TSX.

	Price Range ($)		
	High	**Low**	**Volume**
September 2017	109.44	104.49	3,872,069
October 2017	111.58	108.20	1,952,390
November 2017	113.70	107.37	2,707,178
December 2017	112.08	107.95	2,559,161
January 2018	111.06	106.78	2,922,846
February 2018	107.81	102.05	2,942,890
March 2018	106.67	100.62	2,916,482
April 2018	106.25	101.70	1,903,935
May 2018	106.56	102.73	2,896,508
June 2018	108.28	101.99	2,914,180
July 2018	111.64	105.28	2,504,602
August 2018	108.20	100.72	2,720,087
September 1, 2018 to September 18, 2018	101.65	96.46	2,551,363

The closing price of the GWL Common Shares on the TSX on August 31, 2018, the last trading day prior to the announcement of the Arrangement, was $101.64.

Prior Sales, Purchases and Distributions

The following table sets out the number of shares that were issued by GWL on an annual basis for the five years preceding the date hereof upon the exercise of GWL Stock Options:

Fiscal Year of Distribution	Number of Shares Issued on Exercise	Average Price per Issued Share ($)	Aggregate Value ($)
Current fiscal year to September 18, 2018	100,298	$105.55	$10,586,006.49
Fiscal year ending December 31, 2017	293,976	$109.91	$32,310,992.95
Fiscal year ending December 31, 2016	54,921	$114.14	$6,268,867.63
Fiscal year ending December 31, 2015	144,386	$109.24	$15,772,999.66
Fiscal year ending December 31, 2014	312,583	$84.54	$26,426,612.94

In addition, over the past 12 months, GWL granted an aggregate of 346,054 GWL Stock Options, GWL RSUs, GWL PSUs and GWL DSUs at an average exercise/grant price of approximately $104.93 per award to directors or employees under its various equity compensation plans.

From time to time GWL repurchases GWL Common Shares pursuant to its normal course issuer bid in compliance with TSX Company Manual. GWL purchased an aggregate of approximately 830,567 GWL Common Shares in the twelve months preceding the date hereof at an average price of $102.25.

In addition, as announced on September 4, 2018, the TSX granted GWL an exemption pursuant to Section 603 of the TSX Company Manual from the daily purchase limit contained in the definition of "normal course issuer bid" in Section 628(a)(ix)(a) of the TSX Company Manual to permit, between September 5, 2018 and September 11, 2018, GWL to purchase up to 1,900,000 GWL Common Shares under its existing normal course issuer bid, up to a daily maximum limit of 25% of the actual aggregate trading volume of GWL Common Shares across all Canadian published markets on each such day.

Auditor, Transfer Agent and Registrar

GWL's auditor is KPMG LLP, located in Toronto, Ontario, Canada.

GWL's transfer agent and registrar is Computershare Investor Services Inc., located in Toronto, Ontario, Canada.

Available Information

GWL files reports and other information with applicable securities regulatory authorities in each of the provinces and territories of Canada. These reports and information are available to the public free of charge on SEDAR at www.sedar.com.

GWL Documents Incorporated by Reference

The following documents, filed by GWL with the applicable securities regulatory authorities in each of the provinces and territories of Canada, are specifically incorporated by reference into, and form an integral part of, this Circular on the basis set forth under "*Information Relating to GWL*":

1. the annual information form of GWL dated March 1, 2018 for the fiscal year ended December 31, 2017;

2. the audited consolidated financial statements of GWL and the notes thereto as at and for the years ended December 31, 2017 and December 31, 2016, together with the report of the independent auditor thereon;

3. management's discussion and analysis of financial results of GWL as at and for the year ended December 31, 2017;

4. the unaudited interim period condensed consolidated financial statements of GWL as at and for the 12 and 24-week periods ended June 16, 2018;

5. management's discussion and analysis of financial results of GWL as at and for the 12 and 24-week periods ended June 16, 2018;

6. the management proxy circular of GWL dated March 29, 2018; and

7. the material change report of GWL dated September 5, 2018 with respect to the Arrangement.

All material change reports (other than confidential reports), audited annual financial statements and management's discussion and analysis and all other documents of the type referred to in section 11.1 of Form 44-101F1 – Short Form Prospectus filed by GWL with the applicable securities regulatory authorities in each of the provinces and territories of Canada on SEDAR at www.sedar.com after the date of this Circular and before the Meeting are deemed to be incorporated by reference into this Circular.

Any statement contained in this Circular or in any other document incorporated by reference in this Circular shall be deemed to be modified or superseded to the extent that a statement contained herein or in any other subsequently filed document which also is deemed to be incorporated by reference in this Circular modifies or supersedes such statement. The modifying or superseding statement need not state that it has modified or superseded a prior statement or include any other information set forth in the document which it modifies or supersedes. The making of a modifying or superseding statement shall not be deemed an admission for any purposes that the modified or superseded statement, when made, constituted a misrepresentation, an untrue statement of a material fact or an omission to state a material fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it was made. Any statement so modified or superseded shall not constitute a part of this Circular except as so modified or superseded.

CERTAIN CANADIAN FEDERAL INCOME TAX CONSIDERATIONS

Tax Ruling

Loblaw and GWL requested the Tax Ruling from the CRA, which seeks to confirm, among other things, that, based on the provisions of the Tax Act as of the date of the issue of the Tax Ruling, the LCL Spin-off Butterfly, pursuant to which LCL will transfer the LCL Spin-off Distribution Property to Spinco, will qualify as a tax-deferred "butterfly reorganization" under paragraph 55(3)(b) of the Tax Act, thereby not imposing any material current Canadian federal income tax on any of Loblaw, Spinco, their affiliates or Resident Shareholders who hold their LCL Common Shares as capital property for purposes of the Tax Act. Loblaw and GWL expect to receive the Tax Ruling on a timely basis, although no assurances can be given in that regard. The Arrangement is conditional upon the receipt of the requested Tax Ruling. See "*Certain Legal and Regulatory Matters – Tax Ruling*".

Certain Canadian Federal Income Tax Consequences to Shareholders

In the opinion of Torys LLP, counsel to Loblaw, GWL and their affiliates in respect of the Arrangement, the following is, as of the date hereof, a summary of the principal Canadian federal income tax considerations under the Tax Act generally applicable to an LCL Shareholder or an LCL Preferred Shareholder who at all relevant times and for the purposes of the Tax Act: (i) holds LCL Common Shares or LCL Preferred Shares, as applicable, and will hold all other shares discussed in the following summary (collectively, all such shares being the "**Arrangement Shares**"), as capital property; and (ii) deals at arm's length with each of Loblaw, GWL, Spinco, and any successor thereof, and is not affiliated with any of Loblaw, GWL, Spinco or any successor thereof (a "**Holder**"). Generally, the Arrangement Shares will be capital property to a Holder provided that the Holder does not hold such shares in the course of carrying on a business of buying and selling securities and has not acquired such shares in a transaction considered to be an adventure or concern in the nature of trade.

This summary is not applicable to a Holder: (i) that is a "financial institution" for the purposes of the "mark-to-market" rules in the Tax Act; (ii) that is a "specified financial institution" (as defined in the Tax Act); (iii) an interest in which is a "tax shelter investment" (as defined in the Tax Act); (iv) that has elected to determine its Canadian tax results in a foreign currency pursuant to the "functional currency" reporting rules in the Tax Act; (v) that has entered into a "derivative forward agreement" or a "dividend rental arrangement" (as each such term is defined in the Tax Act), with respect to the Arrangement Shares; or (vi) that is a corporation resident in Canada and is, or becomes, or does not deal at arm's length for purposes of the Tax Act with a corporation resident in Canada that is or becomes, as part of a transaction or event or series of transactions or events that includes the acquisition of Arrangement Shares, controlled by a non-resident corporation for purposes of the "foreign affiliate dumping" rules in section 212.3 of the Tax Act. This summary is also not applicable to a Holder that acquired LCL Common Shares pursuant to the exercise of an LCL Stock Option. All such Holders should consult their own tax advisors.

This summary is based on the provisions of the Tax Act in force as of the date hereof, the Tax Proposals and counsel's understanding of the administrative policies and assessing practices of the CRA published in writing prior to the date hereof. This summary assumes that all of the Tax Proposals will be implemented in the form proposed, although no assurances can be given in this regard. This summary does not otherwise take into account or anticipate any changes in law or administrative policies or assessing practices, whether by legislative, regulatory, administrative or judicial action or

decision, nor does it take into account other federal tax considerations or any provincial, territorial or foreign tax considerations, which may differ materially from those discussed herein.

This summary is not exhaustive of all Canadian federal income tax considerations relating to the Arrangement. Further, this summary is of a general nature only and is not intended to be, and should not be construed to be, legal, business or tax advice to any particular Holder and no representations with respect to the tax consequences to any particular Holder are made. Accordingly, Holders should consult their own tax advisors to determine the tax consequences to them of the Arrangement having regard to their particular circumstances, including the application and effect of the income and other tax laws of any country, province, territory, state or local jurisdiction.

Shareholders Resident in Canada

The following portion of the summary is generally applicable to a Holder who, for the purposes of the Tax Act and at all relevant times, is or is deemed to be resident in Canada (a "**Resident Shareholder**").

Certain Resident Shareholders whose Arrangement Shares might not otherwise qualify as capital property may be entitled to make an irrevocable election in accordance with subsection 39(4) of the Tax Act to have such shares, and any other "Canadian security" (as defined in the Tax Act) owned by the Resident Shareholder in the taxation year in which the election is made and in all subsequent taxation years, deemed to be capital property. Each such Resident Shareholder contemplating making an election under subsection 39(4) should consult their own tax advisors as to whether such election is available and/or advisable in the Resident Shareholder's particular circumstances.

LCL Shareholders

Exchange of LCL Common Shares for LCL New Common Shares and LCL Spin-off Butterfly Shares

Pursuant to the LCL Capital Reorganization, each Resident Shareholder will exchange each of its LCL Common Shares for one LCL New Common Share and one LCL Spin-off Butterfly Share.

On such exchange, a Resident Shareholder will be deemed to have disposed of its LCL Common Shares for proceeds of disposition equal to the Resident Shareholder's aggregate ACB of such shares immediately before the exchange. Accordingly, a Resident Shareholder will not realize a capital gain or a capital loss as a result of such exchange.

The aggregate ACB of the LCL New Common Shares and the LCL Spin-off Butterfly Shares acquired by a Resident Shareholder on such exchange will be equal to the Resident Shareholder's aggregate ACB of its LCL Common Shares immediately before such exchange. The aggregate ACB of a Resident Shareholder's LCL Common Shares immediately before such exchange will be allocated among the LCL New Common Shares and LCL Spin-off Butterfly Shares received by the Resident Shareholder on the exchange in proportion to the relative FMV of such shares immediately after the exchange. Following the Arrangement, Loblaw intends to inform Resident Shareholders either by press release or via its corporate website as to its estimate of such allocation. However, Loblaw's estimated allocation will not be binding on the CRA or on any Resident Shareholder.

Transfer of LCL Spin-off Butterfly Shares for Spinco Common Shares

Pursuant to the Spinco Share Exchange, each Resident Shareholder will transfer each of its LCL Spin-off Butterfly Shares to Spinco in exchange for one Spinco Common Share.

Subject to the exception described below, in connection with the Spinco Share Exchange, a Resident Shareholder will be deemed under section 85.1 of the Tax Act to have disposed of all of its LCL Spin-off Butterfly Shares for proceeds of disposition equal to the Resident Shareholder's aggregate ACB of such shares immediately before the Spinco Share Exchange. Accordingly, the Resident Shareholder will not realize a capital gain or a capital loss as a result of the Spinco Share Exchange. The aggregate ACB of the Spinco Common Shares acquired by such Resident Shareholder will be equal to the Resident Shareholder's aggregate ACB of its LCL Spin-off Butterfly Shares immediately before the Spinco Share Exchange.

As an exception to this rollover treatment, a Resident Shareholder may, in its return of income for the taxation year in which the Spinco Share Exchange occurs, include in computing its income for that year any portion of the gain or loss, otherwise determined, from the disposition of its LCL Spin-off Butterfly Shares. A Resident Shareholder who chooses to realize a gain or loss in this manner will realize a capital gain (or a capital loss) on its LCL Spin-off Butterfly Shares to the extent that the Resident Shareholder's proceeds of disposition exceed (or are exceeded by) the total of the Resident Shareholder's ACB of the LCL Spin-off Butterfly Shares immediately before the Spinco Share Exchange and any reasonable costs of disposition. The taxation of capital gains and capital losses is discussed in this portion of the summary under the heading "*Taxation of Capital Gains and Capital Losses*". Where a Resident Shareholder has chosen to recognize a gain or a loss on the Spinco Share Exchange, the ACB of the Spinco Common Shares acquired by the Resident Shareholder on such exchange will be equal to the proceeds of disposition received, or deemed to have been received, by the Resident Shareholder for its LCL Spin-off Butterfly Shares plus any reasonable costs of disposition. Resident Shareholders are referred to CRA Income Tax Folio S4-F5-C1 for further information respecting section 85.1 of the Tax Act.

Conversion of LCL New Common Shares into LCL Common Shares

As part of the Arrangement, each LCL New Common Share held by a Resident Shareholder will be converted into one LCL Common Share. Resident Shareholders will be deemed not to have disposed of the LCL New Common Shares on such conversion.

The aggregate ACB of the LCL Common Shares acquired by a Resident Shareholder on such conversion will be equal to the Resident Shareholder's aggregate ACB of its LCL New Common Shares immediately before such conversion.

Amalgamation of WFDI Amalco, Spinco, TC Amalco and Certain Other Subsidiaries of GWL

As part of the Arrangement, WFDI Amalco, Spinco, TC Amalco, WHL/TC, 2397454, Rocky, Rocky Sub and WFIC Sub will amalgamate to form Spinco Amalco. On the amalgamation, each Resident Shareholder will receive 0.135 of a GWL Common Share in exchange for each Spinco Common Share held immediately before the amalgamation. If the aggregate number of GWL Common Shares to be issued to a Resident Shareholder on the amalgamation would result in a fraction of a GWL Common Share being issuable, the number of GWL Common Shares to be issued to such holder will be rounded down to the nearest whole number and, in lieu of the issuance of a fractional GWL Common Share,

GWL will make a cash payment to such holder, as described in "*The Arrangement – Cash in Lieu of Fractional Shares*". The amount of any such cash consideration is not expected to exceed $200 per LCL Shareholder.

As a result of the foregoing amalgamation, a Resident Shareholder who receives only GWL Common Shares on the amalgamation will be deemed to have disposed of its Spinco Common Shares for proceeds of disposition equal to the Resident Shareholder's aggregate ACB of such shares immediately before the amalgamation. Accordingly, such a Resident Shareholder will not realize any capital gain or capital loss as a result of the amalgamation. The aggregate ACB of the GWL Common Shares acquired by such a Resident Shareholder on the amalgamation will be equal to the aggregate ACB of its Spinco Common Shares immediately before the amalgamation.

A Resident Shareholder who receives cash consideration in lieu of any fraction of a GWL Common Share may generally choose to either: (i) include the amount of any gain or loss from the disposition of such fractional share in the computation of the Resident Shareholder's income, or (ii) reduce the ACB of its GWL Common Shares by the amount of such cash consideration. Such Resident Shareholders should consult their own tax advisors having regard to their particular circumstances.

Amalgamation of GWL and Spinco Amalco

As part of the Arrangement, GWL and Spinco Amalco will amalgamate, and on the amalgamation, each GWL Common Share held by a Resident Shareholder will survive and continue to be one GWL Common Share of the amalgamated corporation.

As a result of the foregoing amalgamation, a Resident Shareholder will be deemed to have disposed of its GWL Common Shares for proceeds of disposition equal to the Resident Shareholder's aggregate ACB of such shares immediately before the amalgamation. Accordingly, a Resident Shareholder will not realize any capital gain or capital loss as a result of the amalgamation. The aggregate ACB of a Resident Shareholder's GWL Common Shares immediately after the amalgamation will be equal to the aggregate ACB of its GWL Common Shares immediately before the amalgamation.

Dividends on LCL Common Shares or GWL Common Shares (Post-Arrangement)

Dividends received, or deemed to be received, by a Resident Shareholder on its LCL Common Shares or GWL Common Shares after the Arrangement will be included in computing the Resident Shareholder's income for the purposes of the Tax Act. In the case of a Resident Shareholder who is an individual (other than certain trusts), such dividends will generally be subject to the gross-up and dividend tax credit rules in the Tax Act normally applicable to "taxable dividends" received from "taxable Canadian corporations", including the enhanced gross-up and dividend tax credit rules applicable to any dividends designated as "eligible dividends" for these purposes (all within the meaning of the Tax Act).

Dividends received, or deemed to be received, on LCL Common Shares or GWL Common Shares by a Resident Shareholder who is an individual (including certain trusts) may result in such Resident Shareholder being liable for alternative minimum tax under the Tax Act. Resident Shareholders who are individuals should consult their own tax advisors in this regard.

Dividends received, or deemed to be received, by a Resident Shareholder that is a corporation on its LCL Common Shares or GWL Common Shares after the Arrangement will be required to be included in computing the corporation's income, but such dividends will generally be deductible in computing

the corporation's taxable income, subject to certain limitations in the Tax Act. In certain circumstances, subsection 55(2) of the Tax Act will treat a taxable dividend received by a Resident Shareholder that is a corporation as proceeds of disposition or a capital gain. Resident Shareholders that are corporations should consult their own tax advisors having regard to their own circumstances.

A Resident Shareholder that is a "private corporation" or a "subject corporation" (each as defined in the Tax Act) may be liable to pay a refundable tax on dividends received or deemed to be received on the LCL Common Shares or GWL Common Shares to the extent such dividends are deductible in computing the Resident Shareholder's taxable income.

Dispositions of LCL Common Shares or GWL Common Shares (Post-Arrangement)

A disposition by a Resident Shareholder of LCL Common Shares or GWL Common Shares after the Arrangement generally will result in a capital gain (or a capital loss) to such Resident Shareholder to the extent that the proceeds of disposition received exceed (or are exceeded by) the total of the Resident Shareholder's ACB of the LCL Common Shares or GWL Common Shares, as applicable, and any reasonable costs of disposition. The tax treatment of capital gains and capital losses is discussed in this portion of the summary under the heading "*Taxation of Capital Gains and Capital Losses*".

Taxation of Capital Gains and Capital Losses

A Resident Shareholder will generally be required to include in computing its income for a taxation year the taxable capital gain, being one-half of the amount of any capital gain, realized on a disposition of an Arrangement Share in that year. A Resident Shareholder generally must deduct the allowable capital loss, being one-half of the amount of any capital loss, sustained on a disposition of an Arrangement Share in a taxation year against taxable capital gains realized in that same year. Allowable capital losses in excess of taxable capital gains in a particular taxation year may be carried back and deducted in any of the three preceding taxation years or carried forward and deducted in any subsequent taxation year against net taxable capital gains realized in such year to the extent and under the circumstances described in the Tax Act.

The amount of any capital loss sustained by a Resident Shareholder that is a corporation on the disposition of an Arrangement Share may be reduced by dividends received, or deemed to have been received, by it on such Arrangement Share (or on a share for which the Arrangement Share has been substituted) to the extent and under the circumstances described in the Tax Act. Similar rules may apply if a corporation is a member of a partnership or a beneficiary of a trust that owns Arrangement Shares, directly or indirectly, through a partnership or a trust. Resident Shareholders to whom these rules may be relevant should consult their own tax advisors.

A Resident Shareholder that is throughout the relevant taxation year a "Canadian-controlled private corporation" (as defined in the Tax Act) may be liable to pay a refundable tax on its "aggregate investment income" (as defined in the Tax Act), including amounts in respect of net taxable capital gains.

Taxable capital gains realized by a Resident Shareholder who is an individual (including certain trusts) may result in such Resident Shareholder being liable for alternative minimum tax under the Tax Act. Resident Shareholders who are individuals should consult their own tax advisors in this regard.

LCL Preferred Shareholders

A Resident Shareholder who holds LCL Preferred Shares will not experience any Canadian federal income tax consequences in respect of those shares as a result of the Arrangement.

Eligibility for Investment

Based on the current provisions of the Tax Act, provided, as of the Effective Date of the Arrangement, the LCL Common Shares, the LCL New Common Shares, the Spinco Common Shares and the GWL Common Shares are, and continue to be, listed on a "designated stock exchange" (as defined in the Tax Act) (which currently includes the TSX) or are shares of a "public corporation" (as defined in the Tax Act), the Arrangement Shares will be "qualified investments" under the Tax Act for a trust governed by a registered retirement savings plans ("**RRSP**"), a registered retirement income fund ("**RRIF**"), a registered education savings plan ("**RESP**"), a deferred profit sharing plan, a registered disability savings plan ("**RDSP**") and a tax-free savings account ("**TFSA**").

Notwithstanding the foregoing, if an Arrangement Share is a "prohibited investment" (as defined in the Tax Act) for a trust governed by an RRSP, RRIF, TFSA, RDSP or RESP (each a "**Registered Plan**"), the annuitant under the RRSP or RRIF, the holder of the TFSA or RDSP or the subscriber of the RESP, as the case may be (each a "**Registered Plan Holder**"), will be subject to a penalty tax under the Tax Act. An Arrangement Share will not be a prohibited investment for a Registered Plan provided the Registered Plan Holder: (i) deals at arm's length with each of Loblaw, Spinco, GWL, and any successor thereof for purposes of the Tax Act; or (ii) does not have a "significant interest" as defined for the purposes of the prohibited investment rules in the Tax Act in any of Loblaw, Spinco, GWL or any successor thereof. Registered Plan Holders should consult their own tax advisors as to whether an Arrangement Share will be a prohibited investment in their particular circumstances.

Shareholders Not Resident in Canada

The following portion of the summary is applicable to a Holder who, at all relevant times and for the purposes of the Tax Act: (i) is not, and is not deemed to be, resident in Canada for purposes of the Tax Act, (ii) does not use or hold and is not deemed to use or hold, and will not use or hold or be deemed to use or hold, any Arrangement Shares in the course of carrying on a business in Canada, and (iii) is not an insurer that carries on an insurance business in Canada and elsewhere (a "**Non-Resident Shareholder**").

LCL Shareholders

The Arrangement

A Non-Resident Shareholder whose Arrangement Shares do not constitute "taxable Canadian property" (as defined in the Tax Act) to such shareholder will not be subject to income tax under the Tax Act as a result of the Arrangement.

Provided that the Arrangement Shares of each applicable issuer (other than the LCL Spin-off Butterfly Shares) are listed on a designated stock exchange (which currently includes the TSX) at the time of disposition, the applicable Arrangement Shares (other than the LCL Spin-off Butterfly Shares) will

generally not constitute taxable Canadian property of a Non-Resident Shareholder at that time, unless at any time during the 60-month period immediately preceding that time:

- 25% or more of the issued shares of any class or series of the capital stock of the applicable issuer of the Arrangement Shares were owned by or belonged to one or any combination of: (i) the Non-Resident Shareholder; (ii) persons with whom the Non-Resident Shareholder did not deal at arm's length for purposes of the Tax Act; and (iii) partnerships in which the Non-Resident Shareholder or a person described in (ii) holds a membership interest directly or indirectly through one or more partnerships; and

- more than 50% of the FMV of the Arrangement Shares of a particular issuer (other than the LCL Spin-off Butterfly Shares) was derived directly or indirectly from one or any combination of: (i) real or immovable property situated in Canada; (ii) "Canadian resource properties" (as defined in the Tax Act); (iii) "timber resource properties" (as defined in the Tax Act); and (iv) options in respect of, or interests in, or for civil law rights in, property described in (i) to (iii), whether or not the property exists.

The LCL Spin-off Butterfly Shares will be deemed, as a result of the Arrangement Transactions, to be listed on a prescribed stock exchange in relation to a Non-Resident Shareholder, provided that the LCL Common Shares held by such Non-Resident Shareholder immediately prior to the Arrangement do not constitute taxable Canadian property to such holder.

In certain circumstances, an Arrangement Share may be deemed to be taxable Canadian property for the purposes of the Tax Act.

In the event that an Arrangement Share is taxable Canadian property of a Non-Resident Shareholder, the Non-Resident Shareholder will be subject to the tax consequences discussed in this summary under "*Shareholders Resident in Canada – LCL Shareholders*". Accordingly such non-Resident Shareholder will generally not realize a capital gain or capital loss as a result of the transactions in the Arrangement. A Non-Resident Shareholder whose Arrangement Shares may be taxable Canadian property should consult its own tax advisor, including with regard to any Canadian income tax reporting requirements arising from the Arrangement.

Dividends on LCL Common Shares or GWL Common Shares (Post-Arrangement)

Dividends on LCL Common Shares or GWL Common Shares that are paid or credited, or that are deemed to be paid or credited, to a Non-Resident Shareholder after the Arrangement will be subject to Canadian withholding tax at the rate of 25% of the gross amount of such dividends. This rate may be reduced under the provisions of an applicable Tax Treaty. For example, under the U.S. Treaty, a Non-Resident Shareholder that is a resident of the United States for the purposes of the U.S. Treaty and entitled to full benefits thereunder will generally be subject to Canadian withholding tax at a rate of 15% of the amount of such dividends.

Dispositions of LCL Common Shares or GWL Common Shares (Post-Arrangement)

A Non-Resident Shareholder will generally not be subject to tax under the Tax Act on any gain realized on a disposition of LCL Common Shares or GWL Common Shares after the Arrangement, unless the LCL Common Shares or GWL Common Shares, as applicable, are taxable Canadian property of the Non-Resident Shareholder at the time of disposition and the Non-Resident Shareholder

is not entitled to relief under an applicable Tax Treaty. For additional details, see the discussion in this portion of the summary under the heading "*The Arrangement*".

LCL Preferred Shareholders

A Non-Resident Shareholder who holds LCL Preferred Shares will not experience any Canadian federal income tax consequences in respect of those shares as a result of the Arrangement.

CERTAIN UNITED STATES FEDERAL INCOME TAX CONSIDERATIONS

The following is a summary of certain material U.S. federal income tax considerations for U.S. Holders (as defined below) relating to the receipt of GWL Common Shares pursuant to the Arrangement and to the ownership and disposition of such GWL Common Shares following the Arrangement. This summary does not purport to address all U.S. federal income tax matters that may be relevant to a particular U.S. Holder, nor is it a complete analysis of all potential U.S. federal income tax consequences. This summary does not address any tax consequences arising under any state, local, or non-U.S. tax laws or U.S. federal estate or gift tax laws. This summary is based on current provisions of the Internal Revenue Code of 1986, as amended (the "**Code**"), the Treasury regulations thereunder, and administrative and judicial interpretations thereof, all of which are subject to change, possibly with retroactive effect. No ruling has been or will be sought from the Internal Revenue Service (the "**IRS**") with respect to the matters discussed below, and there can be no assurance that the IRS will not take a contrary position or that any such contrary position will not be sustained by a court. This discussion is limited to U.S. Holders that hold LCL Common Shares and GWL Common Shares as capital assets within the meaning of Section 1221 of the Code (generally, property held for investment). This discussion does not address all U.S. federal income tax considerations that may be relevant to shareholders subject to special tax rules, including, without limitation: expatriates and certain former citizens of the United States; partnerships and other pass-through entities; "controlled foreign corporations"; "passive foreign investment companies"; financial institutions; insurance companies; brokers, dealers, or traders in securities, commodities, or currencies; tax-exempt organizations; tax-qualified retirement plans; persons subject to the alternative minimum tax; persons holding LCL Common Shares or GWL Common Shares as part of a hedge, straddle, or other risk reduction strategy or as part of a hedging or conversion transaction or other integrated investment; persons who own (directly or indirectly, applying certain constructive ownership rules) 10% or more of LCL Common Shares or GWL Common Shares by vote or value; and persons who acquired LCL Common Shares or GWL Common Shares through stock option or stock purchase plan programs or through other compensatory arrangements. In addition, this discussion does not address the tax consequences to holders of options issued by the Company or GWL that are assumed, replaced, exercised, or converted, as the case may be, in connection with the Arrangement.

If a partnership (or other entity classified as a partnership for U.S. federal income tax purposes) holds LCL Common Shares or GWL Common Shares, the tax treatment of a partner in the partnership generally will depend upon the status of the partner and the activities of the partnership. Partnerships and partners in such a partnership are urged to consult their tax advisers regarding the tax consequences of the receipt of GWL Common Shares pursuant to the Arrangement and the ownership and disposition of such GWL Common Shares following the Arrangement.

For purposes of this discussion, a "**U.S. Holder**" means a beneficial owner of LCL Common Shares or GWL Common Shares that is: (i) an individual who is a citizen or resident of the United Sates as

determined for U.S. federal income tax purposes; (ii) a corporation (or other entity taxable as a corporation for U.S. federal income tax purposes) created or organized under the laws of the United States or any political subdivision thereof; (iii) an estate, the income of which is subject to U.S. federal income taxation regardless of its source; or (iv) a trust if (1) a court within the United States is able to exercise primary supervision over its administration and (2) one or more U.S. persons has the authority to control all of the substantial decisions of the trust.

SHAREHOLDERS ARE URGED TO CONSULT THEIR TAX ADVISERS REGARDING THE TAX CONSEQUENCES OF THE RECEIPT OF GWL COMMON SHARES PURSUANT TO THE ARRANGEMENT AND THE OWNERSHIP AND DISPOSITION OF SUCH GWL COMMON SHARES FOLLOWING THE ARRANGEMENT IN LIGHT OF THEIR PARTICULAR CIRCUMSTANCES, INCLUDING THE APPLICATION AND EFFECT OF ANY STATE, LOCAL, OR NON-U.S. INCOME AND OTHER TAX LAWS.

Consequences of the Receipt of GWL Common Shares Pursuant to the Arrangement

The Company believes that a U.S. Holder who receives GWL Common Shares pursuant to the Arrangement should be treated as receiving a taxable distribution in an amount equal to the FMV of the gross amount of GWL Common Shares received by such holder, without reduction for Canadian withholding tax, if any, plus the amount of cash received in lieu of fractional GWL Common Shares, although the matter is not entirely free from doubt. The following discussion assumes that the foregoing tax treatment is correct. Such taxable distribution would be treated as a dividend, taxable as ordinary income, to the extent of a U.S. Holder's share of the current and accumulated earnings and profits of the Company, as determined for U.S. federal income tax purposes. The amount of the dividend received by a non-corporate U.S. Holder, including an individual, generally would be "qualified dividend income" subject to U.S. tax at preferential rates, provided the Company is treated as a "qualified foreign corporation" under the Code and certain holding period and other requirements are met. A qualified foreign corporation includes a non-U.S. corporation that is eligible for the benefits of a comprehensive income tax treaty with the United States which the United States Treasury Department determines to be satisfactory for such purposes and which includes an exchange of information provision. The United States Treasury Department has determined that the current income tax treaty between the United States and Canada (the U.S. Treaty) meets these requirements, and the Company believes that it is eligible for the benefits of the U.S. Treaty. However, the Company would not be a qualified foreign corporation if it were a passive foreign investment company (a "**PFIC**") for the current year or the preceding taxable year. Based upon the composition of its income and its assets, the Company does not expect to be a PFIC for the current taxable year and does not believe it was a PFIC for the preceding taxable year. However, no assurance can be provided that the IRS will agree with such position. U.S. Holders are urged to consult their tax advisers regarding the consequences of the receipt of GWL Common Shares pursuant to the Arrangement in the event the Company is a PFIC.

If the amount of such distribution were to exceed the Company's current and accumulated earnings and profits, the excess would be treated as a recovery of basis to the extent of a U.S. Holder's adjusted basis in LCL Common Shares and then as capital gain. The company does not intend to calculate earnings and profits for U.S. federal income tax purposes. U.S. Holders should therefore expect the entire amount of the distribution to be treated as a dividend for U.S. federal income tax reporting purposes. Dividends received by non-corporate U.S. Holders may be subject to an additional tax on unearned income of 3.8% (see "*Tax on Net Investment Income*" below). Dividends received by a U.S. Holder pursuant to the Arrangement generally will be treated as foreign-source income for foreign tax credit limitation purposes.

A U.S. Holder will have a basis in GWL Common Shares received pursuant to the Arrangement equal to the FMV of such GWL Common Shares on the Effective Date, and the holding period for such GWL Common Shares received will begin on the day after the Effective Date.

Tax Consequences of the Ownership and Disposition of GWL Common Shares Following the Arrangement

Distributions

Subject to the discussion below under "*Passive Foreign Investment Company Considerations*", the gross amount of a distribution paid to a U.S. Holder with respect to GWL Common Shares (including amounts withheld to pay Canadian withholding taxes) will be treated as a dividend, taxable as ordinary income, to the extent of a U.S. Holder's share of the current and accumulated earnings and profits of GWL, as determined for U.S. federal income tax purposes. The amount of the dividend received by a non-corporate U.S. Holder, including an individual, generally will be qualified dividend income subject to U.S. tax at preferential rates, provided GWL is treated as a qualified foreign corporation under the Code and certain holding period and other requirements are met. As discussed above under "*Consequences of the Receipt of GWL Common Shares Pursuant to the Arrangement*", a qualified foreign corporation includes a non-U.S. corporation that is eligible for the benefits of the U.S. Treaty. GWL believes that it is eligible for the benefits of the U.S. Treaty. However, GWL will not be a qualified foreign corporation if it is a PFIC for the year of such distribution or for the preceding taxable year. If the amount of the distribution exceeds GWL's current and accumulated earnings and profits, the excess will be treated as a recovery of basis to the extent of a U.S. Holder's adjusted basis in GWL Common Shares and then as capital gain. GWL does not intend to calculate earnings and profits for U.S. federal income tax purposes. U.S. Holders should therefore expect the entire amount of any distribution on GWL Common Shares to be treated as a dividend for U.S. federal income tax reporting purposes. Dividends received by non-corporate U.S. Holders may be subject to an additional tax on unearned income of 3.8% (see "*Tax on Net Investment Income*" below). Dividends on GWL Common shares generally will not be eligible for the dividends-received deduction allowed to corporations.

Dividends paid by GWL generally will be treated as foreign-source income for foreign tax credit limitation purposes. Accordingly, any Canadian federal withholding tax imposed on dividends received by a U.S. Holder may, subject to certain limitations, be claimed as a foreign tax credit against such holder's U.S. federal income tax liability or may be claimed as a deduction for U.S. federal income tax purposes. The rules relating to foreign tax credits are complex, and the availability of a foreign tax credit depends on numerous factors. U.S. Holders are urged to consult their tax advisers concerning the application of the U.S. foreign tax credit rules.

Sale, Exchange or Other Disposition of GWL Common Shares

Subject to the discussion below under "*Passive Foreign Investment Company Considerations*," upon the sale, exchange, or other taxable disposition of GWL Common Shares, a U.S. Holder generally will recognize gain or loss equal to the difference between the amount realized on such sale, exchange, or other taxable disposition and such U.S. Holder's tax basis in such GWL Common Shares. Such gain or loss generally will be long-term capital gain or loss if such U.S. Holder held such GWL Common Shares for more than one year at the time of disposition. Certain non-corporate U.S. Holders are entitled to preferential treatment for net long-term capital gains. The deductibility of capital losses is subject to limitations. Any such gain or loss recognized by a U.S. Holder generally will be treated as U.S.-source gain or loss for foreign tax credit limitation purposes.

Receipt of Foreign Currency

The amount of any distribution paid to a U.S. Holder in Canadian dollars, or received by a U.S. Holder in Canadian dollars upon the sale, exchange, or other taxable disposition of GWL Common Shares, generally will be equal to the U.S. dollar value of such Canadian dollars based on the exchange rate applicable on the date of receipt (regardless of whether such Canadian dollars are converted into U.S. dollars at that time). A U.S. Holder generally will have a basis in Canadian dollars equal to their U.S. dollar value on the date of receipt. Any U.S. Holder who converts or otherwise disposes of Canadian dollars after the date of receipt may have a foreign currency exchange gain or loss that would be treated as ordinary income or loss, and generally will be U.S.-source income or loss for foreign tax credit purposes. U.S. Holders are urged to consult their tax advisers regarding the U.S. federal income tax consequences of receiving, owning, and disposing of Canadian dollars.

Passive Foreign Investment Company Considerations

Certain adverse tax consequences could apply to a U.S. Holder if GWL is treated as a PFIC for any taxable year during which the U.S. Holder holds GWL Common Shares. A non-U.S. corporation, such as GWL, will be classified as a PFIC for U.S. federal income tax purposes for any taxable year in which, after applying certain look-through rules with respect to interests in subsidiaries, either (i) 75% or more of its gross income for such year consists of certain types of "passive" income or (ii) 50% or more of the value of its assets (determined on the basis of a quarterly average) during such year produce or are held for the production of passive income. Passive income generally includes dividends, interest, royalties, rents, annuities, net gains from the sale or exchange of property producing such income, and net foreign currency gains. Based on the composition of its income and assets, GWL believes that it was not a PFIC for the taxable year ended December 31, 2017, and it does not expect to become a PFIC in 2018 or for the foreseeable future. However, the determination of whether GWL is or will be a PFIC must be made annually as of the close of each taxable year. Because PFIC status depends upon the composition of GWL's income and assets from time to time, there can be no assurance that GWL will not be considered a PFIC for any taxable year, or that the IRS or a court will agree with GWL's determination as to its PFIC status.

If GWL were a PFIC for any taxable year during which a U.S. Holder held GWL Common Shares, gain recognized by such U.S. Holder upon the sale or other taxable disposition of the GWL Common Shares would be allocated ratably over the U.S. Holder's holding period for the GWL Common Shares. The amounts allocated to the taxable year of the sale or other taxable disposition and to any year before GWL became a PFIC would be taxed as ordinary income. The amount allocated to each other taxable year would be subject to tax at the highest rate in effect for individuals or corporations, as appropriate, for that taxable year, and an interest charge would be imposed on the tax on such amount. Further, to the extent that any distribution received by a U.S. Holder on its GWL Common Shares were to exceed 125% of the average of the annual distributions on the GWL Common Shares received during the preceding three years or the U.S. Holder's holding period, whichever is shorter, that distribution would be subject to taxation in the same manner as gain, described immediately above. Certain elections (including a mark-to-market election) may be available to U.S. Holders to mitigate some of the adverse tax consequences resulting from PFIC treatment. U.S. Holders are urged to consult their tax advisers regarding the application of the PFIC rules, including certain information reporting requirements, to the ownership and disposition of GWL Common Shares.

Tax on Net Investment Income

Certain U.S. Holders that are individuals, estates or trusts are subject to a 3.8% tax on all or a portion of their "net investment income", which may include all or a portion of their dividend income and net gains from the disposition of GWL Common Shares or LCL Common Shares. Each U.S. Holder that is an individual, estate, or trust is urged to consult its tax advisers regarding the tax on net investment income.

Foreign Asset Reporting

Certain U.S. Holders holding interests in "specified foreign financial assets" are required to file with their U.S. federal income tax returns certain information on IRS Form 8938 if the aggregate value of all such assets exceeds certain thresholds. Specified foreign financial assets generally include any financial account maintained with a non-U.S. financial institution and may also include GWL Common Shares and LCL Common Shares if such shares are not held in an account maintained with a financial institution. Substantial penalties may be imposed, and the period of limitations on assessment and collection of U.S. federal income taxes may be extended, in the event of a failure to comply. U.S. Holders are urged to consult their tax advisers as to the foregoing reporting requirements.

Backup Withholding and Information Reporting

Backup withholding and information reporting requirements may apply to certain U.S. Holders with respect to the receipt pursuant to the Arrangement of, and to distributions made on or proceeds from the sale, exchange, or other disposition of, GWL Common Shares. Backup withholding will not apply, however, to a U.S. Holder that (i) furnishes a correct taxpayer identification number and certifies that it is not subject to backup withholding on IRS Form W-9 or a substantially similar form or (ii) is otherwise exempt from backup withholding and provides appropriate proof of the applicable exemption. Any amounts withheld under the backup withholding rules will be allowed as a refund or a credit against a U.S. Holder's U.S. federal income tax liability, provided the required information is timely furnished to the IRS.

RISK FACTORS

In evaluating the Arrangement, LCL Shareholders should carefully consider the risk factors set out below as well as the other information included and incorporated by reference herein.

Risks Relating to the Arrangement

Conditions Precedent and Required Approvals

The completion of the Arrangement is subject to a number of conditions precedent, some of which are outside the Company's control, including receipt of the Final Order. At the hearing for the Final Order, the Court will consider whether to approve the Arrangement based on the applicable legal requirements and the evidence before the Court. Other conditions precedent which are outside of the Company's control include, without limitation, the receipt of the Tax Ruling, the Required Shareholder Approval and TSX Approvals. There can be no certainty, nor can the Company provide any assurance, that all conditions precedent to the Arrangement will be satisfied or waived, or, if satisfied or waived, when they will be satisfied or waived. If certain approvals and consents are not received prior to the anticipated Effective Date, the Company, with the written consent of GWL and Spinco, may decide to

proceed nonetheless, or it may either delay or amend the implementation of all or part of the Arrangement, including possibly delaying the completion of the Arrangement in order to allow sufficient time to complete such matters. If the Arrangement is delayed or not completed, the market price of the LCL Common Shares may be materially adversely affected.

Termination of the Arrangement

It is possible that future factors may arise that make it inadvisable to proceed with, or advisable to delay, all or part of the Arrangement. The Arrangement Agreement may be terminated by written agreement of the parties, or by either Loblaw or GWL if either board of directors determines in good faith after consultation with its financial advisors and outside legal counsel that in order to comply with its fiduciary duties it is necessary to terminate the Arrangement Agreement. The parties to the Arrangement Agreement may also agree to delay implementation of all or part of the Arrangement. If the Arrangement is delayed or not completed as currently planned, the market price of the LCL Common Shares may be materially adversely affected.

Value and Trading Price Following Completion of the Arrangement

Upon completion of the Arrangement, the holders of the LCL Common Shares will become holders of LCL Common Shares and GWL Common Shares. Following the completion of the Arrangement, the respective businesses of the Company and GWL will differ (to varying degrees) from their respective businesses as they existed immediately prior to the completion of the Arrangement, and their respective results of operations may be affected by factors different from those previously affecting their results of operations prior to the completion of the Arrangement. Therefore, events or circumstances that might have caused an increase or decrease in the value of the LCL Common Shares or the GWL Common Shares prior to the Arrangement might not result in an increase or decrease, respectively, in the value of the LCL Common Shares and the GWL Common Shares following the Arrangement.

In addition, the trading prices of the LCL Common Shares and the GWL Common Shares may be affected by factors different from those previously affecting the trading prices of the LCL Common Shares and the GWL Common Shares. The trading price of the LCL Common Shares is expected to be lower following the Arrangement than the trading price of the LCL Common Shares prior thereto, reflecting the Company's transfer of its effective interest in Choice REIT, and such price may fluctuate significantly for a period of time following the Arrangement. Moreover, the trading prices of a LCL Shareholder's LCL Common Shares and such number of GWL Common Shares of equivalent value to such LCL Shareholder's pro rata share of the FMV of the Company's effective interest in Choice REIT at the Effective Time, taken together, may also be less than, equal to or greater than the trading price of the LCL Common Shares prior to the Arrangement.

Diversification

The Company currently benefits from the diversification resulting from its ownership and operation of Choice REIT's real estate business. The Arrangement will separate the ownership and operation of Choice REIT's real estate business from the Company's remaining business. Accordingly, this separation will result in reduced diversification in the Company which, in turn, will exacerbate the risks to the Company's remaining business of the cyclicality associated with that business as well as the other risks associated with the retail industry in which the Company operates.

Selling of Shares

Upon completion of the Arrangement, there may be LCL Shareholders or holders of GWL Common Shares who wish to sell their LCL Common Shares or their GWL Common Shares. Some LCL Shareholders may determine that they do not wish to have an investment solely in the post-Arrangement business of the Company. In addition, some LCL Shareholders may be subject to investment restrictions which preclude them from holding LCL Common Shares or GWL Common Shares, while other LCL Shareholders or holders of GWL Common Shares may elect to sell for different reasons. If there are a significant number of sellers of LCL Common Shares or GWL Common Shares without a corresponding number of buyers, the trading price of those shares could decline and such decline could be material.

Indemnification Obligations

In connection with the Arrangement, the Company, Spinco and GWL have entered into the Arrangement Agreement which contains a number of representations, warranties and covenants of those parties, including agreement by each of those parties to indemnify and hold harmless the other parties and their respective representatives against any loss suffered or incurred resulting from or in connection with a breach of certain tax-related covenants. One of these covenants is that each party will not perform any act or enter into any transaction or permit any transaction within its control to occur that could reasonably be considered to interfere or be inconsistent with the Tax Ruling. Another of these covenants is that each of the Company, Spinco and GWL, for a period of three years after the Effective Date, will not (and will cause its subsidiaries to not) take any action, omit to take any action or enter into any transaction that could cause the LCL Spin-off Butterfly or any transaction contemplated by the Arrangement Agreement to be taxed in a manner inconsistent with that provided for in the Tax Ruling without obtaining a tax ruling or an opinion of a nationally recognized accounting firm or law firm that such action, omission or transaction will not have such effect. With respect to Canadian income taxation, in addition to various transactions that the respective parties are prohibited from undertaking prior to and after the implementation of the Arrangement, after the implementation of the Arrangement, neither the Company nor GWL (as the successor of Spinco) will be permitted to undergo an acquisition of control without severe adverse tax consequences where such acquisition is, for Canadian tax purposes, part of the "series of transactions or events" that includes the LCL Spin-off Butterfly, except in limited circumstances.

The Arrangement Agreement also includes customary indemnification provisions whereby (i) the Company indemnifies GWL in respect of any losses caused by, arising from or in consequence of any misrepresentation or alleged misrepresentation in any information included in the Meeting Materials or any order, inquiry, investigation or proceeding to the extent based on any such misrepresentation or alleged misrepresentation, except to the extent that such losses are caused by, arising from or in consequence of a misrepresentation or alleged misrepresentation in the information provided by GWL for inclusion in the Meeting Materials, and (ii) GWL indemnifies the Company in respect of any losses caused by, arising from or in consequence of a misrepresentation or alleged misrepresentation in the information provided by GWL for inclusion in the Meeting Materials.

Any indemnification claim against the Company, Spinco and GWL (on its own account or as the successor to Spinco) pursuant to the provisions of the Arrangement Agreement could be substantial, may not be able to be satisfied and may have a material adverse effect upon GWL or the Company, as applicable.

Canadian Tax Considerations

The Tax Ruling requested from the CRA requires, among other things, that the LCL Spin-off Butterfly complies with all of the requirements of the public company "butterfly reorganization" rules in section 55 of the Tax Act. Although the Arrangement is structured to comply with these rules, there are certain requirements of these rules that depend on events occurring after the Arrangement is completed or that may not be within the control of the Company, GWL or Spinco. See "*Certain Legal and Regulatory Matters –Tax Ruling*". If these requirements are not met, the Company and Spinco would recognize a taxable gain in respect of the LCL Spin-off Butterfly. If incurred, tax liabilities could be substantial and could have a material effect on the financial position of the Company and Spinco (and GWL, as the successor to Spinco). In addition, if such requirements are not met due to an act of the Company, Spinco or GWL, the Company or GWL (as the successor of Spinco), as applicable, would generally be required to indemnify the other party under the Arrangement Agreement. See "*The Arrangement – Arrangement Agreement*".

Risks Relating to Loblaw and GWL Businesses

Whether or not the Arrangement is completed, Loblaw will continue to face many of the risks that it currently faces with respect to its business and affairs. Certain of these risk factors have been disclosed in the annual information form of Loblaw dated February 22, 2018 for the fiscal year ended December 30, 2017 on pages 15 to 23 thereof under the heading "*Risk Factors*". The above referenced document has been filed on SEDAR at www.sedar.com and, upon request to the Vice President, Investor Relations of the Company at 1 President's Choice Circle, Brampton, Ontario L6Y 5S5, a LCL Shareholder will be provided with a copy of this document without charge.

Whether or not the Arrangement is completed, GWL will continue to face many of the risks that it currently faces with respect to its business and affairs. Certain of these risk factors have been disclosed in the annual information form of GWL dated March 1, 2018 for the fiscal year ended December 31, 2017 on pages 20 to 33 thereof under the heading "*Risk Factors*". The above referenced document has been filed on SEDAR at www.sedar.com and, upon request to the Senior Vice President, Communications and Investor Relations of GWL at 22 St. Clair Avenue East, Suite 1901, Toronto, Ontario, M4T 2S7, a GWL shareholder will be provided with a copy of this document without charge.

LCL Shareholders should understand that if the Arrangement Resolution is approved at the Meeting and the Arrangement is completed, LCL Shareholders will hold both shares of the Company and GWL. Accordingly, a LCL Shareholder will become a shareholder of GWL and will remain a shareholder of the Company and will be subject to all of the risks associated with the operations of GWL and the Company and the industries in which both corporations operate.

GENERAL PROXY MATTERS

Appointment and Revocation of Proxies

THE PERSONS NAMED IN THE FORMS OF PROXY ACCOMPANYING THIS MANAGEMENT PROXY CIRCULAR ARE DIRECTORS AND EXECUTIVE OFFICERS OF THE COMPANY. A SHAREHOLDER HAS THE RIGHT TO APPOINT A PERSON OR COMPANY (WHO NEED NOT BE A SHAREHOLDER), OTHER THAN THE PERSONS NAMED IN SUCH FORMS OF PROXY, TO ATTEND AND ACT FOR AND ON BEHALF OF SUCH SHAREHOLDER AT THE MEETING AND AT ANY ADJOURNMENT OR

POSTPONEMENT THEREOF. SUCH RIGHT MAY BE EXERCISED BY EITHER INSERTING THE NAME OF THE PERSON TO BE APPOINTED IN THE BLANK SPACE PROVIDED IN THE FORM(S) OF PROXY, OR BY COMPLETING ANOTHER PROPER FORM OF PROXY AND, IN EITHER CASE, DELIVERING THE COMPLETED AND EXECUTED PROXY OR PROXIES TO COMPUTERSHARE PRIOR TO 4:00 P.M. (TORONTO TIME) ON OCTOBER 16, 2018, OR, IN THE CASE OF ANY ADJOURNMENT OR POSTPONEMENT THEREOF, NOT LESS THAN 48 HOURS (EXCLUDING SATURDAYS, SUNDAYS AND HOLIDAYS) PRIOR TO THE TIME OF SUCH ADJOURNED OR POSTPONED MEETING.

It is important to ensure that any other person that is appointed by a LCL Shareholder as his, her or its proxyholder attends the Meeting and is aware of such appointment as such LCL Shareholder's proxyholder. Proxyholders should present themselves to a representative of Computershare at the Meeting. Any LCL Shareholder who executes and delivers a proxy in the manner specified herein may revoke it at any time prior to use by: (i) depositing an instrument in writing that is signed by the LCL Shareholder or by an attorney who is authorized by a document that is signed in writing or by electronic signature by such LCL Shareholder or by transmitting an instrument by telephonic or electronic means that is signed by electronic signature of such LCL Shareholder, either at the registered office of the Company or with Computershare, at any time up to and including the last Business Day preceding the Meeting or any adjournment or postponement thereof; (ii) depositing such instrument in writing with the Chairman of the Meeting on the day of the Meeting or any adjournment or postponement thereof; or (iii) in any other manner permitted by law. See also "Voting by Non-Registered Shareholders" below with respect to the revocation of a proxy by a Non-Registered Shareholder.

The Company will pay all costs incurred in sending or delivering copies of the Notice of Meeting, this Circular and the form(s) of proxy to the beneficial owners of such LCL Common Shares. The Company is not sending the materials relating to the Meeting directly to non-objecting beneficial holders (as defined in National Instrument 54-101 – *Communication with Beneficial Owners of Securities of a Reporting Issuer*).

Voting by Registered Shareholders

Voting by Proxy

Registered Shareholders can vote their LCL Common Shares by proxy in the following four ways:

- by telephone, by calling the separate telephone number set out on the enclosed form(s) of proxy from a touch-tone phone and following the instructions set out on such form(s) of proxy (the required access code being the control number on such form(s) of proxy);

- on the internet, at www.investorvote.com by following the instructions set out on the enclosed form(s) of proxy (the required access code being the control number on such form(s) of proxy);

- by mail, by completing, dating and signing the applicable enclosed form(s) of proxy and returning such form(s) of proxy to Computershare (at 100 University Avenue, 8th Floor, Toronto, Ontario M5J 2Y1) in the envelope enclosed with this Circular; or

- by facsimile, by completing, dating and signing the applicable enclosed form(s) of proxy and forwarding such form(s) of proxy by facsimile to Computershare at (416) 263-9524 or 1-866-249-7775.

Proxies must be received by Computershare no later than 4:00 p.m. (Toronto time) on October 16, 2018 or, in the case of any adjournment or postponement of the Meeting, not less than 48 hours (excluding Saturdays, Sundays and holidays) prior to the time of such adjourned or postponed meeting.

Voting by Attendance at the Meeting

Registered Shareholders who intend to vote their LCL Common Shares in person at the Meeting should not complete or return their form(s) of proxy, but rather should present themselves to a representative of Computershare at the Meeting.

Voting by Non-Registered Shareholders

Non-Registered Shareholders are LCL Shareholders who do not hold LCL Common Shares in their own name, but whose LCL Common Shares are registered in the name of an intermediary (such as a bank, trust company, securities dealer or broker or other financial institution) (each, a "**Non-Registered Shareholder**").

Voting by Providing Instructions to Intermediaries

Non-Registered Shareholders should follow the directions of their intermediaries or Broadridge, as applicable, with respect to the procedures for voting their LCL Common Shares. These procedures generally allow voting in the following four ways:

- by telephone at 1-800-474-7493 (English) or 1-800-474-7501 (French) or 1-800-454-8683 for U.S. Non-Registered Shareholders by following the instructions set out on the enclosed voting instruction form(s) (the required access code being the control number on the enclosed voting instruction form(s));

- on the internet at www.proxyvote.com by following the instructions set out on the enclosed voting instruction form(s) (the required access code being the control number on the enclosed voting instruction form(s));

- by mail, by following the instructions found on the enclosed voting instruction form(s); or

- by facsimile, by following the instructions found on the enclosed voting instruction form(s).

Non-Registered Shareholders must not use the facsimile number or send the form(s) of proxy to the mailing address of Computershare provided in this Circular, as these are reserved for Registered Shareholders and should instead use the information provided by the intermediary or Broadridge, as applicable. Broadridge or your intermediary, as applicable, must receive your voting instructions by the time noted on your voting instruction form. If a Non-Registered Shareholder of the Company who has voted his, her or its LCL Common Shares by following the directions of the intermediary wishes to revoke his, her or its vote, such LCL Shareholder must contact his, her or its intermediary to determine the procedure to be followed.

Loblaw may use the Broadridge QuickVote™ service to assist Non-Registered Shareholders with voting their LCL Common Shares over the telephone. Alternatively, Kingsdale may contact such Non-Registered Shareholders to assist them with conveniently voting their LCL Common Shares directly over the phone. If you have any questions about the Meeting, please contact Kingsdale by telephone at 1-866-228-2532 (toll-free in North America) or 1-416-867-2272 (collect outside North America) or by email at contactus@kingsdaleadvisors.com.

Voting by Attendance at the Meeting

The Company does not have access to the names and shareholdings of its Non-Registered Shareholders. Therefore, if a Non-Registered Shareholder wishes to attend the Meeting and vote in person at the Meeting, he or she should insert his or her own name in the space provided on the voting instruction form or request for voting instructions sent to the Non-Registered Shareholder by or on behalf of the intermediary and then follow the instructions provided by the intermediary to appoint such LCL Shareholder as a proxyholder. As the Non-Registered Shareholder will be attending the Meeting in person, he or she should not otherwise complete the voting instruction form(s) or request for voting instructions sent by the intermediary. Any Non-Registered Shareholder who instructs the intermediary to appoint such LCL Shareholder as proxyholder should present themselves to a representative of Computershare at the Meeting.

Exercise of Discretion by Proxyholders

All properly executed proxies, not previously revoked, will be voted on any ballot taken at the Meeting in accordance with the instructions of the LCL Shareholders contained therein.

MANAGEMENT PROXIES CONTAINING NO INSTRUCTIONS REGARDING VOTING IN RESPECT OF THE MATTERS SPECIFIED THEREIN WILL BE VOTED IN FAVOUR OF SUCH MATTERS. IN THE EVENT, NOT CURRENTLY ANTICIPATED, THAT ANY OTHER MATTER IS PROPERLY BROUGHT BEFORE THE MEETING, OR ANY ADJOURNMENT OR POSTPONEMENT THEREOF, AND IS SUBMITTED TO A VOTE, THE PROXY MAY BE VOTED IN ACCORDANCE WITH THE JUDGMENT OF THE PERSONS NAMED THEREIN. THE PROXY ALSO CONFERS DISCRETIONARY AUTHORITY IN RESPECT OF AMENDMENTS TO, OR VARIATIONS IN, ALL MATTERS WHICH MAY PROPERLY COME BEFORE THE MEETING OR ANY ADJOURNMENT OR POSTPONEMENT THEREOF.

Record Date for Notice and LCL Shareholders Entitled to Vote

The Board has fixed September 17, 2018 as the record date for the determination of LCL Shareholders entitled to receive notice of the Meeting, which has been confirmed by the Court in the Interim Order. Only LCL Shareholders of record at the close of business on such record date will be entitled to vote at the Meeting.

Intention of Directors and Senior Officers

Each of the directors and senior officers of the Company has indicated an intention to vote **FOR** the Arrangement Resolution. As at September 18, 2018, such directors and senior officers beneficially owned, or controlled or directed, directly or indirectly, in the aggregate, 480,704 LCL Common Shares, representing approximately 0.13% of the outstanding LCL Common Shares.

Intention of Principal Shareholder

As of September 18, 2018, GWL beneficially owns, directly and indirectly, a total of 187,815,136 LCL Common Shares, representing approximately 50.1% of the outstanding LCL Common Shares. GWL is controlled by Mr. W. Galen Weston who, as at September 18, 2018, beneficially owned, directly and indirectly through entities which he controls, including Wittington, a total of 80,777,041 GWL Common Shares, representing approximately 63.4% of the outstanding GWL Common Shares. As of September 18, 2018, Mr. W. Galen Weston also beneficially owned, directly and indirectly through entities which he controls, including Wittington, a total of 5,096,189 LCL Common Shares, representing approximately 1.4% of the outstanding LCL Common Shares. GWL and Mr. W. Galen Weston intend to vote their LCL Common Shares for the Arrangement Resolution.

Proxy Solicitation Agent

Kingsdale has been retained to solicit proxies from the holders of the LCL Common Shares for the Meeting for a fee of approximately $50,000 plus a success fee of $75,000 if the Arrangement is approved by the Minority Shareholders and a per call fee for retail shareholders. Kingsdale will also be reimbursed for its reasonable out-of-pocket expenses. All costs of solicitation will be borne by GWL. If you are a holder of LCL Common Shares and have any questions in regards to the Meeting or require assistance with voting, please contact Kingsdale by telephone at 1-866-228-2532 (North-American toll-free) or by email at contactus@kingsdaleadvisors.com.

LEGAL AND FINANCIAL MATTERS

The following persons and companies have prepared certain sections of this Circular and/or Appendices attached hereto as described below, or are named as having prepared or certified a report, statement or opinion in or incorporated by reference in this Circular.

Name of Expert[(1)]	Nature of Relationship
BMO Capital Markets	Authors responsible for the preparation of the LCL Fairness Opinion
KPMG LLP[(2)]	Independent Auditors of Loblaw and GWL
Torys LLP	External Legal Counsel of Loblaw and GWL

Notes:

(1) To the knowledge of Loblaw, none of the experts so named (of any of the designated professionals thereof) held securities representing more than 1% of all issued and outstanding LCL Common Shares as of the date of the statement, report or valuation in question, and none of the persons above is or is expected to be elected, appointed or employed as a director, officer or employee of Loblaw or of any associate or affiliate of Loblaw.

(2) KPMG LLP is independent with respect to GWL and Loblaw within the meaning of the Rules of Professional Conduct of the Institute of Chartered Professional Accountants of Ontario.

PARTICULARS OF OTHER MATTERS TO BE ACTED UPON

Management of Loblaw knows of no matters to come before the Meeting other than the matters referred to in the Notice of Meeting. If other matters properly come before the Meeting, it is the intention of the person named in the accompanying form of proxy to vote the LCL Common Shares represented thereby in accordance with his or her best judgment on such matters.

ADDITIONAL INFORMATION

Additional information relating to Loblaw may be found on SEDAR at www.sedar.com. Financial information relating to Loblaw is provided in Loblaw's annual consolidated financial statements and related management's discussion and analysis for the year ended December 30, 2017. LCL Shareholders may obtain copies of these financial statements, management's discussion and analysis and any other publicly filed document of the Company without charge upon request to the Vice President, Investor Relations of the Company at 1 President's Choice Circle, Brampton, Ontario L6Y 5S5.

GENERAL INFORMATION

The contents of this Circular and the sending thereof to LCL Shareholders have been approved by the Board.

By Order of the Board

"*Gordon A.M. Currie*"

Gordon A.M. Currie
Executive Vice President, Chief Legal Officer
& Secretary

GLOSSARY OF TERMS

Unless the context otherwise requires or where otherwise provided, the following words and terms shall have the respective meanings set forth below when used in this Circular and the Appendices hereto. Words importing the singular, where the context requires, include the plural and vice versa and words importing any gender include all genders.

"**2397454**" means 2397454 Ontario Inc., a corporation governed by the laws of the Province of Ontario. 2397454 will be continued as a corporation governed by the laws of Canada prior to the Effective Time. The corporation name and jurisdiction will be revised accordingly.

"**ACB**" means "adjusted cost base" as defined in section 54 of the Tax Act.

"**Applicable Law**" means in respect of any person: (i) any applicable domestic or foreign law including any statute, subordinate legislation or treaty; and (ii) any applicable guideline, directive, rule, standard, requirement, policy, order, judgment, injunction, award or decree of a Governmental Authority having the force of law.

"**Arrangement**" means an arrangement under section 192 of the CBCA in accordance with the terms and subject to the conditions set out in the Plan of Arrangement.

"**Arrangement Agreement**" means the arrangement agreement dated September 4, 2018, between LCL, Spinco and GWL (including the schedules thereto), as amended or supplemented in accordance with its terms.

"**Arrangement Resolution**" means the special resolution approving the Plan of Arrangement to be considered at the Meeting, substantially in the form and content set out in Appendix "A".

"**Arrangement Shares**" has the meaning given in the section entitled "*Certain Canadian Federal income Tax Considerations – Certain Canadian Federal Income Tax Consequences to Shareholders*".

"**Articles of Arrangement**" means the articles of arrangement of LCL in respect of the Arrangement, to be filed with the Director after the Final Order is made, which shall include the Plan of Arrangement and otherwise be in form and content satisfactory to the parties to the Arrangement Agreement, each acting reasonably.

"**BMO Capital Markets**" means BMO Nesbitt Burns Inc., the independent financial advisor to the Board.

"**Board**" means the board of directors of the Company, as constituted from time to time.

"**Business Day**" means a day, other than a Saturday, Sunday or statutory or civic holiday in Ontario, when banks are generally open for the transaction of business in Toronto, Ontario.

"**CBCA**" means the *Canada Business Corporations Act*, R.S.C. 1985, c. C-44, as amended, including the regulations promulgated thereunder.

"**CDS**" means CDS Clearing and Depository Services Inc. or one of its nominees.

"**Certificate of Arrangement**" means the certificate of arrangement to be issued by the Director, pursuant to subsection 192(7) of the CBCA, after the Articles of the Arrangement have been filed.

"**Choice LP"** means Choice Properties Limited Partnership, a limited partnership established under the laws of the Province of Ontario.

"**Choice REIT**" means Choice Properties Real Estate Investment Trust, an unincorporated trust governed by the laws of the Province of Ontario.

"**Choice REIT Board**" means the board of trustees of Choice REIT, as constituted from time to time.

"**Circular**" means this Circular, including all Appendices attached hereto.

"**Class B LP Units**" means the Class B limited partnership units in the capital of Choice LP, which: (i) are non-voting, (ii) entitle the holder to receive distributions equal to the distributions equal to the distributions of the Trust Units, (iii) are exchangeable, at the option of the holder, for one Trust Unit for every Class B LP Unit, and (v) entitle the holder to receive one Trust Unit for every Class B LP Unit upon the liquidation, dissolution or winding-up of Choice LP.

"**Code**" means the United States Internal Revenue Code of 1986, as amended.

"**Company**", "**LCL**" or "**Loblaw**" means Loblaw Companies Limited, a corporation governed by the laws of Canada.

"**Computershare**" means Computershare Investor Services Inc., the transfer agent of the Company and GWL.

"**Court**" means the Ontario Superior Court of Justice (Commercial List).

"**CRA**" means the Canada Revenue Agency.

"**CREIT**" means Canadian Real Estate Investment Trust.

"**Director**" means the Director appointed pursuant to section 260 of the CBCA.

"**Distribution Record Date**" means the Business Day prior to the Effective Date.

"**Due Bill**" means an instrument used to evidence title to any dividend, distribution, interest, security or right to a listed security contracted for, or evidencing, the obligation of a seller to deliver such dividend, distribution, interest, security or right to a subsequent purchaser.

"**Due Bill Period**" has the meaning given in the section entitled "*Certain Legal and Regulatory Matters – Due Bills*".

"**EBP Trust**" means a multi-employer employee benefit plan trust of Loblaw established for the purpose of acquiring shares to settle awards under the PSU Plan or the RSU Plan.

"**Effective Date**" means the date shown on the Certificate of Arrangement.

"**Effective Time**" means 3:01 a.m. Toronto local time on the Effective Date.

"**eligible dividend**" means "eligible dividend" as defined in subsection 89(1) of the Tax Act.

"**Ex Date**" has the meaning given in the section entitled "*Certain Legal and Regulatory Matters – Due Bills*".

"**Final Order**" means the final order of the Court or, if appealed, the final order of, or the order affirmed by, an appellate court, approving the Arrangement pursuant to section 192 of the CBCA, as it may be amended or affirmed prior to the Effective Time by the Court or an appellate court, as the case may be.

"**FMV**" means fair market value, being the highest price available in an open and unrestricted market between informed prudent parties acting at arm's length and without compulsion to act, expressed in terms of money.

"**FMV Reduction of an LCL Common Share**" means the reduction in the FMV of an LCL Common Share that will arise solely as a result of the LCL Spin-off Butterfly, and which will be calculated by subtracting:

(a) the VWAP of an LCL Common Share on the Exchange for a five-day trading period commencing on the Effective Date;

from

(b) the VWAP of an LCL Common Share on the Exchange for a five-day trading period ending immediately before the Effective Date.

"**Governmental Authority**" means any: (i) multinational, federal, provincial, territorial, state, regional, municipal, local or other government, governmental or public department, court, tribunal, commission, board or agency, domestic or foreign; or (ii) regulatory authority, including any securities commission or stock exchange.

"**GWL**" means, prior to the amalgamation referred to in subsection 3.1(aa) of the Plan of Arrangement, George Weston Limited, a corporation governed by the federal laws of Canada, and references in this Circular to "GWL" following the completion of the Arrangement, refers to George Weston Limited, the entity resulting from such amalgamation and referred to as "GWL Amalco" in the Plan of Arrangement.

"**GWL Board**" means the board of directors of GWL, as constituted from time to time.

"**GWL Common Shares**" means the existing common shares in the capital of GWL.

"**GWL DSU Plans**" means the director deferred share unit plan and the executive deferred share unit plan adopted by GWL.

"**GWL DSUs**" means the deferred share units credited to the account of a holder by GWL under the GWL DSU Plans.

"**GWL Preferred Shares**" means, collectively, the existing non-voting 5.80% Series I, 5.20% Series III, 5.20% Series IV and 4.75% Series V preferred shares in the capital of GWL.

"**GWL PSU Plan**" means the performance share unit plan adopted by GWL and in effect prior to the Effective Time.

"**GWL PSUs**" means the performance share units credited to the account of a holder by GWL under the GWL PSU Plan.

"**GWL RSU Plan**" means the restricted share unit plan adopted by GWL and in effect prior to the Effective Time.

"**GWL RSUs**" means the restricted share units credited to the account of a holder by GWL under the GWL RSU Plan.

"**GWL Stock Option Plan**" means the stock option plan of GWL.

"**GWL Stock Options**" means the rights to acquire GWL Common Shares granted under the GWL Stock Option Plan.

"**Holder**" has the meaning given in the section entitled "*Certain Canadian Federal income Tax Considerations – Certain Canadian Federal Income Tax Consequences to Shareholders*".

"**IFRS**" means International Financial Reporting Standards.

"**In The Money Amount**" means, in relation to a particular stock option, the amount by which the FMV of the share that is the subject of the particular option exceeds the exercise price of the option.

"**Interested Parties**" has the meaning given in the section entitled "*The Arrangement –LCL Fairness Opinion*".

"**Interim Order**" means the interim order of the Court in respect of the Arrangement dated September 19, 2018 under subsection 192(3) of the CBCA which provides for the calling and holding of the Meeting, a copy of which is attached in Appendix "E" to this Circular, as the same may be varied or amended by the Court.

"**LCL Capital Reorganization**" has the meaning given in the section entitled "*The Arrangement – Arrangement Steps*".

"**LCL Common Shares**" means the existing common shares in the capital of Loblaw.

"**LCL DSU Plans**" means the director deferred share unit plan and the executive deferred share unit plan adopted by Loblaw and in effect prior to the Effective Time.

"**LCL DSUs**" means the deferred share units credited to the account of a holder by Loblaw under the LCL DSU Plans.

"**LCL Fairness Opinion**" means the opinion of BMO Capital Markets dated September 4, 2018, which is addressed to the Board and states to the effect as of the date thereof and subject to the assumptions, limitations and qualifications described therein, the consideration to be received by the Minority Shareholders pursuant to the Arrangement is fair, from a financial point of view, to the Minority Shareholders, a copy of which is attached as Appendix "D".

"**LCL New Common Shares**" has the meaning given in the section entitled "*The Arrangement – Arrangement Steps*".

"**LCL New Stock Option Plan**" means the stock option plan of LCL (the material financial terms and conditions of which will be substantially similar to those of the LCL Stock Option Plan) adopted as of the Effective Time.

"**LCL New Stock Options**" means the rights to acquire LCL Common Shares (the material financial terms and conditions of which will be substantially similar to those of the LCL Stock Options, other than the exercise price) granted under the LCL New Stock Option Plan.

"**LCL Preferred Shares**" means the existing non-voting 5.30% LCL Second Preferred Shares Series B in the capital of LCL.

"**LCL Preferred Shareholders**" means the holders of LCL Preferred Shares at the applicable time.

"**LCL PSU Plan**" means the performance share unit plan adopted by LCL and in effect prior to the Effective Time.

"**LCL PSUs**" means the performance share units credited to the account of a holder by LCL under the LCL PSU Plan.

"**LCL Redemption Note**" means a non-interest-bearing promissory note, payable on demand, having a principal amount and FMV equal to the aggregate redemption amount of the LCL Spin-off Butterfly Shares redeemed by LCL.

"**LCL RSU Plan**" means the restricted share unit plan adopted by LCL and in effect prior to the Effective Time.

"**LCL RSUs**" means the restricted share units credited to the account of a holder by LCL under the LCL RSU Plan.

"**LCL Second Preferred Shares**" means the Second Preferred Shares in the capital of LCL.

"**LCL Shareholders**" means the holders of LCL Common Shares at the applicable time.

"**LCL Spin-off Butterfly**" means the transactions described in subsections 3.1(a) to 3.1(n) of the Plan of Arrangement.

"**LCL Spin-off Butterfly Shares**" has the meaning given in the section entitled "*The Arrangement – Arrangement Steps*".

"**LCL Spin-off Distribution**" has the meaning given in the section entitled "*The Arrangement – Arrangement Steps*".

"**LCL Spin-off Distribution Property"** means all of the TC Amalco Common Shares owned by LCL immediately prior to the LCL Spin-off Distribution.

"**LCL Stock Option Plan**" means the stock option plan of LCL in effect prior to the Effective Date.

"**LCL Stock Options**" means the rights to acquire LCL Common Shares granted under the LCL Stock Option Plan.

"**Meeting**" means the special meeting of LCL Shareholders to be held on October 18, 2018, and any adjournment or postponement thereof, for the purpose of, among other things, considering and, if deemed advisable, approving the Arrangement Resolution.

"**Meeting Materials**" means, collectively, this Circular, the Notice of Meeting and the form of proxy.

"**MI 61-101**" means Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions*, as it may be amended or re-enacted from time to time.

"**Minority Shareholders**" means LCL Shareholders, other than GWL and its affiliates and any other person described in items (a) through (d) of section 8.1(2) of MI 61-101.

"**Non-Registered Shareholder**" has the meaning given in the section entitled "*General Proxy Matters – Voting by Non-Registered Shareholders*".

"**Non-Resident Shareholders**" has the meaning given in the section entitled "*Certain Canadian Federal Income Tax Considerations – Certain Canadian Federal Income Tax Consequences to Shareholders –Shareholders Not Resident in Canada*".

"**Notice of Meeting**" means the notice of the Meeting accompanying this Circular.

"**Plan of Arrangement**" means the plan of arrangement of the Company in the form attached as Appendix "B" hereto, as amended, varied or supplemented in accordance with its terms, the terms of the Arrangement Agreement or made at the direction of the Court with the consent of the parties to the Arrangement Agreement, each acting reasonably.

"**Pre-Arrangement Transactions**" means, collectively: (i) the transactions and actions to be undertaken by LCL and its subsidiaries and defined as the "LCL Pre-Arrangement Transactions" in the Tax Ruling (or, prior to the issuance of the Tax Ruling, the Tax Ruling Application), and (ii) the transactions and actions to be undertaken by GWL and its subsidiaries and defined as the "GWL Pre-Arrangement Transactions" in the Tax Ruling (or, prior to the issuance of the Tax Ruling, the Tax Ruling Application).

"**PUC**" means "paid-up capital" as defined in subsection 89(1) of the Tax Act.

"**RDSP**" has the meaning given in the section entitled "*Certain Canadian Federal Income Tax Considerations – Certain Canadian Federal Income Tax Consequences to Shareholders – Shareholders Resident in Canada – Eligibility for Investment*".

"**Registered Plan**" has the meaning given in the section entitled "*Certain Canadian Federal Income Tax Considerations – Certain Canadian Federal Income Tax Consequences to Shareholders – Shareholders Resident in Canada – Eligibility for Investment*".

"**Registered Plan Holder**" has the meaning given in the section entitled "*Certain Canadian Federal Income Tax Considerations – Certain Canadian Federal Income Tax Consequences to Shareholders – Shareholders Resident in Canada – Eligibility for Investment*".

"**Registered Shareholder**" means a LCL Shareholder whose name is set out in the register of Loblaw for the LCL Common Shares maintained by Computershare.

"**Required Shareholder Approval**" has the meaning given in the section entitled "*Certain Legal and Regulatory Matters – Required Shareholder Approval*".

"**Resident Shareholders**" has the meaning given in the section entitled "*Certain Canadian Federal Income Tax Considerations – Certain Canadian Federal Income Tax Consequences to Shareholders – Shareholders Resident in Canada*".

"**RESP**" has the meaning given in the section entitled "*Certain Canadian Federal Income Tax Considerations – Certain Canadian Federal Income Tax Consequences to Shareholders – Shareholders Resident in Canada – Eligibility for Investment*".

"**Rocky**" means Rocky View Bakery Ltd., a corporation governed by the laws of Canada.

"**Rocky Holdco**" means a corporation to be formed prior to the Effective Date and governed by the laws of Canada.

"**Rocky Sub**" means a corporation to be formed prior to the Effective Date and governed by the laws of Canada.

"**Rocky Sub Holdco**" means a corporation to be formed prior to the Effective Date and governed by the laws of Canada.

"**RRIF**" has the meaning given in the section entitled "*Certain Canadian Federal Income Tax Considerations – Certain Canadian Federal Income Tax Consequences to Shareholders – Shareholders Resident in Canada – Eligibility for Investment*".

"**RRSP**" has the meaning given in the section entitled "*Certain Canadian Federal Income Tax Considerations – Certain Canadian Federal Income Tax Consequences to Shareholders – Shareholders Resident in Canada – Eligibility for Investment*".

"**Shoppers Drug Mart**" means Shoppers Drug Mart Corporation, a corporation governed by the federal laws of Canada.

"**Special Committee**" means the special committee of independent directors of Loblaw formed to consider and evaluate the Arrangement.

"**Special Voting Units**" means the units in the capital of Choice REIT, designated as special voting units, that are issued in connection with the issuance of the Class B LP Units on a 1:1 basis.

"**Spinco**" means 10945544 Canada Inc., a corporation governed by the federal laws of Canada.

"**Spinco Amalco**" means the corporation to be formed on the amalgamation of WFDI Amalco, WHL/TC, 2397454, Rocky, Rocky Sub, WFIC Sub, Spinco and TC Amalco, as described in the section entitled "*The Arrangement – Arrangement Steps*".

"**Spinco Amalco Common Shares**" has the meaning given in the section entitled "*The Arrangement – Arrangement Steps*".

"**Spinco Amalco Preferred Shares**" has the meaning given in the section entitled "*The Arrangement – Arrangement Steps*".

"**Spinco Common Shares**" means the common shares in the capital of Spinco having the rights, privileges, restrictions and conditions set out in Exhibit II to the Plan of Arrangement.

"**Spinco Preferred Shares**" means the preferred shares in the capital of Spinco having the rights, privileges, restrictions and conditions set out in Exhibit II to the Plan of Arrangement.

"**Spinco Redemption Note**" means a non-interest-bearing promissory note, payable on demand, having a principal amount and FMV equal to the aggregate redemption amount of the Spinco Preferred Shares redeemed by Spinco.

"**Spinco Share Exchange**" has the meaning given in the section entitled "*The Arrangement – Arrangement Steps*".

"**Spinco/GWL Conversion Ratio**" means 0.135 of a GWL Common Share.

"**Subscriber**" means the third-party who has entered into an agreement with GWL pursuant to which, among other things, the Subscriber confirms that it will subscribe for and receive GWL Common Shares to be issued pursuant to the Plan of Arrangement, as contemplated in subsection 3.1(cc) of the Plan of Arrangement.

"**Tax Act**" means the *Income Tax Act* (Canada), R.S.C. 1985 (5th Supp.) c.1, as amended, including the regulations promulgated thereunder.

"**Tax Proposals**" means all specific proposals to amend the Tax Act that have been publicly announced by or on behalf of the Minister of Finance (Canada) prior to the date of this Circular.

"**Tax Ruling**" means the advance income tax rulings to be received from the CRA with respect to certain Canadian federal income tax consequences in respect of the Pre-Arrangement Transactions, the Arrangement and certain other transactions and includes any replacements thereof and amendments and supplements thereto received or anticipated to be received from the CRA, in form and substance satisfactory to Loblaw and GWL, acting reasonably.

"**Tax Ruling Application**" means the advance income tax rulings application and related submissions made by Torys LLP on behalf of GWL and Loblaw, as same may be revised, supplemented, modified or replaced at the request of GWL and Loblaw, seeking the Tax Ruling.

"**Tax Treaty**" means any bilateral tax convention to which Canada is a party that is in force as at the date of this Circular.

"TC Amalco" means a corporation to be formed prior to the Effective Date and governed by the laws of Canada, and that will be the holder of Loblaw's effective interest in Choice REIT, reflected through the ownership of Class B LP Units, and the related Special Voting Units, and Trust Units, immediately before the Effective Time.

"**TC Amalco Common Shares**" the common shares in the capital of TC Amalco.

"**TFSA**" has the meaning given in the section entitled "*Certain Canadian Federal Income Tax Considerations – Certain Canadian Federal Income Tax Consequences to Shareholders – Shareholders Resident in Canada – Eligibility for Investment*".

"**Trust Units**" means trust units in the capital of Choice REIT.

"**TSX**" means the Toronto Stock Exchange.

"**TSX Approvals**" means the conditional approval of the TSX in respect of the listing and posting for trading of the GWL Common Shares to be issued to LCL Shareholders pursuant to the Arrangement; and other technical listings required pursuant to the Arrangement.

"**U.S. Exchange Act**" means the *United States Securities Exchange Act of 1934*, as amended.

"**U.S. Holder**" means a beneficial owner of LCL Common Shares or GWL Common Shares that is: (i) an individual who is a citizen or resident of the United States as determined for US. federal income tax purposes; (ii) a corporation (or other entity taxable as a corporation for U.S. federal income tax purposes) created or organized under the laws of the United States or any political subdivision thereof; (iii) an estate, the income of which is subject to U.S. federal income taxation regardless of its source; or (iv) a trust if (1) a court within the United States is able to exercise primary supervision over its administration and (2) one or more U.S. persons has the authority to control all of the substantial decisions of the trust.

"**U.S. LCL Shareholders**" means any LCL Shareholder resident in the United States.

"**U.S. Securities Act**" means the *United States Securities Act of 1933*, as amended, and the rules and regulations promulgated thereunder.

"**U.S. Treaty**" means the *Canada-United States Income Tax Convention* (1980).

"**VWAP**" means volume-weighted average price.

"**Wittington**" means Wittington Investments, Limited, a corporation governed by the laws of the Province of Ontario.

"**WFDI Amalco**" means a corporation to be formed prior to the Effective Date and governed by the laws of Canada.

"**WFIC Sub**" means a corporation to be formed prior to the Effective Date and governed by the laws of Canada.

"**WFIC Sub Holdco**" means a corporation to be formed prior to the Effective Date and governed by the laws of Canada.

"**WHL**" means Weston Holdings Limited, a corporation governed by the laws of the Province of Ontario.

"**WHL Capital Reorganization**" has the meaning given in the section entitled "*The Arrangement – Arrangement Steps*".

"**WHL Common Shares**" means the existing common shares in the capital of WHL.

"**WHL New Common Shares**" means the new common shares in the capital of WHL.

"**WHL Redemption Note**" means a non-interest-bearing promissory note, payable on demand, having a principal amount and FMV equal to the aggregate redemption amount of the WHL Spin-off Butterfly Shares redeemed by WHL.

"**WHL Spin-off Butterfly Shares**" means the preferred shares in the capital of WHL.

"**WHL Spin-off Distribution**" has the meaning given in the section entitled "*The Arrangement – Arrangement Steps*".

"**WHL Spin-off Distribution Property**" means all of the common shares in the capital of 2397454, and the Spinco Common Shares, owned by WHL immediately before the WHL Spin-off Distribution.

"**WHL/TC**" means a corporation to be formed prior to the Effective Date and governed by the laws of Canada.

"**WHL/TC Common Shares**" means the common shares in the capital of WHL/TC.

"**WHL/TC Preferred Shares**" means the preferred shares in the capital of WHL/TC.

"**WHL/TC Redemption Note**" means a non-interest-bearing promissory note, payable on demand, having a principal amount and FMV equal to the aggregate redemption amount of the WHL/TC Preferred Shares redeemed by WHL/TC.

CONSENTS

Consent of Torys LLP

We hereby consent to the references to our name and opinion under "*Certain Canadian Federal Income Tax Considerations*", "*Certain Legal and Regulatory Matters – Tax Ruling*" and to our name under "*The Arrangement – Background to the Arrangement*", "*Legal and Financial Matters*" and "*Glossary of Terms*" in the Management Proxy Circular dated September 19, 2018 with respect to a proposed Plan of Arrangement involving Loblaw Companies Limited, 10945544 Canada Inc., and George Weston Limited.

DATED at Toronto, Ontario, Canada this 19th day of September, 2018.

"Torys LLP"

Consent of BMO Nesbitt Burns Inc.

TO: THE BOARD OF DIRECTORS OF LOBLAW COMPANIES LIMITED

Reference is made to the fairness opinion dated September 4, 2018 , (the "**BMO Fairness Opinion**") which BMO Nesbitt Burns Inc. ("**BMO Capital Markets**") provided to the special committee of directors (the "**Directors**") of Loblaw Companies Limited (the "**Company**") and the Directors in connection with an arrangement agreement pursuant to which, among other things, the Company's interest in Choice Properties Real Estate Investment Trust and Choice Properties Limited Partnership (collectively, "**Choice Properties**") will be spun out pro rata to the Company's shareholders and by which the interest in Choice Properties received by Loblaw's shareholders other than George Weston Limited ("**GWL**") and its subsidiaries will be acquired by GWL in exchange for GWL common shares by way of an arrangement under the Canada Business Corporations Act.

We hereby consent to the filing of the BMO Fairness Opinion in the management information circular of the Company dated September 19, 2018 (the "**Circular**") with the applicable securities regulatory authorities and the inclusion of the BMO Fairness Opinion and a summary of the BMO Fairness Opinion in the Circular. In providing such consent, BMO Capital Markets does not intend that any person or persons other than the special committee of Directors and the Directors shall rely upon the BMO Fairness Opinion.

All terms used but not defined herein have the meanings ascribed thereto in the Circular.

DATED at Toronto, Ontario, Canada this 19th day of September, 2018.

"*BMO Nesbitt Burns Inc*."

Independent Auditor's Consent

To the Board of Directors of Loblaw Companies Limited:

We have read the Management Proxy Circular of Loblaw Companies Limited ("**Loblaw**") dated September 19, 2018 relating to the proposed plan of arrangement involving Loblaw, George Weston Limited and 10945544 Canada Inc. We have complied with Canadian generally accepted standards for an auditor's involvement with offering documents.

We consent to the incorporation by reference of our report to the Board of Directors of Loblaw on the consolidated financial statements of Loblaw, which comprise the consolidated balance sheets as at December 30, 2017 and December 31, 2016, the consolidated statements of earnings, comprehensive income, changes in equity and cash flows for each of the 52 week years then ended, and notes, comprising a summary of significant accounting policies and other explanatory information. Our report is dated February 21, 2018.

"KPMG LLP"
Chartered Professional Accountants, Licensed Public Accountants

September 19, 2018
Toronto, Ontario

Independent Auditor's Consent

To the Board of Directors of George Weston Limited:

We have read the Management Proxy Circular of Loblaw Companies Limited ("**Loblaw**") dated September 19, 2018 relating to the proposed plan of arrangement involving Loblaw, George Weston Limited ("**GWL**") and 10945544 Canada Inc. We have complied with Canadian generally accepted standards for an auditor's involvement with offering documents.

We consent to the incorporation by reference of our report to the Board of Directors of GWL on the consolidated financial statements of GWL, which comprise the consolidated balance sheets as at December 31, 2017 and December 31, 2016 and the consolidated statements of earnings, comprehensive income, changes in equity and cash flows for each of the years then ended, and notes, comprising a summary of significant accounting policies and other explanatory information. Our report is dated March 1, 2018.

"KPMG LLP"
Chartered Professional Accountants, Licensed Public Accountants

September 19, 2018
Toronto, Ontario

APPENDIX A – ARRANGEMENT RESOLUTION

BE IT RESOLVED, AS A SPECIAL RESOLUTION, THAT:

1. The arrangement (the "**Arrangement**") under section 192 of the *Canada Business Corporations Act* (the "**CBCA**") involving, among others, Loblaw Companies Limited (the "**Company**"), the holders of the Company's common shares (the "**LCL Shareholders**"), George Weston Limited ("**GWL**") and 10945544 Canada Inc. ("**Spinco**"), as more particularly described and set forth in the management proxy circular (the "**Circular**") of the Company dated September 19, 2018, as the Arrangement may be modified or amended, and all the transactions contemplated thereby are hereby authorized and approved.

2. The plan of arrangement, as it may be or have been amended (the "**Plan of Arrangement**") involving, the Company, the LCL Shareholders, GWL and Spinco, the full text of which is set out in Appendix B to the Circular, is hereby authorized and approved.

3. The Arrangement Agreement dated September 4, 2018, between the Company, GWL and Spinco (the "**Arrangement Agreement**"), and all the transactions contemplated therein, together with the actions of the directors of the Company in approving the Arrangement and the actions of the officers of the Company in executing and delivering the Arrangement Agreement and any amendments thereto are hereby ratified and approved.

4. The Company is hereby authorized to apply for a final order from the Superior Court of Justice of Ontario (Commercial List) to approve the Arrangement on the terms set forth in the Arrangement Agreement and the Plan of Arrangement (as they may be or may have been amended or modified to the extent permitted by the Arrangement Agreement or the Plan of Arrangement, as applicable).

5. Notwithstanding that this resolution has been passed (and the Arrangement adopted) by the LCL Shareholders or that the Arrangement has been approved by the Superior Court of Justice of Ontario (Commercial List), the directors of the Company are hereby authorized and empowered (i) to amend the Arrangement Agreement or the Plan of Arrangement to the extent permitted by the Arrangement Agreement, and (ii) subject to the terms of the Arrangement Agreement, not to proceed with the Arrangement.

6. Any officer or director of the Company is hereby authorized and directed for and on behalf of the Company to execute, under the corporate seal of the Company or otherwise, and deliver articles of arrangement and such other documents as are necessary or desirable to the Director under the CBCA in accordance with the Arrangement Agreement.

7. Any officer or director of the Company is hereby authorized and directed for and on behalf of the Company to execute or cause to be executed and to deliver or cause to be delivered, all such other documents, agreements and instruments and to perform or cause to be performed all such other acts and things as in such person's opinion may be necessary or desirable to give full effect to the foregoing resolution and the matters authorized thereby, such determination to be conclusively evidenced by the execution and delivery of such document, agreement or instrument or the doing of any such act or thing.

APPENDIX B – PLAN OF ARRANGEMENT

PLAN OF ARRANGEMENT
UNDER SECTION 192 OF THE
CANADA BUSINESS CORPORATIONS ACT

ARTICLE 1
DEFINITIONS AND INTERPRETATION

1.1 Definitions

In this Plan of Arrangement, unless the context otherwise requires, capitalized terms used but not defined shall have the meanings ascribed to them below:

"**2397454**" means 2397454 Ontario Inc., a corporation governed by the laws of the Province of Ontario. ***[2397454 will be continued as a corporation governed by the laws of Canada prior to the Effective Time. Corporation name and jurisdiction to be revised accordingly.]***

"**ACB**" means "adjusted cost base" as defined in section 54 of the Tax Act.

"**Affiliate**" means, in respect of any Person, another Person if: (i) one of them is the subsidiary of the other; or (ii) each of them is Controlled by the same Person.

"**Arrangement**" means an arrangement under section 192 of the CBCA in accordance with the terms and subject to the conditions set out in this Plan of Arrangement, subject to any amendments, variations or supplements to this Plan of Arrangement made in accordance with its terms, the terms of the Arrangement Agreement or made at the direction of the Court with the consent of the parties to the Arrangement Agreement, each acting reasonably.

"**Arrangement Agreement**" means the arrangement agreement dated September 4, 2018 between LCL, GWL and Spinco (including the schedules thereto), as amended or supplemented in accordance with its terms.

"**Arrangement Resolution**" means the special resolution approving the Plan of Arrangement to be considered at the Meeting, to be substantially in the form and content attached as Appendix "A" to the management information circular of LCL prepared and filed in connection with the Meeting.

"**Articles of Arrangement**" means the articles of arrangement of LCL in respect of the Arrangement, to be filed with the Director after the Final Order is made, which shall include this Plan of Arrangement and otherwise be in form and content satisfactory to the parties to the Arrangement Agreement, each acting reasonably.

"**Business Day**" means a day, other than a Saturday, Sunday or statutory or civic holiday in Ontario, when banks are generally open for the transaction of business in Toronto, Ontario.

"**CBCA**" means the *Canada Business Corporations Act*, R.S.C. 1985, c. C-44.

"**CDS**" means CDS Clearing and Depositary Services Inc.

"**Choice LP"** means Choice Properties Limited Partnership, a limited partnership established under the laws of the Province of Ontario.

"**Choice REIT"** means Choice Properties Real Estate Investment Trust, an unincorporated trust established under the laws of the Province of Ontario.

"**Class B LP Units**" means the Class B limited partnership units in the capital of Choice LP.

"**Control**" means, when applied to a relationship between two Persons, that a Person (the "**first Person**") is considered to control another Person (the "**second Person**") if: (i) the first Person, directly or indirectly, beneficially owns or exercises control or direction over securities, interests or contractual rights of the second Person carrying votes which, if exercised, would entitle the first Person to elect a majority of the directors of the second Person, or a majority of any other Persons who have the right to manage or supervise the management of the business and affairs of the second Person, unless that first Person holds the voting securities only to secure a debt or similar obligation; (ii) the second Person is a partnership, other than a limited partnership, and the first Person, together with any Person Controlled by the first Person, holds more than 50% of the interests (measured by votes or by value) of the partnership; or (iii) the second Person is a limited partnership and the general partner of the limited partnership is the first Person or any Person Controlled by the first Person, and the term "Controlled" has a corresponding meaning.

"**Court**" means the Ontario Superior Court of Justice (Commercial List).

"**Director**" means the Director appointed pursuant to section 260 of the CBCA.

"**Distribution Record Date**" means the Business Day prior to the Effective Date.

"**Effective Date**" means the date shown on the certificate of arrangement to be issued by the Director under the CBCA after the Articles of Arrangement have been filed.

"**Effective Time**" means 3:01 a.m. Toronto local time on the Effective Date.

"**eligible dividend**" means "eligible dividend" as defined in subsection 89(1) of the Tax Act.

"**Exchange**" means the Toronto Stock Exchange.

"**Final Order**" means the final order of the Court or, if appealed, the final order of, or the order affirmed by, an appellate court, approving the Arrangement pursuant to section 192 of the CBCA, as it may be amended or affirmed prior to the Effective Time by the Court or an appellate court, as the case may be.

"**FMV**" means fair market value, being the highest price available in an open and unrestricted market between informed prudent parties acting at arm's length and without compulsion to act, expressed in terms of money.

"**FMV Reduction of an LCL Common Share**" means the reduction in the FMV of an LCL Common Share that will arise solely as a result of the LCL Spin-off Butterfly, and which will be calculated by subtracting:

(a) the weighted average trading price of an LCL Common Share on the Exchange for a five-day trading period commencing on the Effective Date;

from

(b) the weighted average trading price of an LCL Common Share on the Exchange for a five-day trading period ending immediately before the Effective Date.

"**GWL**" means George Weston Limited, a corporation governed by the laws of Canada.

"**GWL Amalco**" means the corporation to be formed on the amalgamation of GWL and Spinco Amalco, as described in subsection 3.1(aa) of this Plan of Arrangement.

"**GWL Amalco Common Shares**" has the meaning given in paragraph 3.1(aa)(iv) of this Plan of Arrangement.

"**GWL Amalco Preferred Shares**" has the meaning given in paragraph 3.1(aa)(iv) of this Plan of Arrangement.

"**GWL Common Shares**" means the common shares in the capital of GWL.

"**GWL Preferred Share**s" means, collectively, the non-voting 5.80% Series I, 5.20% Series III, 5.20% Series IV and 4.75% Series V preferred shares in the capital of GWL.

"**GWL Transfer Agent**" means Computershare Investor Services Inc., GWL's transfer agent.

"**In The Money Amount**" means, in relation to a particular stock option, the amount by which the FMV of the share that is the subject of the particular option exceeds the exercise price of the option.

"**Interim Order**" means the interim order of the Court in respect of the Arrangement, as it may be varied or amended, as contemplated by section 2.3 of the Arrangement Agreement.

"**Liens**" means mortgages, charges, pledges, liens, hypothecs, security interests, restrictions, encumbrances, adverse claims and other claims or rights of third parties of any kind.

"**LCL**" means Loblaw Companies Limited, a corporation governed by the laws of Canada.

"**LCL Capital Reorganization**" has the meaning given in subsection 3.1(b) of this Plan of Arrangement.

"**LCL Common Shares**" means the common shares in the capital of LCL.

"**LCL DSUs**" means the deferred share units credited to the account of a holder by LCL under the LCL DSU Plans.

"**LCL DSU Plans**" means the director deferred share unit plan and the executive deferred share unit plan adopted by LCL and in effect prior to the Effective Time.

"**LCL New Common Shares**" has the meaning given in paragraph 3.1(a)(i) of this Plan of Arrangement.

"**LCL New Stock Option Plan**" means the stock option plan of LCL (the material financial terms and conditions of which will be substantially similar to those of the LCL Stock Option Plan) adopted as of the Effective Time.

"**LCL New Stock Options**" means the rights to acquire LCL Common Shares (the material financial terms and conditions of which will be substantially similar to those of the LCL Stock Options, other than the exercise price) granted under the LCL New Stock Option Plan.

"**LCL PSUs**" means the performance share units credited to the account of a holder by LCL under the LCL PSU Plan.

"**LCL PSU Plan**" means the performance share unit plan adopted by LCL and in effect prior to the Effective Time.

"**LCL Redemption Note**" means a non-interest-bearing promissory note, payable on demand, having a principal amount and FMV equal to the aggregate redemption amount of the LCL Spin-off Butterfly Shares redeemed by LCL.

"**LCL RSUs**" means the restricted share units credited to the account of a holder by LCL under the LCL RSU Plan.

"**LCL RSU Plan**" means the restricted share unit plan adopted by LCL and in effect prior to the Effective Time.

"**LCL Shareholders**" means the holders of LCL Common Shares at the applicable time.

"**LCL Spin-off Butterfly**" means the transactions described in subsections 3.1(a) to 3.1(n) of this Plan of Arrangement.

"**LCL Spin-off Butterfly Shares**" has the meaning given in paragraph 3.1(a)(ii) of this Plan of Arrangement.

"**LCL Spin-off Distribution**" has the meaning given in subsection 3.1(h) of this Plan of Arrangement.

"**LCL Spin-off Distribution Property"** means all of the TC Amalco Common Shares owned by LCL immediately prior to the LCL Spin-off Distribution.

"**LCL Stock Option Plan**" means the stock option plan of LCL in effect prior to the Effective Date.

"**LCL Stock Options**" means the rights to acquire LCL Common Shares granted under the LCL Stock Option Plan.

"**LCL Transfer Agent**" means Computershare Investor Services Inc., LCL's transfer agent.

"**Meeting**" means the special meeting of LCL Shareholders, and any adjournment or postponement thereof, for the purpose of, among other things, considering and, if deemed advisable, approving the Arrangement Resolution.

"**Person**" means and includes an individual, sole proprietorship, partnership, unincorporated association, unincorporated syndicate, unincorporated organization, trust, body corporate, trustee, executor, administrator or other legal representative and the Crown or any agency or instrumentality thereof.

"**Plan of Arrangement**" means this plan of arrangement, as amended, varied or supplemented in accordance with the terms hereof, the terms of the Arrangement Agreement or made at the direction of the Court with the consent of the parties to the Arrangement Agreement, each acting reasonably.

"**PUC**" means "paid-up capital" as defined in subsection 89(1) of the Tax Act.

"**Registered Shareholder**" means a LCL Shareholder whose name is set out in the register of LCL for the LCL Common Shares maintained by the LCL Transfer Agent.

"**Rocky**" means Rocky View Bakery Ltd., a corporation governed by the laws of Canada.

"**Rocky Holdco**" means ***[insert name of corporation]***, a corporation governed by the laws of Canada.

"**Rocky Sub**" means ***[insert name of corporation]***, a corporation governed by the laws of Canada.

"**Rocky Sub Holdco**" means ***[insert name of corporation]***, a corporation governed by the laws of Canada.

"**Special Voting Units**" means the units in the capital of Choice REIT, designated as special voting units, that are issued in connection with the issuance of the Class B LP Units on a 1:1 basis.

"**Spinco**" means 10945544 Canada Inc., a corporation governed by the laws of Canada.

"**Spinco Amalco**" means the corporation to be formed on the amalgamation of WFDI Amalco, WHL/TC, 2397454, Rocky, Rocky Sub, WFIC Sub, Spinco and TC Amalco, as described in subsection 3.1(z) of this Plan of Arrangement.

"**Spinco Amalco Common Shares**" has the meaning given in paragraph 3.1(z)(v) of this Plan of Arrangement.

"**Spinco Amalco Preferred Shares**" has the meaning given in paragraph 3.1(z)(v) of this Plan of Arrangement.

"**Spinco Common Shares**" means the common shares in the capital of Spinco having the rights, privileges, restrictions and conditions set out in Exhibit II to this Plan of Arrangement.

"**Spinco Preferred Shares**" means the first series of preferred shares in the capital of Spinco designated as the "Preferred Shares, Series A" and having the rights, privileges, restrictions and conditions set out in Exhibit II to this Plan of Arrangement.

"**Spinco Redemption Note**" means a non-interest-bearing promissory note, payable on demand, having a principal amount and FMV equal to the aggregate redemption amount of the Spinco Preferred Shares redeemed by Spinco.

"**Spinco Share Exchange**" has the meaning given in subsection 3.1(f) of this Plan of Arrangement.

"**Spinco/GWL Conversion Ratio**" means 0.135 of a GWL Common Share or GWL Amalco Common Share, as applicable.

"**Subscriber**" means the third-party who has entered into an agreement with GWL pursuant to which, among other things, the Subscriber confirms that it will subscribe for and receive GWL Amalco Common Shares to be issued pursuant to this Plan of Arrangement, as contemplated in subsection 3.1(cc) of this Plan of Arrangement.

"**Tax Act**" means the *Income Tax Act* (Canada), R.S.C. 1985 (5th Supp.) c.1.

"TC Amalco" means ***[insert name of corporation]***, a corporation governed by the laws of Canada, and the holder of Class B LP Units, and the related Special Voting Units, and the Trust Units immediately before the Effective Time.

"**TC Amalco Common Shares**" the common shares in the capital of TC Amalco.

"**Trust Units**" means the units in the capital of Choice REIT, other than the Special Voting Units.

"**WFDI Amalco**" means ***[insert name of corporation]***, a corporation governed by the laws of Canada.

"**WFIC Sub**" means ***[insert name of corporation]***, a corporation governed by the laws of Canada.

"**WFIC Sub Holdco**" means ***[insert name of corporation]***, a corporation governed by the laws of Canada.

"**WHL**" means Weston Holdings Limited, a corporation governed by the laws of the Province of Ontario.

"**WHL Capital Reorganization**" has the meaning given in subsection 3.1(r) of this Plan of Arrangement.

"**WHL Common Shares**" means the common shares in the capital of WHL.

"**WHL Documents**" means all agreements, resolutions and documents required to give effect to the transactions described in subsections 3.1(r) to 3.1(y) of this Plan of Arrangement.

"**WHL New Common Shares**" means the new common shares in the capital of WHL.

"**WHL Redemption Note**" means a non-interest-bearing promissory note, payable on demand, having a principal amount and FMV equal to the aggregate redemption amount of the WHL Spin-off Butterfly Shares redeemed by WHL.

"**WHL Spin-off Butterfly Shares**" means the preferred shares in the capital of WHL.

"**WHL Spin-off Distribution**" has the meaning given in subsection 3.1(t) of this Plan of Arrangement.

"**WHL Spin-off Distribution Property**" means all of the common shares in the capital of 2397454, and the Spinco Common Shares, owned by WHL immediately before the WHL Spin-off Distribution.

"**WHL/TC**" means ***[insert name of corporation]***, a corporation governed by the laws of Canada.

"**WHL/TC Common Shares**" means the common shares in the capital of WHL/TC.

"**WHL/TC Preferred Shares**" means the preferred shares in the capital of WHL/TC.

"**WHL/TC Redemption Note**" means a non-interest-bearing promissory note, payable on demand, having a principal amount and FMV equal to the aggregate redemption amount of the WHL/TC Preferred Shares redeemed by WHL/TC.

In addition, words and phrases used herein and defined in the CBCA and not otherwise defined herein or in the Arrangement Agreement shall have the same meaning herein as in the CBCA unless the context otherwise requires.

1.2 Interpretation Not Affected by Headings

The division of this Plan of Arrangement into articles, sections, subsections, paragraphs and subparagraphs and the insertion of headings herein are for convenience of reference only and shall not affect the construction or interpretation of this Plan of Arrangement. The terms "this Plan of Arrangement", "hereof", "herein", "hereto", "hereunder" and similar expressions refer to this Plan of Arrangement and not to any particular article, section or other portion hereof and include any instrument supplementary or ancillary hereto.

1.3 Rules of Construction

In this Plan of Arrangement, unless the context otherwise requires: (a) words importing the singular shall include the plural and vice versa, (b) words importing the use of either gender shall include both genders and neuter, (c) "include", "includes" and "including" shall be deemed to be followed by the words "without limitation", and (d) the word person and words importing persons shall include a natural person, firm, trust, partnership, association, corporation, joint venture or government (including any governmental agency, political subdivision or instrumentality thereof) and any other entity or group of persons of any kind or nature whatsoever.

1.4 Date for any Action

If the date on which any action is required or permitted to be taken hereunder is not a Business Day, such action shall be required or permitted to be taken on the next succeeding day which is a Business Day.

1.5 Statutory References

In this Plan of Arrangement, unless something in the subject matter or context is inconsistent therewith or unless otherwise herein provided, a reference to a statute includes all regulations made thereunder, all amendments to such statute or regulation in force from time to time and any statute or regulation that supplements or supersedes such statute or regulation.

1.6 Currency

Unless otherwise stated, all references herein to amounts of money are expressed in lawful currency of Canada.

1.7 Time

Time shall be of the essence in every matter or action contemplated hereunder. All times expressed herein are local time in Toronto, Ontario unless otherwise stipulated herein.

1.8 Exhibits

The following Exhibits are attached to this Plan of Arrangement and form part hereof:

Exhibit I New Share Terms of LCL

Exhibit II Share Terms of Spinco

ARTICLE 2
ARRANGEMENT AGREEMENT

2.1 Arrangement Agreement

This Plan of Arrangement is made pursuant to, and is subject to the provisions of, the Arrangement Agreement, except in respect of the sequence of the steps comprising the Arrangement, which shall occur as set forth herein.

2.2 Binding Effect

At and after the Effective Time, this Plan of Arrangement shall be binding on: (a) LCL, GWL, GWL Amalco, Spinco, Spinco Amalco, Choice REIT, Choice LP, the Subscriber, WFDI Amalco, WHL/TC, 2397454, Rocky, Rocky Holdco, Rocky Sub, Rocky Sub Holdco, TC Amalco, WFIC Sub, WFIC Sub Holdco and WHL, (b) all LCL Shareholders and holders of LCL Stock Options, LCL DSUs, LCL RSUs and LCL PSUs and (c) the LCL Transfer Agent and the GWL Transfer Agent, in each case without any further authorization, act or formality on the part of any person, except as expressly provided herein.

ARTICLE 3
ARRANGEMENT

3.1 Arrangement

Commencing at the Effective Time, except as otherwise noted, each of the steps set out below shall occur in the following order without any further act or formality, with each step occurring two minutes after the completion of the immediately preceding step:

LCL Spin-off Butterfly

(a) The articles of incorporation of LCL will be amended to create and authorize the issuance (in addition to the shares that LCL is authorized to issue immediately before such amendment) of the following:

(i) an unlimited number of new common shares (the "**LCL New Common Shares**"), having the rights, privileges, restrictions and conditions set out in Exhibit I to this Plan of Arrangement; and

(ii) an unlimited number of a series of second preferred shares designated as the "Second Preferred Shares, Series C" (the "**LCL Spin-off Butterfly Shares**"), having the rights, privileges, restrictions and conditions set out in Exhibit I to this Plan of Arrangement.

(b) Each LCL Shareholder will exchange each issued and outstanding LCL Common Share that it owns for one LCL New Common Share and one LCL Spin-off Butterfly Share, and the LCL Common Shares so exchanged will be cancelled (the "**LCL Capital Reorganization**"). In connection with the LCL Capital Reorganization:

(i) LCL will not make a joint election under the provisions of section 85 of the Tax Act (or the provisions of any corresponding applicable provincial tax legislation) with any LCL Shareholder; and

(ii) the aggregate amount to be added by LCL to the stated capital of the LCL New Common Shares and the LCL Spin-off Butterfly Shares will

be an amount equal to the aggregate PUC of the LCL Common Shares immediately prior to the LCL Capital Reorganization, and such PUC will be allocated between the LCL New Common Shares and the LCL Spin-off Butterfly Shares based on the proportion that the FMV of the LCL New Common Shares and the LCL Spin-off Butterfly Shares, as the case may be, is of the aggregate FMV of all of the LCL New Common Shares and the LCL Spin-off Butterfly Shares issued on the LCL Capital Reorganization.

(c) Concurrently with the LCL Capital Reorganization, the LCL New Common Shares will, outside of this Plan of Arrangement, continue to be listed and posted for trading on the Exchange (subject to standard listing conditions imposed by the Exchange in similar circumstances), and for greater certainty, such continued listing will be effective before the LCL Spin-off Distribution in subsection 3.1(h) of this Plan of Arrangement.

(d) Concurrently with the LCL Capital Reorganization, and in order to reflect the FMV Reduction of an LCL Common Share, each holder of LCL Stock Options will exchange all of such holder's outstanding LCL Stock Options for a number of LCL New Stock Options (with the aggregate number of LCL New Stock Options being rounded down to the nearest whole number) granting each respective holder the right to acquire a number of LCL Common Shares for an exercise price that when taken together with the number of LCL New Stock Options issued per LCL Stock Option, will result in the aggregate In The Money Amount of a holder's LCL New Stock Options not exceeding the aggregate In The Money Amount of such holder's LCL Stock Options, and the LCL Stock Options so exchanged will be cancelled. None of the LCL New Stock Options will be exercisable until after the completion of the transaction in subsection 3.1(dd) of this Plan of Arrangement.

For the purpose of computing the In The Money Amount of a holder's LCL Stock Option or LCL New Stock Option, the FMV of an LCL Common Share issuable under an LCL Stock Option or an LCL New Stock Option, as the case may be, will be determined based on the weighted average trading price of an LCL Common Share on the Exchange for a five-day trading period, beginning on the Effective Date in respect of the LCL New Stock Options, and ending immediately before the Effective Date in respect of the LCL Stock Options.

(e) Concurrently with the LCL Capital Reorganization:

(i) the number of LCL DSUs recorded in the account of each participant in the LCL DSU Plans;

(ii) the number of LCL PSUs recorded in the account of each participant in the LCL PSU Plan; and

(iii) the number of LCL RSUs recorded in the account of each participant in the LCL RSU Plan

will be proportionately increased to reflect the FMV Reduction of an LCL Common Share.

(f) Each holder of LCL Spin-off Butterfly Shares will transfer each LCL Spin-off Butterfly Share that it owns to Spinco in exchange for one Spinco Common Share (the "**Spinco Share Exchange**"). In connection with the Spinco Share Exchange, the aggregate amount to be added by Spinco to the stated capital of the Spinco Common Shares will be an amount equal to the aggregate stated capital of the LCL Spin-off Butterfly Shares so transferred to Spinco.

(g) Concurrently with the issuance of the Spinco Common Shares on the Spinco Share Exchange, the Spinco Common Shares will, outside of this Plan of Arrangement, be listed and posted for trading on the Exchange (subject to standard listing conditions imposed by the Exchange in similar circumstances), and for greater certainty, such listing will be effective before the LCL Spin-off Distribution in subsection 3.1(h) of this Plan of Arrangement.

(h) LCL will transfer the LCL Spin-off Distribution Property to Spinco for a purchase price equal to its aggregate FMV (the "**LCL Spin-off Distribution**"), which Spinco will satisfy by issuing 1,000,000 Spinco Preferred Shares to LCL. The aggregate amount to be added by Spinco to the stated capital of the Spinco Preferred Shares will be an amount equal to the agreed amount in the subsection 85(1) election described below.

The net FMV of the LCL Spin-off Distribution Property received by Spinco will be equal to or approximate that proportion of the net FMV of all property owned by LCL immediately before the LCL Spin-off Distribution that:

(i) the aggregate FMV of the LCL Spin-off Butterfly Shares owned by Spinco immediately before the LCL Spin-off Distribution;

is of

(ii) the aggregate FMV of all of the issued and outstanding shares in the capital of LCL immediately before the LCL Spin-off Distribution.

LCL and Spinco will jointly elect, in prescribed form and within the time limits referred to in subsection 85(6) of the Tax Act, to have the provisions of subsection 85(1) of the Tax Act apply to the transfer of the LCL Spin-off Distribution Property, and if applicable, LCL and Spinco will jointly elect under the provisions of any corresponding provincial tax legislation. The agreed amount specified in the subsection 85(1) election will be an amount that is not less than the aggregate ACB of the LCL Spin-off Distribution Property to

LCL immediately before the transfer, which amount will be less than the FMV of such property at the time of the transfer.

(i) Spinco will redeem and cancel all of the Spinco Preferred Shares held by LCL and will issue to LCL, as payment therefor, the Spinco Redemption Note. LCL will accept the Spinco Redemption Note as full payment of the aggregate redemption amount of the Spinco Preferred Shares so redeemed, with the risk of this note being dishonoured. The amount of any deemed dividend resulting from the application of subsection 84(3) of the Tax Act to the redemption of all of the Spinco Preferred Shares is hereby designated by Spinco, to the extent permitted under the Tax Act, as an eligible dividend.

(j) The first taxation year of Spinco will end.

(k) LCL will redeem and cancel all of the LCL Spin-off Butterfly Shares held by Spinco and will issue to Spinco, as payment therefor, the LCL Redemption Note. Spinco will accept the LCL Redemption Note as full payment of the aggregate redemption amount of the LCL Spin-off Butterfly Shares so redeemed, with the risk of this note being dishonoured. The amount of any deemed dividend resulting from the application of subsection 84(3) of the Tax Act to the redemption of all of the LCL Spin-off Butterfly Shares is hereby designated by LCL, to the extent permitted under the Tax Act, as an eligible dividend.

(l) In order to settle the promissory notes issued by Spinco and LCL, the following transactions will occur simultaneously:

(i) LCL will satisfy its obligations under the LCL Redemption Note by transferring the Spinco Redemption Note to Spinco and Spinco will accept the Spinco Redemption Note in full satisfaction of LCL's obligations under the LCL Redemption Note; and

(ii) Spinco will satisfy its obligations under the Spinco Redemption Note by transferring the LCL Redemption Note to LCL and LCL will accept the LCL Redemption Note in full satisfaction of Spinco's obligations under the Spinco Redemption Note.

The LCL Redemption Note and the Spinco Redemption Note will be cancelled.

(m) Each holder of LCL New Common Shares will exercise the conversion rights of those shares and each LCL New Common Share will be converted into one LCL Common Share. An amount equal to the stated capital of the LCL New Common Shares will be deducted from the stated capital of those shares and will be added to the stated capital of the LCL Common Shares.

(n) Concurrently with the share conversion in subsection 3.1(m) of this Plan of Arrangement, the LCL Common Shares will, outside of this Plan of

Arrangement, continue to be listed and posted for trading on the Exchange (subject to standard listing conditions imposed by the Exchange in similar circumstances).

Transfer of LCL Common Shares to Holding Companies

(o) WFIC Sub will transfer all of the LCL Common Shares that it owns to WFIC Sub Holdco for a purchase price equal to their FMV, which WFIC Sub Holdco will satisfy by issuing 10,000 common shares in the capital of WFIC Sub Holdco to WFIC Sub. WFIC Sub and WFIC Sub Holdco will file an election under section 85 of the Tax Act (and the provisions of any corresponding applicable provincial tax legislation) in respect of this transfer and an amount equal to the agreed amount in the section 85 election will be added to the stated capital of the common shares in the capital of WFIC Sub Holdco.

(p) Rocky will transfer all of the LCL Common Shares that it owns to Rocky Holdco for a purchase price equal to their FMV, which Rocky Holdco will satisfy by issuing 10,000 common shares in the capital of Rocky Holdco to Rocky. Rocky and Rocky Holdco will file an election under section 85 of the Tax Act (and the provisions of any corresponding applicable provincial tax legislation) in respect of this transfer and an amount equal to the agreed amount in the section 85 election will be added to the stated capital of the common shares in the capital of Rocky Holdco.

(q) Rocky Sub will transfer all of the LCL Common Shares that it owns to Rocky Sub Holdco for a purchase price equal to their FMV, which Rocky Sub Holdco will satisfy by issuing 10,000 common shares in the capital of Rocky Sub Holdco to Rocky Sub. Rocky Sub and Rocky Sub Holdco will file an election under section 85 of the Tax Act (and the provisions of any corresponding applicable provincial tax legislation) in respect of this transfer and an amount equal to the agreed amount in the section 85 election will be added to the stated capital of the common shares in the capital of Rocky Sub Holdco.

WHL Spin-off Butterfly

(r) WFDI Amalco will exchange each issued and outstanding WHL Common Share that it owns for one WHL New Common Share and one WHL Spin-off Butterfly Share, and the WHL Common Shares so exchanged will be cancelled (the "**WHL Capital Reorganization**"). In connection with the WHL Capital Reorganization:

(i) WFDI Amalco and WHL will not make a joint election under the provisions of subsection 85(1) of the Tax Act (or the provisions of any corresponding applicable provincial tax legislation); and

(ii) the aggregate amount to be added by WHL to the stated capital of the WHL New Common Shares and the WHL Spin-off Butterfly Shares

will be an amount equal to the aggregate PUC of the WHL Common Shares immediately prior to the WHL Capital Reorganization, and such PUC will be allocated between the WHL New Common Shares and the WHL Spin-off Butterfly Shares based on the proportion that the FMV of the WHL New Common Shares and the WHL Spin-off Butterfly Shares, as the case may be, is of the aggregate FMV of all of the WHL New Common Shares and the WHL Spin-off Butterfly Shares issued on the WHL Capital Reorganization.

(s) WFDI Amalco will transfer all of the WHL Spin-off Butterfly Shares that it owns to WHL/TC for a purchase price equal to their FMV, which WHL/TC will satisfy by issuing 10,000 WHL/TC Common Shares to WFDI Amalco. The aggregate amount to be added by WHL/TC to the stated capital of the WHL/TC Common Shares will be an amount equal to the agreed amount in the subsection 85(1) election described below.

WFDI Amalco and WHL/TC will jointly elect, in prescribed form and within the time limits referred to in subsection 85(6) of the Tax Act, to have the provisions of subsection 85(1) of the Tax Act apply to the transfer of the WHL Spin-off Butterfly Shares, and if applicable, WFDI Amalco and WHL/TC will jointly elect under the provisions of any corresponding provincial tax legislation. The agreed amount specified in the subsection 85(1) election will be an amount that is not less than the aggregate ACB of the WHL Spin-off Butterfly Shares to WFDI Amalco immediately before the transfer, which amount will be less than the FMV of such shares at the time of the transfer.

(t) WHL will transfer the WHL Spin-off Distribution Property to WHL/TC for a purchase price equal to its aggregate FMV (the "**WHL Spin-off Distribution**"), which WHL/TC will satisfy by issuing 1,000,000 WHL/TC Preferred Shares to WHL. The aggregate amount to be added by WHL/TC to the stated capital of the WHL/TC Preferred Shares will be an amount equal to the aggregate agreed amounts in the subsection 85(1) election described below.

The net FMV of the WHL Spin-off Distribution Property received by WHL/TC will be equal to or approximate that proportion of the net FMV of all property owned by WHL immediately before the WHL Spin-off Distribution that:

(i) the aggregate FMV of the WHL Spin-off Butterfly Shares owned by WHL/TC immediately before the WHL Spin-off Distribution;

is of

(ii) the aggregate FMV of all of the issued and outstanding shares in the capital of WHL immediately before the WHL Spin-off Distribution.

WHL and WHL/TC will jointly elect, in prescribed form and within the time limits referred to in subsection 85(6) of the Tax Act, to have the provisions of

subsection 85(1) of the Tax Act apply to the transfer of the WHL Spin-off Distribution Property, and if applicable, WHL and WHL/TC will jointly elect under the provisions of any corresponding provincial tax legislation. The agreed amount of each eligible property in the subsection 85(1) election will be an amount that is not less than the aggregate ACB of each property to WHL immediately before the transfer, which amount will be less than the FMV of such property at the time of the transfer.

(u) WHL/TC will redeem all of the WHL/TC Preferred Shares held by WHL and will issue to WHL, as payment therefor, the WHL/TC Redemption Note. WHL will accept the WHL/TC Redemption Note as full payment of the aggregate redemption amount of the WHL/TC Preferred Shares so redeemed, with the risk of this note being dishonoured. The amount of any deemed dividend resulting from the application of subsection 84(3) of the Tax Act to the redemption of all of the WHL/TC Preferred Shares is hereby designated by WHL/TC, to the extent permitted under the Tax Act, as an eligible dividend.

(v) The first taxation year of WHL/TC will end.

(w) WHL will redeem all of the WHL Spin-off Butterfly Shares held by WHL/TC and will issue to WHL/TC, as payment therefor, the WHL Redemption Note. WHL/TC will accept the WHL Redemption Note as full payment of the aggregate redemption amount of the WHL Spin-off Butterfly Shares so redeemed, with the risk of this note being dishonoured. The amount of any deemed dividend resulting from the application of subsection 84(3) of the Tax Act to the redemption of all of the WHL Spin-off Butterfly Shares is hereby designated by WHL, to the extent permitted under the Tax Act, as an eligible dividend.

(x) In order to settle the promissory notes issued by WHL/TC and WHL, the following transactions will occur simultaneously:

(i) WHL will satisfy its obligations under the WHL Redemption Note by transferring the WHL/TC Redemption Note to WHL/TC and WHL/TC will accept the WHL/TC Redemption Note in full satisfaction of WHL's obligations under the WHL Redemption Note; and

(ii) WHL/TC will satisfy its obligations under the WHL/TC Redemption Note by transferring the WHL Redemption Note to WHL and WHL will accept the WHL Redemption Note in full satisfaction of WHL/TC's obligations under the WHL/TC Redemption Note.

The WHL Redemption Note and the WHL/TC Redemption Note will be cancelled.

(y) WFDI Amalco will exercise its conversion rights on the WHL New Common Shares and each WHL New Common Share will be converted into one WHL

Common Share. An amount equal to the stated capital of the WHL New Common Shares will be deducted from the stated capital of those shares and will be added to the stated capital of the WHL Common Shares.

Amalgamation of WFDI Amalco, Spinco, TC Amalco and Certain Other Subsidiaries of GWL

(z) WFDI Amalco, WHL/TC, 2397454, Rocky, Rocky Sub, WFIC Sub, Spinco and TC Amalco (referred to in this subsection as "predecessor corporations") will amalgamate pursuant to the provisions of section 181 of the CBCA to form Spinco Amalco in such a manner that, on and by virtue of the amalgamation:

(i) WFDI Amalco, WHL/TC, 2397454, Rocky, Rocky Sub, WFIC Sub, Spinco and TC Amalco will cease to exist as entities separate from Spinco Amalco;

(ii) Spinco Amalco will possess all the property, rights, privileges and franchises (including all of the Class B LP Units, and the related Special Voting Units, and the Trust Units held by a predecessor corporation, but excluding any amounts receivable from any predecessor corporation) and will be subject to all liabilities, including civil, criminal and quasi-criminal, and all contracts, disabilities and debts of each of the predecessor corporations (other than any amounts payable to any predecessor corporation);

(iii) each issued and outstanding share in the capital of a predecessor corporation, other than common shares in the capital of WFDI Amalco described in paragraph 3.1(z)(vi) of this Plan of Arrangement and the Spinco Common Shares described in paragraph 3.1(z)(vii) of this Plan of Arrangement, immediately prior to the amalgamation will be cancelled without any repayment of capital in respect thereof;

(iv) the Articles of Arrangement will be the articles of amalgamation of Spinco Amalco and the certificate of arrangement will be the certificate of amalgamation of Spinco Amalco;

(v) Spinco Amalco's share capital will be comprised of common shares having the same terms and conditions as the common shares in the capital of WFDI Amalco (the "**Spinco Amalco Common Shares**") and preferred shares having the same terms and conditions as the preferred shares in the capital of WFDI Amalco (the "**Spinco Amalco Preferred Shares**");

(vi) each issued and outstanding common share in the capital of WFDI Amalco immediately prior to the amalgamation will be converted into one Spinco Amalco Common Share;

(vii) each issued and outstanding Spinco Common Share (other than a Spinco Common Share held by a predecessor corporation) will be cancelled, and in consideration therefor, GWL will issue to each such holder of Spinco Common Shares a number of GWL Common Shares per Spinco Common Share equal to the Spinco/GWL Conversion Ratio, and such holders will receive cash in lieu of any fractional shares;

(viii) as consideration for the issuance of the GWL Common Shares as described in paragraph 3.1(z)(vii) of this Plan of Arrangement, Spinco Amalco will issue 1,000,000 Spinco Amalco Preferred Shares to GWL;

(ix) the stated capital of the Spinco Amalco Common Shares, and the stated capital of the Spinco Amalco Preferred Shares, will be an amount equal to $0.01;

(x) the amount to be added by GWL to the stated capital of the GWL Common Shares will be an amount equal to the PUC of the Spinco Common Shares described in paragraph 3.1(z)(vii) of this Plan of Arrangement immediately before the amalgamation;

(xi) no securities will be issued except as described in paragraph 3.1(z)(viii) of this Plan of Arrangement, and no assets will be distributed, by Spinco Amalco in connection with the amalgamation;

(xii) the name of Spinco Amalco will be "Weston Food Distribution Inc.";

(xiii) the registered office of Spinco Amalco will be 22 St. Clair Avenue East, Suite 1901, Toronto, Ontario M4T 2S5;

(xiv) with respect to the directors of Spinco Amalco: (A) the directors will consist of a minimum number of three directors and a maximum number of six directors, (B) until changed by the sole shareholder of Spinco Amalco, or by the directors of Spinco Amalco if authorized to do so, the number of directors of Spinco Amalco will be three (3), and (C) the initial directors of Spinco Amalco will be: Gordon Currie, Richard Dufresne and Andrew Bunston, each of whom is a resident Canadian;

(xv) there will be no restrictions on the business Spinco Amalco may carry on or on the powers it may exercise; and

(xvi) the by-laws of Spinco Amalco will be the by-laws of WFDI Amalco, mutatis mutandis.

Amalgamation of GWL and Spinco Amalco

(aa) GWL and Spinco Amalco (referred to in this subsection as "predecessor corporations") will amalgamate pursuant to the provisions of section 181 and

subsection 184(1) of the CBCA to form GWL Amalco in such a manner that, on and by virtue of the amalgamation:

(i) GWL and Spinco Amalco will cease to exist as entities separate from GWL Amalco;

(ii) GWL Amalco will possess all the property, rights, privileges and franchises (including all of the Class B LP Units, and the related Special Voting Units, and the Trust Units held by a predecessor corporation, but excluding any amounts receivable from any predecessor corporation) and will be subject to all liabilities, including civil, criminal and quasi-criminal, and all contracts, disabilities and debts of each of the predecessor corporations (other than any amounts payable to any predecessor corporation);

(iii) each issued and outstanding share in the capital of Spinco Amalco immediately prior to the amalgamation will be cancelled without any repayment of capital in respect thereof;

(iv) GWL Amalco's share capital will be comprised of common shares having the same terms and conditions as the GWL Common Shares (the "**GWL Amalco Common Shares**") and preferred shares having the same terms and conditions as the respective class or series of GWL Preferred Shares (the "**GWL Amalco Preferred Shares**");

(v) the issued and outstanding GWL Common Shares and GWL Preferred Shares immediately prior to the amalgamation will survive and continue to be GWL Amalco Common Shares and GWL Amalco Preferred Shares, respectively, without amendment;

(vi) the stated capital of the GWL Amalco Common Shares and each class or series of GWL Amalco Preferred Shares will be an amount equal to the stated capital of the GWL Common Shares and the corresponding class or series of GWL Preferred Shares, respectively, immediately before the amalgamation;

(vii) no securities will be issued and no assets will be distributed by GWL Amalco in connection with the amalgamation;

(viii) the name of GWL Amalco will be "George Weston Limited";

(ix) the registered office of GWL Amalco will be 22 St. Clair Avenue East, Suite 1901, Toronto, Ontario M4T 2S5;

(x) there will be no restrictions on the business GWL Amalco may carry on or on the powers it may exercise;

(xi) the by-laws of GWL Amalco will be the by-laws of GWL, mutatis mutandis; and

(xii) in accordance with subsection 184(1) of the CBCA, the articles of amalgamation and directors of GWL Amalco will be the same as the articles of incorporation and directors, respectively, of GWL immediately prior to the amalgamation in this subsection 3.1(aa) of this Plan of Arrangement.

(bb) Concurrently with the continuation of the GWL Amalco Common Shares and GWL Amalco Preferred Shares pursuant to the amalgamation of GWL as described in subsection 3.1(aa) of this Plan of Arrangement:

(i) the GWL Amalco Common Shares and GWL Amalco Preferred Shares will, outside of this Plan of Arrangement, continue to be listed and posted for trading on the Exchange; and

(ii) each outstanding stock option to acquire a GWL Common Share will become a stock option entitling the holder to acquire the same number of GWL Amalco Common Shares, and GWL's stock option plan will become the stock option plan of GWL Amalco, with all of the other terms and conditions of, and restrictions on, the stock options, including the exercise price, the vesting conditions and the exercise or surrender restrictions, being the same as the stock options to acquire GWL Common Shares.

Issuance of GWL Amalco Common Shares

(cc) The Subscriber will subscribe for a number of GWL Amalco Common Shares equal to 9.6 million multiplied by the Spinco/GWL Conversion Ratio for a cash subscription price.

Amendment to LCL Articles

(dd) The articles of incorporation of LCL will be amended to delete the amendments made to the authorized capital of LCL pursuant to subsection 3.1(a) of this Plan of Arrangement, such that the articles of incorporation of LCL as so amended will be the articles of LCL as they read immediately before the Effective Time.

3.2 WHL Documents

The transactions described in subsections 3.1(r) to 3.1(y) of this Plan of Arrangement shall be effected by the WHL Documents filed or entered into concurrent with the Effective Time and shall be deemed to be effective in the order described in this Plan of Arrangement.

ARTICLE 4
SHARES

4.1 Registers of Holders

(a) Upon the exchange of the LCL Common Shares pursuant to subsection 3.1(b) of this Plan of Arrangement, the name of each relevant LCL Shareholder will be deemed to be removed from the register of holders of LCL Common Shares and will be deemed to be added to the registers of holders of LCL New Common Shares and LCL Spin-off Butterfly Shares as the holder of the number of LCL New Common Shares and LCL Spin-off Butterfly Shares, respectively, issued to such LCL Shareholder. Upon the cancellation of the LCL Common Shares pursuant to subsection 3.1(b) of this Plan of Arrangement, appropriate entries will be made in the register of holders of LCL Common Shares.

(b) Upon the exchange of the LCL Spin-off Butterfly Shares pursuant to subsection 3.1(f) of this Plan of Arrangement: (i) the name of each relevant holder of LCL Spin-off Butterfly Shares will be deemed to be removed from the register of holders of LCL Spin-off Butterfly Shares and will be deemed to be added to the register of holders of Spinco Common Shares as the holder of the number of Spinco Common Shares issued to such holder of LCL Spin-off Butterfly Shares, and (ii) Spinco will be deemed to be added to the register of holders of LCL Spin-off Butterfly Shares as the holder of the number of LCL Spin-off Butterfly Shares received on the exchange by Spinco pursuant to subsection 3.1(f) of this Plan of Arrangement and will be deemed to be the legal and beneficial owner thereof.

(c) Upon the transfer of the LCL Spin-off Distribution Property to Spinco pursuant to subsection 3.1(h) of this Plan of Arrangement: (i) LCL will be deemed to be removed from the register of holders of TC Amalco Common Shares, (ii) Spinco will be deemed to be recorded as the registered holder of the TC Amalco Common Shares on the register of holders of TC Amalco Common Shares and will be deemed to be the legal and beneficial owner thereof, and (iii) LCL will be deemed to be added to the register of holders of Spinco Preferred Shares as the holder of the number of Spinco Preferred Shares issued to LCL pursuant to subsection 3.1(h) of this Plan of Arrangement.

(d) Upon the redemption of the Spinco Preferred Shares pursuant to subsection 3.1(i) of this Plan of Arrangement, LCL will be deemed to be removed from the register of holders of Spinco Preferred Shares and appropriate entries will be made in the register of holders of Spinco Preferred Shares.

(e) Upon the redemption of the LCL Spin-off Butterfly Shares pursuant to subsection 3.1(k) of this Plan of Arrangement, Spinco will be deemed to be

removed from the register of holders of LCL Spin-off Butterfly Shares and appropriate entries will be made in the register of holders of LCL Spin-off Butterfly Shares.

(f) Upon the conversion of the LCL New Common Shares pursuant to subsection 3.1(m) of this Plan of Arrangement, the name of each relevant holder of LCL New Common Shares will be deemed to be removed from the register of holders of LCL New Common Shares and will be deemed to be added to the register of holders of LCL Common Shares as the holder of the number of LCL Common Shares received on the conversion by such LCL Shareholder.

(g) Upon the transfer of the LCL Common Shares pursuant to subsection 3.1(o) of this Plan of Arrangement: (i) WFIC Sub will be deemed to be removed from the register of holders of LCL Common Shares, (ii) WFIC Sub Holdco will be deemed to be recorded as the registered holder of such LCL Common Shares on the register of holders of LCL Common Shares and will be deemed to be the legal and beneficial owner thereof, and (iii) WFIC Sub will be deemed to be added to the register of holders of common shares in the capital of WFIC Sub Holdco as the holder of the number of common shares in the capital of WFIC Sub Holdco issued to WFIC Sub pursuant to subsection 3.1(o) of this Plan of Arrangement.

(h) Upon the transfer of the LCL Common Shares pursuant to subsection 3.1(p) of this Plan of Arrangement: (i) Rocky will be deemed to be removed from the register of holders of LCL Common Shares, (ii) Rocky Holdco will be deemed to be recorded as the registered holder of such LCL Common Shares on the register of holders of LCL Common Shares and will be deemed to be the legal and beneficial owner thereof, and (iii) Rocky will be deemed to be added to the register of holders of common shares in the capital of Rocky Holdco as the holder of the number of common shares in the capital of Rocky Holdco issued to Rocky pursuant to subsection 3.1(p) of this Plan of Arrangement.

(i) Upon the transfer of the LCL Common Shares pursuant to subsection 3.1(q) of this Plan of Arrangement: (i) Rocky Sub will be deemed to be removed from the register of holders of LCL Common Shares, (ii) Rocky Sub Holdco will be deemed to be recorded as the registered holder of such LCL Common Shares on the register of holders of LCL Common Shares and will be deemed to be the legal and beneficial owner thereof, and (iii) Rocky Sub will be deemed to be added to the register of holders of common shares in the capital of Rocky Sub Holdco as the holder of the number of common shares in the capital of Rocky Sub Holdco issued to Rocky Sub pursuant to subsection 3.1(q) of this Plan of Arrangement.

(j) Upon the exchange of the WHL Common Shares pursuant to subsection 3.1(r) of this Plan of Arrangement, WFDI Amalco will be deemed to be removed

from the register of holders of WHL Common Shares and will be deemed to be added to the registers of holders of WHL New Common Shares and WHL Spin-off Butterfly Shares as the holder of the number of WHL New Common Shares and WHL Spin-off Butterfly Shares, respectively, issued to WFDI Amalco pursuant to subsection 3.1(r) of this Plan of Arrangement. Upon the cancellation of the WHL Common Shares pursuant to subsection 3.1(r) of this Plan of Arrangement, appropriate entries will be made in the register of holders of WHL Common Shares.

(k) Upon the transfer of the WHL Spin-off Butterfly Shares pursuant to subsection 3.1(s) of this Plan of Arrangement: (i) WFDI Amalco will be deemed to be removed from the register of holders of WHL Spin-off Butterfly Shares, (ii) WHL/TC will be deemed to be recorded as the registered holder of such WHL Spin-off Butterfly Shares on the register of holders of WHL Spin-off Butterfly Shares and will be deemed to be the legal and beneficial owner thereof, and (iii) WFDI Amalco will be deemed to be added to the register of holders of WHL/TC Common Shares as the holder of the number of WHL/TC Common Shares issued to WFDI Amalco pursuant to subsection 3.1(s) of this Plan of Arrangement.

(l) Upon the transfer of the WHL Spin-off Distribution Property pursuant to subsection 3.1(t) of this Plan of Arrangement: (i) WHL will be deemed to be removed from the registers of holders of common shares in the capital of 2397454 and Spinco Common Shares, (ii) WHL/TC will be deemed to be recorded as the registered holder of such common shares in the capital of 2397454 and Spinco Common Shares on the registers of holders of common shares in the capital of 2397454 and Spinco Common Shares, respectively, and will be deemed to be the legal and beneficial owner thereof, and (iii) WHL will be deemed to be added to the register of holders of WHL/TC Preferred Shares as the holder of the number of WHL/TC Preferred Shares issued to WHL pursuant to subsection 3.1(t) of this Plan of Arrangement.

(m) Upon the redemption of the WHL/TC Preferred Shares pursuant to subsection 3.1(u) of this Plan of Arrangement, WHL will be deemed to be removed from the register of holders of WHL/TC Preferred Shares and appropriate entries will be made in the register of holders of WHL/TC Preferred Shares.

(n) Upon the redemption of the WHL Spin-off Butterfly Shares pursuant to subsection 3.1(w) of this Plan of Arrangement, WHL/TC will be deemed to be removed from the register of holders of WHL Spin-off Butterfly Shares and appropriate entries will be made in the register of holders of WHL Spin-off Butterfly Shares.

(o) Upon the conversion of the WHL New Common Shares pursuant to subsection 3.1(y) of this Plan of Arrangement, WFDI Amalco will be deemed to be

removed from the register of holders of WHL New Common Shares and will be deemed to be added to the register of holders of WHL Common Shares as the holder of the number of WHL Common Shares received on the conversion by WFDI Amalco.

(p) Upon the amalgamation of WFDI Amalco, WHL/TC, 2397454, Rocky, Rocky Sub, WFIC Sub, Spinco and TC Amalco pursuant to subsection 3.1(z) of this Plan of Arrangement: (i) appropriate entries will be made in the register of holders of each class of shares in the capital of each of WHL/TC, 2397454, Rocky, Rocky Sub, WFIC Sub, Spinco and TC Amalco to reflect the cancellation of such shares pursuant to paragraphs 3.1(z)(iii) and 3.1(z)(vii) of this Plan of Arrangement, (ii) the register of holders of common shares in the capital of WFDI Amalco will be deemed to be the register of holders of Spinco Amalco Common Shares, (iii) the register of holders of preferred shares in the capital of WFDI Amalco will be deemed to be the register of holders of Spinco Amalco Preferred Shares, (iv) the name of each holder of Spinco Common Shares described in paragraph 3.1(z)(vii) of this Plan of Arrangement will be deemed to be removed from the register of holders of Spinco Common Shares and will be deemed to be added to the register of holders of GWL Common Shares as the holder of the number of GWL Common Shares issued to such holder of Spinco Common Shares pursuant to paragraph 3.1(z)(iii) of this Plan of Arrangement, and (v) GWL will be deemed to be added to the register of holders of Spinco Amalco Preferred Shares as the holder of the number of Spinco Amalco Preferred Shares issued to GWL pursuant to paragraph 3.1(z)(viii) of this Plan of Arrangement and will be deemed to be the legal and beneficial owner thereof.

(q) Upon the amalgamation of GWL and Spinco Amalco pursuant to subsection 3.1(aa) of this Plan of Arrangement: (i) appropriate entries will be made in the register of holders of each class of shares in the capital of Spinco Amalco to reflect the cancellation of such shares, (ii) the register of holders of GWL Common Shares will be deemed to be the register of holders of GWL Amalco Common Shares and (iii) the register of holders of GWL Preferred Shares will be deemed to be the register of holders of GWL Amalco Preferred Shares.

(r) Upon the subscription for GWL Amalco Common Shares pursuant to subsection 3.1(cc) of this Plan of Arrangement, the Subscriber will be deemed to be added to the register of holders of GWL Amalco Common Shares as the holder of the number of GWL Amalco Common Shares issued to the Subscriber pursuant to subsection 3.1(cc) of this Plan of Arrangement.

4.2 Deemed Fully Paid and Non-Assessable Shares

All LCL Common Shares, LCL New Common Shares, LCL Spin-off Butterfly Shares, Spinco Common Shares, Spinco Preferred Shares, common shares in the capital of WFIC Sub

Holdco, common shares in the capital of Rocky Holdco, common shares in the capital of Rocky Sub Holdco, WHL New Common Shares, WHL Spin-off Butterfly Shares, WHL/TC Common Shares, WHL/TC Preferred Shares, WHL Common Shares, Spinco Amalco Common Shares, Spinco Amalco Preferred Shares, GWL Common Shares, GWL Amalco Common Shares and GWL Amalco Preferred Shares issued pursuant hereto will be deemed to be or have been validly issued and outstanding as fully paid and non-assessable shares for all purposes of the CBCA.

ARTICLE 5
DELIVERY OF CONSIDERATION

5.1 Delivery of Certificates

From and after the Effective Time, share certificates formerly representing GWL Common Shares will represent GWL Amalco Common Shares and share certificates formerly representing GWL Preferred Shares will represent GWL Amalco Preferred Shares. No new certificates will be issued in respect of the LCL Common Shares, GWL Common Shares or GWL Preferred Shares. As soon as practicable following the Effective Time, the GWL Transfer Agent will deliver to each Registered Shareholder of LCL Common Shares (other than GWL and its Affiliates) at the close of business on the Distribution Record Date and the Subscriber, share certificates representing the GWL Amalco Common Shares to which such LCL Shareholder and the Subscriber is entitled pursuant to the Arrangement. Such certificates will be sent by first class mail to: (i) in the case of the LCL Shareholders (other than GWL and its Affiliates), the most recent address of the LCL Shareholder on the lists of Registered Shareholders maintained by the LCL Transfer Agent in respect of the LCL Common Shares, and (ii) in the case of the Subscriber, the address requested in writing by the Subscriber.

5.2 Withholding Rights

Each of LCL, Spinco and GWL (and their transfer agents on their behalf) shall be entitled to deduct and withhold from amounts payable under this Plan of Arrangement such amounts as each of LCL, Spinco and GWL (and their transfer agents on their behalf) is required to deduct and withhold with respect to such payment under the Tax Act or any provision of any applicable federal, provincial, territorial, state, local or foreign tax law. To the extent that amounts are so withheld, such withheld amounts shall be treated for all purposes as having been paid to the recipient of the payment in respect of which such deduction and withholding was made, provided that such withheld amounts are actually remitted in accordance with applicable law to the appropriate taxing authority.

5.3 No Liens

Any exchange or transfer of securities pursuant to this Plan of Arrangement shall be free and clear of any Liens, except for claims of the transferring or exchanging securityholder to be paid the consideration payable to such securityholder pursuant to the terms of this Plan of Arrangement.

5.4 Paramountcy

From and after the Effective Time: (a) this Plan of Arrangement shall apply to any and all LCL Common Shares, LCL Stock Options, LCL DSUs, LCL PSUs and LCL RSUs issued prior to the Effective Time, (b) the rights and obligations of the Registered Shareholders, holders of LCL Stock Options, holders of LCL DSUs, holders of LCL PSUs, holders of LCL RSUs, LCL, GWL, Spinco and any transfer agent or other depositary of LCL, GWL and Spinco, shall be solely as provided for in this Plan of Arrangement, and (c) all actions, causes of action, claims or proceedings (actual or contingent and whether or not previously asserted) based on or in any way relating to any LCL Common Shares, LCL Stock Options, LCL DSUs, LCL PSUs or LCL RSUs shall be deemed to have been settled, compromised, released and determined without liability except as set forth herein.

ARTICLE 6
AMENDMENTS

6.1 Amendments to Plan of Arrangement

(a) LCL, GWL and Spinco reserve the right to amend, modify or supplement this Plan of Arrangement at any time and from time to time, provided that each such amendment, modification or supplement must be: (i) set out in writing; (ii) agreed to in writing by LCL, GWL and Spinco; (iii) filed with the Court and, if made following the Meeting, approved by the Court; and (iv) communicated to LCL Shareholders or former LCL Shareholders if and as required by the Court.

(b) Any amendment, modification or supplement to this Plan of Arrangement may be proposed by LCL at any time prior to the Meeting provided that LCL, GWL and Spinco shall each have consented thereto in writing, with or without any other prior notice or communication (other than as may be required under the Interim Order), and, if so proposed and accepted by the persons voting at the Meeting, shall become part of this Plan of Arrangement for all purposes.

(c) Any amendment, modification or supplement to this Plan of Arrangement that is approved by the Court following the Meeting shall be effective only if: (i) it is consented to in writing by each of LCL, GWL and Spinco; (ii) it is filed with the Court; and (iii) if required by the Court, it is approved by LCL Shareholders voting in the manner directed by the Court.

(d) This Plan of Arrangement may be withdrawn prior to the Effective Time in accordance with the terms of the Arrangement Agreement.

(e) Any amendment, modification or supplement to this Plan of Arrangement may be made following the Effective Time by LCL or GWL Amalco, as the case may be, with the consent of the other, such other acting reasonably, provided that it concerns a matter which, in the reasonable opinion of LCL and GWL

Amalco, is of an administrative nature required to better give effect to the implementation of this Plan of Arrangement and is not adverse to the financial or economic interests of any LCL Shareholder or holder of GWL Amalco Common Shares.

ARTICLE 7
FURTHER ASSURANCES

7.1 Further Assurances

Notwithstanding that the transactions and events set out herein shall occur and be deemed to occur in the order set out in this Plan of Arrangement without any further act or formality, each of the parties to the Arrangement Agreement shall make, do and execute, or cause to be made, done and executed, all such further acts, deeds, agreements, transfers, assurances, instruments or documents as may reasonably be required by any of them to further document or evidence any of the transactions or events set out herein.

APPENDIX C – ARRANGEMENT AGREEMENT

ARRANGEMENT AGREEMENT

AMONG

LOBLAW COMPANIES LIMITED

and

10945544 CANADA INC.

and

GEORGE WESTON LIMITED

September 4, 2018

ARRANGEMENT AGREEMENT

This Arrangement Agreement made as of the 4th day of September, 2018,

A M O N G:

LOBLAW COMPANIES LIMITED, a corporation existing under the laws of Canada,

(hereinafter referred to as "**LCL**")

- and -

10945544 CANADA INC., a corporation existing under the laws of Canada,

(hereinafter referred to as "**Spinco**")

- and -

GEORGE WESTON LIMITED, a corporation existing under the laws of Canada,

(hereinafter referred to as "**GWL**")

WHEREAS LCL wishes to proceed with a reorganization of its assets so as to, directly or indirectly, distribute its interest in trust units and special voting units in the capital of Choice Properties Real Estate Investment Trust ("**Choice REIT**") and Class B limited partnership units in the capital of Choice Properties Limited Partnership ("**Choice LP**") to Spinco, which will be owned by the LCL Shareholders (as defined herein);

AND WHEREAS it is desirable to structure the LCL reorganization as an arrangement under section 192 of the CBCA (as defined herein) substantially on the terms and conditions set forth in the Plan of Arrangement (as defined herein);

AND WHEREAS following the LCL reorganization and pursuant to the Plan of Arrangement, GWL will effectively acquire all of the outstanding Spinco Common Shares (as defined herein), other than those held by its Affiliates (as defined herein), in exchange for GWL Common Shares (as defined herein);

AND WHEREAS following the completion of the transactions set forth in the Plan of Arrangement, GWL Amalco (as defined herein) will hold the interests in Choice REIT and Choice LP directly, and LCL Shareholders (other than GWL Amalco and its Affiliates) will hold, for each LCL Common Share (as defined herein) held, one LCL Common Share and 0.135 GWL Amalco Common Shares (as defined herein), being the number of GWL Amalco Common Shares equivalent in value to such LCL Shareholder's pro rata share of the fair market value of LCL's interest in Choice REIT and Choice LP;

AND WHEREAS Spinco has been incorporated in order to facilitate and participate in the Arrangement (as defined herein);

AND WHEREAS the LCL Board (as defined herein) has reviewed the terms and conditions of the Arrangement and has unanimously concluded, after consultation with its legal advisors and financial advisors and following receipt and review of the recommendation from its special committee of independent directors and the LCL Fairness Opinion (as defined herein), that the Arrangement is in the best interests of LCL and is fair and reasonable to LCL and the Minority LCL Shareholders (as defined herein);

AND WHEREAS the GWL Board (as defined herein) has reviewed the terms and conditions of the Arrangement and has unanimously concluded, after consultation with its legal advisors and financial advisors and following receipt and review of the GWL Fairness Opinion (as defined herein), that the Arrangement is in the best interests of GWL and is fair and reasonable to GWL;

NOW THEREFORE THIS AGREEMENT WITNESSES that, in consideration of the mutual covenants and agreements hereinafter set forth and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by each party, the parties hereby covenant and agree as follows:

ARTICLE 1
INTERPRETATION

1.1 Definitions.

In this Agreement, including the recitals hereto, other than the schedules and unless there is something in the subject matter or context inconsistent therewith, the following capitalized words and terms shall have the following meanings:

"**Affiliate**" means, in respect of any Person, another Person if: (i) one of them is the subsidiary of the other; or (ii) each of them is Controlled by the same Person.

"**Agreement**" means this arrangement agreement, including the schedules attached hereto, as supplemented or amended from time to time.

"**Applicable Law**" means in respect of any person: (i) any applicable domestic or foreign law including any statute, subordinate legislation or treaty; and (ii) any applicable guideline, directive, rule, standard, requirement, policy, order, judgment, injunction, award or decree of a Governmental Authority having the force of law.

"**Arrangement**" means an arrangement under Section 192 of the CBCA in accordance with the terms and subject to the conditions set out in the Plan of Arrangement, subject to any amendments, variations or supplements to the Plan of Arrangement made in accordance with its terms, the terms of this Agreement or made at the direction of the Court with the consent of the Parties, each acting reasonably.

"**Arrangement Resolution**" means the special resolution approving the Plan of Arrangement to be considered at the LCL Shareholder Meeting, to be substantially in the form and content attached as Appendix "A" to the Circular.

"**Articles of Arrangement**" means the articles of arrangement of LCL in respect of the Arrangement, to be filed with the Director after the Final Order is made, which shall include the Plan of Arrangement and otherwise be in form and content satisfactory to the Parties, each acting reasonably.

"**Business Day**" means a day, other than a Saturday, Sunday or statutory or civic holiday in Ontario, when banks are generally open for the transaction of business in Toronto, Ontario.

"**CBCA**" means the *Canada Business Corporations Act,* R.S.C. 1985, c. C-44, as amended, including the regulations promulgated thereunder.

"**Choice LP**" has the meaning given to such term in the Preamble to this Agreement.

"**Choice REIT**" has the meaning given to such term in the Preamble to this Agreement.

"**Circular**" means the management information circular of LCL, including all appendices and schedules thereto, and any information incorporated by reference therein, to be sent to the LCL Shareholders in connection with the LCL Shareholder Meeting, as amended, supplemented or otherwise modified from time to time in accordance with this Agreement.

"**Control**" means, when applied to a relationship between two Persons, that a Person (the "**first Person**") is considered to control another Person (the "**second Person**") if: (i) the first Person, directly or indirectly, beneficially owns or exercises control or direction over securities, interests or contractual rights of the second Person carrying votes which, if exercised, would entitle the first Person to elect a majority of the directors of the second Person, or a majority of any other Persons who have the right to manage or supervise the management of the business and affairs of the second Person, unless that first Person holds the voting securities only to secure a debt or similar obligation; (ii) the second Person is a partnership, other than a limited partnership, and the first Person, together with any Person Controlled by the first Person, holds more than 50% of the interests (measured by votes or by value) of the partnership; or (iii) the second Person is a limited partnership and the general partner of the limited partnership is the first Person or any Person Controlled by the first Person, and the term "Controlled" has a corresponding meaning.

"**Court**" means the Ontario Superior Court of Justice (Commercial List).

"**CRA**" means the Canada Revenue Agency, and any successor Governmental Authority thereto.

"**Director**" means the Director appointed pursuant to Section 260 of the CBCA.

"**Effective Date**" means the date shown on the certificate of arrangement to be issued by the Director under the CBCA after the Articles of Arrangement have been filed.

"**Effective Time**" means 3:01 a.m. Toronto local time on the Effective Date.

"**Exchange**" means the Toronto Stock Exchange.

"**Final Order**" means the final order of the Court or, if appealed, the final order affirmed by an appellate court, approving the Arrangement, pursuant to Section 192 of the CBCA, in a form acceptable to the Parties, each acting reasonably, as it may be amended or affirmed prior to the Effective Time by the Court or an appellate court, as the case may be, with the consent of the Parties, each acting reasonably.

"**Governmental Authority**" means any: (i) multinational, federal, provincial, territorial, state, regional, municipal, local or other government, governmental or public department, court, tribunal, commission, board or agency, domestic or foreign; or (ii) regulatory authority, including any securities commission or stock exchange.

"**GWL**" has the meaning given to such term in the Preamble to this Agreement.

"**GWL Amalco**" means the corporation to be formed on the amalgamation of GWL and Spinco Amalco, in accordance with the Plan of Arrangement.

"**GWL Amalco Common Shares**" means the common shares in the capital of GWL Amalco.

"**GWL Board**" means the Board of Directors of GWL as constituted from time to time.

"**GWL Common Shares**" means the common shares in the capital of GWL.

"**GWL Fairness Opinion**" means an opinion of TD Securities Inc. to be dated on or about the date of this Agreement which is addressed to the GWL Board and provides that the Arrangement is fair, from a financial point of view, to GWL.

"**GWL Public Disclosure Documents**" means, collectively, all of the following documents: (i) unaudited interim period condensed consolidated financial statements of GWL for the 12 and 24 weeks ended June 16, 2018; (ii) management's discussion and analysis of financial condition and results of operations of GWL for the 12 and 24 weeks ended June 16, 2018; (iii) annual information form of GWL for the year ended December 31, 2017 dated March 1, 2018; (iv) management information circular of GWL dated March 29, 2018 distributed in connection with the annual and special meeting of shareholders held on May 8, 2018; (v) audited consolidated financial statements of GWL as at and for the years ended December 31, 2016 and 2017, together with the notes thereto and auditor's report thereon; and (vi) management's discussion and analysis of financial condition and results of operations of GWL for the year ended December 31, 2017.

"**GWL Shareholders**" means the holders of GWL Common Shares at the applicable time.

"**GWL Stock Option Plan**" means the stock option plan of GWL in effect prior to the Effective Date.

"**GWL Stock Options**" means the rights to acquire GWL Common Shares granted under the GWL Stock Option Plan.

"**Indemnified Person**" means each Person, actually or potentially, entitled to indemnification pursuant to Article 6.

"**Indemnifying Party**" means a Party that is, actually or potentially, required to indemnify an Indemnified Party pursuant to Article 6.

"**Interim Order**" means the interim order of the Court in respect of the Arrangement, as it may be varied or amended, as contemplated by Section 2.3 of this Agreement.

"**LCL**" has the meaning given to such term in the Preamble to this Agreement.

"**LCL Board**" or "**LCL Board of Directors**" means the Board of Directors of LCL as constituted from time to time.

"**LCL Common Shares**" means the existing common shares in the capital of LCL.

"**LCL Fairness Opinion**" means an opinion of BMO Nesbitt Burns Inc. to be dated on or about the date of this Agreement which is addressed to the LCL Board and provides that the Arrangement is fair, from a financial point of view, to the Minority LCL Shareholders and is otherwise in a form acceptable to the LCL Board.

"**LCL New Common Shares**" means the new common shares in the capital of LCL created in accordance with the Plan of Arrangement.

"**LCL New Stock Option Plan**" means the stock option plan of LCL (the material financial terms and conditions of which will be substantially similar to those of the LCL Stock Option Plan) adopted as of the Effective Time.

"**LCL New Stock Options**" means the rights to acquire LCL Common Shares (the material financial terms and conditions of which will be substantially similar to those of the LCL Stock Options, other than the exercise price) granted under the LCL New Stock Option Plan.

"**LCL Preferred Shares**" means the 5.30% second preferred shares Series B in the capital of LCL.

"**LCL Shareholder Meeting**" means the special meeting of LCL Shareholders and any adjournment or postponement thereof, to be convened as provided in the Interim Order to, among other things, consider and, if deemed advisable, to approve the Arrangement Resolution.

"**LCL Shareholders**" means the holders of LCL Common Shares at the applicable time.

"**LCL Stock Option Plan**" means the stock option plan of LCL in effect prior to the Effective Date.

"**LCL Stock Options**" means the rights to acquire LCL Common Shares granted under the LCL Stock Option Plan.

"**Loss**" means any loss, liability, damage, cost, expense, charge, fine, penalty or assessment of whatever nature or kind, including Taxes, the reasonable out-of-pocket costs and expenses of any action, suit, proceeding, demand, assessment, judgment, settlement or compromise relating thereto, fines and penalties and reasonable legal fees (on a solicitor and its own client basis) and disbursements, excluding loss of profits and consequential damages.

"**material adverse effect**" means, in respect of any corporation, any change, event, fact, circumstance or occurrence that has, or would reasonably be expected to have, a material and adverse effect upon the business, assets, liabilities, capitalization, financial condition or results of operation of that corporation and its subsidiaries considered as a whole.

"**Meeting Materials**" means the notice of meeting, the Circular and the form of proxy in respect of the LCL Shareholder Meeting which accompanies the Circular.

"**MI 61-101**" means Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions*.

"**Minority LCL Shareholders**" means the LCL Shareholders other than GWL and its Affiliates and other persons described in items (a) through (d) of Section 8.1(2) of MI 61-101.

"**misrepresentation**" means an untrue statement of a material fact, or an omission to state a material fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it was made.

"**Party**" means a party to this Agreement.

"**Person**" means and includes an individual, sole proprietorship, partnership, unincorporated association, unincorporated syndicate, unincorporated organization, trust, body corporate, trustee, executor, administrator or other legal representative and the Crown or any agency or instrumentality thereof.

"**Plan of Arrangement**" means the plan of arrangement attached as Schedule "A", as amended, varied or supplemented in accordance with the terms thereof, the terms of this Agreement or made at the discretion of the Court with the consent of the Parties, each acting reasonably.

"**Pre-Arrangement Transactions**" means, collectively: (i) the transactions and actions to be undertaken by LCL and its subsidiaries and defined as the "LCL

Pre-Arrangement Transactions" in the Tax Ruling (or, prior to the issuance of the Tax Ruling, the Tax Ruling Application), and (ii) the transactions and actions to be undertaken by GWL and its subsidiaries and defined as the "GWL Pre-Arrangement Transactions" in the Tax Ruling (or, prior to the issuance of the Tax Ruling, the Tax Ruling Application), each of which are deemed to be transactions contemplated by this Agreement.

"**Representatives**" means, collectively, the directors, officers, employees and agents of a Party at any time and their respective heirs, executors, administrators and other legal representatives.

"**Specified Corporation**" has the meaning attributed to such term in subsection 55(1) of the Tax Act.

"**Spinco**" has the meaning given to such term in the Preamble to this Agreement.

"**Spinco Amalco**" means the corporation to be formed on the amalgamation of WFDI Amalco, WHL/TC, 2397454, Rocky, Rocky Sub, WFIC Sub, Spinco and TC Amalco (each as defined in the Plan of Arrangement), in accordance with the Plan of Arrangement.

"**Spinco Common Shares**" means the common shares in the capital of Spinco.

"**subsidiary**" has the meaning given to that term in the CBCA, provided that for the purpose of this Agreement, LCL and its subsidiaries shall not be considered to be subsidiaries of GWL.

"**Tax Act**" means the *Income Tax Act* (Canada), R.S.C. 1985 (5th Supp) C.1, as amended, including the regulations promulgated thereunder.

"**Tax Ruling**" means the advance income tax rulings to be received from the CRA with respect to certain Canadian federal income tax consequences in respect of the Pre-Arrangement Transactions, the Arrangement and certain other transactions and includes any replacements thereof and amendments and supplements thereto received or anticipated to be received from the CRA, in form and substance satisfactory to LCL and GWL, acting reasonably.

"**Tax Ruling Application**" means the advance income tax rulings application and related submissions made by Torys LLP on behalf of GWL and LCL, as same may be revised, supplemented, modified or replaced at the request of both GWL and LCL, seeking the Tax Ruling.

"**Taxes**" includes all applicable present and future income taxes, capital taxes, stamp taxes, charges to tax, withholdings, sales and use taxes, value added taxes and goods and services taxes, harmonized sales taxes and all penalties, interest and other payments on or in respect thereof.

"**Third Party Claim**" has the meaning given to such term in Section 6.2 of this Agreement.

"**U.S. Securities Act**" means the United States *Securities Act of 1933* as amended, and the rules and regulations promulgated thereunder.

1.2 Construction.

In this Agreement, unless otherwise expressly stated or the context otherwise requires:

(a) the division of this Agreement into Articles and Sections and the use of headings are for convenience of reference only and do not affect the construction or interpretation hereof;

(b) the words "hereunder", "hereof" and similar expressions refer to this Agreement and not to any particular Article or Section and references to "Articles" and "Sections" are to Articles and Sections of this Agreement;

(c) words importing the singular include the plural and vice versa, words importing any gender include all genders and words importing persons include individuals, corporations, general and limited partnerships, associations, trusts, unincorporated organizations, joint ventures, Governmental Authorities and other entities;

(d) the word "including" means "including without limiting the generality of the foregoing";

(e) if any date on which any action is required to be taken under this Agreement is not a Business Day, such action will be required to be taken on the next succeeding Business Day;

(f) a reference to time is to local time in Toronto, Ontario; and

(g) a reference to the knowledge of a Party means to the best of the knowledge of any of the executive officers of such Party after reasonable enquiry.

1.3 Currency.

All references to currency herein are to lawful money of Canada unless otherwise specified.

1.4 Schedules.

The following schedule is attached to this Agreement and forms a part hereof:

Schedule A – Plan of Arrangement

ARTICLE 2
THE ARRANGEMENT

2.1 Arrangement.

Each of the Parties agrees that the Arrangement will be implemented in accordance with and subject to the terms and conditions contained in this Agreement and on the terms set forth in the Plan of Arrangement.

2.2 Effective Date and Effective Time.

(a) The Arrangement will become effective on the Effective Date, and commencing at the Effective Time, the steps to be carried out pursuant to the Arrangement will become effective in the order set out in the Plan of Arrangement without any further act or formality, except as contemplated in the Plan of Arrangement.

(b) Subject to the satisfaction or waiver, as applicable, of the terms and conditions contained in this Agreement, the Parties will use commercially reasonable efforts and do all things reasonably required to cause the Effective Date to occur on or before December 31, 2018.

2.3 Interim Order.

As soon as reasonably practicable following the execution of this Agreement, LCL will apply to the Court pursuant to Section 192 of the CBCA and prepare, file and diligently pursue an application for the Interim Order, which will provide, among other things:

(a) for the calling and holding of the LCL Shareholder Meeting for the purpose of considering the Arrangement Resolution;

(b) for the class of Persons to whom notice is to be provided in respect of the Arrangement and the LCL Shareholder Meeting and for the manner in which such notice is to be provided;

(c) that the requisite approval for the Arrangement Resolution will be: (i) not less than 66⅔% of the votes cast by the LCL Shareholders present in person or represented by proxy at the LCL Shareholder Meeting; and (ii) not less than a majority of the votes cast by the LCL Shareholders present in person or represented by proxy at the LCL Shareholder Meeting excluding for this purpose votes attached to LCL Common Shares held by GWL and its Affiliates and other persons described in items (a) through (d) of Section 8.1(2) of MI 61-101;

(d) that, in all other respects, the terms, conditions and restrictions of LCL's articles of continuance and by-laws, including quorum requirements for the LCL Shareholders, and all other matters, shall apply in respect of the LCL Shareholder Meeting;

(e) for the notice requirements with respect to the presentation of the application to the Court for the Final Order;

(f) for the confirmation of the record date for the LCL Shareholder Meeting;

(g) that the LCL Shareholder Meeting may be adjourned or postponed from time to time by the LCL Board in accordance with the terms of this Agreement without the need for additional approval of the Court;

(h) for such other matters as LCL or GWL may reasonably require, subject to obtaining the prior consent of the other, such consent not to be unreasonably withheld or delayed, and subject to approval by the Court; and

(i) in seeking the Interim Order, LCL shall advise the Court that it is GWL's intention to rely upon the exemption from registration provided by Section 3(a)(10) of the U.S. Securities Act with respect to the issuance of the GWL Amalco Common Shares, LCL New Common Shares, LCL Spin-off Butterfly Shares, Spinco Common Shares and LCL Common Shares, based on the Court's approval of the Arrangement.

2.4 LCL Shareholder Meeting.

Subject to the terms of this Agreement and the receipt of the Interim Order:

(a) LCL will convene and conduct the LCL Shareholder Meeting in accordance with the Interim Order and Applicable Law as soon as reasonably practicable for the purpose of considering the Arrangement Resolution (and any other proper purpose as may be set out in the Meeting Materials and agreed to by the other Parties acting reasonably), and will not adjourn, postpone or cancel (or propose the adjournment, postponement or cancellation of) the LCL Shareholder Meeting without the prior written consent of GWL, except: (i) as required for quorum purposes (in which case the LCL Shareholder Meeting will be adjourned and not cancelled), by Applicable Law or by valid shareholder action (which action is not solicited or proposed by or on behalf of another Party or its respective subsidiaries); or (ii) as otherwise permitted by this Agreement;

(b) LCL will use all reasonable commercial efforts to solicit (or cause to be solicited) proxies in favour of the approval of the Arrangement Resolution and the other matters to be submitted to the LCL Shareholder Meeting, if any, including, if requested by GWL and at GWL's expense, using proxy solicitation services selected by GWL in compliance with any Applicable Law, and take all actions that are reasonably necessary or desirable to seek the approval of the Arrangement Resolution by the LCL Shareholders; and

(c) LCL will advise GWL as it may reasonably request, and at least on a daily basis on each of the last twenty (20) Business Days prior to the date of the LCL

Shareholder Meeting, as to the aggregate tally of the proxies received by LCL in respect of the Arrangement Resolution.

2.5 Meeting Materials.

(a) As promptly as reasonably practicable following execution of this Agreement, and in any event no later than 21 days prior to the date of the LCL Shareholder Meeting LCL will: (i) prepare the Meeting Materials (and any necessary amendments or supplements to the Circular), together with any other documents required by Applicable Law in connection with the LCL Shareholder Meeting; and (ii) cause the Meeting Materials and other documentation required under Applicable Law in connection with the LCL Shareholder Meeting to be mailed and filed as required by the Interim Order and in accordance with Applicable Law.

(b) On the date of mailing thereof, the Circular will comply in all material respects with all Applicable Law and the Interim Order and will contain sufficient detail to permit the LCL Shareholders to form a reasoned judgment concerning the matters to be placed before them at the LCL Shareholder Meeting and, without limiting the generality of the foregoing, the Circular will not contain any misrepresentation (provided that LCL will not be responsible for the accuracy of any information about GWL incorporated by reference in the Circular or that is provided in writing by any other Party for the purpose of inclusion in the Meeting Materials).

(c) Each of GWL and Spinco will promptly provide to LCL all information regarding GWL and Spinco, as applicable, and their respective subsidiaries, as is reasonably requested by LCL or required by the Interim Order or Applicable Law for inclusion in the Meeting Materials. Each of GWL and Spinco will ensure that such information (and, in the case of GWL, any information about GWL incorporated by reference in the Circular) is in compliance with all Applicable Law and does not contain any misrepresentation.

(d) GWL will be given a reasonable opportunity to review and comment on the Meeting Materials prior to the Meeting Materials being printed and filed with any Governmental Authority, and reasonable consideration will be given to any comments made by GWL. LCL will provide GWL with final copies of the Meeting Materials prior to mailing the Meeting Materials to the LCL Shareholders.

(e) GWL will indemnify and save harmless LCL, its subsidiaries and their respective Representatives and legal and financial advisors for a period of two years from the Effective Date from and against any and all liabilities, claims, demands, losses, costs, damages and expenses to which LCL, any subsidiary of LCL or any of their respective Representatives or legal and financial advisors

may be subject or may suffer in any way caused by, or arising, directly or indirectly, from or in consequence of:

(i) any misrepresentation or alleged misrepresentation in any information (A) included in the Meeting Materials that is provided in writing by GWL for the purpose of inclusion in the Meeting Materials, or (B) about GWL incorporated by reference in the Circular; or

(ii) any order made, or any inquiry, investigation or proceeding by any Governmental Authority to the extent based on any misrepresentation or any alleged misrepresentation in any information (A) provided in writing by GWL for the purpose of inclusion in the Meeting Materials, or (B) about GWL incorporated by reference in the Circular.

(f) LCL will indemnify and save harmless GWL, its subsidiaries and their respective Representatives and legal and financial advisors for a period of two years from the Effective Date from and against any and all liabilities, claims, demands, losses, costs, damages and expenses to which GWL, any of its subsidiaries or any of their respective Representatives or legal and financial advisors may be subject or may suffer in any way caused by, or arising, directly or indirectly, from or in consequence of:

(i) any misrepresentation or alleged misrepresentation in any information included in the Meeting Materials, other than information that is provided in writing by GWL for the purpose of inclusion in the Meeting Materials and information about GWL incorporated by reference in the Circular;

(ii) any misrepresentation or alleged misrepresentation in any information (A) included in any disclosure document prepared by GWL in connection with the Arrangement that is provided in writing by LCL for the purpose of inclusion in such disclosure document, or (B) about LCL incorporated by reference in the Circular; or

(iii) any order made, or any inquiry, investigation or proceeding by any Governmental Authority to the extent based on any misrepresentation or any alleged misrepresentation in the Meeting Materials, other than information that is provided in writing by GWL for the purpose of inclusion in the Meeting Materials and information about GWL incorporated by reference in the Circular.

(g) Each Party will promptly notify the other Parties if, at any time before the Effective Date, any of them becomes aware that the Meeting Materials contain a misrepresentation, or becomes aware that the Meeting Materials otherwise require an amendment or supplement, and the Parties will cooperate in the preparation of any such amendment or supplement to the Meeting Materials as

required or appropriate, and LCL will promptly mail or otherwise publicly disseminate any amendment or supplement to the Meeting Materials to the LCL Shareholders and, if required by the Court or Applicable Law, file the same with any Governmental Authority and as otherwise required.

2.6 Final Order.

If the Interim Order and the approval of the LCL Shareholders as set out in the Interim Order are obtained, LCL will, subject to the terms of this Agreement, thereafter take all commercially reasonable steps necessary or desirable to submit the Arrangement to the Court and apply for the Final Order pursuant to Section 192 of the CBCA as soon as reasonably practicable following the LCL Shareholder Meeting, but in any event within three (3) Business Days after the Arrangement Resolution is passed at the LCL Shareholder Meeting as provided in the Interim Order.

2.7 Court Proceedings.

Subject to the terms and conditions of this Agreement, GWL and Spinco will cooperate with, assist and consent to LCL seeking the Interim Order and the Final Order, including by providing to LCL on a timely basis any information required to be supplied by such other Parties concerning GWL or Spinco in connection therewith. LCL will provide GWL with reasonable opportunity to review and comment upon drafts of all material to be filed with the Court in connection with the Arrangement and will give reasonable consideration to all such comments with respect to any such information required to be supplied by Spinco or GWL and included in such material. In addition, LCL will not object to GWL making such submissions on the hearing of the motion for the Interim Order and the application for the Final Order, provided that LCL is advised of the nature of any submissions prior to the hearing and such submissions are consistent with this Agreement, the agreements that it contemplates and the Plan of Arrangement. Notwithstanding the foregoing, in the event that LCL is notified or otherwise becomes aware that an objection to the Arrangement will or is anticipated to be raised at the Final Order hearing, GWL will be consulted on the strategy for responding to the objector and addressing the objection, and will be permitted to participate and cooperate in the preparation of submissions and court materials and otherwise participate in the hearing, subject to Applicable Law and provided that such submissions are consistent with this Agreement, the agreements that it contemplates and the Plan of Arrangement. LCL will also provide GWL on a timely basis with copies of any notice of appearance, proceedings and evidence served on LCL in respect of the application for the Interim Order or the Final Order or any appeal therefrom. LCL will not file any material with the Court in connection with the Arrangement or serve any such material, or agree to modify or amend materials so filed or served, except as contemplated hereby or with the written consent of GWL, acting reasonably.

2.8 Effecting the Arrangement and Ancillary Filings with the Director.

Subject to the rights of termination contained in Section 7.2, upon the LCL Shareholders approving the Arrangement as set out in the Interim Order and Applicable Law,

LCL obtaining the Final Order and the satisfaction (or waiver, if applicable) of the other conditions herein contained in favour of each of the Parties, the Parties will agree upon the desired Effective Date, which in any event will be no less than five Business Days after the last of the conditions contained herein has been satisfied, and covenant and agree to file with the Director any and all documents (including, with respect to the filing to be made pursuant to subsection 192(6) of the CBCA, the Articles of Arrangement) and to exchange (to the extent not previously exchanged) such other documents as may be necessary or desirable to give effect to the Arrangement and implement Section 3.1 of the Plan of Arrangement on such date. The closing of the Arrangement will take place at the offices of Torys LLP, Suite 3300, 79 Wellington Street West, Toronto, Ontario M5K 1N2 at 8:00 a.m. (Toronto local time) on the Effective Date, or at such other time and place as may be agreed to by the Parties.

2.9 U.S. Securities Law Matters

The Parties agree that the Arrangement will be carried out with the intention that all GWL Amalco Common Shares, LCL New Common Shares, LCL Spin-off Butterfly Shares, Spinco Common Shares and LCL Common Shares issued under the Arrangement will be issued by GWL in reliance on the exemption from the registration requirements of the U.S. Securities Act provided by Section 3(a)(10) thereunder. In order to ensure the availability of the exemption under Section 3(a)(10) of the U.S. Securities Act and to facilitate GWL's compliance with other United States securities laws, the Parties agree that the Arrangement will be carried out on the following basis:

(a) prior to the issuance of the Interim Order, the Court will be advised as to the intention of the Parties to rely on the exemption provided by Section 3(a)(10) of the U.S. Securities Act with respect to the issuance of GWL Common Shares pursuant to the Arrangement, based on the Court's approval of the Arrangement;

(b) LCL will ensure that each LCL Shareholder and any other Person entitled to receive GWL Common Shares pursuant to the Arrangement will be given adequate and appropriate notice advising them of their right to attend the hearing of the Court to give approval to the Arrangement and providing them with sufficient information necessary for them to exercise that right;

(c) all Persons entitled to receive GWL Common Shares pursuant to the Arrangement will be advised that GWL Common Shares issued pursuant to the Arrangement have not been registered under the U.S. Securities Act and will be issued by GWL in reliance on the exemption provided by Section 3(a)(10) of the U.S. Securities Act; and

(d) the Final Order approving the terms and conditions of the Arrangement that is obtained from the Court will expressly state that the Arrangement is approved by the Court as fair and reasonable to all Persons entitled to receive GWL Common Shares pursuant to the Arrangement.

ARTICLE 3
REPRESENTATIONS AND WARRANTIES

3.1 Representations and Warranties of LCL.

LCL represents and warrants to each of the other Parties as follows and acknowledges that the other Parties are relying on such representations and warranties in connection with entering into this Agreement and consummating the Arrangement:

(a) LCL is a corporation existing under the laws of Canada, has the requisite power and authority to enter into this Agreement and, subject to obtaining the requisite approvals contemplated hereby, to perform its obligations hereunder;

(b) the execution, delivery and performance of this Agreement by LCL has been duly authorized by the LCL Board and do not (or would not with the giving of notice, the passage of time or the happening of any other event or circumstance):

(i) result in the breach or violation of any of the provisions of, or constitute a default under:

(A) any provision of its constating documents or by-laws or resolutions of the LCL Board (or any committee thereof) or the LCL Shareholders;

(B) assuming compliance with the matters referred to in Section 3.1(d), any Applicable Law in respect of LCL;

(C) any judgment, decree, order or award of any Governmental Authority having jurisdiction over LCL;

(D) any licence, permit, approval, consent or authorization held by LCL or its subsidiaries, as applicable, that is material to LCL and its subsidiaries, considered as a whole; or

(E) any other contract or agreement that is material to LCL and its subsidiaries, considered as a whole; or

(ii) give rise to any right of termination or acceleration of any material third party indebtedness of LCL or its subsidiaries, or cause any such indebtedness to come due before its stated maturity;

(c) this Agreement has been duly executed and delivered by LCL and is a legal, valid and binding obligation of LCL, enforceable against LCL by each of the other Parties in accordance with its terms, subject to bankruptcy, fraudulent transfer, moratorium, reorganization or similar laws affecting the rights of

creditors generally and the availability of equitable remedies and the enforceability of any limitations of liability or other exculpatory provisions or indemnities that purport to limit or exculpate a Party from or indemnify such Party for, liabilities imposed by Applicable Law on such Party;

(d) other than (i) receipt of the Interim Order and the Final Order and the filing of materials with the Court in connection therewith; (ii) the receipt of such other approvals of Governmental Authorities as have already been obtained; (iii) any approvals required by the Interim Order or the Final Order; (iv) filings with the Director under the CBCA, (v) compliance with any applicable securities laws and the rules and policies of the Exchange, and (vi) authorizations, consents, approvals and filings the failure of which to obtain or make would not, individually or in the aggregate, prevent, enjoin, alter or materially delay completion of the Arrangement or any of the other transactions contemplated hereunder or have a material adverse effect on LCL, no authorization, consent or approval of, or filing with any Governmental Authority or any court or other authority is necessary for the consummation by LCL of its obligations under this Agreement;

(e) no dissolution, winding up, bankruptcy, liquidation or similar proceeding has been commenced or is pending or proposed in respect of LCL;

(f) LCL is a reporting issuer (where such concept exists) in all provinces and territories of Canada and is in material compliance with all applicable Canadian securities laws therein;

(g) the authorized capital of LCL consists of an unlimited number of LCL Common Shares, 1,000,000 first preferred shares and an unlimited number of second preferred shares of which 374,960,742 LCL Common Shares and 9,000,000 LCL Preferred Shares are issued and outstanding as of the date hereof;

(h) the LCL Common Shares are listed and posted for trading on the Exchange and LCL is in material compliance with the rules of the Exchange;

(i) no Person holds any securities convertible into securities of LCL or has any agreement, warrant, option or any other right capable of becoming an agreement, warrant or option for the purchase or other acquisition of any unissued shares of LCL, other than holders of LCL Stock Options and as contemplated by this Agreement, the Pre-Arrangement Transactions or the Plan of Arrangement; and

(j) as of the date hereof, there are 7,438,400 LCL Stock Options outstanding.

3.2 Representations and Warranties of GWL.

GWL represents and warrants to each of the other Parties as follows and acknowledges that the other Parties are relying on such representations and warranties in connection with entering into this Agreement and consummating the Arrangement:

(a) GWL is a corporation existing under the laws of Canada, has the requisite power and authority to enter into this Agreement and, subject to obtaining the requisite corporate approvals contemplated hereby, to perform its obligations hereunder;

(b) the execution, delivery and performance of this Agreement by GWL has been duly authorized by all necessary corporate action on the part of GWL and do not (or would not with the giving of notice, the passage of time or the happening of any other event or circumstance):

(i) result in the breach or violation of any of the provisions of, or constitute a default under:

(A) any provision of its constating documents or by-laws or resolutions of the GWL Board (or any committees thereof) or the GWL Shareholders;

(B) assuming compliance with the matters referred to in Section 3.2(d), any Applicable Law in respect of GWL;

(C) any judgment, decree, order or award of any Governmental Authority having jurisdiction over GWL;

(D) any licence, permit, approval, consent or authorization held by GWL or its subsidiaries, as applicable, that is material to GWL and its subsidiaries, considered as a whole; or

(E) any other contract or agreement that is material to GWL and its subsidiaries, considered as a whole; or

(ii) give rise to any right of termination or acceleration of any third party indebtedness of GWL or its subsidiaries, or cause any such indebtedness to come due before its stated maturity;

(c) this Agreement has been duly executed and delivered by GWL and is a legal, valid and binding obligation of GWL, enforceable against GWL by each of the other Parties in accordance with its terms, subject to bankruptcy, fraudulent transfer, moratorium, reorganization or similar laws affecting the rights of creditors generally and the availability of equitable remedies and the enforceability of any limitations of liability or other exculpatory provisions or indemnities that purport to limit or exculpate a Party from or indemnify such Party for, liabilities imposed by Applicable Law on such Party;

(d) other than (i) receipt of the Interim Order and the Final Order and the filing of materials with the Court in connection therewith, (ii) any approvals required by the Interim Order or the Final Order, (iii) filings under the CBCA, and (iv) authorizations, consents, approvals and filings the failure of which to obtain or make would not, individually or in the aggregate, prevent, enjoin, alter or materially delay completion of the Arrangement or have a material adverse effect on GWL, no authorization, consent or approval of, or filing with any Governmental Authority or any court or other authority is necessary for the consummation by GWL of its obligations under this Agreement;

(e) no dissolution, winding up, bankruptcy, liquidation or similar proceeding has been commenced or is pending or proposed in respect of GWL;

(f) GWL is a reporting issuer (where such concept exists) in all provinces and territories of Canada and is in material compliance with all applicable Canadian securities laws therein;

(g) GWL has not filed any confidential material change reports with any securities regulatory authority, stock exchange or self-regulatory organization;

(h) the GWL Public Disclosure Documents comply in all material respects with the requirements of Applicable Law relating to securities and, after giving effect to all subsequent filings in relation to matters covered in earlier filings, do not contain any misrepresentation (as defined by Applicable Law relating to securities);

(i) no representation or warranty contained in this Agreement or other disclosure document provided or to be provided to LCL by GWL pursuant to this Agreement (including any information about GWL incorporated by reference in the Circular) contains or will contain any untrue statement of a material fact or omits to state a material fact which is necessary in order to make the statements herein or therein not misleading;

(j) the authorized capital of GWL consists of an unlimited number of GWL Common Shares, an unlimited number of preferred shares and an unlimited number of junior preferred shares of which, as of the date hereof, 128,004,251 GWL Common Shares, 9,400,000 5.80% non-voting preferred shares, Series I, 8,000,000 5.20% non-voting preferred shares, Series III, 8,000,000 5.20% non-voting preferred shares, Series IV and 8,000,000 4.75% non-voting preferred shares, Series V are issued and outstanding;

(k) the GWL Common Shares are listed and posted for trading on the Exchange and GWL is in material compliance with the rules of the Exchange;

(l) no Person holds any securities convertible into securities of GWL or has any agreement, warrant, option or any other right capable of becoming an

agreement, warrant or option for the purchase or other acquisition of any unissued shares of GWL, other than holders of GWL Stock Options as contemplated by this Agreement, the Pre-Arrangement Transactions or the Plan of Arrangement; and

(m) the GWL Common Shares to be issued to holders of Spinco Common Shares in accordance with the Plan of Arrangement will be duly authorized and validly issued as fully-paid and non-assessable and will not be subject to any pre-emptive rights.

3.3 Representations and Warranties of Spinco.

Spinco represents and warrants to each of the Parties as follows and acknowledges that the Parties are relying on such representations and warranties in connection with entering into this Agreement and consummating the Arrangement:

(a) Spinco is a corporation existing under the laws of Canada, has the requisite power and authority to enter into this Agreement and, subject to obtaining the requisite approvals contemplated hereby, to perform its obligations hereunder;

(b) the execution, delivery and performance of this Agreement by Spinco has been duly authorized by all necessary corporate action on the part of Spinco and do not (or would not with the giving of notice, the passage of time or the happening of any other event or circumstance) result in the breach or violation of any of the provisions of, or constitute a default under:

(i) any provision of the constating documents or by-laws or resolutions of the board of directors (or any committee thereof) of Spinco; or

(ii) assuming compliance with the matters referred to in Section 3.3(d), any Applicable Law in respect of Spinco or any of its subsidiaries;

(c) this Agreement has been duly executed and delivered by Spinco and is a legal, valid and binding obligation of Spinco, enforceable against Spinco by each of the other Parties in accordance with its terms, subject to bankruptcy, fraudulent transfer, moratorium, reorganization or similar laws affecting the rights of creditors generally and the availability of equitable remedies and the enforceability of any limitations of liability or other exculpatory provisions or indemnities that purport to limit or exculpate a Party from or indemnify such Party for, liabilities imposed by Applicable Law on such Party;

(d) other than (i) receipt of the Interim Order and the Final Order and the filing of materials with the Court in connection therewith, (ii) any approvals required by the Interim Order or the Final Order, (iii) filings with the Director under the CBCA, and (iv) compliance with any applicable securities laws and the rules and policies of the Exchange, no authorization, consent or approval of, or filing

with any Governmental Authority or any court or other authority is necessary for the consummation by Spinco of its obligations under this Agreement;

(e) no dissolution, winding up, bankruptcy, liquidation or similar proceeding has been commenced or is pending or proposed in respect of Spinco;

(f) the authorized capital of Spinco consists of an unlimited number of Spinco Common Shares and an unlimited number of Spinco preferred shares of which, as of the date hereof, no shares in the capital stock of Spinco have been issued;

(g) no Person holds any securities convertible into securities of Spinco or has any agreement, warrant, option or any other right capable of becoming an agreement, warrant or option for the purchase or other acquisition of any unissued shares of Spinco, other than as contemplated by this Agreement or the Plan of Arrangement; and

(h) Spinco has no assets and no liabilities and it has carried on no business other than relating to and contemplated by this Agreement or the Plan of Arrangement.

3.4 Survival.

The representations and warranties of each Party contained in this Agreement will not survive the completion of the Arrangement and will expire and be terminated on the earlier of the Effective Time and the date on which this Agreement is terminated in accordance with its terms.

ARTICLE 4
COVENANTS

4.1 General Covenants.

Subject to the terms of this Agreement, each Party severally covenants and agrees to use its commercially reasonable efforts to take or cause to be taken all actions and to do or cause to be done all things necessary, proper or advisable under Applicable Law to complete the transactions contemplated hereby (including the consummation of the Arrangement) as soon as reasonably practicable, including;

(a) to promptly notify each other Party of: (i) any notice or other communication from any Governmental Authority in connection with this Agreement and contemporaneously provide a copy of any such written notice or communication to the other Parties (except for notices and information which a Party reasonably considers to be confidential or sensitive which may be provided on a "counsel only" basis); and (ii) any notice or other communication from any Person alleging that the consent (or waiver, permit, exemption, order, approval, agreement, amendment or confirmation) of such Person is required in connection with this Agreement or the Arrangement;

(b) except as may otherwise be required by Applicable Law or the terms of any applicable agreement or arrangement with a third party who provided or has the ability to control the applicable information, each Party will, and will cause its respective subsidiaries to, use commercially reasonable efforts to provide the other Parties (or their respective subsidiaries or Representatives) with such cooperation as may be reasonably requested by such other Parties in connection with the preparation or filing of any report or filing required by any Governmental Authority contemplated by this Agreement prior to the Effective Time, including any financial statements or continuous disclosure filings;

(c) to not take any action that would interfere with or be inconsistent with the completion of the Pre-Arrangement Transactions or the Arrangement and the transactions contemplated by this Agreement or would render, or that would reasonably be expected to render, any representation or warranty made by such Party in this Agreement untrue or inaccurate in any material respect at any time prior to the Effective Time if then made (except for representations or warranties made as of a specified date, the accuracy of which shall be determined as of that specified date);

(d) to comply promptly with all requirements which Applicable Law may impose on such Party with respect to the transactions contemplated hereby and by the Pre-Arrangement Transactions and the Arrangement;

(e) to use commercially reasonable efforts to have lifted or rescinded any injunction or restraining order relating to such Party or other order which may adversely affect the ability of the Parties to consummate the transactions contemplated hereby;

(f) cooperate in obtaining the Tax Ruling and making such amendments to this Agreement and the Plan of Arrangement as may be necessary to obtain the Tax Ruling (provided any such amendments do not adversely affect LCL or the Minority LCL Shareholders) and implement the Pre-Arrangement Transactions and the Arrangement; and

(g) in determining the Effective Date, endeavor to ensure coordination between GWL Amalco dividends and Choice REIT distributions, it being the intention of the Parties that LCL Shareholders should not receive a dividend on GWL Amalco Shares for any quarter unless GWL is entitled to receive distributions in respect of the interest in Choice REIT for that same period.

4.2 Tax-Related Covenants.

(a) Each Party covenants and agrees with and in favour of each other Party that: (i) it will not, on or before the Effective Date, perform any act or enter into any transaction, or permit any transaction within its control to occur, that could reasonably be considered to interfere or be inconsistent with the Tax Ruling

(or, prior to the issuance of the Tax Ruling, the Tax Ruling Application); (ii) it will not perform any act or enter into any transaction, or permit any transaction within its control to occur, that would cause LCL, any subsidiary of LCL, or any subsidiary of GWL that is a corporation to cease to be a Specified Corporation on or prior to the Effective Date, except as contemplated herein or in the Tax Ruling (or, prior to the issuance of the Tax Ruling, the Tax Ruling Application); and (iii) it will fulfill all representations or undertakings provided by it, or on its behalf and made with its knowledge and consent, in the Tax Ruling (or, prior to the issuance of the Tax Ruling, the Tax Ruling Application).

(b) Each Party covenants and agrees with and in favour of each other Party that, for a period of three years after the Effective Date, it will not take any action, omit to take any action or enter into any transaction that could cause the Pre-Arrangement Transactions, the Arrangement or any transaction contemplated by this Agreement to be taxed in a manner that is inconsistent with that provided for in the Tax Ruling without obtaining a tax ruling or an opinion of a nationally recognized accounting firm or law firm that such action, omission or transaction will not have such effect.

(c) Each Party covenants and agrees with and in favour of each other Party to: (i) file its Tax returns and make all other filings, notifications, designations and elections (including section 85 elections under the Tax Act, and the corresponding provisions of any applicable provincial tax legislation), pursuant to the Tax Act and/or applicable provincial or foreign tax legislation, that are contemplated in the Tax Ruling, the Plan of Arrangement and this Agreement, and (ii) make adjustments to its stated capital accounts in accordance with the terms of the Plan of Arrangement following the Effective Date. Where an agreed amount is to be included in any election referred to in this Section 4.2(c), such amount will be within the range contemplated by the Tax Act and/or applicable provincial or foreign tax legislation, as the case may be, and will be the amount, if any, contemplated by the Tax Ruling, the Plan of Arrangement and this Agreement.

(d) Each of Party covenants and agrees with and in favour of each other to cooperate in the preparation, execution and filing, in the form and within the time limits prescribed or otherwise contemplated in the Tax Act, of all Tax returns, filings, notifications, designations and elections under the Tax Act as contemplated in the Tax Ruling, the Plan of Arrangement and this Agreement (and any similar Tax returns, elections, notifications or designations that may be required under applicable provincial or foreign tax legislation).

(e) Each Party covenants and agrees with and in favour of each other Party to cause each of its respective subsidiaries, as applicable, to comply with the foregoing Sections 4.2(a) to 4.2(d).

4.3 Covenants of LCL.

LCL covenants and agrees to (and will cause each of its subsidiaries, as applicable, to):

(a) perform the obligations required to be performed by LCL under the Pre-Arrangement Transactions and the Plan of Arrangement and do all such other acts and things as may be necessary or desirable and are within its power and control in order to carry out and give effect to the Pre-Arrangement Transactions and the Arrangement, including using all commercially reasonable efforts to obtain:

(i) the approval of LCL Shareholders required for the implementation of the Arrangement;

(ii) the Interim Order and the Final Order;

(iii) such other consents, orders, rulings or approvals and assurances as are necessary or desirable for the implementation of the Arrangement, including those referred to in Section 5.1; and

(iv) satisfaction of the other conditions precedent referred to in Article 5;

(b) use commercially reasonable efforts to defend and upon request take all commercially reasonable steps to resolve, in consultation with the other Parties, all lawsuits or other legal, regulatory or other proceedings or disputes which may adversely affect the ability of the Parties to consummate the transactions contemplated hereby, including any proxy solicitation matters to which it or its subsidiaries is a party or by which it or they are affected, and will consult with and may permit the other Parties to participate in any discussions with and in formulating strategies for responding to any such lawsuits or other legal, regulatory or other proceedings or disputes;

(c) unless otherwise required by Applicable Law, obtain the consent of GWL prior to issuing any press releases or otherwise making public statements with respect to this Agreement or the consummation of the Arrangement; and

(d) use best efforts to ensure that no more than 375,949,987 LCL Common Shares will be issued and outstanding as of the Effective Date.

4.4 Covenants of Spinco.

Spinco covenants and agrees to (and will cause each of its subsidiaries, as applicable, to):

(a) perform the obligations required to be performed by it under the Pre-Arrangement Transactions and the Plan of Arrangement and do all such

other acts and things as may be necessary or desirable and are within its power and control in order to carry out and give effect to the Pre-Arrangement Transactions and the Arrangement, including using all commercially reasonable efforts to obtain (on its own or in cooperation with LCL, as applicable):

(i) the Interim Order and the Final Order;

(ii) such other consents, rulings, orders, approvals and assurances as are necessary or desirable for the implementation of the Arrangement, including those referred to in Section 5.1; and

(iii) satisfaction of the other conditions precedent referred to in Article 5;

(b) use commercially reasonable efforts to defend and upon request take all commercially reasonable steps to resolve, in consultation with the other Parties, all lawsuits or other legal, regulatory or other proceedings or disputes which may adversely affect the ability of the Parties to consummate the transactions contemplated hereby, and will consult with and may permit the other Parties to participate in any discussions with and in formulating strategies for responding to any such lawsuits or other legal, regulatory or other proceedings or disputes;

(c) unless otherwise required by Applicable Law, obtain the consent of LCL and GWL prior to issuing any press releases or otherwise making public statements with respect to this Agreement or the consummation of the Arrangement; and

(d) not issue shares in its capital stock prior to the Effective Time and will issue such initial shares only in accordance with the terms of the Arrangement, if applicable.

4.5 Covenants of GWL.

GWL covenants and agrees to (and will cause each of its subsidiaries, as applicable, to):

(a) perform the obligations required to be performed by it under the Pre-Arrangement Transactions and the Plan of Arrangement and do all such other acts and things as may be necessary or desirable and are within its power and control in order to carry out and give effect to the Pre-Arrangement Transactions and the Arrangement, including using all commercially reasonable efforts to obtain (on its own or in cooperation with LCL, as applicable):

(i) the Interim Order and the Final Order;

(ii) such other consents, rulings, orders, approvals and assurances as are necessary or desirable for the implementation of the Arrangement, including those referred to in Section 5.1; and

(iii) satisfaction of the other conditions precedent referred to in Article 5;

(b) use commercially reasonable efforts to defend and upon request take all commercially reasonable steps to resolve, in consultation with the other Parties, all lawsuits or other legal, regulatory or other proceedings or disputes which may adversely affect the ability of the Parties to consummate the transactions contemplated hereby, and will consult with and may permit the other Parties to participate in any discussions with and in formulating strategies for responding to any such lawsuits or other legal, regulatory or other proceedings or disputes;

(c) unless otherwise required by Applicable Law, obtain the consent of LCL prior to issuing any press releases or otherwise making public statements with respect to this Agreement or the consummation of the Arrangement;

(d) on and after the Effective Time, provide (or cause to be provided) to LCL, from time to time upon LCL's request, such financial information in respect of Choice REIT and Choice LP, for any period up to and including the Effective Date, which information is, in the sole judgment of LCL, acting reasonably, necessary or desirable (i) for the preparation of any of LCL's consolidated financial statements (including the notes thereto), management's discussion and analysis or other financial reports required by Applicable Law or any Governmental Authority, in each case that is to be filed by LCL following the Effective Time, and (ii) for the purposes of dealing with any audit or appeal by a Governmental Authority relating to Taxes; and

(e) following receipt of the Final Order but prior to the Effective Time, to deliver an irrevocable treasury direction to its transfer agent directing the issuance of such aggregate number of GWL Amalco Common Shares to the applicable holders of Spinco Common Shares such that each such holder will receive 0.135 GWL Amalco Common Shares per Spinco Common Share held by them, subject to adjustments for fractional shares, in accordance with the Plan of Arrangement.

ARTICLE 5
CONDITIONS

5.1 Mutual Conditions Precedent.

The respective obligations of the Parties to complete the transactions contemplated by this Agreement are subject to the satisfaction, at or prior to the Effective Time, of each of the following conditions precedent, each of which may only be waived, in whole or in part, with the mutual written consent of the Parties:

(a) the Pre-Arrangement Transactions which are required to be completed prior to the Effective Time, as contemplated in the Tax Ruling, will have been completed;

(b) the Arrangement Resolution will have been approved by the LCL Shareholders at the LCL Shareholder Meeting in accordance with the Interim Order;

(c) the Interim Order and the Final Order will have each been obtained on terms consistent with this Agreement and shall not have been set aside or modified in a manner unacceptable to the Parties, acting reasonably, on appeal or otherwise;

(d) all governmental, court, regulatory, third party and other approvals, consents, expiry of waiting periods, waivers, permits, exemptions, orders and agreements and all amendments and modifications to, and terminations of, agreements, indentures and arrangements considered by the Parties, each acting reasonably, to be necessary or desirable for the completion of the transactions provided for in this Agreement, the Plan of Arrangement or the Pre-Arrangement Transactions will have been obtained or received on terms that are satisfactory to the Parties, each acting reasonably;

(e) no law, regulation or policy will have been proposed, enacted, issued, promulgated, enforced or entered into which would adversely affect any of the Parties if the Arrangement was completed or has the effect of making the Arrangement illegal, including any material change to the income tax laws of Canada or the United States that is adverse to any of the Parties;

(f) there will not be in force any order or decree restraining or enjoining the completion of the transactions contemplated by this Agreement;

(g) the Tax Ruling having been received by GWL and LCL, in form and substance satisfactory to GWL and LCL, will not have been withdrawn or modified and will remain in full force and effect and all of the transactions referred to in the Tax Ruling as occurring on or prior to the Effective Time will have occurred and all conditions or terms of the Tax Ruling shall have been satisfied;

(h) (A) the LCL New Common Shares and the LCL Common Shares to be issued on the conversion of the LCL New Common Shares will have been conditionally approved to continue to be listed and posted for trading on the Exchange; and (B) the LCL Common Shares issuable on the exercise of LCL New Stock Options to be issued under the LCL New Stock Option Plan pursuant to the Arrangement will have been conditionally approved for listing and posting for trading on the Exchange, subject to, in each case, standard listing conditions imposed by the Exchange in similar circumstances;

(i) the Spinco Common Shares will have been conditionally approved for listing and posting for trading on the Exchange, subject to standard listing conditions imposed by the Exchange in similar circumstances;

(j) (A) the common shares and preferred shares in the capital of GWL Amalco (including shares issuable on the exercise of GWL Stock Options issued under

the GWL Stock Option Plan) will have been conditionally approved to continue to be listed and posted for trading on the Exchange; and (B) the GWL Common Shares to be issued to the applicable holders of Spinco Common Shares in accordance with the Plan of Arrangement will have been conditionally approved for listing and posting for trading on the Exchange, subject, in each case, to standard listing conditions imposed by the Exchange in similar circumstances; and

(k) this Agreement will not have been terminated pursuant to the provisions of Article 7.

5.2 Conditions to Obligations of Each Party.

The obligation of each Party to complete the transactions contemplated by this Agreement is further subject to the conditions (which may be waived, in whole or in part, by such Party without prejudice to its right to rely on any other condition in its favour) that (i) the covenants of each other Party to be performed on or before the Effective Date pursuant to the terms of this Agreement will have been duly performed in all material respects; and (ii) except as set forth in this Agreement, the representations and warranties of each other Party will be true and correct in all material respects as at the Effective Date as though made at the Effective Time, with the same effect as if such representations and warranties had been made at, and as of, such time.

5.3 Merger of Conditions.

The conditions set out in Section 5.1 and Section 5.2 will be conclusively deemed to have been satisfied or waived, as applicable, on the filing by LCL of Articles of Arrangement under the CBCA to give effect to the Plan of Arrangement.

ARTICLE 6
INDEMNITIES

6.1 Indemnity by the Parties.

Each Party will indemnify and hold harmless the other Parties and their respective Representatives against any Loss suffered or incurred, directly or indirectly, by such indemnified party as a result of or in connection with a breach by the Indemnifying Party of a covenant contained in Section 4.2.

6.2 Third Party Claims.

(a) If any claim, assertion or proceeding by or in respect of a third party (a "**Third Party Claim**") is made or commenced against an Indemnified Person in respect of which the Indemnified Party proposes to demand indemnification from an Indemnifying Party, the Indemnified Person shall give notice to that effect together with particulars of the Third Party Claim to the Indemnifying

Party with reasonable promptness. The failure to give, or delay in giving, such notice will not relieve the Indemnifying Party of its obligations except and only to the extent of any prejudice caused to the Indemnifying Party by such failure or delay. The Indemnifying Party may, by notice to the Indemnified Person given not later than 30 days after receipt of the notice described in this Section 6.2(a), assume control of the defence, compromise or settlement of the Third Party Claim provided that: (i) the Third Party Claim involves only money damages and does not seek any injunctive or other equitable relief; (ii) if the named parties in any Third Party Claim include both the Indemnifying Party and the Indemnified Person, representation by the same counsel would, in the judgment of the Indemnified Person, still be appropriate notwithstanding any actual or potential differing interests between them (including the availability of different defences); and (iii) settlement of, or an adverse judgment with respect to, the Third Party Claim is not, in the judgment of the Indemnified Person, likely to establish a precedent, custom or practice adverse to the continuing business interests of the Indemnified Person. Upon assumption of control by the Indemnifying Party: (i) the Indemnifying Party shall actively and diligently proceed with the defence, compromise or settlement of the Third Party Claim at its sole cost and expense, retaining counsel reasonably satisfactory to the Indemnified Person; (ii) the Indemnifying Party shall keep the Indemnified Person fully advised with respect to the status of the Third Party Claim (including supplying copies of all relevant documents promptly as they become available) and shall arrange for its counsel to inform the Indemnified Person on a regular basis of the status of the Third Party Claim; and (iii) the Indemnifying Party shall not consent to the entry of any judgment or enter into any settlement with respect to the Third Party Claim unless consented to by the Indemnified Person (which consent may not be unreasonably or arbitrarily withheld or delayed).

(b) The Indemnified Person may retain separate co-counsel at its sole cost and expense, and may participate in the defence of the Third Party Claim.

(c) Provided all the conditions set forth in Section 6.2(a) are satisfied and the Indemnifying Party is not in breach of any of its other obligations under this Section 6.2, the Indemnified Person will, at the expense of the Indemnifying Party, cooperate with the Indemnifying Party and use its commercially reasonable efforts to make available to the Indemnifying Party all relevant information in its possession or under its control (provided that it does not cause it to breach any confidentiality obligations) and shall take such other steps as are, in the reasonable opinion of counsel for the Indemnifying Party, necessary to enable the Indemnifying Party to conduct such defence; provided always that: (i) no admission of fault may be made by or on behalf of the Indemnified Person without his, her or its prior written consent; and (ii) the Indemnified Person is not obligated to take any measures which, in the

reasonable opinion of the Indemnified Person's legal counsel, could be prejudicial or unfavourable to the Indemnified Person.

(d) If (i) the Indemnifying Party fails to give the Indemnified Person the notice required in Section 6.2(a) or otherwise fails to comply with any of the conditions in Section 6.2(a), or (ii) the Indemnifying Party breaches any of its other obligations under this Section 6.2, the Indemnified Person may assume control of the defence, compromise or settlement of the Third Party Claim and retain counsel as in its sole discretion may appear advisable, the whole at the Indemnifying Party's sole cost and expense. Any settlement or other final determination of the Third Party Claim will be binding upon the Indemnifying Party. The Indemnifying Party shall, at its sole cost and expense, cooperate fully with the Indemnified Person and use its reasonable commercial efforts to make available to the Indemnified Person all relevant information in its possession or under its control and take such other steps as are, in the reasonable opinion of counsel for the Indemnified Person, necessary to enable the Indemnified Person to conduct the defence. The Indemnifying Party shall reimburse the Indemnified Person promptly and periodically for the costs of defending against the Third Party Claim (including legal fees and expenses), and shall remain responsible for any Losses the Indemnified Person may suffer resulting from, arising out of, or relating to, the Third Party Claim to the fullest extent provided in this Article 6.

6.3 Procedures for Indemnification – Direct Claims.

Any direct claim for indemnification pursuant to this Agreement must be asserted by providing notice to the Indemnifying Party within a reasonable time after the Indemnified Person becomes aware of such direct claim. The failure to give, or delay in giving, such notice will not relieve the Indemnifying Party of its obligations except and only to the extent of any prejudice caused to the Indemnifying Party by such failure or delay. The Indemnifying Party will then have a period of 30 days within which to satisfy such direct claim or, failing that, to give notice to the Indemnifying Party that it intends to dispute such direct claim, which notice must be accompanied by reasonable particulars in writing of the basis of such dispute.

ARTICLE 7
AMENDMENT AND TERMINATION

7.1 Amendment.

Subject to the provisions of the Interim Order, the Plan of Arrangement and Applicable Law, this Agreement and the Plan of Arrangement may, at any time and from time to time before or after the holding of the LCL Shareholder Meeting but not later than the Effective Time, be amended, modified or supplemented by written agreement of the Parties, without further notice to or authorization on the part of the LCL Shareholders.

7.2 Termination.

This Agreement may, at any time before or after the holding of the LCL Shareholder Meeting but prior to the issue under the CBCA of a certificate of arrangement giving effect to the Arrangement, be terminated without further notice to or authorization on the part of the LCL Shareholders (i) by written agreement of the Parties, or (ii) by either GWL or LCL if the GWL Board or the LCL Board, as the case may be, determines in good faith after consultation with its financial advisors and outside legal counsel that in order to comply with its fiduciary duties it is necessary to terminate this Agreement. This Agreement will terminate without any further action by the Parties if the Effective Date has not occurred on or before June 30, 2019.

7.3 Effect of Termination.

Upon the termination of this Agreement pursuant to Section 7.2 hereof, no Party will have any liability or further obligation to the other Parties hereto or any other Person.

ARTICLE 8
GENERAL

8.1 Expenses.

The Parties agree that each Party will bear its own out-of-pocket expenses relating to the Arrangement and the transactions contemplated hereby, including legal fees, accounting fees, financial advisory fees, regulatory filing fees, stock exchange fees, all disbursements of advisors and printing and mailing costs.

8.2 Notices.

Any demand, notice or other communication to be given in connection with this Agreement must be given in writing and delivered personally or by courier or by facsimile addressed to the recipient as follows:

(a) To LCL:

Loblaw Companies Limited
1 President's Choice Circle
Brampton, Ontario L6Y 5S5

Attention: Darren Myers, Chief Financial Officer
E-mail: darren.myers@loblaw.ca

with a copy to:

McCarthy Tétrault LLP
66 Wellington Street West, Suite 5300
TD Bank Tower
Toronto, Ontario M5K 1E6

Attention: David Woollcombe
E-mail: dwoollcombe@mccarthy.ca

(b) To Spinco:

10945544 Canada Inc.
22 St. Clair Avenue East, Suite 1901
Toronto, Ontario M4T 2S5

Attention: Gordon Currie, Executive Vice President and Chief Legal Officer
E-mail: gordon.currie@weston.ca

(c) To GWL:

George Weston Limited
22 St. Clair Avenue East, Suite 1901
Toronto, Ontario M4T 2S5

Attention: Gordon Currie, Executive Vice President and Chief Legal Officer
E-mail: gordon.currie@weston.ca

with a copy to:

Torys LLP
79 Wellington Street West, Suite 3000
Toronto, Ontario M5K 1N2

Attention: Cornell C.V. Wright
E-mail: cwright@torys.com

or other such address that a Party may, from time to time, advise the other Parties hereto by notice in writing given in accordance with the foregoing. Date of receipt of any such notice will be deemed to be the date of actual delivery thereof or, if given by facsimile, on the day of transmittal thereof if given during the normal business hours of the recipient with written confirmation of receipt by fax and verbal confirmation of same and on the next Business Day, if not given during such hours.

8.3 Time of the Essence.

Time is of the essence of this Agreement.

8.4 Assignment.

No Party may assign its rights or obligations under this Agreement or the Plan of Arrangement without the prior written consent of the other Parties, provided that no such consent will be required for any Party to assign its rights and obligations under this Agreement and the Plan of Arrangement to a corporate successor to such Party (whether by way of amalgamation or winding-up) or to a purchaser of all or substantially all of the assets of such Party.

8.5 Binding Effect.

This Agreement will be binding upon and enure to the benefit of the Parties hereto and their respective successors and permitted assigns.

8.6 Waiver.

Any waiver or release of any of the provisions of this Agreement, to be effective, must be in writing executed by the Party granting the same.

8.7 Entire Agreement.

This Agreement, together with the agreements and other documents herein or therein referred to, constitutes the entire agreement between the Parties with respect to the subject matter hereof and supersedes all prior agreements, understandings, negotiations and discussions, whether oral or written, between the Parties with respect thereto.

8.8 Governing Law; Attornment.

This Agreement will be governed by and construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein. Each Party agrees that any action or proceeding arising out of or relating to this Agreement may be instituted in the courts of Ontario, waives any objection which it may have now or later to the venue of that action or proceeding, irrevocably submits to the non-exclusive jurisdiction of those courts in that action or proceeding and agrees to be bound by any judgment of those courts.

8.9 Limitation on Liability.

No Representative of a Party shall have any personal liability whatsoever on behalf of such Party (or any of its subsidiaries) to any other Party under this Agreement, the Arrangement or any other transactions entered into, or documents delivered, in connection with any of the foregoing. In no event will one Party be liable to any other Party for any special, consequential, indirect, collateral, incidental or punitive damages or lost profits or failure to realize expected savings or other commercial or economic loss of any kind, however caused and on any theory of liability, arising in any way out of this Agreement, whether or not such Person has been advised of the possibility of such damages.

8.10 Severability.

If any term or other provision of this Agreement is invalid, illegal or incapable of being enforced by any rule or Applicable Law or public policy, all other conditions and provisions of this Agreement will nevertheless remain in full force and effect so long as the economic or legal substance of the transactions contemplated by this Agreement is not affected in any manner materially adverse to any Party. Upon such determination that any term or other provision is invalid, illegal or incapable of being enforced, the Parties will negotiate in good faith to modify this Agreement so as to effect the original intent of the Parties as closely as possible in any acceptable manner to the end that the transactions contemplated by this Agreement are fulfilled to the fullest extent possible.

8.11 Counterparts; Facsimiles.

This Agreement may be executed in one or more counterparts, each of which will be deemed to be an original and all of which taken together will be deemed to constitute the same instrument. Delivery of an executed signature page to this Agreement by any Party by electronic transmission will be as effective as delivery of a manually executed copy of the Agreement by such Party.

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF the Parties have executed this Agreement.

LOBLAW COMPANIES LIMITED

By: *"Sarah Davis"*
Name: Sarah Davis
Title: President

By: *"Darren Myers"*
Name: Darren Myers
Title: Chief Financial Officer

10945544 CANADA INC.

By: *"Richard Dufresne"*
Name: Richard Dufresne
Title: Director

By: *"Gordon Currie"*
Name: Gordon Currie
Title: Director

GEORGE WESTON LIMITED

By: *"Richard Dufresne"*
Name: Richard Dufresne
Title: President and Chief Financial Officer

By: *"Gordon Currie"*
Name: Gordon Currie
Title: Executive Vice President and Chief Legal Officer

SCHEDULE A

PLAN OF ARRANGEMENT

The Plan of Arrangement, as originally attached to the Arrangement Agreement and as filed on SEDAR, has been amended and may be found at Appendix B of this Circular.

APPENDIX D – LCL FAIRNESS OPINION

September 4, 2018

Special Committee of the Board of Directors and the Board of Directors
Loblaw Companies Limited
1 President's Choice Circle
Brampton, Ontario
L6Y 5S5

To the Special Committee of the Board of Directors and the Board of Directors:

BMO Nesbitt Burns Inc. ("BMO Capital Markets" or "we" or "us") understands that Loblaw Companies Limited ("Loblaw") and George Weston Limited ("GWL") propose to enter into an arrangement agreement to be dated as of September 4, 2018 (the "Arrangement Agreement") pursuant to which, among other things, Loblaw's interest in Choice Properties Real Estate Investment Trust and Choice Properties Limited Partnership (collectively, "Choice Properties") will be spun out pro rata to Loblaw's shareholders (the "Shareholders") and by which the interest in Choice Properties received by the Shareholders other than GWL and its subsidiaries will be acquired by GWL in exchange for 0.135 of a GWL common share per Loblaw common share (the "Consideration") by way of an arrangement under the *Canada Business Corporations Act* (the "Arrangement"). The terms and conditions of the Arrangement will be summarized in Loblaw's management proxy circular (the "Circular") to be mailed to the Shareholders in connection with a special meeting of the Shareholders to be held to consider and, if deemed advisable, approve the Arrangement.

We have been retained to provide financial advisory services to a special committee (the "Special Committee") composed of independent directors of the board of directors of Loblaw (the "Board of Directors") and the Board of Directors, including, at the Special Committee's and Board of Directors' request, our opinion (the "Opinion") as to the fairness from a financial point of view of the Consideration to be received by the Shareholders other than GWL, its subsidiaries and any other person described in items (a) through (d) of section 8.1(2) of MI 61-101 (such Shareholders, the "Minority Shareholders") pursuant to the Arrangement.

IIROC

This fairness opinion has been prepared in accordance with the Disclosure Standards for Formal Valuations and Fairness Opinions of Investment Industry Regulatory Organization of Canada ("IIROC") but IIROC has not been involved in the preparation or review of this fairness opinion.

ENGAGEMENT OF BMO CAPITAL MARKETS

The Special Committee initially contacted BMO Capital Markets regarding a potential financial advisory assignment in June, 2018. BMO Capital Markets was formally engaged by the Special Committee pursuant to an agreement dated August 29, 2018 and effective as of June 19, 2018 (the "Engagement Agreement"). Under the terms of the Engagement Agreement, BMO Capital Markets has agreed to

provide the Special Committee and the Board of Directors with various advisory services in connection with the Arrangement including, among other things, the provision of the Opinion, subject to appropriate qualifications, as to whether the Consideration to be received by the Minority Shareholders pursuant to the Arrangement is fair from a financial point of view.

Under the terms of the Engagement Agreement, BMO Capital Markets will receive a fixed fee for providing advisory services and the Opinion. The Special Committee has also agreed to reimburse us for our reasonable out-of-pocket expenses and to indemnify us against certain liabilities that might arise out of our engagement.

CREDENTIALS OF BMO CAPITAL MARKETS

BMO Capital Markets is one of North America's largest investment banking firms, with operations in all facets of corporate and government finance, mergers and acquisitions, equity and fixed income sales and trading, investment research and investment management. BMO Capital Markets has been a financial advisor in a significant number of transactions throughout North America involving public and private companies in various industry sectors, and has extensive experience in providing advisory services and fairness opinions.

The Opinion expressed herein represents the opinion of BMO Capital Markets, the form and content of which have been approved for release by a committee of our officers who are collectively experienced in merger and acquisition, divestiture, restructuring, valuation, fairness opinion, and capital markets matters.

INDEPENDENCE OF BMO CAPITAL MARKETS

Neither BMO Capital Markets, nor any of our affiliates, is an insider, associate or affiliate (as those terms are defined in the *Securities Act* (Ontario) or the rules made thereunder) of Loblaw, GWL, or Choice Properties or any of their respective associates (collectively, the "Interested Parties").

BMO Capital Markets has not been engaged to provide any financial advisory services nor has it participated in any financings involving the Interested Parties within the past two years, other than, (i) acting as financial advisor to the Special Committee and the Board of Directors pursuant to the Engagement Agreement; (ii) acting as joint bookrunner for Eagle Credit Card Trust's $250 million offering of credit card receivables-backed notes which closed on July 17, 2018 (PC Bank, a wholly owned subsidiary of Loblaw, participated in a single seller revolving co-ownership securitization program with Eagle Credit Card Trust); (iii) acting as joint bookrunner for Choice Properties' $1.3 billion offering of senior unsecured debentures, which closed on March 8, 2018, in connection with the acquisition of Canadian Real Estate Investment Trust ("CREIT"); (iv) acting as joint bookrunner for Choice Properties' $650 million offering of senior unsecured debentures which closed on January 12, 2018; (v) acting as joint bookrunner for Eagle Credit Card Trust's $250 million offering of credit card receivables-backed notes which closed on October 10, 2017; and (vi) acting as provider of a $150 million bilateral conduit credit facility to PC Bank which closed on December 11, 2017.

BMO Capital Markets or one or more of its affiliates acts as a lender under GWL's letter of credit facility. BMO Capital Markets is also the counterparty to GWL's equity forward arrangement dated November 8, 2001. In connection with that arrangement, BMO Capital Markets is a lender to GWL and GWL has pledged 9.6 million Loblaw shares to BMO Capital Markets.

BMO Capital Markets or one or more of its affiliates acts as joint lead arranger, joint bookrunner and syndication agent and as a lender under Loblaw's term loan facility and acts as a lender under other credit facilities for Loblaw or one or more of its affiliated entities.

BMO Capital Markets or one or more of its affiliates acts as a lender under credit facilities for Choice Properties or one or more of its affiliated entities.

BMO Capital Markets or one or more of its affiliates provides certain treasury, insurance, risk management and cash management services to Interested Parties or one or more of their affiliated entities.

There are no understandings, agreements or commitments between BMO Capital Markets and any of the Interested Parties with respect to future business dealings. BMO Capital Markets may, in the future, in the ordinary course of business, provide financial advisory, investment banking, or other financial services to one or more of the Interested Parties from time to time.

BMO Capital Markets and certain of its affiliates act as traders and dealers, both as principal and agent, in major financial markets and, as such, may have had and may in the future have positions in the securities of one or more of the Interested Parties and, from time to time, may have executed or may execute transactions on behalf of one or more Interested Parties for which BMO Capital Markets or such affiliates received or may receive compensation. As investment dealers, BMO Capital Markets and certain of our affiliates conduct research on securities and may, in the ordinary course of business, provide research reports and investment advice to clients on investment matters, including with respect to one or more of the Interested Parties or the Arrangement. In addition, Bank of Montreal ("BMO"), of which BMO Capital Markets is a wholly-owned subsidiary, or one or more affiliates of BMO, may provide banking or other financial services to one or more of the Interested Parties in the ordinary course of business.

SCOPE OF REVIEW

In connection with rendering the Opinion, we have reviewed and relied upon, or carried out, among other things, the following:

1. a draft of the Arrangement Agreement dated September 4, 2018;

2. a draft of the Reorganization Summary Proposal dated August 31, 2018 delivered by GWL to the Special Committee;

3. certain publicly available information relating to the business, operations, financial condition and trading history of each of Loblaw, GWL and Choice Properties, and other selected public companies we considered relevant;

4. certain internal financial, operating, corporate and other information prepared or provided by or on behalf of Loblaw, GWL and Choice Properties relating to their respective businesses, operations and financial condition;

5. internal management forecasts, projections, estimates and budgets prepared or provided by or on behalf of management of each of Loblaw, GWL and Choice Properties;

6. discussions with management of each of Loblaw, GWL and Choice Properties relating to their respective current businesses, plans, financial condition and prospects;

7. discussions with the Special Committee's tax advisors, and review of information and analysis provided by management of Loblaw, relating to the implications of the Arrangement, as well as to potential alternatives to the Arrangement, from an income tax perspective;

8. public information with respect to selected precedent transactions we considered relevant;

9. various reports published by equity research analysts and credit rating agencies we considered relevant;

10. letters of representation as to certain factual matters and the completeness and accuracy of certain information upon which the Opinion is based, addressed to us and dated as of the date hereof, provided by senior officers of each of Loblaw, GWL and Choice Properties, respectively; and

11. such other information, investigations, analyses and discussions as we considered necessary or appropriate in the circumstances.

BMO Capital Markets has not, to the best of its knowledge, been denied access by Loblaw, GWL or Choice Properties to any information under their respective control requested by BMO Capital Markets.

PRIOR VALUATIONS

Senior officers of each of Loblaw, GWL and Choice Properties have represented to BMO Capital Markets that, to the best of their knowledge, information and belief after due inquiry, there are no independent appraisals or valuations or material non-independent appraisals or valuations relating to their respective Companies or Trust or any of their material subsidiaries or any of their respective material assets or liabilities that have been prepared in the two years preceding the date hereof and which have not been provided to BMO Capital Markets.

ASSUMPTIONS AND LIMITATIONS

We have relied upon and assumed the completeness, accuracy and fair presentation of all financial and other information, data, advice, opinions, representations and other material obtained by us from public sources or provided to us by or on behalf of Loblaw, GWL and Choice Properties or otherwise obtained by us in connection with our engagement (the "Information"). The Opinion is conditional upon such completeness, accuracy and fair presentation. We have not been requested to, and have not assumed any obligation to, independently verify the completeness, accuracy or fair presentation of any such Information. We have assumed that forecasts, projections, estimates and budgets provided to us and used in our analyses were reasonably prepared on bases reflecting the best currently available assumptions, estimates and judgments of management of each of Loblaw, GWL and Choice Properties having regard to their respective businesses, plans, financial condition and prospects.

Senior officers of each of Loblaw, GWL and Choice Properties have represented to BMO Capital Markets in their respective letters of representation delivered as of the date hereof, among other things, that: (i) the Information provided to BMO Capital Markets orally by, or in the presence of, an officer or employee of, Loblaw, GWL or Choice Properties, or in writing by their respective Companies or Trust or any of their subsidiaries or associates (as defined in National Instrument 45-106 – *Prospectus Exemptions)* or any of their representatives in connection with our engagement was, at the date the Information was provided to BMO Capital Markets, and is, as of the date hereof, complete, true and correct in all material respects, and did not and does not contain a misrepresentation (as defined in the *Securities Act* (Ontario)); and (ii) since the dates on which the Information was provided

to BMO Capital Markets, except as disclosed to BMO Capital Markets, there has been no material change, financial or otherwise, in the financial condition, assets, liabilities (contingent or otherwise), business, operations or prospects of any of Loblaw, GWL and Choice Properties or any of their respective subsidiaries, taken as a whole, and no change has occurred in the Information or any part thereof which would have or which could reasonably be expected to have a material effect on the Opinion.

In preparing the Opinion, we have assumed that the executed Arrangement Agreement will not differ in any material respect from the draft that we reviewed, and that the Arrangement will be consummated in accordance with the terms and conditions of the Arrangement Agreement without waiver of, or amendment to, any term or condition that is in any way material to our analyses.

The Opinion is rendered on the basis of securities markets, economic, financial and general business conditions prevailing as of the date hereof and the condition and prospects, financial and otherwise, of Loblaw, GWL and Choice Properties as they are reflected in the Information and as they have been represented to BMO Capital Markets in discussions with management of each of Loblaw, GWL and Choice Properties, respectively, and their respective representatives. In our analyses and in preparing the Opinion, BMO Capital Markets made numerous judgments and assumptions with respect to industry performance, general business, market and economic conditions and other matters, many of which are beyond our control or that of any party involved in the Arrangement.

The Opinion is provided to the Special Committee and the Board of Directors for their exclusive use only in considering the Arrangement and may not be used or relied upon by any other person or for any other purpose without our prior written consent. The Opinion does not constitute a recommendation as to how any Shareholder should vote or act on any matter relating to the Arrangement. Except for the inclusion of the Opinion in its entirety and a summary thereof (in a form acceptable to us) in the Circular, the Opinion is not to be reproduced, disseminated, quoted from or referred to (in whole or in part) without our prior written consent.

We have not been asked to prepare and have not prepared a formal valuation or appraisal of the securities or assets of Loblaw, GWL or Choice Properties or of any of their respective associates, and the Opinion should not be construed as such. The Opinion is not, and should not be construed as, advice as to the price at which the securities of Loblaw, GWL or Choice Properties may trade at any time. BMO Capital Markets was not engaged to review any legal or regulatory aspects of the Arrangement and the Opinion does not address any such matters. We have relied upon, without independent verification, the assessment by the Special Committee's legal advisors with respect to such matters as well as management of Loblaw and the Special Committee's tax advisors with respect to tax matters.

The Opinion is rendered as of the date hereof and BMO Capital Markets disclaims any undertaking or obligation to advise any person of any change in any fact or matter affecting the Opinion which may come or be brought to the attention of BMO Capital Markets after the date hereof. Without limiting the foregoing, if we learn that any of the information we relied upon in preparing the Opinion was inaccurate, incomplete or misleading in any material respect, BMO Capital Markets reserves the right to change or withdraw the Opinion.

DESCRIPTION OF LOBLAW

Loblaw is Canada's food and pharmacy leader and largest retailer, and the majority unit holder of Choice Properties. Loblaw provides Canadians with grocery, pharmacy, health and beauty, apparel, general merchandise, financial services, and wireless mobile products and services. Loblaw has more than 2,400 corporate, franchised and Associate-owned locations.

DESCRIPTION OF GWL

GWL, through its operating subsidiaries, constitutes one of North America's largest food processing and distribution groups. GWL has two reportable operating segments: Weston Foods and Loblaw. The Weston Foods operating segment is primarily engaged in the baking industry within North America. Loblaw is Canada's food and pharmacy leader and largest retailer.

DESCRIPTION OF CHOICE PROPERTIES

Choice Properties is a leading Canadian diversified real estate investment trust and owner, manager and developer of a high-quality portfolio comprising 757 properties totaling 67 million square feet of gross leasable area. Choice Properties owns a portfolio comprised of retail properties predominantly leased to necessity-based tenants; industrial, office and residential assets concentrated in attractive markets.

APPROACH TO FAIRNESS

BMO Capital Markets performed various analyses in connection with rendering the Opinion. In arriving at our conclusion, we did not attribute any particular weight to any specific approach or analysis, but rather developed qualitative judgements on the basis of our experience in rendering such opinions and on the Information considered as a whole.

In assessing the fairness from a financial point of view of the Consideration to be received by Minority Shareholders pursuant to the Arrangement, we compared the fair value of the Consideration to be received by the Minority Shareholders to the fair value of the Choice Properties trust units and Class B limited partnership units (collectively, the "Trust Units") currently held by them indirectly through their ownership interest in Loblaw. This assessment was predicated on management of Loblaw advising that ownership of Choice Properties is no longer strategic for Loblaw. As well, we considered the value implications of the following alternatives that could be available to Loblaw with respect to its interest in Choice Properties:

(i) **Status Quo:** Loblaw maintains its ownership interest in Choice Properties;

(ii) **Pro Rata Spin Out:** Loblaw's ownership interest in Choice Properties is spun out to Shareholders pro rata;

(iii) **Sale to a Third Party:** Loblaw's ownership interest in Choice Properties is sold to an arm's length third party; and,

(iv) **Spin Out to GWL (i.e. the Arrangement):** Loblaw's ownership interest in Choice Properties is spun out pro rata to Loblaw's shareholders and the interest in Choice Properties thereby held by the Shareholders other than GWL and its subsidiaries is acquired by GWL in exchange for GWL common shares.

(i) Status Quo

BMO Capital Markets determined that the fair value of the Trust Units held by Loblaw that would be attributable to the Minority Shareholders in the event that Loblaw maintains its ownership interest in Choice Properties is equivalent to the fair value of the Trust Units from a trading perspective, less, if applicable, a holding company discount ("HoldCo Discount"), as the interest in the Trust Units attributable to the Minority Shareholders is held through Loblaw and not directly by the Minority Shareholders.

A number of methodologies were considered in assessing the fair value of the Trust Units from a trading perspective, including:

- *52-week trading range*: A review of the high and low levels at which the Trust Units traded over the 52 week period ended August 31, 2018.

- *Current equity research analyst target price range*: A review of the range of research analysts' target prices, as most recently published.

- *Equity research analyst Net Asset Value ("NAV") estimate range*: A review of the range of research analysts' NAV per Trust Unit estimates, as most recently published.

- *Comparable REIT trading analysis*: A review of publicly available information for selected publicly listed entities considered relevant and the application of a range of price to adjusted funds from operations ("AFFO") multiples considered appropriate in the circumstances to Choice Properties management's projection of 2019 AFFO per Trust Unit, to obtain a range of implied values for the Trust Units.

  The selected REITs were:

Large Cap REITs	**Diversified REITs**
Allied Properties Real Estate Investment Trust	Artis Real Estate Investment Trust
CT Real Estate Investment Trust	Cominar Real Estate Investment Trust
Dream Office Real Estate Investment Trust	H&R Real Estate Investment Trust
First Capital Realty Inc.	Morguard Real Estate Investment Trust
RioCan Real Estate Investment Trust	
SmartCentres Real Estate Investment Trust	

After confirming with management of Choice Properties that there was no material information regarding Choice Properties, its assets, business or growth prospects that was not known by the market, BMO Capital Markets determined after considering the aforementioned methodologies that the current trading price of the Trust Units was an appropriate approximation of the fair value of the Trust Units from a trading perspective.

A review of various reports published by Loblaw equity research analysts suggested that the market assessed a HoldCo Discount in a range of 5 – 10% to Loblaw's holdings of Trust Units.

After considering the foregoing, the fair value per Trust Unit held by Loblaw that would be attributable to the Minority Shareholders under the Status Quo alternative was determined to be the current trading price of the Trust Units less a HoldCo Discount of 5 – 10%:

	Value Per Trust Unit	
	Low	**High**
Status Quo	$11.22	$11.85

(ii) Pro Rata Spin Out

BMO Capital Markets determined that the fair value of Trust Units that would be attributable to the Minority Shareholders in the event that the Trust Units were distributed to the Minority Shareholders pro rata with GWL and its subsidiaries (with no exchange for GWL common shares) is the fair value of

the Trust Units from a trading perspective, less any income tax implications at the Loblaw corporate level (and not on an individual investor level) that would be associated with such a distribution, if applicable.

Upon consultation with the Special Committee's tax advisors, it was determined that such a transaction would be subject to income tax incurred by Loblaw, which based on information and analysis provided by management of Loblaw, we determined to be equivalent to approximately $1.55 per Trust Unit (approximately $640 million in aggregate).

After considering the foregoing, the fair value per Trust Unit held by Loblaw that would be attributable to the Minority Shareholders under the Pro Rata Spin Out alternative was determined to be the current trading price of the Trust Units less the approximately $1.55 per Trust Unit income tax that would be incurred by Loblaw that would be indirectly attributable to the Minority Shareholders:

Pro Rata Spin Out Value per Trust Unit	$10.92

(iii) Sale to a Third Party

BMO Capital Markets determined that the fair value of the Trust Units that would be attributable to the Minority Shareholders from the perspective of a sale transaction is the attributable monetary consideration that, in an open and unrestricted market, a prudent and informed buyer would pay to a prudent and informed seller, each acting at arm's length with the other and under no compulsion to act. In such a market, the fair value of the Trust Units would be the en bloc value reflecting the acquisition of a controlling interest in Choice Properties. In considering the value attributable to Minority Shareholders under this alternative, any applicable income tax implications at the Loblaw corporate level (and not on an individual investor level) that would be associated with such an alternative were also considered.

A number of methodologies were considered in assessing the fair value of the Trust Units from an en bloc perspective, including:

- *Precedent Transactions Analysis: A* review of publicly available information for selected transactions involving entities in the Canadian diversified and retail real estate sectors that were considered relevant and appropriate, undertaken in order to derive a range of price to street consensus net asset value per unit multiples. This range of multiples was then applied to the equity research analysts' range of NAV per Trust Unit estimates to obtain a range of implied values for the Trust Units.

- *Sum-of-the-Parts NAV Analysis*: The application of capitalization rates selected by BMO Capital Markets to the 2018 management projected net operating income ("NOI") for each of the Choice Properties' income-producing assets to obtain a fair market value estimate for each asset. The capitalization rates for each property were selected based on a variety of factors, including, but not limited to, the economic conditions of the metropolitan statistical area ("MSA") and the MSA sub-market in which the property is located, the applicable asset class, asset type, occupancy, age, credit worthiness of tenants, and length of remaining lease term. For properties under development and properties with future development potential, discount rates deemed reasonable to the residual land value ("RLV") of each development project were applied. RLV was calculated as the development value at asset stabilization plus condo air rights less development costs. The implied values from each income-producing property and development property with positive RLV were then aggregated and certain adjustments were made to obtain a range of fair values for the Trust Units, including, but not limited to, an adjustment for Choice

Properties' on-balance sheet non-income producing assets and liabilities. BMO Capital Markets performed sensitivity analyses based on the selected cap rate for each property.

BMO Capital Markets also undertook additional sum-of-the-parts analyses whereby the transaction value from the recent arm's length acquisition of CREIT by Choice Properties was considered for those income producing properties and development properties that were a part of the CREIT portfolio at the time of the acquisition, in aggregate with the implied range of fair values for those income producing properties and development properties otherwise owned by Choice Properties.

- *Discounted Cash Flow ("DCF") Analysis*: A DCF analysis involving a calculation of the present value of Choice Properties' projected future cash flows to determine a range of values for the Trust Units. It involved Choice Properties management's annual cash flow estimates for each year of the five-year projection period, and discounting the cash flow stream at discount rates BMO Capital Markets determined reasonable based on weighted average cost of capital ("WACC") estimates. A terminal value was also calculated by applying an exit capitalization rate to Choice Properties' terminal year management cash NOI estimate with the resulting terminal value being discounted at the same discount rates used for the annual net cash flows. As part of the DCF methodology, BMO Capital Markets performed sensitivity analyses on the key factors considered to be primary drivers of the DCF methodology.

Under the Sale to a Third Party alternative, Loblaw would be subject to income tax on the capital gain resulting from a sale to a third party, which would indirectly accrue to the Shareholders unless such sale was effected on a rollover basis for shares or partnership units of the third party. However, the deferred gain on such share or unit consideration would be triggered on a distribution of such consideration to Loblaw shareholders causing Loblaw to be subject to income tax. BMO Capital Markets confirmed with management of Loblaw and the Special Committee's tax advisors that there are no alternative transaction structures whereby a sale to a third party and distribution of related consideration to the Shareholders could be effected without incurring such income tax.

After considering the foregoing, the fair value per Trust Unit held by Loblaw that would be attributable to the Minority Shareholders under the Sale to a Third Party alternative was determined to be a selected range of en bloc values less the per Trust Unit income tax that would be incurred by Loblaw associated with those en bloc values that would be indirectly attributable to the Minority Shareholders:

	Value Per Trust Unit	
	Low	**High**
En Bloc	$12.50	$14.50
Incurred Income Tax	$1.56	$1.83
Implied Net Value	$10.94	$12.67

(iv) Spin Out to GWL (i.e. the Arrangement)

BMO Capital Markets determined that the fair value that would be attributable to the Minority Shareholders under the Arrangement is the fair value of the Consideration, after taking into account the tax implications of the Arrangement, if applicable. After consultation with the Special Committee's tax advisors, BMO Capital Markets also considered that the Arrangement is unique in that, subject to the receipt of a favourable tax ruling from the Canada Revenue Agency and the conditions to be described in the Circular, it transfers to GWL on a tax deferred basis any potential Loblaw income tax liability

associated with the Trust Units (and considered in the Pro Rata Spin Out and Sale to Third Party alternatives) such that there would be no income tax incurred by Loblaw that would be indirectly attributable to the Minority Shareholders.

In assessing the fair value of the Consideration, BMO Capital Markets conducted a sum-of-the-parts analysis of the various components of GWL pro forma the Arrangement, aggregating the applicable values of (a) Choice Properties, (b) Loblaw (excluding Choice Properties), (c) Weston Foods ("Weston Foods") and (d) a HoldCo Discount applicable to the components of GWL pro forma the Arrangement.

(a) Choice Properties: BMO Capital Markets determined that the Arrangement has no fundamental implications for the fair value of the Trust Units, and that the current trading price of the Trust Units was an appropriate approximation of the fair value of the Trust Units, before any HoldCo Discount, attributable to GWL.

(b) Loblaw (excluding Choice Properties): BMO Capital Markets determined the fair value of Loblaw (excluding its ownership interest of Choice Properties), before any HoldCo Discount, attributable to GWL, by way of a comparable company trading analysis:

A review of publicly available information for selected publicly listed entities we considered relevant and the application of a range of enterprise value to 2019E EBITDA multiples to the equity research analyst consensus EBITDA estimate for Loblaw (after excluding the financial contribution associated with Loblaw's ownership interest in Choice Properties).

The selected comparable companies were:

Primary Companies	**Secondary Companies**
Empire Co. Ltd.	CVS Health Corporation
Metro Inc.	Kroger Co.
	Walgreens Boots Alliance Inc.

(c) Weston Foods: BMO Capital Markets determined the fair value of Weston Foods, before any HoldCo discount, attributable to GWL, by way of a comparable company trading analysis:

A review of publicly available information for selected publicly listed entities we considered relevant and the application of a range of enterprise value to 2019E EBITDA multiples to the equity research analyst consensus EBITDA estimate for Weston Foods. The selected comparable companies were:

Companies
Aryzta AG
Flowers Foods Inc.
Grupo Bimbo SAB de CV

(d) HoldCo Discount: BMO Capital Markets assessed a HoldCo Discount in a range of 6.5% – 8.5%, based in part on observed historically implied and current HoldCo discounts for GWL.

After considering the foregoing, the resulting fair value of the Consideration was determined by aggregating the values determined for the various components of GWL pro forma the Arrangement, including incorporating the HoldCo discount and adjusting for the estimated GWL balance sheet pro forma the Arrangement and applying the exchange ratio of 0.135 of a GWL common shares per Loblaw common share:

	Value Per Trust Unit	
	Low	**High**
Spin Out to GWL (i.e. the Arrangement)	$12.37	$12.64

Summary of Alternatives

Transaction Alternative	**Value Per Trust Unit**	
	Low	**High**
Status Quo	$11.22	$11.85
Pro Rata Spin Out	$10.92	
Sale to Third Party	$10.94	$12.67
Spin Out to GWL (i.e. the Arrangement)	$12.37	$12.64

CONCLUSION

Based upon and subject to the foregoing, BMO Capital Markets is of the opinion that, as of the date hereof, the Consideration to be received by the Minority Shareholders pursuant to the Arrangement is fair from a financial point of view to the Minority Shareholders.

Yours truly,

BMO Nesbitt Burns Inc.

BMO Nesbitt Burns Inc.

APPENDIX E – INTERIM ORDER

Court File No. CV-18-604515-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

THE HONOURABLE JUSTICE HAINEY	)	WEDNESDAY, THE 19th
	)	DAY OF SEPTEMBER 2018
	)	

IN THE MATTER OF AN APPLICATION UNDER SECTION 192 OF THE *CANADA BUSINESS CORPORATIONS ACT*, R.S.C. 1985, c. C-44, AS AMENDED

AND IN THE MATTER OF A PROPOSED PLAN OF ARRANGEMENT OF LOBLAW COMPANIES LIMITED

LOBLAW COMPANIES LIMITED

Applicant

INTERIM ORDER

THIS MOTION made without notice by the Applicant, Loblaw Companies Limited ("Loblaw"), for an Interim Order for advice and directions pursuant to section 192(4) of the *Canada Business Corporations Act*, R.S.C. 1985, c. C-44, as amended, (the "CBCA") was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the Notice of Motion, the Notice of Application issued on September 5, 2018, and the Affidavit of Khush Dadyburjor sworn September 18, 2018, (the "Dadyburjor Affidavit"), including the Plan of Arrangement, which is Appendix B to the draft management proxy circular of Loblaw (the "Circular"), Exhibit "A" to the Dadyburjor Affidavit, and on hearing the submissions of counsel for Loblaw, and on being advised that the Director appointed under the CBCA (the "Director") does not consider it necessary to appear.

Definitions

1. **THIS COURT ORDERS** that all definitions used in this Interim Order shall have the meaning ascribed thereto in the Dadyburjor Affidavit, the Circular, or otherwise as specifically defined herein.

The Meeting

2. **THIS COURT ORDERS** that Loblaw is permitted to call, hold and conduct a special meeting (the "Meeting") of the holders ("Loblaw Shareholders") of common shares in the capital of Loblaw ("Loblaw Common Shares") to be held at the Metro Toronto Convention Centre, Meeting Room 714AB, South Building, 22 Bremner Boulevard, Toronto, Ontario on October 18, 2018 at 11:00 a.m. (Toronto time) in order for Loblaw Shareholders to consider and, if determined advisable, pass the resolution authorizing, adopting and approving, with or without variation, the Arrangement and the Plan of Arrangement (collectively, the "Arrangement Resolution").

3. **THIS COURT ORDERS** that the Meeting shall be called, held and conducted in accordance with the CBCA, the notice of special meeting of Loblaw Shareholders, which accompanies the Circular (the "Notice") and the articles and by-laws of Loblaw, subject to what may be provided hereafter and subject to further order of this Honourable Court.

4. **THIS COURT ORDERS** that the record date (the "Record Date") for determination of Loblaw Shareholders entitled to notice of, and to vote at, the Meeting shall be September 17, 2018.

5. **THIS COURT ORDERS** that the only persons entitled to attend or speak at the Meeting shall be:

(a) Loblaw Shareholders or their respective proxyholders;

(b) the officers, directors, auditors and advisors of Loblaw;

(c) the Director; and

(d) other persons who may receive the permission of the Chair of the Meeting.

6. **THIS COURT ORDERS** that Loblaw may transact such other business at the Meeting as is contemplated in the Circular, or as may otherwise be properly before the Meeting.

Quorum

7. **THIS COURT ORDERS** that the Chair of the Meeting shall be determined by Loblaw and that the quorum at the Meeting shall be not less than one person holding or representing in the aggregate 30% or more of the Loblaw Common Shares entitled to vote at the Meeting, present in person at the opening of the Meeting who is entitled to vote at the Meeting either as a Loblaw Shareholder or proxyholder.

Amendments to the Arrangement and Plan of Arrangement

8. **THIS COURT ORDERS** that Loblaw is authorized to make, subject to the terms of the Arrangement Agreement, and paragraph 9, below, such amendments, modifications or supplements to the Arrangement and the Plan of Arrangement as it may determine without any additional notice to Loblaw Shareholders, or others entitled to receive notice under paragraphs 12 and 13, and the Arrangement and Plan of Arrangement, as so amended, modified or supplemented shall be the Arrangement and Plan of Arrangement to be submitted to Loblaw Shareholders at the Meeting and shall be the subject of the Arrangement Resolution. Amendments, modifications or supplements may be made following the Meeting, but shall be subject to review and, if appropriate, further direction by this Honourable Court at the hearing for the final approval of the Arrangement.

9. **THIS COURT ORDERS** that, if any amendments, modifications or supplements to the Arrangement or Plan of Arrangement as referred to in paragraph 8, above, would, if disclosed, reasonably be expected to affect a Loblaw Shareholder's decision to vote for or against the Arrangement Resolution, notice of such amendment, modification or supplement shall be distributed, subject to further order of this Honourable Court, by press release, newspaper advertisement, prepaid ordinary mail, or by the method most reasonably practicable in the circumstances, as Loblaw may determine.

Amendments to the Circular

10. **THIS COURT ORDERS** that Loblaw is authorized to make such amendments, revisions and/or supplements to the draft Circular as it may determine and the Circular, as so

amended, revised and/or supplemented, shall be the Circular to be distributed in accordance with paragraphs 12 and 13.

Adjournments and Postponements

11. **THIS COURT ORDERS** that Loblaw, if it deems advisable and subject to the terms of the Arrangement Agreement, is specifically authorized to adjourn or postpone the Meeting on one or more occasions, without the necessity of first convening the Meeting or first obtaining any vote of Loblaw Shareholders respecting the adjournment or postponement, and notice of any such adjournment or postponement shall be given by such method as Loblaw may determine is appropriate in the circumstances. This provision shall not limit the authority of the Chair of the Meeting in respect of adjournments and postponements.

Notice of Meeting

12. **THIS COURT ORDERS** that, in order to effect notice of the Meeting, Loblaw shall send the Circular (including the Notice of Application and this Interim Order), the Notice and form of proxy, along with such amendments or additional documents as Loblaw may determine are necessary or desirable and are not inconsistent with the terms of this Interim Order (collectively, the "Meeting Materials"), to the following:

(a) registered Loblaw Shareholders at the close of business on the Record Date, at least twenty-one days prior to the date of the Meeting, excluding the date of sending and the date of the Meeting, by one or more of the following methods:

(i) by pre-paid ordinary or first class mail at the addresses of Loblaw Shareholders as they appear on the books and records of Loblaw, or its registrar and transfer agent, at the close of business on the Record Date and if no address is shown therein, then the last address of the person known to the Corporate Secretary of Loblaw;

(ii) by delivery, in person or by recognized courier service or inter-office mail, to the address specified in (i) above; or

(iii) by facsimile or electronic transmission to any Loblaw Shareholder, who is identified to the satisfaction of Loblaw, who requests such transmission in writing and, if required by Loblaw, who is prepared to pay the charges for such transmission;

(b) non-registered Loblaw Shareholders by delivering the Meeting Materials electronically to those Loblaw Shareholders that have consented to electronic delivery, and by providing multiple copies of the Meeting Materials to intermediaries and registered nominees in a timely manner, in accordance with National Instrument 54-101 – *Communication with Beneficial Owners of Securities of a Reporting Issuer* of the Canadian Securities Administrators; and

(c) the respective directors and auditors of Loblaw, and to the Director appointed under the CBCA, by delivery in person, by recognized courier service, by pre-paid ordinary or first class mail or, with the consent of the person, by facsimile or electronic transmission, at least twenty-one days prior to the date of the Meeting, excluding the date of sending and the date of the Meeting;

and that compliance with this paragraph shall constitute sufficient notice of the Meeting.

13. **THIS COURT ORDERS** that, in the event that Loblaw elects to distribute the Meeting Materials, Loblaw is hereby directed to distribute the Circular (including the Notice of Application, and this Interim Order), and any other communications or documents determined by Loblaw to be necessary or desirable (collectively, the "Court Materials") to the holders of LCL Stock Options, LCL DSUs, LCL PSUs, and LCL RSUs by any method permitted for notice to Loblaw Shareholders as set forth in paragraphs 12(a) or 12(b), above, concurrently with the distribution described in paragraph 12 of this Interim Order. Distribution to such persons shall be to their addresses as they appear on the books and records of Loblaw or its registrar and transfer agent at the close of business on the Record Date.

14. **THIS COURT ORDERS** that accidental failure or omission by Loblaw to give notice of the meeting or to distribute the Meeting Materials or Court Materials to any person entitled by this Interim Order to receive notice, or any failure or omission to give such notice as a result of events beyond the reasonable control of Loblaw, or the non-receipt of such notice shall,

subject to further order of this Honourable Court, not constitute a breach of this Interim Order nor shall it invalidate any resolution passed or proceedings taken at the Meeting. If any such failure or omission is brought to the attention of Loblaw, it shall use its best efforts to rectify it by the method and in the time most reasonably practicable in the circumstances.

15. **THIS COURT ORDERS** that Loblaw is hereby authorized to make such amendments, revisions or supplements to the Meeting Materials and Court Materials, as Loblaw may determine in accordance with the terms of the Arrangement Agreement ("Additional Information"), and that notice of such Additional Information may, subject to paragraph 9, above, be distributed by press release, newspaper advertisement, pre-paid ordinary mail, or by the method most reasonably practicable in the circumstances, as Loblaw may determine.

16. **THIS COURT ORDERS** that distribution of the Meeting Materials and Court Materials pursuant to paragraphs 12 and 13 of this Interim Order shall constitute notice of the Meeting and good and sufficient service of the within Application upon the persons described in paragraphs 12 and 13, and that those persons are bound by any orders made on the within Application. Further, no other form of service of the Meeting Materials or the Court Materials or any portion thereof need be made, or notice given or other material served in respect of these proceedings and/or the Meeting to such persons or to any other persons, except to the extent required by paragraph 9, above.

Solicitation and Revocation of Proxies

17. **THIS COURT ORDERS** that Loblaw is authorized to use the proxies substantially in the form of the drafts accompanying the Circular, with such amendments and additional information as Loblaw may determine are necessary or desirable, subject to the terms of the Arrangement Agreement. Loblaw is authorized, at its expense, to solicit proxies, directly or through its officers, directors or employees, and through such agents or representatives as they may retain for that purpose, and by mail or such other forms of personal or electronic communication as it may determine. Loblaw may waive generally, in its discretion, the time limits set out in the Circular for the deposit or revocation of proxies by Loblaw Shareholders, if Loblaw deems it advisable to do so.

18. **THIS COURT ORDERS** that Loblaw Shareholders shall be entitled to revoke their proxies in accordance with section 148(4) of the CBCA (except as the procedures of that section are varied by this paragraph) provided that any instruments in writing delivered pursuant to s.148(4)(a)(i) of the CBCA: (a) may be deposited at the registered office of Loblaw or with the transfer agent of Loblaw as set out in the Circular; and (b) any such instruments must be received by Loblaw or its transfer agent not later than 4:00 p.m. (Toronto time) on the second business day immediately preceding the Meeting (or any adjournment or postponement thereof).

Voting

19. **THIS COURT ORDERS** that the only persons entitled to vote in person or by proxy on the Arrangement Resolution, or such other business as may be properly brought before the Meeting, shall be those Loblaw Shareholders who hold voting Loblaw Common Shares as of the close of business on the Record Date. Illegible votes, spoiled votes, defective votes and abstentions shall be deemed to be votes not cast. Proxies that are properly signed and dated but which do not contain voting instructions shall be voted in favour of the Arrangement Resolution.

20. **THIS COURT ORDERS** that votes shall be taken at the Meeting on the basis of one vote per Loblaw Common Share and that in order for the Plan of Arrangement to be implemented, subject to further Order of this Honourable Court, the Arrangement Resolution must be passed, with or without variation, at the Meeting by:

(i) an affirmative vote of at least two-thirds (66⅔%) of the votes cast in respect of the Arrangement Resolution at the Meeting in person or by proxy by Loblaw Shareholders; and

(ii) a simple majority of the votes cast in respect of the Arrangement Resolution at the Meeting in person or by proxy by Loblaw Shareholders, excluding persons described in items (a) through (d) of Section 8.1(2) of Multilateral Instrument 61-101– *Protection of Minority Security Holders in Special Transactions.*

Such votes shall be sufficient to authorize Loblaw to do all such acts and things as may be necessary or desirable to give effect to the Arrangement and the Plan of Arrangement on a basis

consistent with what is provided for in the Circular without the necessity of any further approval by Loblaw Shareholders, subject only to final approval of the Arrangement by this Honourable Court.

21. **THIS COURT ORDERS** that in respect of matters properly brought before the Meeting pertaining to items of business affecting Loblaw (other than in respect of the Arrangement Resolution), each Loblaw Shareholder is entitled to one vote for each Loblaw Common Share held.

Hearing of Application for Approval of the Arrangement

22. **THIS COURT ORDERS** that upon approval by Loblaw Shareholders of the Plan of Arrangement in the manner set forth in this Interim Order, Loblaw may apply to this Honourable Court for final approval of the Arrangement on October 19, 2018.

23. **THIS COURT ORDERS** that distribution of the Notice of Application and the Interim Order in the Circular, when sent in accordance with paragraphs 12 and 13 of this Interim Order shall constitute good and sufficient service of the Notice of Application and this Interim Order and no other form of service need be effected and no other material need be served unless a Notice of Appearance is served in accordance with paragraph 24, below.

24. **THIS COURT ORDERS** that any Notice of Appearance served in response to the Notice of Application shall be served on the lawyers for Loblaw as soon as reasonably practicable, and, in any event, no less than four days before the hearing of this Application at the following address:

Andrew Gray
Torys LLP
Suite 3000
79 Wellington Street West
Toronto, Ontario
M5K 1N2 Canada
Email: agray@torys.com

25. **THIS COURT ORDERS** that, subject to further order of this Honourable Court, the only persons entitled to appear and be heard at the hearing of the within application shall be:

(a) Loblaw;

(b) the Director; and

(c) any person who has filed a Notice of Appearance herein in accordance with the Notice of Application, this Interim Order, and the *Rules of Civil Procedure*.

26. **THIS COURT ORDERS** that any materials to be filed by Loblaw in support of the within Application for final approval of the Arrangement may be filed up to one day prior to the hearing of the Application without further order of this Honourable Court.

27. **THIS COURT ORDERS** that in the event the within Application for final approval does not proceed on the date set forth above, and is adjourned, only those persons who served and filed a Notice of Appearance in accordance with paragraph 24 shall be entitled to be given notice of the adjourned date.

Precedence

28. **THIS COURT ORDERS** that, to the extent of any inconsistency or discrepancy between this Interim Order and the terms of any instrument creating, governing or collateral to the Loblaw Common Shares, LCL Stock Options, LCL DSUs, LCL PSUs, and LCL RSUs, or the articles or by-laws of Loblaw, this Interim Order shall govern.

Extra-Territorial Assistance

29. **THIS COURT** seeks and requests the aid and recognition of any court or any judicial, regulatory or administrative body in any province of Canada and any judicial, regulatory or administrative tribunal or other court constituted pursuant to the Parliament of Canada or the legislature of any province and any court or any judicial, regulatory or administrative body of the United States or other country to act in aid of and to assist this Honourable Court in carrying out the terms of this Interim Order.

Variance

THIS COURT ORDERS that Loblaw shall be entitled to seek leave to vary this Interim Order upon such terms and upon the giving of such notice as this Honourable Court may direct.

Hainey J

ENTERED AT / INSCRIT À TORONTO
ON / BOOK NO:
LE / DANS LE REGISTRE NO:

SEP 19 2018

PER / PAR:

IN THE MATTER OF AN APPLICATION UNDER SECTION 192 OF THE *CANADA BUSINESS CORPORATIONS ACT* R.S.C. 1985, c. C-44, AS AMENDED

AND IN THE MATTER OF A PROPOSED PLAN OF ARRANGEMENT OF LOBLAW COMPANIES LIMITED

Court File No. CV-18-604515-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

Proceeding commenced at TORONTO

INTERIM ORDER
(MOTION RETURNABLE SEPTEMBER 19, 2018)

TORYS LLP
79 Wellington St. W., 30th Floor
Box 270, TD South Tower
Toronto, ON M5K 1N2
Fax: 416.865.7380

Andrew Gray (LSUC #: 46626V)
Tel: 416-865-7630

Lawyers for the Applicant

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LOBLAW COMPANIES LIMITED

Pro Forma Consolidated Financial Statements
(Unaudited)

For the year ended December 30, 2017 and
the 24 weeks ended June 16, 2018

LOBLAW COMPANIES LIMITED

Pro Forma Consolidated Statement of Earnings
(In millions of Canadian dollars)

For the year ended December 30, 2017
(Unaudited)

	Loblaw Companies Limited[(i)]	Add (Deduct) Pro forma adjustments	Note 3	Total
Revenue	$ 46,699	$ (112)	(h)	$ 46,587
Cost of Merchandise Inventories Sold	32,913	-		32,913
Selling, General and Administrative Expenses	11,271	499	(i)	11,770
Operating Income	$ 2,515	$ (611)		$ 1,904
Net interest expense and other financing charges	525	(151)	(j)	374
Earnings Before Income Taxes	$ 1,990	$ (460)		$ 1,530
Income taxes	449	(124)	(k)	325
Net Earnings	**$ 1,541**	**$ (336)**		**$ 1,205**
Net Earnings attributable to:				
Shareholders of the Company	$ 1,517	$ (336)		$ 1,181
Non-Controlling Interests	24	-		24
Net Earnings	**$ 1,541**	**$ (336)**		**$ 1,205**
Net Earnings per Common Share ($)				
Basic	$ 3.82			$ 2.97
Diluted	$ 3.79			$ 2.94
Weighted Average Common Shares Outstanding (millions)				
Basic	393.8			393.8
Diluted	397.3			397.3

(i) Certain figures have been restated to include the impact of accounting standards implemented in 2018 and changes to accounting polices implemented retrospectively in 2018 as disclosed in Note 2 of the Company's second quarter 2018 unaudited interim period condensed consolidated financial statements.

See accompanying notes to the unaudited pro forma consolidated financial statements.

LOBLAW COMPANIES LIMITED

Pro Forma Consolidated Balance Sheet
(In millions of Canadian dollars)

As at December 30, 2017
(Unaudited)

	Loblaw Companies Limited[(i)]	Add (Deduct) Pro forma adjustments	Note 3	Total
Assets				
Current Assets				
Cash and cash equivalents	$ 1,798	$ (227)	(b)	$ 1,571
Short term investments	546	(1)	(b)	545
Accounts receivable	1,188	(6)	(l)	1,182
Credit card receivable	3,100	-		3,100
Inventories	4,438	-		4,438
Prepaid expenses and other assets	224	13	(l)	237
Assets held for sale	33	7	(c)	40
Total Current Assets	**$ 11,327**	**$ (214)**		**$ 11,113**
Fixed Assets	10,669	(4,858)	(c)	5,811
Equity Accounted Joint Ventures	19	(19)	(l)	-
Investment Properties	276	23	(d)	299
Intangible Assets	8,251	-		8,251
Goodwill	3,922	-		3,922
Deferred Income Tax Assets	134	(3)	(k)	131
Franchise Loans Receivable	166	-		166
Other Assets	383	(17)	(l)	366
Total Assets	**$ 35,147**	**$ (5,088)**		**$ 30,059**
Liabilities				
Current Liabilities				
Bank indebtedness	$ 110	$ -		$ 110
Trade payables and other liabilities	5,233	(96)	(l)	5,137
Loyalty liability	349	-		349
Provisions	283	-		283
Income taxes payable	128	(18)	(k)	110
Short term debt	640	-		640
Long term debt due within one year	1,635	(650)	(l)	985
Associate interest	263	-		263
Total Current Liabilities	**$ 8,641**	**$ (764)**		**$ 7,877**
Provisions	169	59	(f)	228
Long Term Debt	9,542	(2,761)	(l)	6,781
Trust Unit Liability	972	(972)	(g)	-
Deferred Income Tax Liabilities	1,989	(116)	(k)	1,873
Other Liabilities	700	142	(l)	842
Total Liabilities	**$ 22,013**	**$ (4,412)**		**$ 17,601**
Equity				
Share Capital	$ 7,666	$ -		$ 7,666
Retained Earnings	5,280	(708)	(l)	4,572
Contributed Surplus	110	-		110
Accumulated Other Comprehensive Income	38	41	(d)	79
Total Equity Attributable to Shareholders of the Company	**$ 13,094**	**$ (667)**		**$ 12,427**
Non-Controlling Interests	40	(9)	(l)	31
Total Equity	**$ 13,134**	**$ (676)**		**$ 12,458**
Total Liabilities and Equity	**$ 35,147**	**$ (5,088)**		**$ 30,059**

(i) Certain figures have been restated to include the impact of accounting standards implemented in 2018 and changes to accounting polices implemented retrospectively in 2018 as disclosed in Note 2 of the Company's second quarter 2018 unaudited interim period condensed consolidated financial statements.

See accompanying notes to the unaudited pro forma consolidated financial statements.

LOBLAW COMPANIES LIMITED

Pro Forma Consolidated Statement of Earnings
(In millions of Canadian dollars)

For the 24 weeks ended June 16, 2018
(Unaudited)

	Loblaw Companies Limited	Add (Deduct) Pro forma adjustments	Note 3	Total
Revenue	$ 21,290	$ (134)	(h)	$ 21,156
Cost of Merchandise Inventories Sold	14,716	-		14,716
Selling, General and Administrative Expenses	5,533	26	(i)	5,559
Operating Income	$ 1,041	$ (160)		$ 881
Net interest expense and other financing charges	383	(204)	(j)	179
Earnings Before Income Taxes	$ 658	$ 44		$ 702
Income taxes	218	(29)	(k)	189
Net Earnings	**$ 440**	**$ 73**		**$ 513**
Net Earnings attributable to:				
Shareholders of the Company	$ 433	$ 73		$ 506
Non-Controlling Interests	7	-		7
Net Earnings	**$ 440**	**$ 73**		**$ 513**
Net Earnings per Common Share ($)				
Basic	$ 1.12			$ 1.32
Diluted	$ 1.12			$ 1.31
Weighted Average Common Shares Outstanding (millions)				
Basic	379.6			379.6
Diluted	382.0			382.0

See accompanying notes to the unaudited pro forma consolidated financial statements.

LOBLAW COMPANIES LIMITED

Pro Forma Consolidated Balance Sheet
(In millions of Canadian dollars)

As at June 16, 2018
(Unaudited)

	Loblaw Companies Limited	Add (Deduct) Pro forma adjustments	Note 3	Total
Assets				
Current Assets				
Cash and cash equivalents	$ 1,187	$ (455)	(b)	$ 732
Short term investments	369	-		369
Accounts receivable	1,057	(16)	(l)	1,041
Credit card receivable	3,029	-		3,029
Inventories	4,371	-		4,371
Income tax recoverable	45	32	(k)	77
Prepaid expenses and other assets	343	(94)	(l)	249
Assets held for sale	68	7	(c)	75
Total Current Assets	**$ 10,469**	**$ (526)**		**$ 9,943**
Fixed Assets	10,589	(4,909)	(c)	5,680
Equity Accounted Joint Ventures	717	(717)	(l)	-
Investment Properties	4,998	(4,713)	(d)	285
Intangible Assets	8,081	(30)	(l)	8,051
Goodwill	4,282	(355)	(e)	3,927
Deferred Income Tax Assets	130	(3)	(k)	127
Franchise Loans Receivable	119	-		119
Other Assets	615	(191)	(l)	424
Total Assets	**$ 40,000**	**$ (11,444)**		**$ 28,556**
Liabilities				
Current Liabilities				
Bank indebtedness	$ 248	$ -		$ 248
Trade payables and other liabilities	5,014	(362)	(l)	4,652
Loyalty liability	279	-		279
Provisions	200	-		200
Short term debt	590	-		590
Long term debt due within one year	2,623	(295)	(l)	2,328
Associate interest	235	-		235
Total Current Liabilities	**$ 9,189**	**$ (657)**		**$ 8,532**
Provisions	150	49	(f)	199
Long Term Debt	12,003	(6,823)	(l)	5,180
Trust Unit Liability	3,097	(3,097)	(g)	-
Deferred Income Tax Liabilities	2,393	(467)	(k)	1,926
Other Liabilities	666	148	(l)	814
Total Liabilities	**$ 27,498**	**$ (10,847)**		**$ 16,651**
Equity				
Share Capital	$ 7,476	$ -		$ 7,476
Retained Earnings	4,859	(635)	(l)	4,224
Contributed Surplus	88	8	(l)	96
Accumulated Other Comprehensive Income	39	39	(d)	78
Total Equity Attributable to Shareholders of the Company	**$ 12,462**	**$ (588)**		**$ 11,874**
Non-Controlling Interests	40	(9)	(l)	31
Total Equity	**$ 12,502**	**$ (597)**		**$ 11,905**
Total Liabilities and Equity	**$ 40,000**	**$ (11,444)**		**$ 28,556**

See accompanying notes to the unaudited pro forma consolidated financial statements.

LOBLAW COMPANIES LIMITED

Notes to the Pro Forma Consolidated Financial Statements
(In millions of Canadian dollars, except where otherwise indicated)

For the year ended December 30, 2017 and the 24 weeks ended June 16, 2018
(Unaudited)

1. Background to the Unaudited Pro Forma Consolidated Financial Statements

Loblaw Companies Limited (the "Company" or "Loblaw") is a Canadian public company incorporated in 1956 and is Canada's food and pharmacy leader, the nation's largest retailer and the majority unitholder of Choice Properties Real Estate Investment Trust ("Choice Properties"). The registered office is located at 22 St. Clair Avenue East, Toronto, Canada M4T 2S7.

The Company's controlling shareholder is George Weston Limited ("Weston" or "GWL"), which owns approximately 50% of the Company's outstanding common shares as at September 19, 2018. The Company's ultimate parent is Wittington Investments, Limited ("Wittington"). The remaining common shares are widely held.

The Company has three reportable operating segments: Retail, Financial Services and Choice Properties. Choice Properties is an unincorporated, "open-ended" mutual fund trust governed by the laws of the Province of Ontario and established pursuant to a declaration of trust (the "Declaration of Trust") dated May 21, 2013. Choice Properties units are traded on the Toronto Stock Exchange. Choice Properties owns the Class A Units of Choice Properties Limited Partnership ("LP"). The Class B LP are held by Loblaws. Prior to the acquisition of Canadian Real Estate Investment Trust ("CREIT") the Class C LP units were held by Loblaw.

On May 4, 2018, Choice Properties acquired all the assets and assumed all the liabilities, including outstanding debt, of CREIT for total consideration of $3,708 million. The consideration was comprised of $1,652 million of cash and the issuance of 182,836,481 Trust Units.

Also, concurrent with the closing of the acquisition, the Company, Choice Properties' controlling unitholder, converted all of its outstanding Class C LP Units with the face value of $925 million into Class B LP Units of Choice Properties Limited Partnership. Choice Properties issued to the Company 70,881,226 Class B LP Units upon the conversion and the shortfall in value of approximately $99 million was paid in cash. In connection with this conversion, the Company recognized capital gains income tax expense of $8 million in contributed surplus.

Class B LP Units have special voting rights similar to rights of Choice Properties' unitholders. Together with its ownership of Choice Properties Units and Class B LP units, Loblaw has a 62% effective ownership interest in Choice Properties.

On September 4, 2018, Loblaw and GWL announced a reorganization under which Loblaw will spin out its 62% effective interest in Choice Properties. In connection with the spin-out, holders of Loblaw common shares, other than GWL and its subsidiaries, will receive 0.135 of a common share of GWL for each Loblaw common share held, which is equivalent to the market value of their pro rata interest in Choice Properties, and GWL will receive Loblaw's 62% effective interest in Choice Properties.

For a detailed description of the above transaction and other transactions forming part of the Arrangement, see the accompanying management proxy circular dated September 19, 2018 prepared by Management in connection with the Shareholders' meeting held for the approval of the Arrangement.

The Company will account for the transaction as a distribution to a related party under common control. After the Arrangement, the Company will have two reportable operating segments: Retail and Financial Services.

2. Basis of presentation

The accompanying unaudited pro forma consolidated financial statements (the "pro forma financial statements") have been prepared by Management for inclusion in the management proxy circular. The accounting policies used in the preparation of these pro forma financial statements are those disclosed in the Company's audited annual consolidated financial statements for the year ended December 30, 2017 and the Company's second quarter 2018 unaudited interim period condensed consolidated financial statements and have been prepared in accordance with International Financial Reporting Standards ("IFRS" or "GAAP").

These unaudited pro forma financial statements do not include all the information and disclosures required by IFRS for annual financial statements and have been compiled from, and should be read in conjunction with, the audited annual consolidated financial statements of the Company for the year ended December 30, 2017 and the Company's second quarter 2018 unaudited interim period condensed consolidated financial statements.

These pro forma financial statements have been prepared as if the Arrangement occurred on January 1, 2017 and are prepared for illustrative purposes only based on the assumptions set forth in the notes to these statements. All pro forma adjustments made to the consolidated balance sheet are cumulative from January 1, 2017.

These pro forma financial statements are not necessarily indicative of the results of operations that would have occurred had the transactions been executed at the dates indicated, nor are they necessarily indicative of future consolidated operating results or the future financial position of the Company. The pro forma adjustments are based on currently available information and Management's estimates and assumptions. Actual adjustments may differ materially from the pro forma adjustments.

3. Pro Forma adjustments

These pro forma financial statements give effect to the Arrangement as if it had occurred on January 1, 2017. The pro forma adjustments are as follows:

(a) ***The Arrangement:***

Pursuant to the proposed Plan of Arrangement, the pro forma financial statements assume that Loblaw will spin-off its interest in Choice Properties to Weston as a common control related party transaction. Details of the Arrangement are as follows:

- As part of the Arrangement, through a series of transactions, Loblaw public shareholders will receive 0.135 of a GWL common share for each Loblaw common share held and GWL will receive Loblaw's approximate effective interest in Choice Properties. This will provide Loblaw public shareholders with GWL common shares that are equivalent in value to their pro rata interest in Choice Properties. For pro forma purposes, the net impact of the Arrangement has been reflected in these pro forma financial statements as a reduction to retained earnings.
- As at January 1, 2017, the Company held all of the Choice Properties' Class B and Class C LP Units and 21.5 million Trust Units. Amounts related to these units are

(In millions of Canadian dollars, except where otherwise indicated)

eliminated on consolidation. As part of the Arrangement, all amounts related to Class B LP, Class C LP and Trust Units will be removed from the Company's financial statements. As the Company will no longer hold the Class B LP, Class C LP and the Trust Units of Choice Properties, the Company will cease to receive interest income related to the distributions on these units.

- Certain modifications will be made to Loblaw's compensation arrangements in connection with the Arrangement. The objective is to make such modifications on a basis that will result in compensation arrangements as equivalent as possible to those in effect prior to the Arrangement becoming effective. These adjustments to the extent that they impact the Company's equity-based compensation arrangements are not expected to impact net earnings. Additional units and options issued may impact the weighted average common shares outstanding and diluted net earnings per common share.

(b) ***Cash and cash equivalents and short term investments***

The pro forma financial statements reflect the following adjustments related to cash and cash equivalents and short term investments:

Increase (decrease) (millions of Canadian dollars)		**As at June 16, 2018**	**As at December 30, 2017**
Pro forma adjustments:			
Choice Properties cash and cash equivalents and short term investments	(i)	$ (9)	$ (6)
Distributions received on Trust Units	(ii)	(24)	(16)
Distributions received on Class B LP Units	(ii)	(359)	(232)
Distributions received on Class C LP Units	(ii)	(62)	(46)
Cash saving on reduced income tax instalments	(ii)	83	55
Cash received on conversion of Class C Units	(iii)	(99)	-
Cash received on sale of properties to Choice Properties	(iv)	15	15
Other		-	2
Total pro forma adjustments		**$ (455)**	**$ (228)**

(i) To remove the cash and cash equivalents and short term investments of the Choice Properties segment as recorded on the Company's consolidated financial statements.

(ii) To remove the cash received related to distributions earned by the Company on Class B LP, Class C LP and Trust Units held. The removal of distributions earned by the Company results in a reduction in income tax payable and the amount of income tax instalments required to be paid. As part of the Arrangement, all amounts related to these units will be removed from the Company's financial statements. These distributions are recorded by the Company and Choice Properties, and are eliminated on consolidation.

(iii) To remove cash received by Loblaw from Choice Properties related to the conversion of Class C LP Units in the second quarter of 2018. Concurrent with the closing of the acquisition CREIT, the Company converted all of its outstanding Class C LP Units with the face value of $925 million into Class B LP Units of Choice Properties. Upon conversion, Choice Properties issued to the Company 70,881,226 Class B LP Units and the shortfall in value of approximately $99 million was paid in cash. In connection with this conversion, the Company recognized capital gains income tax expense of $8 million in contributed surplus.

(iv) To replace the value of Class B LP Units received by Loblaw on sale of properties to Choice Properties with cash.

(In millions of Canadian dollars, except where otherwise indicated)

(c) ***Fixed Assets***

The pro forma financial statements reflect the following adjustments related to fixed assets:

Increase (decrease) (millions of Canadian dollars)		As at June 16, 2018	As at December 30, 2017
Pro forma adjustments:			
Choice Properties Fixed Assets	(i)	$ (4,686)	$ (4,647)
Transfer to Investment Properties	(ii)	(87)	(87)
Transfer to Assets Held for Sale	(ii)	(7)	(7)
Asset impairments, net of recoveries	(iii)	(125)	(125)
Accumulated depreciation	(iv)	(31)	(20)
Lease retirement obligations	(v)	27	28
Total pro forma adjustments		**$ (4,909)**	**$ (4,858)**

(i) To remove the fixed assets of the Choice Properties segment as recorded on the Company's consolidated financial statements, primarily land and building. The Company records the Choice Properties segment fixed assets at cost.

(ii) To transfer certain properties from fixed assets to investment properties and assets held for sale. These properties are owned by Loblaw and prior to the Arrangement, were classified as properties held for future development by Choice Properties.

(iii) To record fixed asset impairment as a result of the Arrangement. At each balance sheet date, the Company reviews the carrying amounts of its non-financial assets for indication of impairment. If any such indication exists, the asset is tested for impairment by comparing its recoverable amount to its carrying value.

For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generate cash inflows from continuing use that are largely independent of cash inflows of other assets or groups of assets. The Company has determined that each retail location is a separate cash generating unit ("CGU") for purposes of impairment testing.

The recoverable amount of a CGU is the higher of its value in use and its fair value less costs to sell. Prior to the Arrangement, the value of certain CGUs are supported by their fair value less cost to sell including the land and building owned by Choice Properties recorded by the Company as own use. As a result of the Arrangement, the fair value of the properties owned by Choice Properties will no longer be used in the Company's calculation of fair value less cost to sell. The Company will be required to calculate the value in use of each location for which there is an indication of impairment.

(iv) To record incremental accumulated depreciation as a result of the change in estimated useful life of certain building components. Prior to the Arrangement, buildings owned by Choice Properties and leased by Loblaw as well as any related building components owned by Loblaw are considered own use fixed assets and are depreciated over 40 years. As a result of the Arrangement, buildings owned by Choice Properties and leased by Loblaw will be accounted for as operating leases. The building components associated with these leases will be classified as leasehold improvements and depreciated over an average life of 25 years which is the lesser of the useful life and the lease term.

(v) To record lease retirement obligations on Choice Properties leases held by Loblaw. Upon expiry or termination of the leases between the Company and Choice Properties, the Company has a legal obligation to restore the leased location to minimum required standards. Prior to the Arrangement, no amount was recorded for lease retirement obligations as the properties owned by Choice Properties are accounted for as own use.

(In millions of Canadian dollars, except where otherwise indicated)

(d) ***Investment Properties*** The pro forma financial statements reflect the following adjustments related to investment properties:

Increase (decrease) (millions of Canadian dollars)		As at June 16, 2018	As at December 30, 2017
Pro forma adjustments:			
Choice Properties Investment Properties	(i)	$ (109)	$ (110)
CREIT Investment Properties	(i)	$ (4,737)	-
Transfer from Fixed Assets	Note 3(c)(ii)	87	87
Fair value adjustment on Investment Properties	(ii)	46	46
Total pro forma adjustments		**$ (4,713)**	**$ 23**

(i) To remove the investment properties of the Choice Properties segment as recorded on the Company's consolidated financial statements. The Choice Properties segment includes the investment properties of CREIT which were acquired by Choice Properties during the second quarter of 2018.

(ii) To record the fair value adjustment on investment properties transferred from fixed assets. The fair value adjustment has also been reflected in accumulated other comprehensive income.

(e) ***Goodwill*** To remove the goodwill generated on consolidation as part of Choice Properties' acquisition of CREIT in 2018. This goodwill is attributable to a net deferred income tax liability recorded on temporary differences arising between the fair value of the investment properties acquired and their respective income tax cost base for the Company's effective ownership interest in Choice Properties. The goodwill arising from this acquisition is not deductible for tax purposes.

(f) ***Provisions*** The pro forma financial statements reflect the following adjustments related to provisions:

Increase (decrease) (millions of Canadian dollars)		As at June 16, 2018	As at December 30, 2017
Pro forma adjustments:			
Onerous contracts	(i)	$ 16	$ 27
Lease retirement obligations	Note 3(c)(v)	33	32
Total pro forma adjustments		**$ 49**	**$ 59**

(i) To record onerous contracts related to leases between Loblaw and Choice Properties. Several retail locations owned by Choice Properties were impacted by the Company's store closure plans announced during 2015 and 2017. Prior to the Arrangement, properties owned by Choice Properties and leased by Loblaw were considered own use fixed assets. Subsequent to the Arrangement, operating stores owned by Choice Properties and leased by Loblaw will be accounted for as operating leases and will be assessed for onerous contracts.

(g) ***Trust Unit Liability*** To remove the Trust Unit Liability and the related fair value adjustment to the Trust Unit Liability. The Trust Unit Liability represents Trust Units held by unitholders other than the Company. These Units are currently presented as a liability on the Company's consolidated balance sheet as they are redeemable for cash at the option of the holder, subject to certain restrictions. This liability is recorded at fair value at each reporting date based on the market price of Units at the end of each period. Distributions by Choice Properties on the Trust Units are recorded in net interest expense and other financing charges.

(h) ***Revenue*** To remove the third party ancillary rental revenue earned by the Choice Properties segment.

(In millions of Canadian dollars, except where otherwise indicated)

(i) ***Selling, General and Administrative Expenses*** The pro forma financial statements reflect the following adjustments related to selling, general and administrative expenses ("SG&A"):

Increase (decrease) (millions of Canadian dollars)		For the 24 weeks ended June 16, 2018	For the year ended December 30, 2017
Pro forma adjustments:			
Rent payments to Choice Properties	(i)	$ 366	$ 712
Rent timing elimination	(ii)	(23)	(3)
Choice Properties SG&A	(iii)	(147)	(234)
CREIT acquisition and other related costs	(iii)	(120)	-
Depreciation	(iv)	(44)	(91)
Intensification payments	(v)	(3)	(6)
Asset impairments, net of recoveries	Note 3(c)(iii)	-	125
Gain on sale of properties sold to Choice Properties	(vi)	-	(7)
Other		(3)	3
Total pro forma adjustments		**$ 26**	**$ 499**

(i) To record the rental payments from Loblaw to Choice Properties. Prior to the Arrangement these amounts were eliminated on consolidation.

(ii) To remove an elimination entry related to timing differences between the Company's and Choice Properties' reporting dates.

(iii) To remove the SG&A of the Choice Properties segment and the CREIT acquisition and other related costs incurred in the second quarter of 2018.

(iv) To remove depreciation of $57 million (2017 - $114 million) for properties owned by Choice Properties recorded at cost, to record incremental depreciation as a result of the change in estimated useful life of certain building components of $11 million (2017 - $21 million) (refer to note 3(c)) and to record depreciation on lease retirement obligations of $2 million (2017 - $2 million).

(v) To record the income received by the Company from Choice Properties related to intensification payments on properties previously sold to Choice Properties from Loblaw in a prior period. Prior to the Arrangement, these amounts were recorded in contributed surplus.

(vi) To record a gain on sales of properties sold to Choice Properties by Loblaw. Prior to the Arrangement, these amounts were recorded in contributed surplus.

(j) ***Net interest expense and other financing charges*** The pro forma financial statements reflect the following adjustments related to net interest expense and other financing charges:

Increase (decrease) (millions of Canadian dollars)		For the 24 weeks ended June 16, 2018	For the year ended December 30, 2017
Pro forma adjustments:			
Choice Properties Net interest expense and other financing charges	(i)	$ (37)	$ (108)
CREIT acquisition related interest expense and Trust Unit distributions	(i)	(50)	-
Trust Unit distributions	Note 3(b)(ii)	(49)	(53)
Fair value adjustment on Trust Unit liability	Note 3(g)	(68)	10
Total pro forma adjustments		**$ (204)**	**$ (151)**

(i) To remove the net interest expense and other financing charges related to the Choice Properties segment's long term debt and CREIT acquisition related interest expense and Trust Unit distributions incurred as a result of Choice Properties acquisition of CREIT.

(k) ***Income Taxes*** To remove current and deferred income tax balances related to the Choice Properties segment as recorded on the Company's consolidated financial statements and to record income taxes on the Loblaw retail segment pro forma adjustments.

(l) ***Other Adjustments*** Other adjustments have been made to remove the Choice Properties segment assets and liabilities as recorded on the Company's consolidated financial statements.

4. Segment Information

The Company has three reportable operating segments: Retail, Financial Services and Choice Properties. The Company records the Choice Properties segment consistent with how it is publicly reported and before the elimination of any intercompany transactions with the Retail segment. The Retail segment is presented with the land and building included in the stores' operations. Consolidation and elimination entries are recorded by the Company to eliminate any intercompany amounts and also to reflect the properties leased by the Retail segment from the Choice Properties segment as owner-occupied properties on consolidation.

As a result of the Arrangement, Choice Properties will no longer be a reportable operating segment. The Company will have two reportable operating segments with all material operations carried out in Canada:

- The Retail segment consists primarily of corporate and franchise-owned retail food and Associate-owned drug stores, which includes in-store pharmacies and other health and beauty products, apparel and other general merchandise, and provides the PC Optimum program. This segment is comprised of several operating segments that are aggregated primarily due to similarities in the nature of products and services offered for sale in the retail operations and the customer base. Prior to July 17, 2017, the Retail segment also included gas bar operations.
- The Financial Services segment provides credit card services, the PC Optimum program, insurance brokerage services, Guaranteed Investment Certificates and telecommunication services. As a result of the wind-down of PC Financial banking services, the Financial Services segment no longer offers personal banking services.

The Company's chief operating decision maker evaluates segment performance on the basis of adjusted EBITDA and adjusted operating income, as reported to internal management, on a periodic basis.

Management uses these and other non-GAAP financial measures to exclude the impact of certain expenses and income that must be recognized under GAAP when analyzing underlying consolidated and segment operating performance, as the excluded items are not necessarily reflective of the Company's underlying operating performance and make comparisons of underlying financial performance between periods difficult. The Company excludes additional items if it believes doing so would result in a more effective analysis of underlying operating performance. The exclusion of certain items does not imply that they are non-recurring.

(In millions of Canadian dollars, except where otherwise indicated)

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 should not be construed as an alternative to other financial measures determined in accordance with GAAP.

For additional details on the Company's non-GAAP financial measures see Section 12 "Non-GAAP Financial Measures" of the Company's Second Quarter 2018 Management's Discussion and Analysis and Section 17 "Non-GAAP Financial Measures" of the Company's 2017 Annual Report.

Information for each reportable operating segment is included below:

Pro Forma Segment Earnings before Income Taxes, Adjusted EBITDA and Adjusted Operating Income

For the year ended December 30, 2017 (millions of Canadian dollars)		**Retail**		**Financial Services**		**Consolidation & Elimination[(i)]**		**Total**
Revenue	**$**	**45,867**	**$**	**953**	**$**	**(233)**	**$**	**46,587**
Operating Income	$	1,698	$	206	$	-	$	1,904
Net interest expense and other financing charges		318		56				374
Earnings before Income Taxes	**$**	**1,380**	**$**	**150**	**$**	**-**	**$**	**1,530**
Operating Income	$	1,698	$	206	$	-	$	1,904
Depreciation		1,467		10		-		1,477
Adjusting Items		679		(24)		-		655
Less: amortization of intangible assets acquired with Shoppers Drug Mart		(524)		-		-		(524)
Adjusted EBITDA	**$**	**3,320**	**$**	**192**	**$**	**-**	**$**	**3,512**
Depreciation		943		10		-		953
Adjusted Operating Income	**$**	**2,377**	**$**	**182**	**$**	**-**	**$**	**2,559**

(i) Revenue includes the reclassification of $233 million related to loyalty awards.

For the 24 weeks ended June 16, 2018 (millions of Canadian dollars)		**Retail**		**Financial Services**		**Consolidation & Elimination[(i)]**		**Total**
Revenue	**$**	**20,755**	**$**	**472**	**$**	**(71)**	**$**	**21,156**
Operating Income	$	753	$	128	$	-	$	881
Net interest expense and other financing charges		148		31				179
Earnings before Income Taxes	**$**	**605**	**$**	**97**	**$**	**-**	**$**	**702**
Operating Income	$	753	$	128	$	-	$	881
Depreciation		692		5		-		697
Adjusting Items		252		(20)		-		232
Less: amortization of intangible assets acquired with Shoppers Drug Mart		(240)		-		-		(240)
Adjusted EBITDA	**$**	**1,457**	**$**	**113**	**$**	**-**	**$**	**1,570**
Depreciation		452		5		-		457
Adjusted Operating Income	**$**	**1,005**	**$**	**108**	**$**	**-**	**$**	**1,113**

(i) Revenue includes the reclassification of $71 million related to loyalty awards.

(In millions of Canadian dollars, except where otherwise indicated)

Pro Forma Segment Total Assets

As at December 30, 2017	Loblaw Companies Limited	Add (Deduct) Pro forma adjustments	Note 3	Total
Retail	$ 30,219	$ (3,997)	(b)-(d),(k),(l)	$ 26,222
Financial Services	3,837	-		3,837
Choice Properties	9,924	(9,924)	(l)	-
Consolidation and Elimination	(8,833)	8,833	(l)	-
Total	**$ 35,147**	**$ (5,088)**		**$ 30,059**

As at June 16, 2018	Loblaw Companies Limited	Add (Deduct) Pro forma adjustments	Note 3	Total
Retail	$ 29,317	$ (4,567)	(b)-(e),(k),(l)	$ 24,750
Financial Services	3,806	-		3,806
Choice Properties	15,505	(15,505)	(l)	-
Consolidation and Elimination	(8,628)	8,628	(l)	-
Total	**$ 40,000**	**$ (11,444)**		**$ 28,556**

Pro Forma Segment Total Debt

As at December 30, 2017	Loblaw Companies Limited	Add (Deduct) Pro forma adjustments	Note 3	Total
Retail	$ 6,165	$ -		$ 6,165
Financial Services	2,392	-		2,392
Choice Properties	3,411	(3,411)	(l)	-
Total	**$ 11,968**	**$ (3,411)**		**$ 8,557**

As at June 16, 2018	Loblaw Companies Limited	Add (Deduct) Pro forma adjustments	Note 3	Total
Retail	$ 5,949	$ -		$ 5,949
Financial Services	2,440	-		2,440
Choice Properties	7,118	(7,118)	(l)	-
Total	**$ 15,507**	**$ (7,118)**		**$ 8,389**

LOBLAW COMPANIES LIMITED

Supplemental Non-GAAP Pro Forma Financial Information
(In millions of Canadian dollars, except where otherwise indicated)

For the year ended December 30, 2017 and the 24 weeks ended June 16, 2018
(Unaudited)

Pro Forma Adjusted Diluted Net Earnings per Common Share[1]

	For the 24 weeks ended June 16, 2018		For the year ended December 30, 2017	
	Net Earnings Available to Common Shareholders of the Company	**Diluted Net Earnings Per Common Share**	**Net Earnings Available to Common Shareholders of the Company[(i)]**	**Diluted Net Earnings Per Common Share**
As Reported	**$ 427**	**$ 1.12**	**$ 1,505**	**$ 3.79**
Add (deduct) net earnings pro forma adjustment	73	0.19	(336)	(0.85)
Pro Forma	**$ 500**	**$ 1.31**	**$ 1,169**	**$ 2.94**
Add (deduct) impact of the following:				
As reported:				
Amortization of intangible assets acquired with Shoppers Drug Mart	$ 176	$ 0.45	$ 384	$ 0.97
CREIT acquisition and other related costs	109	0.29	-	-
PC Optimum Program[(i)]	-	-	137	0.35
Restructuring and other related costs	(4)	(0.01)	126	0.32
Loblaw Card Program	6	0.02	79	0.20
Asset impairments, net of recoveries	-	-	40	0.10
Fair value adjustment to the Trust Unit Liability	68	0.18	(10)	(0.03)
Fair value adjustment on fuel and foreign currency contracts	(8)	(0.02)	14	0.04
Fair value adjustment on investment properties	8	0.02	-	-
Pension annuities and buy-outs	1	-	9	0.02
Impact of healthcare reform on inventory balances	14	0.04	-	-
Prior year land transfer tax assessment (recovery)	-	-	(7)	(0.02)
Certain prior period items	-	-	(13)	(0.03)
Remeasurement of deferred tax balances	-	-	(17)	(0.04)
Gain on disposition of gas bar operations	-	-	(432)	(1.09)
Wind-down of *PC Financial* banking services	(15)	(0.04)	(18)	(0.05)
Pro forma:				
CREIT acquisition and other related costs	(109)	(0.29)	-	-
Asset impairments, net of recoveries	-	-	90	0.22
Fair value adjustment to the Trust Unit Liability	(68)	(0.18)	10	0.03
Fair value adjustment on investment properties	(8)	(0.02)	-	-
Adjusting items	**$ 170**	**$ 0.44**	**$ 392**	**$ 0.99**
Adjusted, Pro Forma	**$ 670**	**$ 1.75**	**$ 1,561**	**$ 3.93**
Adjusted, As Reported[(i)]	**$ 782**	**$ 2.05**	**$ 1,797**	**$ 4.53**

(i) Certain figures for the year ended December 30, 2017 as reported has been restated to reflect the implementation of IFRS 15.

[1] For additional details on the Company's non-GAAP financial measures see Section 12 "Non-GAAP Financial Measures" of the Company's Second Quarter 2018 Management's Discussion and Analysis and Section 17 "Non-GAAP Financial Measures" of the Company's 2017 Annual Report.

LOBLAW COMPANIES LIMITED

Supplemental Non-GAAP Pro Forma Financial Information
(In millions of Canadian dollars, except where otherwise indicated)

For the year ended December 30, 2017 and the 24 weeks ended June 16, 2018
(Unaudited)

Pro Forma Adjusted EBITDA by Reportable Operating Segment[1]

For the year ended December 30, 2017 (millions of Canadian dollars)	Retail[(i)]	Financial Services	Choice Properties	Consolidation & Elimination	Total
Net earnings attributable to shareholders of the Company					**$ 1,181**
Add (deduct) impact of the following:					
Non-controlling interests					24
Net interest expense and other financing charges					374
Income taxes					325
Operating income	**$ 1,698**	**$ 206**	**$ -**	**$ -**	**$ 1,904**
Add (deduct) impact of the following:					
As reported:					
Amortization of intangible assets acquired with Shoppers Drug Mart	$ 524	$ -	$ -	$ -	$ 524
PC Optimum Program[(i)]	187	-	-	-	187
Restructuring and other related costs	165	-	-	-	165
Loblaw Card Program	107	-	-	-	107
Asset impairments, net of recoveries	53	-		-	53
Fair value adjustment on fuel and foreign currency contracts	20	-	-	-	20
Pension annuities and buy-outs	12	-	-	-	12
Prior year land transfer tax assessment (recovery)	(9)	-	-	-	(9)
Certain prior period items	(4)	-	-	-	(4)
Gain on disposition of gas bar operations	(501)	-	-	-	(501)
Wind-down of *PC Financial* banking services	-	(24)	-	-	(24)
Pro forma:					
Asset impariments, net of recoveries	125	-	-	-	125
Adjusting items	$ 679	$ (24)	$ -	$ -	$ 655
Adjusted operating income	2,377	182	-	-	2,559
Depreciation and amortization	1,467	10	-		1,477
Less: Amortization of intangible assets acquired with Shoppers Drug Mart	(524)	-	-	-	(524)
Adjusted EBITDA, Pro Forma	**$ 3,320**	**$ 192**	**$ -**	**$ -**	**$ 3,512**
Adjusted EBITDA, As Reported[(i)]	**$ 3,836**	**$ 192**	**$ 757**	**$ (696)**	**$ 4,089**

(i) Certain figures for the year ended December 30, 2017 as reported has been restated to reflect the implementation of IFRS 15.

[1] For additional details on the Company's non-GAAP financial measures see Section 12 "Non-GAAP Financial Measures" of the Company's Second Quarter 2018 Management's Discussion and Analysis and Section 17 "Non-GAAP Financial Measures" of the Company's 2017 Annual Report.

LOBLAW COMPANIES LIMITED

Supplemental Non-GAAP Pro Forma Financial Information
(In millions of Canadian dollars, except where otherwise indicated)

For the year ended December 30, 2017 and the 24 weeks ended June 16, 2018
(Unaudited)

For the 24 weeks ended June 16, 2018 (millions of Canadian dollars)	**Retail**	**Financial Services**	**Choice Properties**	**Consolidation & Elimination**	**Total**
Net earnings attributable to shareholders of the Company					**$ 506**
Add (deduct) impact of the following:					
Non-controlling interests					7
Net interest expense and other financing charges					179
Income taxes					189
Operating income	**$ 753**	**$ 128**	**$ -**	**$ -**	**$ 881**
Add (deduct) impact of the following:					
As reported:					
Amortization of intangible assets acquired with Shoppers Drug Mart	$ 240	$ -	$ -	$ -	$ 240
CREIT acquisition and other related costs	-	-	120	-	120
Restructuring and other related costs	(6)	-	-	-	(6)
Loblaw Card Program	8	-	-	-	8
Fair value adjustment on fuel and foreign currency contracts	(11)	-	-	-	(11)
Fair value adjustment on investment properties	1	-	9	-	10
Pension annuities and buy-outs	1	-	-	-	1
Impact of healthcare reform on inventory balances	19	-	-	-	19
Wind-down of *PC Financial* banking services	-	(20)	-	-	(20)
Pro forma:					
CREIT acquisition and other related costs	-	-	(120)	-	(120)
Fair value adjustment on investment properties			(9)		(9)
Adjusting items	$ 252	$ (20)	$ -	$ -	$ 232
Adjusted operating income	1,005	108	-	-	1,113
Depreciation and amortization	692	5	-	-	697
Less: Amortization of intangible assets acquired with Shoppers Drug Mart	(240)	-	-	-	(240)
Adjusted EBITDA, Pro Forma	**$ 1,457**	**$ 113**	**$ -**	**$ -**	**$ 1,570**
Adjusted EBITDA, As Reported[(i)]	**$ 1,703**	**$ 113**	**$ 341**	**$ (254)**	**$ 1,903**

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QUESTIONS? NEED HELP VOTING?

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