



Certificate of Arrangement

Canada Business Corporations Act

Certificat d'arrangement

Loi canadienne sur les sociétés par actions

**LOBLAW COMPANIES LIMITED
LES COMPAGNIES LOBLAW LIMITEE**

012676-4

Corporate name(s) of CBCA applicants / Dénomination(s)
sociale(s) de la ou des sociétés LCSA requérantes

Corporation number(s) / Numéro(s) de la ou
des sociétés

I HEREBY CERTIFY that the arrangement set out in the attached articles of arrangement has been effected under section 192 of the *Canada Business Corporations Act*.

JE CERTIFIE que l'arrangement mentionné dans les clauses d'arrangement annexées a pris effet en vertu de l'article 192 de la *Loi canadienne sur les sociétés par actions*.

Cheryl Ringor

Deputy Director / Directeur adjoint

2018-11-01

Date of Arrangement (YYYY-MM-DD)
Date de l'arrangement (AAAA-MM-JJ)



**Canada Business Corporations Act (CBCA)
FORM 14.1
ARTICLES OF ARRANGEMENT
(Section 192)**

1 - Name of the applicant corporation(s)	Corporation number
LOBLAW COMPANIES LIMITED LES COMPAGNIES LOBLAW LIMITEE	012676-4

2 - Name of the corporation(s) the articles of which are amended, if applicable	Corporation number
LOBLAW COMPANIES LIMITED LES COMPAGNIES LOBLAW LIMITEE	012676-4

3 - Name of the corporation(s) created by amalgamation, if applicable	Corporation number
Weston Food Distribution Inc. DISTRIBUTION ALIMENTAIRE WESTON INC.	1060666-9

4 - Name of the dissolved corporation(s), if applicable	Corporation number
N/A	

5 - Name of the other bodies corporate involved, if applicable	Corporation number or jurisdiction
SEE SCHEDULE A ATTACHED	

6 - In accordance with the order approving the arrangement, the plan of arrangement attached hereto, involving the above named body(ies) corporate, is hereby effected.

In accordance with the plan of arrangement,

a. the articles of the corporation(s) indicated in item 2, are amended.
If the amendment includes a name change, indicate the change below:

b. the following bodies corporate and/or corporations are amalgamated (for CBCA corporations include the corporation number):

SEE SCHEDULE B ATTACHED INDICATING CORPORATIONS BEING AMALGAMATED.
SEE SCHEDULE C ATTACHED SETTING OUT THE PARTICULARS OF THE AMALGAMATION.

c. the corporation(s) indicated in item 4 is(are) liquidated and dissolved:

N/A

7 - I hereby certify that I am a director or an authorized officer of one of the applicant corporations.

Signature: _____

Print name: Andrew Bunston

Note: Misrepresentation constitutes an offence and, on summary conviction, a person is liable to a fine not exceeding \$5,000 or to imprisonment for a term not exceeding six months or to both (subsection 250(1) of the CBCA).

SCHEDULE A
TO THE ARTICLES OF ARRANGEMENT OF
LOBLAW COMPANIES LIMITED
LES COMPAGNIES LOBLAW LIMITÉE

5. Name of the other bodies corporate involved, if applicable:

Name	Corporation Number or Jurisdiction
Weston Food Distribution Inc. DISTRIBUTION ALIMENTAIRE WESTON INC.	1107318-4
11040464 Canada Inc.	1104046-4
11048660 Canada Inc.	1104866-0
Rocky View Bakery Ltd.	974478-9
11040405 Canada Inc.	1104040-5
11040359 Canada Inc.	1104035-9
11040537 Canada Inc.	1104053-7
10945544 Canada Inc.	1094554-4
11040545 Canada Inc.	1104054-5
11040472 Canada Inc.	1104047-2
11039962 Canada Inc.	1107316-8
GEORGE WESTON LIMITED GEORGE WESTON LIMITÉE	240696-9

**SCHEDULE B
TO THE ARTICLES OF ARRANGEMENT OF
LOBLAW COMPANIES LIMITED
LES COMPAGNIES LOBLAW LIMITÉE**

6. In accordance with the order approving the plan of arrangement attached hereto, involving the above-named body(ies) corporate, is hereby effected:

b. the following bodies corporate and/or corporations are amalgamated (for CBCA corporations include the corporation number):

Name	Corporation Number
Weston Food Distribution Inc. DISTRIBUTION ALIMENTAIRE WESTON INC.	1107318-4
11040464 Canada Inc.	1104046-4
11048660 Canada Inc.	1104866-0
Rocky View Bakery Ltd.	974478-9
11040405 Canada Inc.	1104040-5
11040359 Canada Inc.	1104035-9
10945544 Canada Inc.	1094554-4
11039962 Canada Inc.	1107316-8

**SCHEDULE C
TO THE ARTICLES OF ARRANGEMENT OF
LOBLAW COMPANIES LIMITED
LES COMPAGNIES LOBLAW LIMITÉE**

PARTICULARS OF AMALGAMATION

Corporate Name: Weston Food Distribution Inc.
DISTRIBUTION ALIMENTAIRE WESTON INC.

Province or territory in Canada where the registered office is situated:

Ontario

The classes and any maximum number of shares the corporation is authorized to issue:

The Corporation is authorized to issue an unlimited number of common shares and 1,000,000 preferred shares, the rights, privileges, restrictions and conditions attaching to which being set out in Schedule I attached hereto.

Restrictions, if any, on share transfers:

None

Minimum and maximum number of directors:

Minimum three (3); maximum six (6)

Restrictions, if any, on the business of the corporation may carry on:

None

Other Provisions, if any:

None

SCHEDULE I

The Corporation is authorized to issue an unlimited number of common shares and 1,000,000 preferred shares.

The rights, privileges, restrictions and conditions attaching to the common shares (the "Common Shares") and preferred shares (the "Preferred Shares") in the capital of the Corporation shall be as follows:

COMMON SHARES

1. Dividends

The holders of the Common Shares shall be entitled to receive and the Corporation shall pay thereon, as and when declared by the board of directors of the Corporation out of moneys properly applicable to the payment of dividends, in such amount and in such form as the board of directors of the Corporation may from time to time determine, and all dividends which the board of directors of the Corporation may declare on the Common Shares shall be declared and paid in equal amounts per share on all Common Shares at the time outstanding.

2. Dissolution

In the event of the liquidation, dissolution or winding-up of the Corporation, whether voluntary or involuntary, or any other distribution of assets of the Corporation among its shareholders for the purpose of winding up its affairs, the holders of the Common Shares shall be entitled to receive, after the holders of the Preferred Shares, the remaining property and assets of the Corporation.

3. Voting

The holders of the Common Shares shall be entitled to receive notice of and to attend and vote at all meetings of the shareholders of the Corporation (except where the holders of a specified class of shares are entitled to vote separately as a class as provided in the Canada Business Corporations Act).

4. Notice of Meeting of Shareholders

The holders of the Common Shares shall be entitled to receive two (2) days' notice of any meeting of the shareholders of the Corporation.

PREFERRED SHARES

1. Dividends

The holders of the Preferred Shares shall be entitled to receive and the Corporation shall pay thereon, as and when declared by the board of directors of the Corporation out of moneys properly applicable to the payment of dividends, non-cumulative dividends in such amount and in such form as the board of directors of the Corporation may from time to time determine, and all dividends which the board of directors of the Corporation may declare on the Preferred Shares shall be declared and paid in equal amounts per share on all Preferred Shares at the time outstanding.

2. **Dissolution**

In the event of the liquidation, dissolution or winding-up of the Corporation, whether voluntary or involuntary, or any other distribution of assets of the Corporation among its shareholders for the purpose of winding up its affairs, the holders of the Preferred Shares shall be entitled to receive in priority to holders of Common Shares an amount per share equal to the redemption amount per share described in paragraph 4 below on the dissolution, liquidation or winding-up of the Corporation.

3. **Voting**

The holders of the Preferred Shares shall not be entitled to receive notice of and to attend and vote at all meetings of the shareholders of the Corporation (except where the holders of a specified class of shares are entitled to vote separately as a class as provided in the Canada Business Corporations Act).

4. **Redemption**

The Preferred Shares shall be redeemable and retractable, subject to applicable law, at any time by the holder or the Corporation, for a redemption amount per share equal to the sum of: (x) the aggregate fair market value of the common shares in the capital of George Weston Limited ("GWL") to be issued by GWL on the amalgamation of the Corporation as described in paragraph 153 of Advance Income Tax Ruling 2017-072148 dated October 17, 2018, divided by 1,000,000, and (y) any declared and unpaid dividends on the Preferred Shares.

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

THE HONOURABLE *Mr. Justice*)
JUSTICE *Hainey*) FRIDAY, THE 19th
) DAY OF OCTOBER 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

ORDER

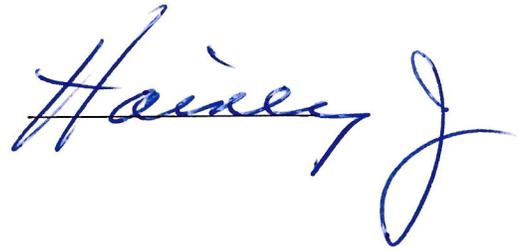
THIS APPLICATION made by the Applicant, Loblaw Companies Limited (“Loblaw”) for approval of a plan of arrangement pursuant to section 192(4) of the *Canada Business Corporations Act*, R.S.C. 1985, c. C-44, as amended (the “CBCA”) was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the Notice of Application issued September 5, 2018, the Affidavit of Khush Dadyburjor sworn September 18, 2018, the affidavits of mailing, and the Affidavit of Khush Dadyburjor sworn October 18, 2018, and on hearing the submissions of counsel for Loblaw, and on being advised that the Director appointed under the CBCA does not consider it necessary to appear, and having determined that the Arrangement, as described in the Plan of Arrangement attached as Schedule “A” to this order is an arrangement for the purposes of section 192 of the CBCA and is fair and reasonable in accordance with the requirements of that section,

1. **THIS COURT ORDERS** that the Arrangement, as described in the Plan of Arrangement attached as Schedule "A" to this order, shall be and is hereby approved in respect

of Loblaw and all the CBCA corporations identified in Schedule "A" that are being arranged pursuant to the Arrangement.

2. **THIS COURT ORDERS** that the Applicant shall be entitled to seek leave to vary this order upon such terms upon giving such notice as this court may direct, to seek the advice and directions of this court as to the implementation of this order, and to apply for such further order or orders as may be appropriate.



ENTERED AT / INSCRIT A TORONTO
ON / BOOK NO:
LE / DANS LE REGISTRE NO:

OCT 19 2018

PER / PAR:

**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 11048660 Canada Inc., a corporation governed by the laws of Canada.

“**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 Depository 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 date the LCL Common Shares

begin trading on the Exchange on an ex-dividend basis with respect to the LCL Spin-off Distribution;

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 date the LCL Common Shares begin trading on the Exchange on an ex-dividend basis with respect to the LCL Spin-off Distribution.

“**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 Shares**” 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 11040537 Canada Inc., a corporation governed by the laws of Canada.

“Rocky Sub” means 11040405 Canada Inc., a corporation governed by the laws of Canada.

“Rocky Sub Holdco” means 11040545 Canada Inc., 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 11039962 Canada Inc., 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 Weston Food Distribution Inc., a corporation governed by the laws of Canada.

“**WFIC Sub**” means 11040359 Canada Inc., a corporation governed by the laws of Canada.

“**WFIC Sub Holdco**” means 11040472 Canada Inc., 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 11040464 Canada Inc., 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 date the LCL Common Shares begin trading on the Exchange on an ex-dividend basis with respect to the LCL Spin-off Distribution in respect of the LCL New Stock Options, and ending immediately before the date the LCL Common Shares begin trading on the Exchange on an ex-dividend basis with respect to the LCL Spin-off Distribution 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 Transactions Effected Outside the Arrangement

The transactions described in:

- (a) subsections 3.1(r) to 3.1(y) of this Plan of Arrangement shall be effected by the WHL Documents; and
- (b) subsections 3.1(aa) to 3.1(cc) of this Plan of Arrangement shall be effected by the articles of amalgamation and other documents, as applicable;

filed or entered into at or prior to the Effective Time, and all such transactions shall be deemed to be effective in the order described in, and at the effective time contemplated by, 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 depository 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.

EXHIBIT I – NEW SHARE TERMS OF LCL

Share terms attaching to the LCL New Common Shares and the LCL Spin-off Butterfly Shares at the time of the amendments contemplated in subparagraph 3.1(a) of the Plan of Arrangement.

1. LCL COMMON SHARES

The articles of incorporation of the Corporation are hereby amended by replacing the description of the Common Shares in its entirety with the following:

1.1 Authorized Capital

The Common Shares which the Corporation is authorized to issue are:

- an unlimited number of LCL Common Shares having the rights, privileges, restrictions and conditions described below, and
- an unlimited number of LCL New Common Shares having the rights, privileges, restrictions and conditions described below.

1.2 Votes and Dividends

The holders of Common Shares are entitled:

- (a) to vote at all meetings of shareholders, except meetings at which only holders of another specified class of shares are entitled to vote. The holders of LCL New Common Shares are entitled to two (2) votes for each LCL New Common Share held on all votes taken at such meetings. The holders of LCL Common Shares are entitled to 1 vote for each LCL Common Share held on all votes taken at such meetings; and
- (b) subject to the rights, privileges, restrictions and conditions attaching to any other class of shares of the Corporation, to receive any dividend declared by the Corporation and to receive the remaining property of the Corporation upon dissolution.

1.3 Conversion of LCL New Common Shares

The LCL New Common Shares shall be convertible into LCL Common Shares on a one-for-one basis at any time and from time to time.

2. LCL SPIN-OFF BUTTERFLY SHARES

The articles of incorporation of the Corporation are hereby amended by adding thereto the following:

A series of Second Preferred Shares shall consist of an unlimited number of Second Preferred Shares, shall be designated as Second Preferred Shares, Series C (hereinafter referred to as the “**LCL Spin-off Butterfly Shares**”) and, in addition to and subject to the rights, restrictions,

conditions and limitations attaching to the Second Preferred Shares as a class, shall carry and be subject to the following rights, privileges, restrictions and conditions:

1. Dividends: The holders of LCL Spin-off Butterfly Shares shall be entitled to receive, and the Corporation shall pay thereon, if, as and when declared by the board of directors of the Corporation out of moneys of the Corporation properly applicable to the payment of dividends, non-cumulative dividends.
2. Redemption: The Corporation may, to the extent permitted by applicable law, redeem at any time the whole, or from time to time any part, of the LCL Spin-off Butterfly Shares then outstanding on payment of a redemption price per LCL Spin-off Butterfly Share equal to the sum of the following two amounts: (i) an amount equal to: (x) the amount equal to the aggregate FMV of all of the issued and outstanding shares in the capital of the Corporation, determined immediately before the LCL Capital Reorganization as part of the LCL Spin-off Butterfly, multiplied by the LCL Spin-off Proportion; divided by (y) the number of LCL Spin-off Butterfly Shares issued on the LCL Capital Reorganization as part of the LCL Spin-off Butterfly; and (ii) an amount equal to all declared and unpaid dividends on a LCL Spin-off Butterfly Share, the whole constituting and being herein referred to in these provisions as the “**LCL Spin-off Redemption Amount**”. Payment of the LCL Spin-off Redemption Amount may be made through the issuance of a promissory note.
3. Retraction: Any holder of LCL Spin-off Butterfly Shares shall be entitled to require the Corporation to redeem, subject to the requirements of applicable law, at any time all of the LCL Spin-off Butterfly Shares registered in the name of such holder on the books of the Corporation at the LCL Spin-off Redemption Amount by tendering to the Corporation at the registered office of the Corporation a certificate or certificates representing all of the LCL Spin-off Butterfly Shares held by such holder together with a notice in writing specifying (i) that the holder desires to have the LCL Spin-off Butterfly Shares represented by such certificate or certificates redeemed by the Corporation and (ii) the business day on which the holder desires to have the Corporation redeem such LCL Spin-off Butterfly Shares.
4. Dissolution: In the event of the dissolution, liquidation or winding-up of the Corporation, whether voluntary or involuntary, or any other distribution of assets of the Corporation among its shareholders for the purpose of winding-up its affairs, the holders of LCL Spin-off Butterfly Shares shall be entitled to receive from the assets of the Corporation an amount equal to the LCL Spin-off Redemption Amount per LCL Spin-off Butterfly Share before any amount shall be paid or any assets of the Corporation distributed upon any liquidation, dissolution or winding-up of the Corporation to the holders of the LCL Common Shares or the LCL New Common Shares. After payment to the holders of LCL Spin-off Butterfly Shares of the amount so payable to them such holders shall not be entitled to share in any further distribution of the assets of the Corporation.
5. Definitions: Capitalized terms used herein without definition have the meanings given to them in the Plan of Arrangement.

“**LCL Spin-off Proportion**” means the fraction A/B, where:

“A” is the net FMV of the LCL Spin-off Distribution Property to be transferred by the Corporation to Spinco on the LCL Spin-off Distribution; and

“B” is the net FMV of all of the property owned by the Corporation;

determined, in each case, immediately before the LCL Spin-off Distribution.

EXHIBIT II –SHARE TERMS OF SPINCO

ARTICLE 1 INTERPRETATION

Section 1.01 References to “Act”: Unless there is something in the context inconsistent herewith, in these provisions “Act” means the *Canada Business Corporations Act*, R.S.C. 1985, c. C-44, as amended, including the regulations promulgated thereunder.

Section 1.02 Headings, Gender and Number: These provisions shall be read without regard to article, section or subsection headings, which are included for ease of reference only and shall not affect the construction or interpretation hereof, and with all changes in gender and number required by the context.

Section 1.03 Currency: All monetary amounts referred to herein are in lawful money of Canada.

ARTICLE 2 COMMON SHARES

The Common Shares shall have attached thereto the following respective rights, privileges, restrictions and conditions:

Section 2.01 Votes: The holders of Common Shares are entitled to receive notice of, and to attend, all meetings of shareholders of the Corporation, except meetings at which only holders of another specified class or series of shares are entitled to vote. The holders of Common Shares are entitled to 1 vote for each Common Share held on all votes taken at such meetings.

Section 2.02 Dividends: Subject to the prior rights, privileges, restrictions and conditions attaching to the Preferred Shares or any series thereof, and the shares of any other class ranking senior to the Common Shares, the holders of Common Shares shall be entitled to receive and to participate equally as to dividends, share for share, as and when declared by the directors of the Corporation and all such dividends shall be declared and paid at the same time in an equal amount on all Common Shares at the time outstanding.

Section 2.03 Dissolution: In the event of the liquidation, dissolution or winding-up of the Corporation or other distribution of the assets of the Corporation for the purpose of winding up its affairs, holders of Common Shares shall, after payment to the holders of Preferred Shares and shares of any other class ranking senior to the Common Shares of the amount payable to them, be entitled to receive the remaining property and assets of the Corporation without preference or distinction share-for-share.

Section 2.04 Limitation: Subject to the provisions of the Act, the holders of Common Shares shall not be entitled to vote together or separately on, or to dissent in respect of, any proposal to amend the articles of the Corporation to:

- (a) increase or decrease any maximum number of authorized Common Shares, or increase any maximum number of authorized shares of a class or series having rights or privileges equal or superior to the Common Shares;
- (b) effect an exchange, reclassification or cancellation of all or part of the Common Shares; or
- (c) create a new class or series of shares equal or superior to the Common Shares.

ARTICLE 3 PREFERRED SHARES

Section 3.01 Directors' Right to Issue in One or More Series: The Preferred Shares may at any time and from time-to-time be issued in one or more series. Prior to the issue of Preferred Shares of any series, the directors of the Corporation shall, subject to the rights, privileges, restrictions and conditions attached to the Preferred Shares as a class, the articles of the Corporation and the provisions of the Act, by resolution amend the articles of the Corporation to fix the number of Preferred Shares in such series and determine the designation of, and the rights, privileges, restrictions and conditions attached to, the Preferred Shares of such series including, without limitation:

- (a) the rate, amount or method of calculation of any dividends and whether any dividends are subject to adjustment;
- (b) whether any dividends are cumulative, partly cumulative or non-cumulative;
- (c) the dates, manner and currency of payments of any dividends and the date from which any dividends accrue or become payable;
- (d) if redeemable or purchasable (whether at the option of the Corporation or the holder or otherwise), the redemption or purchase prices and currency or currencies thereof and the terms and conditions of redemption or purchase, with or without any provision for sinking or similar funds;
- (e) the voting rights, if any;
- (f) any conversion, exchange or reclassification rights; and
- (g) any other terms not inconsistent with these provisions;

the whole subject to receipt by the Director appointed under the Act of articles of amendment designating and fixing the number of Preferred Shares in such series and setting forth the rights, privileges, restrictions and conditions attached thereto and the issue by the Director of a certificate of amendment with respect thereto.

Section 3.02 Ranking of Preferred Shares of Each Series: The Preferred Shares of each series shall, with respect to the payment of dividends and the distribution of the assets of the Corporation in the event of the liquidation, dissolution or winding-up of the Corporation, whether voluntary or

involuntary, or any other distribution of the assets of the Corporation for the purpose of winding-up its affairs, rank (a) on parity with the Preferred Shares of every other series and (b) senior to, and shall be entitled to a preference over, the Common Shares and the shares of any other class ranking junior to the Preferred Shares. The Preferred Shares of any series shall also be entitled to such other preferences, not inconsistent with these provisions, over the Common Shares and the shares of any other class ranking junior to the Preferred Shares as may be fixed in accordance with section 3.01 hereof.

Section 3.03 Voting Rights: Except as hereinafter specifically provided, as required by the Act or in accordance with any voting rights which may be attached to any series of Preferred Shares, the holders of Preferred Shares shall not be entitled as such to receive notice of, or to attend, any meeting of shareholders of the Corporation and shall not be entitled to vote at any such meeting.

Section 3.04 Amendment with Approval of Holders of Preferred Shares: The rights, privileges, restrictions and conditions attached to the Preferred Shares as a class may be added to, removed or changed only with the approval of the holders of Preferred Shares given in accordance with the requirements of the Act and the minimum requirement provided in section 3.05 hereof.

Section 3.05 Approval of Holders of Preferred Shares: The approval of the holders of Preferred Shares as a class to any matters referred to in these provisions may be given as specified below:

- (a) Approval and Quorum: Any approval required to be given by the holders of Preferred Shares shall be deemed to have been sufficiently given if it shall have been given by a resolution signed by all of the holders of the then outstanding Preferred Shares or by a resolution passed by the affirmative vote of not less than two-thirds of the votes cast by holders of Preferred Shares who voted in respect of that resolution at a meeting of the holders of Preferred Shares called and held for such purpose in accordance with the by-laws of the Corporation at which holders of not less than one-tenth of the then outstanding Preferred Shares are present in person or represented by proxy; provided that, if at any such meeting a quorum is not present within one-half hour after the time appointed for such meeting, the meeting shall be adjourned to the same day in the next week at the same time and to such place as the chairman of the meeting may determine and, subject to the provisions of the Act, it shall not be necessary to give notice of such adjourned meeting. At such adjourned meeting the holders of Preferred Shares present in person or represented by proxy shall constitute a quorum and may transact the business for which the meeting was originally called and a resolution passed thereat by the affirmative vote of not less than two-thirds of the votes cast by holders of Preferred Shares at such meeting shall constitute the approval of the holders of Preferred Shares.
- (b) Votes: On every poll taken at any meeting in respect of which only the holders of Preferred Shares of more than one series are entitled to vote, each holder of Preferred Shares shall be entitled to one vote in respect of each \$1.00 of stated capital added to the appropriate stated capital account of the Corporation in respect of the issue of each such share.

Subject to the foregoing, the formalities to be observed with respect to proxies, the giving or waiving of notice of any such meeting and the conduct thereof shall be those from time-to-time prescribed in the Act and the by-laws of the Corporation with respect to meetings of shareholders.

Section 3.06 Shares Issued in Series with Identical Rights: Where Preferred Shares are issued in more than one series with identical rights, privileges, restrictions, conditions and designations attached thereto, all such series of Preferred Shares shall rank pari passu and participate equally and proportionately without discrimination or preference as if all such series of Preferred Shares had been issued simultaneously and all such series of Preferred Shares may be designated as one series.

Section 3.07 Limitation: Subject to the provisions of the Act, the holders of Preferred Shares or any series thereof shall not, unless the rights, privileges, restrictions and conditions attached to the Preferred Shares as a class or to any particular series thereof provide to the contrary, be entitled to vote separately as a class or series on, or to dissent in respect of, any proposal to amend the articles of the Corporation to:

- (a) increase or decrease any maximum number of authorized Preferred Shares or any series thereof, or increase any maximum number of authorized shares of a class or series having rights or privileges equal or superior to the Preferred Shares or any series thereof;
- (b) effect an exchange, reclassification or cancellation of all or part of the Preferred Shares or any series thereof; or
- (c) create a new class or series of shares equal or superior to the Preferred Shares or any series thereof.

ARTICLE 4 PREFERRED SHARES, SERIES A RIGHTS, PRIVILEGES, RESTRICTIONS AND CONDITIONS

The first series of Preferred Shares shall consist of an unlimited number of Preferred Shares which shall be designated as Preferred Shares, Series A (hereinafter referred to as the “**Spinco Preferred Shares**”) and, in addition to and subject to the rights, restrictions, conditions and limitations attaching to the Preferred Shares as a class, shall carry and be subject to the following rights, privileges, restrictions and conditions:

Section 4.01 Dividends: The holders of Spinco Preferred Shares shall be entitled to receive, and the Corporation shall pay thereon, if, as and when declared by the board of directors of the Corporation out of moneys of the Corporation properly applicable to the payment of dividends, non-cumulative dividends.

Section 4.02 Redemption: The Corporation may, to the extent permitted by applicable law, redeem at any time the whole, or from time to time any part, of the Spinco Preferred Shares then outstanding on payment of a redemption price per Spinco Preferred Share equal to the sum of the fair market value of the consideration paid to the Corporation for the issuance of the Spinco Preferred Share and any declared and unpaid dividends on the Spinco Preferred Share, the whole

constituting and being herein referred to in these provisions as the “**Spinco Redemption Amount**”. Payment of the Spinco Redemption Amount may be made through the issuance of a promissory note.

Section 4.03 Retraction: Any holder of Spinco Preferred Shares shall be entitled to require the Corporation to redeem, subject to the requirements of applicable law, at any time all of the Spinco Preferred Shares registered in the name of such holder on the books of the Corporation at the Spinco Redemption Amount by tendering to the Corporation at the registered office of the Corporation a certificate or certificates representing all of the Spinco Preferred Shares held by such holder together with a notice in writing specifying (i) that the holder desires to have the Spinco Preferred Shares represented by such certificate or certificates redeemed by the Corporation and (ii) the business day on which the holder desires to have the Corporation redeem such Spinco Preferred Shares.

Section 4.04 Dissolution: In the event of the dissolution, liquidation or winding-up of the Corporation, whether voluntary or involuntary, or any other distribution of assets of the Corporation among its shareholders for the purpose of winding-up its affairs, the holders of Spinco Preferred Shares shall be entitled to receive from the assets of the Corporation an amount equal to the Spinco Redemption Amount per Spinco Preferred Share before any amount shall be paid or any assets of the Corporation distributed upon any liquidation, dissolution or winding-up of the Corporation to the holders of the Common Shares. After payment to the holders of Spinco Preferred Shares of the amount so payable to them such holders shall not be entitled to share in any further distribution of the assets of the Corporation.

**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**

Court File No. CV-18-604515-00CL

Applicant

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

Proceeding commenced at TORONTO

ORDER

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