



**Information Statement**

**Spin-Out of Loblaw's Interest in Choice REIT**

**George Weston Limited to become 65% Unitholder of Choice REIT**

**Dated September 24, 2018**

September 24, 2018

Dear Fellow Shareholders:

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

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

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

The attached Information Statement is intended to assist you in understanding the impact of the transaction on GWL. You do not need to take any action. LCL Shareholders will be voting on the transaction at a special meeting scheduled for October 18, 2018. Completion of the transaction is subject to the satisfaction of certain other conditions, including the receipt of an advance income tax ruling from the Canada Revenue Agency, required regulatory approvals from the Toronto Stock Exchange, and receipt of approval from the Ontario Superior Court of Justice (Commercial List). If such approvals are obtained and the other conditions to the completion of the transaction are satisfied or waived, it is expected that the transaction will be completed in the fourth quarter of 2018.

We look forward to this exciting new chapter in the growth of GWL. Thank you for your continued support.

Sincerely yours,

*“Galen G. Weston”*

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**Galen G. Weston**

Chairman and Chief Executive Officer

## TABLE OF CONTENTS

	Page
INFORMATION CONTAINED IN THIS INFORMATION STATEMENT .....	4
General Information.....	4
Forward-Looking Information .....	4
Non-GAAP Financial Measures .....	6
THE ARRANGEMENT .....	7
Background to the Arrangement .....	7
Approval of the Board .....	11
GWL Fairness Opinion.....	11
Details of the Arrangement.....	12
Pre-Arrangement Transactions .....	12
Arrangement Agreement.....	13
INFORMATION RELATING TO CHOICE REIT, GWL AND LOBLAW POST-ARRANGEMENT .....	16
Information Regarding Choice REIT.....	16
Strategic Focus of GWL After the Arrangement .....	17
Credit Ratings of GWL After the Arrangement.....	18
Dividend Policy .....	18
Principal Holder of GWL Common Shares .....	19
Strategic Focus of Loblaw After the Arrangement.....	19
CERTAIN CANADIAN FEDERAL INCOME TAX CONSIDERATIONS.....	20
Tax Ruling .....	20
Certain Canadian Federal Income Tax Consequences to Shareholders.....	20
RISK FACTORS .....	22
Risks Relating to the Arrangement .....	22
Risks Relating to GWL.....	24
ADDITIONAL INFORMATION.....	24
GLOSSARY OF TERMS .....	25
APPENDIX A – GWL FAIRNESS OPINION.....	30

## INFORMATION CONTAINED IN THIS INFORMATION STATEMENT

### General Information

This Information Statement has been filed with securities regulatory authorities in Canada to provide shareholders of George Weston Limited (“GWL”) with information on its proposed arrangement (the “Arrangement”) with Loblaw Companies Limited (“Loblaw”) and 10945544 Canada Inc. **This Information Statement was prepared for information purposes only, and you do not need to take any action.**

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

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

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

### Forward-Looking Information

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

This Information Statement contains forward-looking statements concerning: GWL’s and Loblaw’s financial positions; growth prospects; certain benefits of the Arrangement; the expected impact of the Arrangement on GWL’s and Loblaw’s relationship with Choice REIT going forward; future GWL and Loblaw dividends; GWL’s and Loblaw’s credit ratings; the expected completion date of the Arrangement; the anticipated tax treatment of the proposed reorganization for Loblaw and LCL Shareholders; the completion of the Pre-Arrangement Transactions; the completion and proposed terms of, and matters relating to, the Arrangement (including, but not limited to, the allocation of the amounts and percentage interests in the outstanding shares of GWL and Loblaw following the completion of the Arrangement); the expected benefits of the Arrangement to holders of GWL Common Shares and LCL Shareholders and the anticipated effect of the completion of the Arrangement on GWL and Loblaw and their respective future operations; the anticipated business strategies or further actions of each of GWL and Loblaw

following the completion of the Arrangement and their respective abilities to accomplish same; certain Canadian federal income tax consequences resulting from the completion of the Arrangement; GWL's objectives and priorities for 2018 and beyond; and expectations with respect to future general economic and market conditions. The pro forma information set forth in this Information Statement should not be considered to be what the actual financial position or other results of operations would have necessarily been had the reorganization been completed as, at, or for the periods stated.

Numerous risks and uncertainties could cause GWL's and Loblaw's actual results to differ materially from the estimates, beliefs and assumptions expressed or implied in the forward-looking statements, including, but not limited to: the failure to complete the Arrangement for any reason (including due to the failure to satisfy the conditions contained in the Arrangement Agreement); the potential benefits of the Arrangement not being realized; adverse changes and volatility in the trading prices or value, as applicable, of GWL Common Shares or LCL Common Shares following the Arrangement; substantial tax liabilities that GWL and Loblaw may be exposed to if the tax-related requirements of the Arrangement are not met; the failure to obtain any required governmental, regulatory or other approvals and/or consents; the failure to obtain the Tax Ruling in form and substance satisfactory to GWL and Loblaw or the withdrawal or modification of the Tax Ruling; risks associated with indemnity obligations arising under the Arrangement Agreement; the reduced diversity of Loblaw's business following the Arrangement; future factors that may arise making it inadvisable to proceed with, or advisable to delay, all or part of the Arrangement; changes to the regulation of generic prescription drug prices, the reduction of reimbursements under public drug benefit plans and the elimination or reduction of professional allowances paid by drug manufacturers; failure to effectively manage Loblaw's loyalty program; the inability of GWL's and Loblaw's IT infrastructure to support the requirements of their businesses, or the occurrence of any internal or external security breaches, denial of service attacks, viruses, worms and other known or unknown cybersecurity or data breaches; failure to execute Loblaw's e-commerce initiative or to adapt its business model to the shifts in the retail landscape caused by digital advances; failure to realize benefits from investments in GWL's and Loblaw's new IT systems; failure to effectively respond to consumer trends or heightened competition, whether from current competitors or new entrants to the marketplace; changes to any of the laws, rules, regulations or policies applicable to GWL's and Loblaw's businesses, including increases to minimum wage; public health events including those related to food and drug safety; failure to realize the anticipated benefits, including revenue growth, anticipated cost savings or operating efficiencies, associated with GWL's and Loblaw's investment in major initiatives that support their strategic priorities, including Choice REIT's acquisition of CREIT; adverse outcomes of legal and regulatory proceedings and related matters; reliance on the performance and retention of third party service providers, including those associated with GWL's and Loblaw's supply chain and Loblaw's apparel business, including issues with vendors in both advanced and developing markets; failure to achieve desired results in labour negotiations, including the terms of future collective bargaining agreements; the inability of GWL and Loblaw to manage inventory to minimize the impact of obsolete or excess inventory and to control shrink; changes in economic conditions, including economic recession or changes in the rate of inflation or deflation, employment rates and household debt, political uncertainty, interest rates, currency exchange rates or derivative and commodity prices; the inability of GWL and Loblaw to effectively develop and execute their strategies; and the inability of GWL and Loblaw to anticipate, identify and react to consumer and retail trends.

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

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

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

### **Non-GAAP Financial Measures**

This Information Statement uses consolidated net debt to adjusted EBITDA, which is a non-GAAP financial measure. Consolidated net debt to adjusted EBITDA is calculated as net debt (i.e., total debt less cash and cash equivalents and short-term investments) as at June 16, 2018 divided by adjusted EBITDA (i.e., operating income, adjusted for items that are not necessarily reflective of GWL's or Loblaw's underlying operating performance, before depreciation and amortization) based on the year ended December 30, 2017, assuming CREIT was acquired on January 1, 2017. Net debt and adjusted EBITDA are further adjusted to reflect the capitalization of operating leases at a 6x multiple and exclude PC Bank debt associated with securitized credit card receivables and GICs. Net debt includes preferred shares, which receive 50% debt treatment for the purposes of calculating leverage. GWL and Loblaw use consolidated net debt to adjusted EBITDA to measure leverage and profitability.

This measure does not have a standard meaning prescribed by GAAP and therefore they may not be comparable to similarly titled measures presented by other publicly traded companies, and should not be construed as an alternative to other financial measures determined in accordance with GAAP. More information regarding this non-GAAP measure and a reconciliation to the nearest International Financial Reporting Standards (IFRS) financial measure is available in GWL's and Loblaw's most recent management's discussion and analysis filed on SEDAR ([www.sedar.com](http://www.sedar.com)), as applicable.

## THE ARRANGEMENT

### Background to the Arrangement

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

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

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

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

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

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

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

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

In parallel with the evolution of Choice REIT's strategy, Loblaw's retail strategy was also evolving further. The "bricks and mortar" network of stores remained a foundational pillar of Loblaw's strategy, but it was becoming increasingly clear that ownership of real estate through Choice REIT was no longer

critical. Like the traditional approach taken by Shoppers Drug Mart and many other retailers, the strength of Loblaw's store network could be assured through long-term, market-based leases with Choice REIT and other third party landlords.

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

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

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

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

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

In February 2018, Choice REIT announced its proposed acquisition of CREIT. This transformational acquisition expanded Choice REIT's diversified real estate portfolio and made it into Canada's leading

diversified REIT. GWL and Loblaw both supported the transaction. As a result of the transaction, Loblaw's then effective interest in Choice REIT of approximately 82.4% was diluted to approximately 61.7%. The transaction closed in May 2018.

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

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

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

On June 22, 2018, management and representatives of Torys LLP and TD Securities Inc. met with representatives of McCarthy Tétrault LLP and BMO Capital Markets to discuss the spin-out. Management provided an overview of the spin-out, including the strategic rationale, the process undertaken to date, the characterization of the transaction as a spin-out and valuation consequences, the status of the Tax Ruling process and the implications for holders of equity-based compensation arrangements.

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

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

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

potential market reaction, the impact on Loblaw's credit rating and the ongoing relationship with Choice REIT.

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

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

On August 9, 2018, the Special Committee met with its advisors and management to consider the proposed spin-out further. At the commencement of the meeting, the Chairman and Chief Executive Officer was invited to speak to the Special Committee about the proposed spin-out. The Chairman and Chief Executive Officer reiterated management's views about the benefits of the spin-out for each of Loblaw, Choice REIT and GWL. Management then provided the Special Committee with a summary of proposed terms, including the proposed methodology for the calculation of the exchange ratio that would be used to determine the number of GWL Common Shares to be received by LCL Shareholders in exchange for their pro rata interest in Choice REIT, based on the 5-day VWAP of GWL and Choice REIT. After management and their advisors left the meeting, representatives of BMO Capital Markets provided their financial analysis of each of the Choice REIT interest, GWL and Loblaw in the context of the spin-out as compared with potential alternatives. Representatives of BMO Capital Markets also provided their views regarding anticipated equity capital markets reactions.

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

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

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

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

On August 29, 2018, the Special Committee met with its advisors and management with a view to making a decision on whether to recommend the proposed spin-out. In the first part of the meeting, management provided an update on the status of the Tax Ruling and investor communications and reviewed with the Special Committee and its advisors draft investor communications materials. After management left the meeting, representatives of BMO Capital Markets provided their financial analysis of the spin-out. They also confirmed their views regarding equity capital markets reactions and their expectation that they would be in a position to provide a fairness opinion as to the fairness of the consideration to be received by Loblaw Minority Shareholders. Representatives of McCarthy Tétrault LLP reported that the draft

transaction documentation had been resolved. The Special Committee decided that it would recommend the proposed spin-out to the Loblaw Board and authorized Mr. O'Neill to contact other members of the Loblaw Board to discuss the Special Committee's recommendation and analysis in anticipation of a discussion at a Loblaw Board meeting scheduled for September 4, 2018.

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

On September 4, 2018, the Loblaw Board met with a view to making a decision on the proposed spin-out. Management provided an update, including on the status of the Tax Ruling Application and investor communications. The Loblaw Board received an updated presentation from BMO Capital Markets summarizing its analysis of the proposed spin-out and BMO Capital Markets provided an oral opinion to the Loblaw Board (which was subsequently confirmed in writing) to the effect that, as of the date thereof and subject to the assumptions, limitations and qualifications described therein, the consideration to be received by the Loblaw Minority Shareholders pursuant to the Arrangement is fair, from a financial point of view, to the Loblaw Minority Shareholders. The Special Committee provided its unanimous recommendation of the spin-out. The Loblaw Board unanimously determined to approve the Arrangement and the Arrangement Agreement. The Loblaw Board also unanimously determined to recommend that shareholders vote in favour of the Arrangement Resolution at the Meeting. The Loblaw Board noted that the Board was due to meet later in the day and made its approvals conditional on the Board providing its required approvals.

Later that day, the Board met to approve the proposed spin-out. Management provided an update, including on the status of the Tax Ruling Application and investor communications. The Board received an updated presentation from TD Securities summarizing their analysis of the proposed spin-out and their oral fairness opinion that the consideration to be paid by GWL to Loblaw Minority Shareholders pursuant to the Arrangement Agreement is fair, from a financial point of view, to GWL. The Board unanimously determined to approve the Arrangement and the Arrangement Agreement.

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

### **Approval of the Board**

After careful consideration and consultation with its financial and legal advisors, the Board, having taken into account such matters as it considered relevant, unanimously approved the Arrangement.

### **GWL Fairness Opinion**

TD Securities was engaged by GWL as a financial advisor to, among other things, provide financial advisory services and to act as exclusive financial advisor to GWL in connection with the Arrangement. In connection with its evaluation of the Arrangement, the Board received an opinion from TD Securities (the "**GWL Fairness Opinion**") to the effect that, as of September 4, 2018 and based upon and subject to the assumptions, limitations and qualifications set forth therein, the consideration to be paid by GWL to Loblaw Minority Shareholders pursuant to the Arrangement Agreement is fair, from a financial point of view, to GWL. The full text of the GWL Fairness Opinion is attached at Appendix A to this Information Statement.

The GWL Fairness Opinion was provided solely for the use of the Board in connection with its evaluation of the consideration to be paid by GWL to Loblaw Minority Shareholders pursuant to the Arrangement Agreement.

Pursuant to the terms of its engagement agreement with GWL, TD Securities is to be paid a fee for its services as financial advisor, a portion of which is contingent on the successful completion of the Arrangement or certain other events. GWL has also agreed to reimburse TD Securities for its reasonable out-of-pocket expenses and to indemnify it in certain circumstances.

### **Details of the Arrangement**

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

Pursuant to the Arrangement, GWL will issue approximately 26.7 million GWL Common Shares to LCL Shareholders. Following the Arrangement, GWL will own an approximate 65.4% effective interest in Choice REIT directly (which includes the approximate 3.8% effective interest in Choice REIT currently owned by wholly-owned, direct subsidiaries of GWL prior to the Arrangement), and GWL will continue to be controlled by Mr. W. Galen Weston who, directly and indirectly through entities which he controls, will own approximately 52.7% of the outstanding GWL Common Shares. The public shareholders of Loblaw will own approximately 16.8% of the outstanding GWL Common Shares as a result of the Arrangement and Loblaw will have no ownership in Choice REIT. Immediately following the Arrangement, LCL Shareholders will continue to hold the same number of LCL Common Shares that they held immediately prior to the completion of the Arrangement.

One of the steps contemplated by the Arrangement will involve the amalgamation of GWL with Spinco Amalco (which corporation will be the successor to WFDI Amalco, Spinco and TC Amalco, described below, among other corporations) such that GWL continues as the amalgamated corporation. Existing GWL shareholders will be unaffected by such amalgamation and there will be no change to the substantive provisions of GWL's articles, by-laws or authorized share capital. In addition, existing GWL shareholders will generally not be subject to Canadian federal income tax as a result of the amalgamation of GWL and Spinco Amalco as a part of the Arrangement. See "*Certain Canadian Federal Income Tax Considerations*" for more information.

A detailed description of the corporate steps to be carried out pursuant to the Arrangement can be found in the Circular. The Circular is available on SEDAR at [www.sedar.com](http://www.sedar.com).

### **Pre-Arrangement Transactions**

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

Units representing GWL's approximate 3.8% effective interest in Choice REIT are held by WFDI Amalco prior to the Effective Time.

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

### **Arrangement Agreement**

The following is a summary of the material terms and conditions of the Arrangement Agreement; however, it may not contain all of the information about the Arrangement Agreement that is important for shareholders. This summary is qualified in its entirety by the full text of the Arrangement Agreement which is available on SEDAR at [www.sedar.com](http://www.sedar.com). Shareholders are urged to read the Arrangement Agreement in its entirety.

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

### ***Covenants Regarding the Arrangement***

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

### ***Conditions Precedent***

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

- (a) the Pre-Arrangement Transactions which are required to be completed prior to the Effective Time, as contemplated in the Tax Ruling, will have been completed;
- (b) the Arrangement Resolution will have been approved by the LCL Shareholders at the Meeting in accordance with the Interim Order;
- (c) the Interim Order and the Final Order will have each been obtained on terms consistent with the Arrangement Agreement and shall not have been set aside or modified in a

manner unacceptable to the parties to the Arrangement Agreement, acting reasonably, on appeal or otherwise;

- (d) all governmental, court, regulatory, third party and other approvals, consents, expiry of waiting periods, waivers, permits, exemptions, orders and agreements and all amendments and modifications to, and terminations of, agreements, indentures and arrangements considered by the parties to the Arrangement Agreement, each acting reasonably, to be necessary or desirable for the completion of the transactions provided for in the Arrangement Agreement, the Plan of Arrangement or the Pre-Arrangement Transactions will have been obtained or received on terms that are satisfactory to the parties to the Arrangement Agreement, each acting reasonably;
- (e) no law, regulation or policy will have been proposed, enacted, issued, promulgated, enforced or entered into which would adversely affect any of the parties if the Arrangement was completed or has the effect of making the Arrangement illegal, including any material change to the income tax laws of Canada or the United States that is adverse to any of the parties to the Arrangement Agreement;
- (f) there will not be in force any order or decree restraining or enjoining the completion of the transactions contemplated by the Arrangement Agreement;
- (g) the Tax Ruling having been received by GWL and Loblaw, in form and substance satisfactory to GWL and Loblaw, will not have been withdrawn or modified and will remain in full force and effect and all of the transactions referred to in the Tax Ruling as occurring on or prior to the Effective Time will have occurred and all conditions or terms of the Tax Ruling shall have been satisfied;
- (h) (A) the LCL New Common Shares and the LCL Common Shares to be issued on the conversion of the LCL New Common Shares will have been conditionally approved to continue to be listed and posted for trading on the TSX; and (B) the LCL Common Shares issuable on the exercise of LCL New Stock Options to be issued under the LCL New Stock Option Plan pursuant to the Arrangement will have been conditionally approved for listing and posting for trading on the TSX, subject to, in each case, standard listing conditions imposed by the TSX in similar circumstances;
- (i) the Spinco Common Shares will have been conditionally approved for listing and posting for trading on the TSX, subject to standard listing conditions imposed by the TSX in similar circumstances;
- (j) (A) the GWL Common Shares and GWL Preferred Shares (including shares issuable on the exercise of GWL stock options issued under GWL's existing stock option plan) will have been conditionally approved to continue to be listed and posted for trading on the TSX; and (B) the GWL Common Shares to be issued to the applicable holders of Spinco Common Shares in accordance with the Plan of Arrangement will have been conditionally approved for listing and posting for trading on the TSX, subject, in each case, to standard listing conditions imposed by the TSX in similar circumstances; and
- (k) the Arrangement Agreement will not have been terminated.

### ***Indemnification***

The Arrangement Agreement provides for, among other things, a covenant of each of Loblaw, Spinco and GWL that, for a period of three years after the Effective Date, it will not (and it will cause its subsidiaries to not) take any action, omit to take any action or enter into any transaction that could cause the Pre-Arrangement Transactions, the Arrangement or any transaction contemplated by the Arrangement Agreement to be taxed in a manner that is inconsistent with that provided for in the Tax Ruling without obtaining a tax ruling or an opinion of a nationally recognized accounting firm or law firm that such action, omission or transaction will not have such effect. Each of Loblaw, Spinco and GWL has agreed that it will indemnify the other parties to the Arrangement Agreement against any loss suffered or incurred, directly or indirectly, that results from, or is in connection with, the indemnifying party's breach of this covenant.

### ***Amendments***

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

### ***Termination***

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

### ***Tax Ruling***

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

The Tax Ruling is expected to confirm that, based on the provisions of the Tax Act as of the date of the issue of the Tax Ruling, the LCL Spin-off Butterfly, whereby LCL will transfer the LCL Spin-off Distribution Property to Spinco, will be treated for the purposes of the Tax Act as a tax-deferred "butterfly reorganization" under paragraph 55(3)(b) of the Tax Act, thereby not imposing any material current

Canadian federal income tax on any of Loblaw, Spinco (or GWL, as the successor to Spinco), their affiliates or Resident Shareholders who hold their LCL Common Shares as capital property for purposes of the Tax Act. The Tax Ruling is also expected to confirm that the Pre-Arrangement Transactions that are intended to occur on a tax-deferred basis under the Tax Act will generally occur on a tax-deferred basis for GWL, Loblaw and their applicable subsidiaries and affiliates. GWL and Loblaw have submitted the Tax Ruling Application to the CRA, and expect to receive the Tax Ruling on a timely basis, although no assurances can be given in that regard.

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

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

## **INFORMATION RELATING TO CHOICE REIT, GWL AND LOBLAW POST-ARRANGEMENT**

### **Information Regarding Choice REIT**

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

Choice REIT is the owner, manager and developer of a high-quality portfolio of commercial retail, industrial, office and residential properties across Canada. Choice REIT is one of Canada's largest REITs with a portfolio comprised of 757 properties with a total gross leasable area of approximately 67 million square feet as of June 30, 2018. Choice REIT's portfolio includes 594 retail properties, 119 industrial properties, 18 office complexes, 3 multi-family residential buildings and 23 development properties. The retail properties are made up of: (i) 307 properties with a stand-alone Loblaw-bannered retail store; (ii) 226 properties anchored by a retail store operating under a Loblaw banner that also contain one or more third-party tenants; and (iii) 61 properties containing only third-party tenants.

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

### **Strategic Focus of GWL After the Arrangement**

In recent history, GWL's investment thesis was largely defined by its ownership of Loblaw, accounting for approximately 93% of GWL's market capitalization. After the Arrangement, GWL will benefit from (i) an investment thesis that is more strategic, stable and has meaningful opportunities for growth and value creation, (ii) a more efficient group structure and greater balance in its direct holdings, (iii) assets that are strategically independent, but have connectivity, and are in areas in which GWL has an affinity, (iv) increased cash flow, enabling flexibility and growth, and (v) the ability to actively support businesses and allocate capital to generate shareholder value.

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

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

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

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

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

### **Credit Ratings of GWL After the Arrangement**

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

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

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

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

### **Dividend Policy**

Over time, it is GWL's intention to increase the amount of the dividend while retaining appropriate free cash flow to finance future growth. GWL intends to increase its quarterly dividend by approximately 5% to \$0.515 per GWL Common Share (or \$2.06 per GWL Common Share annually), contingent on completion of the Arrangement.

## Principal Holder of GWL Common Shares

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

## Strategic Focus of Loblaw After the Arrangement

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



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

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

## Enhancing the core retail businesses through new technology and capabilities



### Best in Food, Health & Beauty

- Three retail operating divisions with distinct value propositions:  
**Shoppers** "Your Life. Made Easier"  
**Discount** "Feed Everyone"  
**Market** "We Love Food"



### Data-Driven Insights

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



### Process & Efficiencies

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

## Investing in new strategic pillars to win amidst changing customer needs



### Digital Retail Experience

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



### Connected Healthcare Network

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



### Payments and Rewards

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

For further information regarding the effect of the Arrangement on Loblaw, including unaudited pro forma financial information for Loblaw after giving effect to the Arrangement, please see the Circular. The Circular is available on SEDAR at [www.sedar.com](http://www.sedar.com).

## CERTAIN CANADIAN FEDERAL INCOME TAX CONSIDERATIONS

### Tax Ruling

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

### Certain Canadian Federal Income Tax Consequences to Shareholders

In the opinion of Torys LLP, counsel to GWL, Loblaw and their affiliates in respect of the Arrangement, the following is, as of the date hereof, a summary of the principal Canadian federal income tax considerations under the Tax Act generally applicable to a holder of GWL Common Shares or GWL Preferred Shares who at all relevant times and for the purposes of the Tax Act: (i) holds GWL Common Shares or GWL Preferred Shares, as applicable, as capital property; and (ii) deals at arm's length with GWL and any successor thereof, and is not affiliated with GWL or any successor thereof (a "**Holder**"). Generally, the GWL Common Shares or GWL Preferred Shares, as applicable, will be capital property to a

Holder provided that the Holder does not hold such shares in the course of carrying on a business of buying and selling securities and has not acquired such shares in a transaction considered to be an adventure or concern in the nature of trade.

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

This summary is based on the provisions of the Tax Act in force as of the date hereof, the Tax Proposals and counsel’s understanding of the administrative policies and assessing practices of the CRA published in writing prior to the date hereof. This summary assumes that all of the Tax Proposals will be implemented in the form proposed, although no assurances can be given in this regard. This summary does not otherwise take into account or anticipate any changes in law or administrative policies or assessing practices, whether by legislative, regulatory, administrative or judicial action or decision, nor does it take into account other federal tax considerations or any provincial, territorial or foreign tax considerations, which may differ materially from those discussed herein.

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

### **Shareholders Resident in Canada**

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

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

*Amalgamation of GWL and Spinco Amalco*

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

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

### **Shareholders Not Resident in Canada**

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

Generally, a Non-Resident Shareholder who holds its GWL Common Shares or GWL Preferred Shares as capital property for purposes of the Tax Act will not be subject to Canadian federal income tax as a result of the amalgamation of GWL and Spinco Amalco as part of the Arrangement.

## **RISK FACTORS**

GWL shareholders should carefully consider the risk factors set out below as well as the other information included and incorporated by reference herein.

### **Risks Relating to the Arrangement**

#### ***Conditions Precedent and Required Approvals***

The completion of the Arrangement is subject to a number of conditions precedent, some of which are outside GWL's control, including receipt of the Final Order. At the hearing for the Final Order, the Court will consider whether to approve the Arrangement based on the applicable legal requirements and the evidence before the Court. Other conditions precedent which are outside of Loblaw's control include, without limitation, the receipt of the Tax Ruling, the Required Shareholder Approval and TSX Approvals. There can be no certainty, nor can GWL provide any assurance, that all conditions precedent to the Arrangement will be satisfied or waived, or, if satisfied or waived, when they will be satisfied or waived. If certain approvals and consents are not received prior to the anticipated Effective Date, GWL, with the written consent of Loblaw and Spinco, may decide to proceed nonetheless, or it may either delay or amend the implementation of all or part of the Arrangement, including possibly delaying the completion of the Arrangement in order to allow sufficient time to complete such matters. If the Arrangement is delayed or not completed, the market price of the GWL Common Shares may be materially adversely affected.

#### ***Termination of the Arrangement***

It is possible that future factors may arise that make it inadvisable to proceed with, or advisable to delay, all or part of the Arrangement. The Arrangement Agreement may be terminated by written agreement of

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

### ***Value and Trading Price Following Completion of the Arrangement***

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

In addition, the trading price of the GWL Common Shares may be affected by factors different from those previously affecting the trading prices of the GWL Common Shares.

### ***Selling of Shares***

Upon completion of the Arrangement, there may be holders of GWL Common Shares (including LCL Shareholders who obtain GWL Common Shares pursuant to the Arrangement) who wish to sell their GWL Common Shares. In addition, some LCL Shareholders who obtain GWL Common Shares pursuant to the Arrangement may be subject to investment restrictions which preclude them from holding GWL Common Shares, while other holders of GWL Common Shares may elect to sell for different reasons. If there are a significant number of sellers of GWL Common Shares without a corresponding number of buyers, the trading price of those shares could decline and such decline could be material.

### ***Indemnification Obligations***

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

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

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

### ***Canadian Tax Considerations***

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

### **Risks Relating to GWL**

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

### **ADDITIONAL INFORMATION**

GWL and Loblaw file reports and other information with the securities commissions of the provinces and territories of Canada. These reports and information are available to the public free of charge under GWL’s and Loblaw’s respective profiles on SEDAR at [www.sedar.com](http://www.sedar.com).

## GLOSSARY OF TERMS

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

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

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

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

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

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

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

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

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

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

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

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

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

“**Circular**” means the management proxy circular of Loblaw dated September 19, 2018.

“**Class B LP Units**” means the Class B limited partnership units in the capital of Choice LP, which: (i) are non-voting, (ii) entitle the holder to receive distributions equal to the distributions equal to the distributions of the Trust Units, (iii) are exchangeable, at the option of the holder, for one Trust Unit for

every Class B LP Unit, and (v) entitle the holder to receive one Trust Unit for every Class B LP Unit upon the liquidation, dissolution or winding-up of Choice LP.

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

“**CRA**” means the Canada Revenue Agency.

“**CREIT**” means Canadian Real Estate Investment Trust.

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

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

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

“**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.

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

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

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

“**GWL Fairness Opinion**” means the opinion of TD Securities dated September 4, 2018, which is addressed to the Board and states to the effect as of the date thereof and subject to the assumptions, limitations and qualifications described therein, the consideration to be paid by GWL to Loblaw Minority Shareholders pursuant to the Arrangement Agreement is fair, from a financial point of view, to GWL and is otherwise in a form acceptable to the Board, a copy of which is attached as Appendix “A” to this Information Statement.

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

“**Holder**” means an LCL Shareholder or an LCL Preferred Shareholder who at all relevant times and for the purposes of the Tax Act: (i) holds LCL Common Shares or LCL Preferred Shares, as applicable, and will hold all other shares discussed in the Circular, as capital property; and (ii) deals at arm’s length with each of Loblaw, GWL, Spinco, and any successor thereof, and is not affiliated with any of Loblaw, GWL, Spinco or any successor thereof.

“**Information Statement**” means this Information Statement, including all Appendices attached hereto.

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

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

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

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

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

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

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

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

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

“**LCL Spin-off Distribution**” means the transfer of the LCL Spin-off Distribution Property to Spinco for a purchase price equal to its aggregate FMV.

“**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.

“**Loblaw Board**” means the board of directors of Loblaw, as constituted from time to time.

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

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

“**Meeting Materials**” means, collectively, the Circular, the Notice of Meeting and the form of proxy.

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

“**Notice of Meeting**” means the notice of the Meeting accompanying the Circular.

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

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

“**Required Shareholder Approval**” means the approval of the Arrangement Resolution will require the affirmative vote of (i) not less than 66⅔% of the votes cast at the Meeting by LCL Shareholders, voting together as a single class; and (ii) not less than a majority of the votes cast at the Meeting by Loblaw Minority Shareholders.

“**Resident Shareholders**” means a Holder who, for the purposes of the Tax Act and at all relevant times, is or is deemed to be resident in Canada.

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

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

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

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

“**Spinco Amalco**” means the corporation to be formed on the amalgamation of WFDI Amalco, WHL/TC, 2397454, Rocky, Rocky Sub, WFIC Sub, Spinco and TC Amalco, as described in the Tax Ruling Application.

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

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

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

“**Tax Ruling**” means the advance income tax rulings to be received from the CRA with respect to certain Canadian federal income tax consequences in respect of the Pre-Arrangement Transactions, the Arrangement and certain other transactions and includes any replacements thereof and amendments and

supplements thereto received or anticipated to be received from the CRA, in form and substance satisfactory to GWL and Loblaw, acting reasonably.

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

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

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

“**TD Securities**” means TD Securities Inc.

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

“**TSX**” means the Toronto Stock Exchange.

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

“**VWAP**” means volume-weighted average price.

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

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

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

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

**APPENDIX A – GWL FAIRNESS OPINION**



**TD Securities**  
TD Securities Inc.  
66 Wellington Street West  
TD Bank Tower, 9th Floor  
Toronto, Ontario M5K 1A2

September 4, 2018

The Board of Directors of George Weston Limited  
22 St. Clair Avenue East  
Suite 800  
Toronto, Ontario  
M4T 2S5

To the Board of Directors of George Weston Limited:

TD Securities Inc. (“TD Securities”) understands that George Weston Limited (“George Weston”) is considering entering into an arrangement agreement (the “Arrangement Agreement”) with Loblaw Companies Limited (“Loblaw”) to implement a reorganization whereby Loblaw's ownership interest in Choice Properties Real Estate Investment Trust (“Choice Properties”) comprised of Choice Properties trust units and Class B LP units (collectively the “Choice Properties Interests”) will be spun-out to Loblaw shareholders on a tax-free basis, with the Choice Properties Interests received by Loblaw shareholders, other than George Weston, (the “Loblaw Minority Shareholders”) subsequently exchanged for 0.135 George Weston common shares per Loblaw common share held by the Loblaw Minority Shareholders (the “Consideration”), pursuant to a plan of arrangement under the *Canada Business Corporations Act* (the “Arrangement”).

The above description is summary in nature. The specific terms and conditions of the Arrangement are set out in the Arrangement Agreement. The Arrangement is subject to certain conditions, including approval by 66 2/3% of Loblaw shareholders, approval by the majority of Loblaw Minority Shareholders, court approval, exchange approval, receipt of an advance tax ruling from the Canada Revenue Agency and other customary conditions.

#### **ENGAGEMENT OF TD SECURITIES**

TD Securities was initially contacted by George Weston in April 2017 regarding a potential advisory assignment relating to the spin-out of Choice Properties. TD Securities was formally engaged by George Weston pursuant to an engagement agreement letter effective June 19, 2018 to, among other things, provide financial advisory services and to act as exclusive financial advisor to George Weston in connection with the Arrangement (the “Engagement Agreement”).

Pursuant to the Engagement Agreement, George Weston has asked TD Securities to prepare and deliver to the Board of Directors of George Weston an opinion (the “Opinion”) regarding the fairness, from a financial point of view, to George Weston of the Consideration to be paid by George Weston to the Loblaw Minority Shareholders pursuant to the Arrangement Agreement. TD Securities has not prepared a valuation of George Weston, Choice Properties, or Loblaw, or any of their securities or assets and the Opinion should not be construed as such.

The terms of the Engagement Agreement provide that TD Securities will receive a fee for its services, a portion of which is payable on the public announcement of the Arrangement and a portion of which is contingent on the successful completion of the Arrangement or certain other events, and will be reimbursed for its reasonable out-of-pocket expenses. Furthermore, George Weston has agreed to indemnify TD Securities, in certain circumstances, against certain expenses, losses, claims, actions, suits,

proceedings, damages and liabilities which may arise directly or indirectly from services performed by TD Securities in connection with the Engagement Agreement.

On September 4, 2018, TD Securities delivered the Opinion to the Board of Directors of George Weston based upon and subject to the scope of review, assumptions and limitations and other matters described herein and contemplated by the Engagement Agreement.

### **CREDENTIALS OF TD SECURITIES**

TD Securities is one of Canada's largest investment banking firms with operations in all facets of corporate and government finance, mergers and acquisitions, equity and fixed income sales and trading and investment research. TD Securities also has significant international operations. TD Securities has been a financial advisor in a large number of transactions involving public and private companies in various industry sectors and has extensive experience in preparing valuations and fairness opinions.

The Opinion represents the opinion of TD Securities and its form and content have been approved by a committee of senior investment banking professionals of TD Securities, each of whom is experienced in spin-out, re-organization, merger, acquisition, divestiture, valuation and fairness and adequacy opinion matters.

### **RELATIONSHIP WITH INTERESTED PARTIES**

Neither TD Securities nor any of its affiliated entities is an insider, associate or affiliate (as those terms are defined in the *Securities Act* (Ontario) (the "Securities Act") of George Weston, Loblaw, Choice Properties, Wittington Investments Limited ("Wittington"), George Weston's controlling shareholder, or any of their respective associates or affiliates (collectively, the "Interested Parties"). Neither TD Securities nor any of its affiliates is an advisor to any of the Interested Parties with respect to the Arrangement other than to George Weston pursuant to the Engagement Agreement.

TD Securities and its affiliates have not been engaged to provide any financial advisory services, have not acted as lead or co-lead manager on any offering of securities of George Weston, Loblaw, Choice Properties, Wittington or any other Interested Party, and have not had a material financial interest in any transaction involving George Weston, Loblaw, Choice Properties, Wittington or any other Interested Party during the 24 months preceding the date on which TD Securities was first contacted with respect to the engagement of TD Securities by the Board of Trustees, other than services provided under the Engagement Agreement and as described herein. TD Securities from time to time acts as financial advisor to affiliates of George Weston with respect to other financial advisory assignments. TD Securities has acted in the following capacities for Loblaw: (i) joint bookrunner on Loblaw's revolving credit facility of \$1.0 billion; (ii) exclusive financial advisor to Loblaw on its acquisition of QHR Corporation in October 2016; and (iii) joint bookrunner in connection with Loblaw's \$225 million preferred share offering in June 2015. TD Securities has acted in the following capacities for Choice Properties: (i) financial advisor to Choice Properties in respect of its acquisition of Canadian Real Estate Investment Trust in May 2018; (ii) sole bookrunner and sole lead arranger on Choice Properties' bridge and term loan credit facilities of \$2.1 billion in May 2018; (iii) sole bookrunner and co-lead arranger on Choice Properties' revolving credit facility of \$1.5 billion in May 2018; (iv) joint bookrunner and co-lead arranger on Choice Properties' revolving credit facility of \$500 million; (v) joint bookrunner in connection with Choice Properties' \$650 million dual tranche bond offering in January 2018; (vi) joint bookrunner in connection with Choice Properties' \$350 million dual tranche bond offering in March

2016; and (vii) joint bookrunner in connection with Choice Properties' \$200 million bond offering in November 2015.

The Toronto-Dominion Bank (“TD Bank”), the parent company of TD Securities, directly or through one or more affiliates, provides banking services and other financing services to entities related to George Weston, Loblaw, Choice Properties, and Wittington in the normal course of business.

TD Securities and its affiliates act as a trader and dealer, both as principal and agent, in major financial markets and, as such, may have and may in the future have positions in the securities of any Interested Party, and, from time to time, may have executed or may execute transactions on behalf of any Interested Party or other clients for which it may have received or may receive compensation. As an investment dealer, TD Securities conducts research on securities and may, in the ordinary course of its business, provide research reports and investment advice to its clients on investment matters, including matters with respect to the Arrangement, George Weston, Loblaw, Choice Properties, Wittington or any other Interested Party.

The fees paid to TD Securities in connection with the foregoing activities, together with the fees payable to TD Securities pursuant to the Engagement Agreement, are not financially material to TD Securities. No understandings or agreements exist between TD Securities and any Interested Party with respect to future financial advisory or investment banking business, other than those that may arise as a result of the Engagement Agreement. TD Securities may in the future, in the ordinary course of its business, perform financial advisory or investment banking services for George Weston, Loblaw, Choice Properties, Wittington or any other Interested Party. TD Bank may continue to provide in the future, in the ordinary course of business, banking services including loans to George Weston, Loblaw, Choice Properties, Wittington or any other Interested Party.

## **SCOPE OF REVIEW**

In connection with the Opinion, TD Securities reviewed and relied upon (without attempting to verify independently the completeness or accuracy of) or carried out, among other things, the following:

1. a draft of the Arrangement Agreement between George Weston, Loblaw and 10945544 Canada Inc. dated September 4, 2018, including the proposed Plan of Arrangement attached thereto;
2. audited annual financial statements of George Weston and management's discussion and analysis related thereto for the years ended December 31, 2017 and 2016;
3. audited annual financial statements of Loblaw and management's discussion and analysis related thereto for the years ended December 31, 2017 and 2016;
4. audited annual financial statements of Choice Properties and management's discussion and analysis related thereto for the years ended December 31, 2017, 2016 and 2015;
5. audited annual financial statements of Canadian Real Estate Investment Trust (“CREIT”), and management's discussion and analysis related thereto for the years ended December 31, 2017, 2016 and 2015;
6. annual information forms of George Weston for the years ended December 31, 2017 and 2016;
7. annual information forms of Loblaw for the years ended December 31, 2017 and 2016;

8. annual information forms of Choice Properties for the years ended December 31, 2017, 2016 and 2015;
9. annual information forms of CREIT for the years ended December 31, 2017, 2016 and 2015;
10. notice of annual and special meeting and management information circular dated March 29, 2018, for the annual and special meeting of George Weston Shareholders held on May 8, 2018;
11. notice of annual and special meeting and management information circular dated March 29, 2018, for the annual and special meeting of Loblaw Shareholders held on May 3, 2018;
12. notice of annual and special meeting and management information circular dated April 5, 2018, for the annual and special meeting of Choice Properties Unitholders held on May 2, 2018;
13. notice of annual and special meeting and management information circular dated March 29, 2017, for the annual and special meeting of CREIT Unitholders held on May 18, 2017;
14. Choice Properties information statement regarding the combination with CREIT dated March 15, 2018;
15. notice of special meeting and management information circular dated March 8, 2018, for the special meeting of CREIT Unitholders held on April 11, 2018;
16. unaudited projected financial and operational information for Choice Properties for the years ending December 31, 2018 through December 31, 2026 prepared by management of Choice Properties;
17. various internal financial and operating reports prepared by management of George Weston, management of Loblaw, and management of Choice Properties considered to be relevant;
18. third party report providing capitalization rate ranges for certain properties of Choice Properties;
19. discussions with senior management of George Weston, Loblaw and Choice Properties with respect to the information referred to above and other issues considered relevant;
20. discussions with legal counsel to George Weston and Loblaw with respect to the Arrangement and certain information referred to above and other issues considered relevant;
21. various research publications prepared by industry and equity research analysts regarding George Weston, Loblaw and Choice Properties and other selected public companies considered relevant;
22. public information relating to the business, operations, financial performance and stock trading history of George Weston, Loblaw, Choice Properties and other selected public companies considered relevant;
23. public information with respect to certain other transactions of a comparable nature considered relevant;

24. such other corporate, industry and financial market information, investigations and analyses as TD Securities considered necessary or appropriate in the circumstances;
25. representations contained in a certificate dated September 4, 2018 from senior officers of George Weston (the “George Weston Certificate”) as to the completeness and accuracy of the information upon which the Opinion is based;
26. representations contained in a certificate dated September 4, 2018 from senior officers of Loblaw (the “Loblaw Certificate”) as to the completeness and accuracy of the information upon which the Opinion is based; and
27. representations contained in a certificate dated September 4, 2018 from senior officers of Choice Properties (the “Choice Properties Certificate”, and together with the George Weston Certificate and the Loblaw Certificate, the “Certificates”) as to the completeness and accuracy of the information upon which the Opinion is based.

TD Securities has not, to the best of its knowledge, been denied access by George Weston to any information requested by TD Securities. TD Securities did not meet with the auditors of George Weston, Loblaw or Choice Properties and has assumed the accuracy, completeness and fair presentation of, and has relied upon, without independent verification, the financial statements of George Weston, Loblaw and Choice Properties and any reports of the auditors thereon.

#### **PRIOR VALUATIONS**

Senior officers of George Weston, on behalf of George Weston and not in their personal capacities, have represented to TD Securities that, among other things, to the best of their knowledge, information and belief, after reasonable due inquiry in the ordinary course, there have been no valuations or appraisals relating to George Weston or any of its material assets or material liabilities made in the preceding 24 months and in the possession or control of George Weston other than those which have been provided to TD Securities or, in the case of valuations known to George Weston which it does not have within its possession or control, notice of which has not been given to TD Securities.

Senior officers of Loblaw, on behalf of Loblaw and not in their personal capacities, have represented to TD Securities that, among other things, to the best of their knowledge, information and belief, after reasonable due inquiry in the ordinary course, there have been no valuations or appraisals relating to Loblaw or any of its material subsidiaries or any of its material assets or material liabilities made in the preceding 24 months and in the possession or control of Loblaw other than those which have been provided to George Weston or TD Securities or, in the case of valuations known to Loblaw which it does not have within its possession or control, notice of which has not been given to George Weston or TD Securities.

Senior officers of Choice Properties, on behalf of Choice Properties and not in their personal capacities, have represented to TD Securities that, among other things, to the best of their knowledge, information and belief, after reasonable due inquiry in the ordinary course, there have been no valuations or appraisals relating to Choice Properties or any of its material subsidiaries or any of its material assets or material liabilities made in the preceding 24 months and in the possession or control of Choice Properties other than those which have been provided to George Weston or TD Securities or, in the case of valuations known to Choice Properties which it does not have within its possession or control, notice of which has not been given to George Weston or TD Securities.

**ASSUMPTIONS AND LIMITATIONS**

With George Weston's acknowledgement and agreement as provided for in the Engagement Agreement, TD Securities has relied upon the accuracy, completeness and fair presentation in all material respects of all financial and other data and information filed by George Weston, Loblaw and Choice Properties with securities regulatory or similar authorities (including on the System for Electronic Document Analysis and Retrieval ("SEDAR"), provided to it by or on behalf of George Weston, Loblaw or Choice Properties, or otherwise obtained by TD Securities, including the Certificates identified above (collectively, the "Information"). The Opinion is conditional upon such accuracy, completeness and fair presentation in all material respects of the Information. Subject to the exercise of professional judgment, and except as expressly described herein, TD Securities has not attempted to verify independently the accuracy, completeness or fair presentation of any of the Information.

With respect to the budgets, forecasts, projections or estimates provided to TD Securities and used in its analyses, TD Securities notes that projecting future results is inherently subject to uncertainty. TD Securities has assumed, however, that such budgets, forecasts, projections or estimates provided to TD Securities and used in its analyses were prepared using the assumptions identified therein which TD Securities has been advised by George Weston, Loblaw and Choice Properties, as applicable, are (or were at the time of preparation and continue to be) reasonable in the circumstances. TD Securities expresses no independent view as to the reasonableness of such budgets, forecasts, projections and estimates or the assumptions on which they are based.

The Chief Financial Officer and the Chief Legal Officer of George Weston, in their respective capacities as President and Chief Financial Officer and Executive Vice President and Chief Legal Officer of George Weston and not in their personal capacities, on behalf of George Weston, have represented to TD Securities in the George Weston Certificate dated September 4, 2018, to the best of their knowledge, information and belief, after reasonable due inquiry in the ordinary course, with the intention that TD Securities may rely thereon in connection with the preparation of the Opinion: (i) George Weston has undertaken due diligence concerning Loblaw, Choice Properties and the transaction and makes the following statements, where they relate to Loblaw, Choice Properties and their subsidiaries, on the basis of information provided to and/or developed by George Weston through George Weston's discussions with and analyses of information provided concerning Loblaw and Choice Properties; (ii) they have no information or knowledge of any facts public or otherwise not specifically provided to TD Securities relating to George Weston, Loblaw or Choice Properties which would reasonably be expected to affect materially the Opinion to be given by TD Securities; (iii) the information, data and other material (collectively, the "George Weston Information") as filed under George Weston's profile on SEDAR, as amended or supplemented from time to time, and the George Weston Information provided to TD Securities by or on behalf of George Weston in connection with the transaction is or, in the case of historical George Weston Information was, at the date of preparation, true, complete and accurate and did not and does not contain any untrue statement of a material fact and does not omit to state a material fact necessary to make the George Weston Information not misleading in the light of circumstances in which it was presented; (iv) to the extent that any of the George Weston Information identified in subparagraph (iii) above is historical, there have been no changes in any material facts or new material facts since the respective dates thereof which have not been disclosed to TD Securities or updated by more current information not provided to TD Securities by George Weston and there has been no material change, financial or otherwise in the financial condition, assets, liabilities (contingent or otherwise), business, operations or prospects of George Weston and its subsidiaries and no material change has occurred in the George Weston Information or any part thereof which would have or which would reasonably be expected to have a material effect on the Opinion; (v) any portions of the George Weston Information

provided to TD Securities (or filed on SEDAR) which constitute forecasts, projections or estimates were prepared using the assumptions identified therein or otherwise disclosed to TD Securities, which, in the reasonable opinion of George Weston, are (or were at the time of preparation and continue to be) reasonable in the circumstances; (vi) there have been no valuations or appraisals relating to George Weston or any of its material assets or material liabilities made in the preceding 24 months and in the possession or control of George Weston other than those which have been provided to TD Securities or, in the case of valuations known to George Weston which it does not have within its possession or control, notice of which has not been given to TD Securities; (vii) there have been no verbal or written offers or serious negotiations for or transactions involving any material property of George Weston during the preceding 24 months which have not been disclosed to TD Securities; (viii) since the dates on which the George Weston Information was provided to TD Securities (or filed on SEDAR), no material transaction has been entered into by George Weston or its subsidiaries, except as publicly disclosed or otherwise disclosed to TD Securities; (ix) other than as disclosed in the George Weston Information, George Weston does not have any material contingent liabilities and there are no actions, suits, claims, proceedings, investigations or inquiries pending or threatened against or affecting the transaction, George Weston or its subsidiaries at law or in equity or before or by any federal, national, provincial, state, municipal or other governmental department, commission, bureau, board, agency or instrumentality which may, in any way, materially adversely affect George Weston or the transaction; (x) other than as disclosed in the George Weston Information, all George Weston Information, including any projections or forecasts provided to TD Securities, were prepared on a basis consistent in all material respects with the accounting policies applied in the most recent audited consolidated financial statements of George Weston; (xi) there are no agreements, undertakings, commitments or understandings (whether written or oral, formal or informal) relating to the transaction, except as have been disclosed to TD Securities; (xii) the contents of any and all documents prepared in connection with the transaction for filing with regulatory authorities or delivery or communication to securityholders of George Weston, Loblaw or Choice Properties (collectively, the “Disclosure Documents”) have been, are and will be true, complete and correct in all material respects and have not and will not contain any misrepresentation (as defined in the *Securities Act* (Ontario)) and the Disclosure Documents have complied, comply and will comply with all requirements under applicable laws; (xiii) George Weston has complied in all material respects with the Engagement Agreement, including the terms and conditions of Schedule A thereto; and (xiv) there is no plan or proposal for any material change (as defined in the *Securities Act* (Ontario)) in the affairs of George Weston which have not been disclosed to TD Securities.

The President and the Chief Financial Officer of Loblaw, in their respective capacities as President and Chief Financial Officer of Loblaw and not in their personal capacities, on behalf of Loblaw, have represented to TD Securities in the Loblaw Certificate September 4, 2018, to the best of their knowledge, information and belief, after reasonable due inquiry in the ordinary course, with the intention that TD Securities may rely thereon in connection with the preparation of the Opinion: (i) they are authorized by Loblaw to give representations and warranties contained in the certificate and have knowledge as to the matters contained therein; (ii) they have no information or knowledge of any facts public or otherwise not specifically provided to George Weston or TD Securities relating to Loblaw which would reasonably be expected to affect materially the Opinion to be given by TD Securities; (iii) the information, data and other material (collectively, the “Loblaw Information”) as filed under Loblaw’s profile on SEDAR, as amended or supplemented from time to time, and the Loblaw Information provided to George Weston or TD Securities by or on behalf of Loblaw or its representatives in respect of Loblaw or its subsidiaries in connection with the transaction is or, in the case of historical Loblaw Information was, at the date of preparation, true, complete and accurate and did not and does not contain any untrue statement of a material fact and does not omit to state a material fact necessary to make the Loblaw Information not misleading in the light of circumstances in which it was presented; (iv) to the extent that any of the

Loblaw Information identified in subparagraph (iii) above is historical, there have been no changes in any material facts or new material facts since the respective dates thereof which have not been disclosed to George Weston or TD Securities or updated by more current information not provided to George Weston or TD Securities by Loblaw and there has been no material change, financial or otherwise in the financial condition, assets, liabilities (contingent or otherwise), business, operations or prospects of Loblaw and no material change has occurred in the Loblaw Information or any part thereof which would have or which would reasonably be expected to have a material effect on the Opinion; (v) any portions of the Loblaw Information provided to George Weston or TD Securities (or filed on SEDAR) which constitute forecasts, projections or estimates were prepared using the assumptions identified therein or otherwise disclosed to George Weston or TD Securities, which, in the reasonable opinion of Loblaw, are (or were at the time of preparation and continue to be) reasonable in the circumstances; (vi) there have been no valuations or appraisals relating to Loblaw or any of its material subsidiaries or any of its material assets or material liabilities made in the preceding 24 months and in the possession or control of Loblaw other than those which have been provided to George Weston or TD Securities or, in the case of valuations known to Loblaw which it does not have within its possession or control, notice of which has not been given to George Weston or TD Securities; (vii) there have been no verbal or written offers or serious negotiations for or transactions involving any material property of Loblaw or any of its affiliates, taken as a whole, during the preceding 24 months which have not been disclosed to TD Securities; (viii) since the dates on which the Loblaw Information was provided to George Weston or TD Securities (or filed on SEDAR), no material transaction has been entered into by Loblaw or any of its respective subsidiaries except as publicly disclosed or otherwise disclosed to TD Securities; (ix) other than as disclosed in the Loblaw Information, neither Loblaw nor any of its subsidiaries has any material contingent liabilities and there are no actions, suits, claims, proceedings, investigations or inquiries pending or threatened against or affecting the transaction or Loblaw or any of its subsidiaries at law or in equity or before or by any federal, national, provincial, state, municipal or other governmental department, commission, bureau, board, agency or instrumentality which may, in any way, materially adversely affect Loblaw or its subsidiaries taken as a whole or the transaction; (x) other than as disclosed in the Loblaw Information, all Loblaw Information, including any projections or forecasts provided to George Weston or TD Securities, were prepared on a basis consistent in all material respects with the accounting policies applied in the most recent audited consolidated financial statements of Loblaw; (xi) there are no agreements, undertakings, commitments or understandings (whether written or oral, formal or informal) relating to the transaction, except as have been disclosed to George Weston or TD Securities; (xii) the contents of any and all documents prepared in connection with the transaction for filing with regulatory authorities or delivery or communication to securityholders of Loblaw (collectively, the “Disclosure Documents”) have been, are and will be true, complete and correct in all material respects and have not and will not contain any misrepresentation (as defined in the *Securities Act* (Ontario)) and the Disclosure Documents have complied, comply and will comply with all requirements under applicable laws; and (xiii) there is no plan or proposal for any material change (as defined in the *Securities Act* (Ontario)) in the affairs of Loblaw which have not been disclosed to George Weston or TD Securities.

The Chief Operating Officer and the Chief Financial Officer of Choice Properties, in their respective capacities as Chief Operating Officer and Chief Financial Officer of Choice Properties and not in their personal capacities, on behalf of Choice Properties, have represented to TD Securities in Choice Properties Certificate September 4, 2018, to the best of their knowledge, information and belief, after reasonable due inquiry in the ordinary course, with the intention that TD Securities may rely thereon in connection with the preparation of the Opinion: (i) they are authorized by Choice Properties to give representations and warranties contained in the certificate and have knowledge of the matters contained therein; (ii) they have no information or knowledge of any facts public or otherwise not specifically provided to George Weston or TD Securities relating to Choice Properties which would reasonably be

expected to affect materially the Opinion to be given by TD Securities; (iii) the information, data and other material (collectively, the “Choice Properties Information”) as filed under Choice Properties’ and CREIT’s respective profiles on SEDAR, as amended or supplemented from time to time, and the Choice Properties Information provided to George Weston or TD Securities by or on behalf of Choice Properties or its representatives in respect of Choice Properties or its subsidiaries in connection with the transaction is or, in the case of historical Choice Properties Information was, at the date of preparation, true, complete and accurate and did not and does not contain any untrue statement of a material fact and does not omit to state a material fact necessary to make the Choice Properties Information not misleading in the light of circumstances in which it was presented; (iv) to the extent that any of the Choice Properties Information identified in subparagraph (iii) above is historical, there have been no changes in any material facts or new material facts since the respective dates thereof which have not been disclosed to George Weston or TD Securities or updated by more current information not provided to George Weston or TD Securities by Choice Properties and there has been no material change, financial or otherwise in the financial condition, assets, liabilities (contingent or otherwise), business, operations or prospects of Choice Properties and no material change has occurred in the Choice Properties Information or any part thereof which would have or which would reasonably be expected to have a material effect on the Opinion; (v) any portions of the Choice Properties Information provided to George Weston or TD Securities (or filed on SEDAR) which constitute forecasts, projections or estimates were prepared using the assumptions identified therein or otherwise disclosed to George Weston or TD Securities, which, in the reasonable opinion of Choice Properties, are (or were at the time of preparation and continue to be) reasonable in the circumstances; (vi) there have been no valuations or appraisals relating to Choice Properties or any of its material subsidiaries or any of its material assets or material liabilities made in the preceding 24 months and in the possession or control of Choice Properties other than those which have been provided to George Weston or TD Securities or, in the case of valuations known to Choice Properties which it does not have within its possession or control, notice of which has not been given to George Weston or TD Securities; (vii) there have been no verbal or written offers for or transactions involving any material property of Choice Properties or any of its affiliates, taken as a whole, during the preceding 24 months which have not been disclosed to TD Securities; (viii) since the dates on which the Choice Properties Information was provided to George Weston or TD Securities (or filed on SEDAR), no material transaction has been entered into by Choice Properties or any of its respective subsidiaries except as publicly disclosed or otherwise disclosed to TD Securities; (ix) other than as disclosed in the Choice Properties Information, neither Choice Properties nor any of its subsidiaries has any material contingent liabilities and there are no actions, suits, claims, proceedings, investigations or inquiries pending or threatened against or affecting the transaction or Choice Properties or any of its subsidiaries at law or in equity or before or by any federal, national, provincial, state, municipal or other governmental department, commission, bureau, board, agency or instrumentality which may, in any way, materially adversely affect Choice Properties or its subsidiaries taken as a whole or the transaction; (x) other than as disclosed in the Choice Properties Information, all Choice Properties Information, including any projections or forecasts provided to George Weston or TD Securities, were prepared on a basis consistent in all material respects with the accounting policies applied in the most recent audited consolidated financial statements of Choice Properties; (xi) there are no agreements, undertakings, commitments or understandings (whether written or oral, formal or informal) relating to the transaction, except as have been disclosed to George Weston or TD Securities; and (xii) there is no plan or proposal for any material change (as defined in the *Securities Act* (Ontario)) in the affairs of Choice Properties which have not been disclosed to George Weston or TD Securities.

In preparing the Opinion, TD Securities has made a number of assumptions, including that all final or executed versions of agreements and documents will conform in all material respects to the drafts provided to TD Securities, that all conditions precedent to the consummation of the Arrangement can and

will be satisfied, that all approvals, authorizations, consents, permissions, exemptions or orders of relevant regulatory authorities, courts of law, or third parties required in respect of or in connection with the Arrangement will be obtained in a timely manner, in each case without adverse condition, qualification, modification or waiver, that all steps or procedures being followed to implement the Arrangement are valid and effective and comply in all material respects with all applicable laws and regulatory requirements, that all required documents have been or will be distributed to George Weston shareholders, Loblaw shareholders and Choice Property unitholders, as applicable, in accordance with applicable laws and regulatory requirements, and that the disclosure in such documents is or will be complete and accurate in all material respects and such disclosure is or will comply in all material respects with the requirements of all applicable laws and regulatory requirements. In its analysis in connection with the preparation of the Opinion, TD Securities made numerous assumptions with respect to industry performance, general business and economic conditions and other matters, many of which are beyond the control of TD Securities, George Weston, Loblaw, Choice Properties and their respective subsidiaries or any other party involved in the Arrangement. Among other things, TD Securities has assumed the accuracy, completeness and fair presentation of and has relied upon the financial statements forming part of the Information. The Opinion is conditional on all such assumptions being correct.

The Opinion has been provided for the exclusive use of the Board of Directors of George Weston in connection with the Arrangement. The Opinion may not be used or relied upon by any other person or for any other purpose without the express prior written consent of TD Securities. The Opinion does not address the relative merits of the Arrangement as compared to other transactions or business strategies that might be available to George Weston, nor does it address the underlying business decision to implement the Arrangement or any other term or aspect of the Arrangement or the Arrangement Agreement or any other agreements entered into or amended in connection with the Arrangement. In considering fairness, from a financial point of view, TD Securities considered the Arrangement from the perspective of George Weston generally and did not consider the specific circumstances of George Weston shareholders or any particular Loblaw shareholder or Choice Properties unitholder, including with regard to income tax considerations. TD Securities expresses no opinion with respect to future trading prices of securities of George Weston, Loblaw or Choice Properties. The Opinion is rendered as of September 4, 2018 on the basis of securities markets, economic and general business and financial conditions prevailing on that date and the condition and prospects, financial and otherwise, of George Weston, Loblaw, Choice Properties and their respective subsidiaries and affiliates as they were reflected in the Information provided to TD Securities. Any material changes therein may affect the Opinion and, although TD Securities reserves the right to change, withdraw, withhold or supplement the Opinion in such event, it disclaims any undertaking or obligation to advise any person of any such change that may come to its attention, or to change, withdraw, withhold or supplement the Opinion after such date. TD Securities is not an expert on, and did not provide advice to the Board of Directors of George Weston regarding, legal, accounting, regulatory or tax matters. The Opinion may not be summarized, published, reproduced, disseminated, quoted from or referred to without the express written consent of TD Securities.

The preparation of a fairness opinion, such as the Opinion, is a complex process and is not necessarily amenable to partial analysis or summary description. TD Securities believes that its analyses must be considered as a whole and that selecting portions of the analyses or the factors considered by it, without considering all factors and analyses together, could create an incomplete or misleading view of the process underlying the Opinion. Accordingly, the Opinion should be read in its entirety.

**CONCLUSION**

Based upon and subject to the foregoing and such other matters that TD Securities considered relevant, TD Securities is of the opinion that, as of September 4, 2018, the Consideration to be paid by George Weston to Loblaw Minority Shareholders pursuant to the Arrangement Agreement is fair, from a financial point of view, to George Weston.

Yours very truly,

*TD Securities Inc.*

**TD SECURITIES INC.**