

ARRANGEMENT AGREEMENT
AMONG
LOBLAW COMPANIES LIMITED
and
10945544 CANADA INC.
and
GEORGE WESTON LIMITED

September 4, 2018

ARRANGEMENT AGREEMENT

This Arrangement Agreement made as of the 4th day of September, 2018,

A M O N G:

LOBLAW COMPANIES LIMITED, a corporation existing under the laws of Canada,

(hereinafter referred to as “**LCL**”)

- and -

10945544 CANADA INC., a corporation existing under the laws of Canada,

(hereinafter referred to as “**Spinco**”)

- and -

GEORGE WESTON LIMITED, a corporation existing under the laws of Canada,

(hereinafter referred to as “**GWL**”)

WHEREAS LCL wishes to proceed with a reorganization of its assets so as to, directly or indirectly, distribute its interest in trust units and special voting units in the capital of Choice Properties Real Estate Investment Trust (“**Choice REIT**”) and Class B limited partnership units in the capital of Choice Properties Limited Partnership (“**Choice LP**”) to Spinco, which will be owned by the LCL Shareholders (as defined herein);

AND WHEREAS it is desirable to structure the LCL reorganization as an arrangement under section 192 of the CBCA (as defined herein) substantially on the terms and conditions set forth in the Plan of Arrangement (as defined herein);

AND WHEREAS following the LCL reorganization and pursuant to the Plan of Arrangement, GWL will effectively acquire all of the outstanding Spinco Common Shares (as defined herein), other than those held by its Affiliates (as defined herein), in exchange for GWL Common Shares (as defined herein);

AND WHEREAS following the completion of the transactions set forth in the Plan of Arrangement, GWL Amalco (as defined herein) will hold the interests in Choice REIT and Choice LP directly, and LCL Shareholders (other than GWL Amalco and its Affiliates) will hold, for each LCL Common Share (as defined herein) held, one LCL Common Share and 0.135 GWL Amalco Common Shares (as defined herein), being the number of GWL Amalco Common Shares equivalent in value to such LCL Shareholder’s pro rata share of the fair market value of LCL’s interest in Choice REIT and Choice LP;

AND WHEREAS Spinco has been incorporated in order to facilitate and participate in the Arrangement (as defined herein);

AND WHEREAS the LCL Board (as defined herein) has reviewed the terms and conditions of the Arrangement and has unanimously concluded, after consultation with its legal advisors and financial advisors and following receipt and review of the recommendation from its special committee of independent directors and the LCL Fairness Opinion (as defined herein), that the Arrangement is in the best interests of LCL and is fair and reasonable to LCL and the Minority LCL Shareholders (as defined herein);

AND WHEREAS the GWL Board (as defined herein) has reviewed the terms and conditions of the Arrangement and has unanimously concluded, after consultation with its legal advisors and financial advisors and following receipt and review of the GWL Fairness Opinion (as defined herein), that the Arrangement is in the best interests of GWL and is fair and reasonable to GWL;

NOW THEREFORE THIS AGREEMENT WITNESSES that, in consideration of the mutual covenants and agreements hereinafter set forth and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by each party, the parties hereby covenant and agree as follows:

ARTICLE 1 INTERPRETATION

1.1 Definitions.

In this Agreement, including the recitals hereto, other than the schedules and unless there is something in the subject matter or context inconsistent therewith, the following capitalized words and terms shall have the following meanings:

“**Affiliate**” means, in respect of any Person, another Person if: (i) one of them is the subsidiary of the other; or (ii) each of them is Controlled by the same Person.

“**Agreement**” means this arrangement agreement, including the schedules attached hereto, as supplemented or amended from time to time.

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

“**Arrangement**” means an arrangement under Section 192 of the CBCA in accordance with the terms and subject to the conditions set out in the Plan of Arrangement, subject to any amendments, variations or supplements to the Plan of Arrangement made in accordance with its terms, the terms of this Agreement or made at the direction of the Court with the consent of the Parties, each acting reasonably.

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

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

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

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

“**Choice LP**” has the meaning given to such term in the Preamble to this Agreement.

“**Choice REIT**” has the meaning given to such term in the Preamble to this Agreement.

“**Circular**” means the management information circular of LCL, including all appendices and schedules thereto, and any information incorporated by reference therein, to be sent to the LCL Shareholders in connection with the LCL Shareholder Meeting, as amended, supplemented or otherwise modified from time to time in accordance with this Agreement.

“**Control**” means, when applied to a relationship between two Persons, that a Person (the “**first Person**”) is considered to control another Person (the “**second Person**”) if: (i) the first Person, directly or indirectly, beneficially owns or exercises control or direction over securities, interests or contractual rights of the second Person carrying votes which, if exercised, would entitle the first Person to elect a majority of the directors of the second Person, or a majority of any other Persons who have the right to manage or supervise the management of the business and affairs of the second Person, unless that first Person holds the voting securities only to secure a debt or similar obligation; (ii) the second Person is a partnership, other than a limited partnership, and the first Person, together with any Person Controlled by the first Person, holds more than 50% of the interests (measured by votes or by value) of the partnership; or (iii) the second Person is a limited partnership and the general partner of the limited partnership is the first Person or any Person Controlled by the first Person, and the term “Controlled” has a corresponding meaning.

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

“**CRA**” means the Canada Revenue Agency, and any successor Governmental Authority thereto.

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

“**Effective Date**” means the date shown on the certificate of arrangement to be issued by the Director under the CBCA after the Articles of Arrangement have been filed.

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

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

“**Final Order**” means the final order of the Court or, if appealed, the final order affirmed by an appellate court, approving the Arrangement, pursuant to Section 192 of the CBCA, in a form acceptable to the Parties, each acting reasonably, as it may be amended or affirmed prior to the Effective Time by the Court or an appellate court, as the case may be, with the consent of the Parties, each acting reasonably.

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

“**GWL**” has the meaning given to such term in the Preamble to this Agreement.

“**GWL Amalco**” means the corporation to be formed on the amalgamation of GWL and Spinco Amalco, in accordance with the Plan of Arrangement.

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

“**GWL Board**” means the Board of Directors of GWL as constituted from time to time.

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

“**GWL Fairness Opinion**” means an opinion of TD Securities Inc. to be dated on or about the date of this Agreement which is addressed to the GWL Board and provides that the Arrangement is fair, from a financial point of view, to GWL.

“**GWL Public Disclosure Documents**” means, collectively, all of the following documents: (i) unaudited interim period condensed consolidated financial statements of GWL for the 12 and 24 weeks ended June 16, 2018; (ii) management’s discussion and analysis of financial condition and results of operations of GWL for the 12 and 24 weeks ended June 16, 2018; (iii) annual information form of GWL for the year ended December 31, 2017 dated March 1, 2018; (iv) management information circular of GWL dated March 29, 2018 distributed in connection with the annual and special meeting of shareholders held on May 8, 2018; (v) audited consolidated financial statements of GWL as at and for the years ended December 31, 2016 and 2017, together with the notes thereto and auditor’s report thereon; and (vi) management’s discussion and analysis of financial condition and results of operations of GWL for the year ended December 31, 2017.

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

“**GWL Stock Option Plan**” means the stock option plan of GWL in effect prior to the Effective Date.

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

“**Indemnified Person**” means each Person, actually or potentially, entitled to indemnification pursuant to Article 6.

“**Indemnifying Party**” means a Party that is, actually or potentially, required to indemnify an Indemnified Party pursuant to Article 6.

“**Interim Order**” means the interim order of the Court in respect of the Arrangement, as it may be varied or amended, as contemplated by Section 2.3 of this Agreement.

“**LCL**” has the meaning given to such term in the Preamble to this Agreement.

“**LCL Board**” or “**LCL Board of Directors**” means the Board of Directors of LCL as constituted from time to time.

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

“**LCL Fairness Opinion**” means an opinion of BMO Nesbitt Burns Inc. to be dated on or about the date of this Agreement which is addressed to the LCL Board and provides that the Arrangement is fair, from a financial point of view, to the Minority LCL Shareholders and is otherwise in a form acceptable to the LCL Board.

“**LCL New Common Shares**” means the new common shares in the capital of LCL created in accordance with the Plan of Arrangement.

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

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

“**LCL Preferred Shares**” means the 5.30% second preferred shares Series B in the capital of LCL.

“**LCL Shareholder Meeting**” means the special meeting of LCL Shareholders and any adjournment or postponement thereof, to be convened as provided in the Interim Order to, among other things, consider and, if deemed advisable, to approve the Arrangement Resolution.

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

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

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

“**Loss**” means any loss, liability, damage, cost, expense, charge, fine, penalty or assessment of whatever nature or kind, including Taxes, the reasonable out-of-pocket costs and expenses of any action, suit, proceeding, demand, assessment, judgment, settlement or compromise relating thereto, fines and penalties and reasonable legal fees (on a solicitor and its own client basis) and disbursements, excluding loss of profits and consequential damages.

“**material adverse effect**” means, in respect of any corporation, any change, event, fact, circumstance or occurrence that has, or would reasonably be expected to have, a material and adverse effect upon the business, assets, liabilities, capitalization, financial condition or results of operation of that corporation and its subsidiaries considered as a whole.

“**Meeting Materials**” means the notice of meeting, the Circular and the form of proxy in respect of the LCL Shareholder Meeting which accompanies the Circular.

“**MI 61-101**” means Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions*.

“**Minority LCL Shareholders**” means the LCL Shareholders other than GWL and its Affiliates and other persons described in items (a) through (d) of Section 8.1(2) of MI 61-101.

“**misrepresentation**” means an untrue statement of a material fact, or an omission to state a material fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it was made.

“**Party**” means a party to this Agreement.

“**Person**” means and includes an individual, sole proprietorship, partnership, unincorporated association, unincorporated syndicate, unincorporated organization, trust, body corporate, trustee, executor, administrator or other legal representative and the Crown or any agency or instrumentality thereof.

“**Plan of Arrangement**” means the plan of arrangement attached as Schedule “A”, as amended, varied or supplemented in accordance with the terms thereof, the terms of this Agreement or made at the discretion of the Court with the consent of the Parties, each acting reasonably.

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

“**Representatives**” means, collectively, the directors, officers, employees and agents of a Party at any time and their respective heirs, executors, administrators and other legal representatives.

“**Specified Corporation**” has the meaning attributed to such term in subsection 55(1) of the Tax Act.

“**Spinco**” has the meaning given to such term in the Preamble to this Agreement.

“**Spinco Amalco**” means the corporation to be formed on the amalgamation of WFDI Amalco, WHL/TC, 2397454, Rocky, Rocky Sub, WFIC Sub, Spinco and TC Amalco (each as defined in the Plan of Arrangement), in accordance with the Plan of Arrangement.

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

“**subsidiary**” has the meaning given to that term in the CBCA, provided that for the purpose of this Agreement, LCL and its subsidiaries shall not be considered to be subsidiaries of GWL.

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

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

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

“**Taxes**” includes all applicable present and future income taxes, capital taxes, stamp taxes, charges to tax, withholdings, sales and use taxes, value added taxes and goods and services taxes, harmonized sales taxes and all penalties, interest and other payments on or in respect thereof.

“**Third Party Claim**” has the meaning given to such term in Section 6.2 of this Agreement.

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

1.2 Construction.

In this Agreement, unless otherwise expressly stated or the context otherwise requires:

- (a) the division of this Agreement into Articles and Sections and the use of headings are for convenience of reference only and do not affect the construction or interpretation hereof;
- (b) the words “hereunder”, “hereof” and similar expressions refer to this Agreement and not to any particular Article or Section and references to “Articles” and “Sections” are to Articles and Sections of this Agreement;
- (c) words importing the singular include the plural and vice versa, words importing any gender include all genders and words importing persons include individuals, corporations, general and limited partnerships, associations, trusts, unincorporated organizations, joint ventures, Governmental Authorities and other entities;
- (d) the word “including” means “including without limiting the generality of the foregoing”;
- (e) if any date on which any action is required to be taken under this Agreement is not a Business Day, such action will be required to be taken on the next succeeding Business Day;
- (f) a reference to time is to local time in Toronto, Ontario; and
- (g) a reference to the knowledge of a Party means to the best of the knowledge of any of the executive officers of such Party after reasonable enquiry.

1.3 Currency.

All references to currency herein are to lawful money of Canada unless otherwise specified.

1.4 Schedules.

The following schedule is attached to this Agreement and forms a part hereof:

Schedule A – Plan of Arrangement

ARTICLE 2 THE ARRANGEMENT

2.1 Arrangement.

Each of the Parties agrees that the Arrangement will be implemented in accordance with and subject to the terms and conditions contained in this Agreement and on the terms set forth in the Plan of Arrangement.

2.2 Effective Date and Effective Time.

- (a) The Arrangement will become effective on the Effective Date, and commencing at the Effective Time, the steps to be carried out pursuant to the Arrangement will become effective in the order set out in the Plan of Arrangement without any further act or formality, except as contemplated in the Plan of Arrangement.
- (b) Subject to the satisfaction or waiver, as applicable, of the terms and conditions contained in this Agreement, the Parties will use commercially reasonable efforts and do all things reasonably required to cause the Effective Date to occur on or before December 31, 2018.

2.3 Interim Order.

As soon as reasonably practicable following the execution of this Agreement, LCL will apply to the Court pursuant to Section 192 of the CBCA and prepare, file and diligently pursue an application for the Interim Order, which will provide, among other things:

- (a) for the calling and holding of the LCL Shareholder Meeting for the purpose of considering the Arrangement Resolution;
- (b) for the class of Persons to whom notice is to be provided in respect of the Arrangement and the LCL Shareholder Meeting and for the manner in which such notice is to be provided;
- (c) that the requisite approval for the Arrangement Resolution will be: (i) not less than 66 $\frac{2}{3}$ % of the votes cast by the LCL Shareholders present in person or represented by proxy at the LCL Shareholder Meeting; and (ii) not less than a majority of the votes cast by the LCL Shareholders present in person or represented by proxy at the LCL Shareholder Meeting excluding for this purpose votes attached to LCL Common Shares held by GWL and its Affiliates and other persons described in items (a) through (d) of Section 8.1(2) of MI 61-101;
- (d) that, in all other respects, the terms, conditions and restrictions of LCL's articles of continuance and by-laws, including quorum requirements for the LCL Shareholders, and all other matters, shall apply in respect of the LCL Shareholder Meeting;
- (e) for the notice requirements with respect to the presentation of the application to the Court for the Final Order;
- (f) for the confirmation of the record date for the LCL Shareholder Meeting;
- (g) that the LCL Shareholder Meeting may be adjourned or postponed from time to time by the LCL Board in accordance with the terms of this Agreement without the need for additional approval of the Court;

- (h) for such other matters as LCL or GWL may reasonably require, subject to obtaining the prior consent of the other, such consent not to be unreasonably withheld or delayed, and subject to approval by the Court; and
- (i) in seeking the Interim Order, LCL shall advise the Court that it is GWL's intention to rely upon the exemption from registration provided by Section 3(a)(10) of the U.S. Securities Act with respect to the issuance of the GWL Amalco Common Shares, LCL New Common Shares, LCL Spin-off Butterfly Shares, Spinco Common Shares and LCL Common Shares, based on the Court's approval of the Arrangement.

2.4 LCL Shareholder Meeting.

Subject to the terms of this Agreement and the receipt of the Interim Order:

- (a) LCL will convene and conduct the LCL Shareholder Meeting in accordance with the Interim Order and Applicable Law as soon as reasonably practicable for the purpose of considering the Arrangement Resolution (and any other proper purpose as may be set out in the Meeting Materials and agreed to by the other Parties acting reasonably), and will not adjourn, postpone or cancel (or propose the adjournment, postponement or cancellation of) the LCL Shareholder Meeting without the prior written consent of GWL, except: (i) as required for quorum purposes (in which case the LCL Shareholder Meeting will be adjourned and not cancelled), by Applicable Law or by valid shareholder action (which action is not solicited or proposed by or on behalf of another Party or its respective subsidiaries); or (ii) as otherwise permitted by this Agreement;
- (b) LCL will use all reasonable commercial efforts to solicit (or cause to be solicited) proxies in favour of the approval of the Arrangement Resolution and the other matters to be submitted to the LCL Shareholder Meeting, if any, including, if requested by GWL and at GWL's expense, using proxy solicitation services selected by GWL in compliance with any Applicable Law, and take all actions that are reasonably necessary or desirable to seek the approval of the Arrangement Resolution by the LCL Shareholders; and
- (c) LCL will advise GWL as it may reasonably request, and at least on a daily basis on each of the last twenty (20) Business Days prior to the date of the LCL Shareholder Meeting, as to the aggregate tally of the proxies received by LCL in respect of the Arrangement Resolution.

2.5 Meeting Materials.

- (a) As promptly as reasonably practicable following execution of this Agreement, and in any event no later than 21 days prior to the date of the LCL Shareholder Meeting LCL will: (i) prepare the Meeting Materials (and any necessary amendments or supplements to the Circular), together with any other documents required by Applicable Law in connection with the LCL Shareholder Meeting; and (ii) cause the Meeting Materials and other documentation required under

Applicable Law in connection with the LCL Shareholder Meeting to be mailed and filed as required by the Interim Order and in accordance with Applicable Law.

- (b) On the date of mailing thereof, the Circular will comply in all material respects with all Applicable Law and the Interim Order and will contain sufficient detail to permit the LCL Shareholders to form a reasoned judgment concerning the matters to be placed before them at the LCL Shareholder Meeting and, without limiting the generality of the foregoing, the Circular will not contain any misrepresentation (provided that LCL will not be responsible for the accuracy of any information about GWL incorporated by reference in the Circular or that is provided in writing by any other Party for the purpose of inclusion in the Meeting Materials).
- (c) Each of GWL and Spinco will promptly provide to LCL all information regarding GWL and Spinco, as applicable, and their respective subsidiaries, as is reasonably requested by LCL or required by the Interim Order or Applicable Law for inclusion in the Meeting Materials. Each of GWL and Spinco will ensure that such information (and, in the case of GWL, any information about GWL incorporated by reference in the Circular) is in compliance with all Applicable Law and does not contain any misrepresentation.
- (d) GWL will be given a reasonable opportunity to review and comment on the Meeting Materials prior to the Meeting Materials being printed and filed with any Governmental Authority, and reasonable consideration will be given to any comments made by GWL. LCL will provide GWL with final copies of the Meeting Materials prior to mailing the Meeting Materials to the LCL Shareholders.
- (e) GWL will indemnify and save harmless LCL, its subsidiaries and their respective Representatives and legal and financial advisors for a period of two years from the Effective Date from and against any and all liabilities, claims, demands, losses, costs, damages and expenses to which LCL, any subsidiary of LCL or any of their respective Representatives or legal and financial advisors may be subject or may suffer in any way caused by, or arising, directly or indirectly, from or in consequence of:
 - (i) any misrepresentation or alleged misrepresentation in any information (A) included in the Meeting Materials that is provided in writing by GWL for the purpose of inclusion in the Meeting Materials, or (B) about GWL incorporated by reference in the Circular; or
 - (ii) any order made, or any inquiry, investigation or proceeding by any Governmental Authority to the extent based on any misrepresentation or any alleged misrepresentation in any information (A) provided in writing by GWL for the purpose of inclusion in the Meeting Materials, or (B) about GWL incorporated by reference in the Circular.

- (f) LCL will indemnify and save harmless GWL, its subsidiaries and their respective Representatives and legal and financial advisors for a period of two years from the Effective Date from and against any and all liabilities, claims, demands, losses, costs, damages and expenses to which GWL, any of its subsidiaries or any of their respective Representatives or legal and financial advisors may be subject or may suffer in any way caused by, or arising, directly or indirectly, from or in consequence of:
- (i) any misrepresentation or alleged misrepresentation in any information included in the Meeting Materials, other than information that is provided in writing by GWL for the purpose of inclusion in the Meeting Materials and information about GWL incorporated by reference in the Circular;
 - (ii) any misrepresentation or alleged misrepresentation in any information (A) included in any disclosure document prepared by GWL in connection with the Arrangement that is provided in writing by LCL for the purpose of inclusion in such disclosure document, or (B) about LCL incorporated by reference in the Circular; or
 - (iii) any order made, or any inquiry, investigation or proceeding by any Governmental Authority to the extent based on any misrepresentation or any alleged misrepresentation in the Meeting Materials, other than information that is provided in writing by GWL for the purpose of inclusion in the Meeting Materials and information about GWL incorporated by reference in the Circular.
- (g) Each Party will promptly notify the other Parties if, at any time before the Effective Date, any of them becomes aware that the Meeting Materials contain a misrepresentation, or becomes aware that the Meeting Materials otherwise require an amendment or supplement, and the Parties will cooperate in the preparation of any such amendment or supplement to the Meeting Materials as required or appropriate, and LCL will promptly mail or otherwise publicly disseminate any amendment or supplement to the Meeting Materials to the LCL Shareholders and, if required by the Court or Applicable Law, file the same with any Governmental Authority and as otherwise required.

2.6 Final Order.

If the Interim Order and the approval of the LCL Shareholders as set out in the Interim Order are obtained, LCL will, subject to the terms of this Agreement, thereafter take all commercially reasonable steps necessary or desirable to submit the Arrangement to the Court and apply for the Final Order pursuant to Section 192 of the CBCA as soon as reasonably practicable following the LCL Shareholder Meeting, but in any event within three (3) Business Days after the Arrangement Resolution is passed at the LCL Shareholder Meeting as provided in the Interim Order.

2.7 Court Proceedings.

Subject to the terms and conditions of this Agreement, GWL and Spinco will cooperate with, assist and consent to LCL seeking the Interim Order and the Final Order, including by providing to LCL on a timely basis any information required to be supplied by such other Parties concerning GWL or Spinco in connection therewith. LCL will provide GWL with reasonable opportunity to review and comment upon drafts of all material to be filed with the Court in connection with the Arrangement and will give reasonable consideration to all such comments with respect to any such information required to be supplied by Spinco or GWL and included in such material. In addition, LCL will not object to GWL making such submissions on the hearing of the motion for the Interim Order and the application for the Final Order, provided that LCL is advised of the nature of any submissions prior to the hearing and such submissions are consistent with this Agreement, the agreements that it contemplates and the Plan of Arrangement. Notwithstanding the foregoing, in the event that LCL is notified or otherwise becomes aware that an objection to the Arrangement will or is anticipated to be raised at the Final Order hearing, GWL will be consulted on the strategy for responding to the objector and addressing the objection, and will be permitted to participate and cooperate in the preparation of submissions and court materials and otherwise participate in the hearing, subject to Applicable Law and provided that such submissions are consistent with this Agreement, the agreements that it contemplates and the Plan of Arrangement. LCL will also provide GWL on a timely basis with copies of any notice of appearance, proceedings and evidence served on LCL in respect of the application for the Interim Order or the Final Order or any appeal therefrom. LCL will not file any material with the Court in connection with the Arrangement or serve any such material, or agree to modify or amend materials so filed or served, except as contemplated hereby or with the written consent of GWL, acting reasonably.

2.8 Effecting the Arrangement and Ancillary Filings with the Director.

Subject to the rights of termination contained in Section 7.2, upon the LCL Shareholders approving the Arrangement as set out in the Interim Order and Applicable Law, LCL obtaining the Final Order and the satisfaction (or waiver, if applicable) of the other conditions herein contained in favour of each of the Parties, the Parties will agree upon the desired Effective Date, which in any event will be no less than five Business Days after the last of the conditions contained herein has been satisfied, and covenant and agree to file with the Director any and all documents (including, with respect to the filing to be made pursuant to subsection 192(6) of the CBCA, the Articles of Arrangement) and to exchange (to the extent not previously exchanged) such other documents as may be necessary or desirable to give effect to the Arrangement and implement Section 3.1 of the Plan of Arrangement on such date. The closing of the Arrangement will take place at the offices of Torys LLP, Suite 3300, 79 Wellington Street West, Toronto, Ontario M5K 1N2 at 8:00 a.m. (Toronto local time) on the Effective Date, or at such other time and place as may be agreed to by the Parties.

2.9 U.S. Securities Law Matters

The Parties agree that the Arrangement will be carried out with the intention that all GWL Amalco Common Shares, LCL New Common Shares, LCL Spin-off Butterfly Shares, Spinco Common Shares and LCL Common Shares issued under the Arrangement will be issued by

GWL in reliance on the exemption from the registration requirements of the U.S. Securities Act provided by Section 3(a)(10) thereunder. In order to ensure the availability of the exemption under Section 3(a)(10) of the U.S. Securities Act and to facilitate GWL's compliance with other United States securities laws, the Parties agree that the Arrangement will be carried out on the following basis:

- (a) prior to the issuance of the Interim Order, the Court will be advised as to the intention of the Parties to rely on the exemption provided by Section 3(a)(10) of the U.S. Securities Act with respect to the issuance of GWL Common Shares pursuant to the Arrangement, based on the Court's approval of the Arrangement;
- (b) LCL will ensure that each LCL Shareholder and any other Person entitled to receive GWL Common Shares pursuant to the Arrangement will be given adequate and appropriate notice advising them of their right to attend the hearing of the Court to give approval to the Arrangement and providing them with sufficient information necessary for them to exercise that right;
- (c) all Persons entitled to receive GWL Common Shares pursuant to the Arrangement will be advised that GWL Common Shares issued pursuant to the Arrangement have not been registered under the U.S. Securities Act and will be issued by GWL in reliance on the exemption provided by Section 3(a)(10) of the U.S. Securities Act; and
- (d) the Final Order approving the terms and conditions of the Arrangement that is obtained from the Court will expressly state that the Arrangement is approved by the Court as fair and reasonable to all Persons entitled to receive GWL Common Shares pursuant to the Arrangement.

ARTICLE 3 REPRESENTATIONS AND WARRANTIES

3.1 Representations and Warranties of LCL.

LCL represents and warrants to each of the other Parties as follows and acknowledges that the other Parties are relying on such representations and warranties in connection with entering into this Agreement and consummating the Arrangement:

- (a) LCL is a corporation existing under the laws of Canada, has the requisite power and authority to enter into this Agreement and, subject to obtaining the requisite approvals contemplated hereby, to perform its obligations hereunder;
- (b) the execution, delivery and performance of this Agreement by LCL has been duly authorized by the LCL Board and do not (or would not with the giving of notice, the passage of time or the happening of any other event or circumstance):
 - (i) result in the breach or violation of any of the provisions of, or constitute a default under:

- (A) any provision of its constating documents or by-laws or resolutions of the LCL Board (or any committee thereof) or the LCL Shareholders;
 - (B) assuming compliance with the matters referred to in Section 3.1(d), any Applicable Law in respect of LCL;
 - (C) any judgment, decree, order or award of any Governmental Authority having jurisdiction over LCL;
 - (D) any licence, permit, approval, consent or authorization held by LCL or its subsidiaries, as applicable, that is material to LCL and its subsidiaries, considered as a whole; or
 - (E) any other contract or agreement that is material to LCL and its subsidiaries, considered as a whole; or
- (ii) give rise to any right of termination or acceleration of any material third party indebtedness of LCL or its subsidiaries, or cause any such indebtedness to come due before its stated maturity;
- (c) this Agreement has been duly executed and delivered by LCL and is a legal, valid and binding obligation of LCL, enforceable against LCL by each of the other Parties in accordance with its terms, subject to bankruptcy, fraudulent transfer, moratorium, reorganization or similar laws affecting the rights of creditors generally and the availability of equitable remedies and the enforceability of any limitations of liability or other exculpatory provisions or indemnities that purport to limit or exculpate a Party from or indemnify such Party for, liabilities imposed by Applicable Law on such Party;
- (d) other than (i) receipt of the Interim Order and the Final Order and the filing of materials with the Court in connection therewith; (ii) the receipt of such other approvals of Governmental Authorities as have already been obtained; (iii) any approvals required by the Interim Order or the Final Order; (iv) filings with the Director under the CBCA, (v) compliance with any applicable securities laws and the rules and policies of the Exchange, and (vi) authorizations, consents, approvals and filings the failure of which to obtain or make would not, individually or in the aggregate, prevent, enjoin, alter or materially delay completion of the Arrangement or any of the other transactions contemplated hereunder or have a material adverse effect on LCL, no authorization, consent or approval of, or filing with any Governmental Authority or any court or other authority is necessary for the consummation by LCL of its obligations under this Agreement;
- (e) no dissolution, winding up, bankruptcy, liquidation or similar proceeding has been commenced or is pending or proposed in respect of LCL;

- (f) LCL is a reporting issuer (where such concept exists) in all provinces and territories of Canada and is in material compliance with all applicable Canadian securities laws therein;
- (g) the authorized capital of LCL consists of an unlimited number of LCL Common Shares, 1,000,000 first preferred shares and an unlimited number of second preferred shares of which 374,960,742 LCL Common Shares and 9,000,000 LCL Preferred Shares are issued and outstanding as of the date hereof;
- (h) the LCL Common Shares are listed and posted for trading on the Exchange and LCL is in material compliance with the rules of the Exchange;
- (i) no Person holds any securities convertible into securities of LCL or has any agreement, warrant, option or any other right capable of becoming an agreement, warrant or option for the purchase or other acquisition of any unissued shares of LCL, other than holders of LCL Stock Options and as contemplated by this Agreement, the Pre-Arrangement Transactions or the Plan of Arrangement; and
- (j) as of the date hereof, there are 7,438,400 LCL Stock Options outstanding.

3.2 Representations and Warranties of GWL.

GWL represents and warrants to each of the other Parties as follows and acknowledges that the other Parties are relying on such representations and warranties in connection with entering into this Agreement and consummating the Arrangement:

- (a) GWL is a corporation existing under the laws of Canada, has the requisite power and authority to enter into this Agreement and, subject to obtaining the requisite corporate approvals contemplated hereby, to perform its obligations hereunder;
- (b) the execution, delivery and performance of this Agreement by GWL has been duly authorized by all necessary corporate action on the part of GWL and do not (or would not with the giving of notice, the passage of time or the happening of any other event or circumstance):
 - (i) result in the breach or violation of any of the provisions of, or constitute a default under:
 - (A) any provision of its constating documents or by-laws or resolutions of the GWL Board (or any committees thereof) or the GWL Shareholders;
 - (B) assuming compliance with the matters referred to in Section 3.2(d), any Applicable Law in respect of GWL;
 - (C) any judgment, decree, order or award of any Governmental Authority having jurisdiction over GWL;

- (D) any licence, permit, approval, consent or authorization held by GWL or its subsidiaries, as applicable, that is material to GWL and its subsidiaries, considered as a whole; or
 - (E) any other contract or agreement that is material to GWL and its subsidiaries, considered as a whole; or
- (ii) give rise to any right of termination or acceleration of any third party indebtedness of GWL or its subsidiaries, or cause any such indebtedness to come due before its stated maturity;
- (c) this Agreement has been duly executed and delivered by GWL and is a legal, valid and binding obligation of GWL, enforceable against GWL by each of the other Parties in accordance with its terms, subject to bankruptcy, fraudulent transfer, moratorium, reorganization or similar laws affecting the rights of creditors generally and the availability of equitable remedies and the enforceability of any limitations of liability or other exculpatory provisions or indemnities that purport to limit or exculpate a Party from or indemnify such Party for, liabilities imposed by Applicable Law on such Party;
 - (d) other than (i) receipt of the Interim Order and the Final Order and the filing of materials with the Court in connection therewith, (ii) any approvals required by the Interim Order or the Final Order, (iii) filings under the CBCA, and (iv) authorizations, consents, approvals and filings the failure of which to obtain or make would not, individually or in the aggregate, prevent, enjoin, alter or materially delay completion of the Arrangement or have a material adverse effect on GWL, no authorization, consent or approval of, or filing with any Governmental Authority or any court or other authority is necessary for the consummation by GWL of its obligations under this Agreement;
 - (e) no dissolution, winding up, bankruptcy, liquidation or similar proceeding has been commenced or is pending or proposed in respect of GWL;
 - (f) GWL is a reporting issuer (where such concept exists) in all provinces and territories of Canada and is in material compliance with all applicable Canadian securities laws therein;
 - (g) GWL has not filed any confidential material change reports with any securities regulatory authority, stock exchange or self-regulatory organization;
 - (h) the GWL Public Disclosure Documents comply in all material respects with the requirements of Applicable Law relating to securities and, after giving effect to all subsequent filings in relation to matters covered in earlier filings, do not contain any misrepresentation (as defined by Applicable Law relating to securities);
 - (i) no representation or warranty contained in this Agreement or other disclosure document provided or to be provided to LCL by GWL pursuant to this Agreement (including any information about GWL incorporated by reference in the Circular)

contains or will contain any untrue statement of a material fact or omits to state a material fact which is necessary in order to make the statements herein or therein not misleading;

- (j) the authorized capital of GWL consists of an unlimited number of GWL Common Shares, an unlimited number of preferred shares and an unlimited number of junior preferred shares of which, as of the date hereof, 128,004,251 GWL Common Shares, 9,400,000 5.80% non-voting preferred shares, Series I, 8,000,000 5.20% non-voting preferred shares, Series III, 8,000,000 5.20% non-voting preferred shares, Series IV and 8,000,000 4.75% non-voting preferred shares, Series V are issued and outstanding;
- (k) the GWL Common Shares are listed and posted for trading on the Exchange and GWL is in material compliance with the rules of the Exchange;
- (l) no Person holds any securities convertible into securities of GWL or has any agreement, warrant, option or any other right capable of becoming an agreement, warrant or option for the purchase or other acquisition of any unissued shares of GWL, other than holders of GWL Stock Options as contemplated by this Agreement, the Pre-Arrangement Transactions or the Plan of Arrangement; and
- (m) the GWL Common Shares to be issued to holders of Spinco Common Shares in accordance with the Plan of Arrangement will be duly authorized and validly issued as fully-paid and non-assessable and will not be subject to any pre-emptive rights.

3.3 Representations and Warranties of Spinco.

Spinco represents and warrants to each of the Parties as follows and acknowledges that the Parties are relying on such representations and warranties in connection with entering into this Agreement and consummating the Arrangement:

- (a) Spinco is a corporation existing under the laws of Canada, has the requisite power and authority to enter into this Agreement and, subject to obtaining the requisite approvals contemplated hereby, to perform its obligations hereunder;
- (b) the execution, delivery and performance of this Agreement by Spinco has been duly authorized by all necessary corporate action on the part of Spinco and do not (or would not with the giving of notice, the passage of time or the happening of any other event or circumstance) result in the breach or violation of any of the provisions of, or constitute a default under:
 - (i) any provision of the constating documents or by-laws or resolutions of the board of directors (or any committee thereof) of Spinco; or
 - (ii) assuming compliance with the matters referred to in Section 3.3(d), any Applicable Law in respect of Spinco or any of its subsidiaries;

- (c) this Agreement has been duly executed and delivered by Spinco and is a legal, valid and binding obligation of Spinco, enforceable against Spinco by each of the other Parties in accordance with its terms, subject to bankruptcy, fraudulent transfer, moratorium, reorganization or similar laws affecting the rights of creditors generally and the availability of equitable remedies and the enforceability of any limitations of liability or other exculpatory provisions or indemnities that purport to limit or exculpate a Party from or indemnify such Party for, liabilities imposed by Applicable Law on such Party;
- (d) other than (i) receipt of the Interim Order and the Final Order and the filing of materials with the Court in connection therewith, (ii) any approvals required by the Interim Order or the Final Order, (iii) filings with the Director under the CBCA, and (iv) compliance with any applicable securities laws and the rules and policies of the Exchange, no authorization, consent or approval of, or filing with any Governmental Authority or any court or other authority is necessary for the consummation by Spinco of its obligations under this Agreement;
- (e) no dissolution, winding up, bankruptcy, liquidation or similar proceeding has been commenced or is pending or proposed in respect of Spinco;
- (f) the authorized capital of Spinco consists of an unlimited number of Spinco Common Shares and an unlimited number of Spinco preferred shares of which, as of the date hereof, no shares in the capital stock of Spinco have been issued;
- (g) no Person holds any securities convertible into securities of Spinco or has any agreement, warrant, option or any other right capable of becoming an agreement, warrant or option for the purchase or other acquisition of any unissued shares of Spinco, other than as contemplated by this Agreement or the Plan of Arrangement; and
- (h) Spinco has no assets and no liabilities and it has carried on no business other than relating to and contemplated by this Agreement or the Plan of Arrangement.

3.4 Survival.

The representations and warranties of each Party contained in this Agreement will not survive the completion of the Arrangement and will expire and be terminated on the earlier of the Effective Time and the date on which this Agreement is terminated in accordance with its terms.

ARTICLE 4 COVENANTS

4.1 General Covenants.

Subject to the terms of this Agreement, each Party severally covenants and agrees to use its commercially reasonable efforts to take or cause to be taken all actions and to do or cause to be done all things necessary, proper or advisable under Applicable Law to complete the

transactions contemplated hereby (including the consummation of the Arrangement) as soon as reasonably practicable, including;

- (a) to promptly notify each other Party of: (i) any notice or other communication from any Governmental Authority in connection with this Agreement and contemporaneously provide a copy of any such written notice or communication to the other Parties (except for notices and information which a Party reasonably considers to be confidential or sensitive which may be provided on a “counsel only” basis); and (ii) any notice or other communication from any Person alleging that the consent (or waiver, permit, exemption, order, approval, agreement, amendment or confirmation) of such Person is required in connection with this Agreement or the Arrangement;
- (b) except as may otherwise be required by Applicable Law or the terms of any applicable agreement or arrangement with a third party who provided or has the ability to control the applicable information, each Party will, and will cause its respective subsidiaries to, use commercially reasonable efforts to provide the other Parties (or their respective subsidiaries or Representatives) with such cooperation as may be reasonably requested by such other Parties in connection with the preparation or filing of any report or filing required by any Governmental Authority contemplated by this Agreement prior to the Effective Time, including any financial statements or continuous disclosure filings;
- (c) to not take any action that would interfere with or be inconsistent with the completion of the Pre-Arrangement Transactions or the Arrangement and the transactions contemplated by this Agreement or would render, or that would reasonably be expected to render, any representation or warranty made by such Party in this Agreement untrue or inaccurate in any material respect at any time prior to the Effective Time if then made (except for representations or warranties made as of a specified date, the accuracy of which shall be determined as of that specified date);
- (d) to comply promptly with all requirements which Applicable Law may impose on such Party with respect to the transactions contemplated hereby and by the Pre-Arrangement Transactions and the Arrangement;
- (e) to use commercially reasonable efforts to have lifted or rescinded any injunction or restraining order relating to such Party or other order which may adversely affect the ability of the Parties to consummate the transactions contemplated hereby;
- (f) cooperate in obtaining the Tax Ruling and making such amendments to this Agreement and the Plan of Arrangement as may be necessary to obtain the Tax Ruling (provided any such amendments do not adversely affect LCL or the Minority LCL Shareholders) and implement the Pre-Arrangement Transactions and the Arrangement; and

- (g) in determining the Effective Date, endeavor to ensure coordination between GWL Amalco dividends and Choice REIT distributions, it being the intention of the Parties that LCL Shareholders should not receive a dividend on GWL Amalco Shares for any quarter unless GWL is entitled to receive distributions in respect of the interest in Choice REIT for that same period.

4.2 Tax-Related Covenants.

- (a) Each Party covenants and agrees with and in favour of each other Party that: (i) it will not, on or before the Effective Date, perform any act or enter into any transaction, or permit any transaction within its control to occur, that could reasonably be considered to interfere or be inconsistent with the Tax Ruling (or, prior to the issuance of the Tax Ruling, the Tax Ruling Application); (ii) it will not perform any act or enter into any transaction, or permit any transaction within its control to occur, that would cause LCL, any subsidiary of LCL, or any subsidiary of GWL that is a corporation to cease to be a Specified Corporation on or prior to the Effective Date, except as contemplated herein or in the Tax Ruling (or, prior to the issuance of the Tax Ruling, the Tax Ruling Application); and (iii) it will fulfill all representations or undertakings provided by it, or on its behalf and made with its knowledge and consent, in the Tax Ruling (or, prior to the issuance of the Tax Ruling, the Tax Ruling Application).
- (b) Each Party covenants and agrees with and in favour of each other Party that, for a period of three years after the Effective Date, it will not take any action, omit to take any action or enter into any transaction that could cause the Pre-Arrangement Transactions, the Arrangement or any transaction contemplated by this Agreement to be taxed in a manner that is inconsistent with that provided for in the Tax Ruling without obtaining a tax ruling or an opinion of a nationally recognized accounting firm or law firm that such action, omission or transaction will not have such effect.
- (c) Each Party covenants and agrees with and in favour of each other Party to: (i) file its Tax returns and make all other filings, notifications, designations and elections (including section 85 elections under the Tax Act, and the corresponding provisions of any applicable provincial tax legislation), pursuant to the Tax Act and/or applicable provincial or foreign tax legislation, that are contemplated in the Tax Ruling, the Plan of Arrangement and this Agreement, and (ii) make adjustments to its stated capital accounts in accordance with the terms of the Plan of Arrangement following the Effective Date. Where an agreed amount is to be included in any election referred to in this Section 4.2(c), such amount will be within the range contemplated by the Tax Act and/or applicable provincial or foreign tax legislation, as the case may be, and will be the amount, if any, contemplated by the Tax Ruling, the Plan of Arrangement and this Agreement.
- (d) Each of Party covenants and agrees with and in favour of each other to cooperate in the preparation, execution and filing, in the form and within the time limits prescribed or otherwise contemplated in the Tax Act, of all Tax returns, filings,

notifications, designations and elections under the Tax Act as contemplated in the Tax Ruling, the Plan of Arrangement and this Agreement (and any similar Tax returns, elections, notifications or designations that may be required under applicable provincial or foreign tax legislation).

- (e) Each Party covenants and agrees with and in favour of each other Party to cause each of its respective subsidiaries, as applicable, to comply with the foregoing Sections 4.2(a) to 4.2(d).

4.3 Covenants of LCL.

LCL covenants and agrees to (and will cause each of its subsidiaries, as applicable, to):

- (a) perform the obligations required to be performed by LCL under the Pre-Arrangement Transactions and the Plan of Arrangement and do all such other acts and things as may be necessary or desirable and are within its power and control in order to carry out and give effect to the Pre-Arrangement Transactions and the Arrangement, including using all commercially reasonable efforts to obtain:
 - (i) the approval of LCL Shareholders required for the implementation of the Arrangement;
 - (ii) the Interim Order and the Final Order;
 - (iii) such other consents, orders, rulings or approvals and assurances as are necessary or desirable for the implementation of the Arrangement, including those referred to in Section 5.1; and
 - (iv) satisfaction of the other conditions precedent referred to in Article 5;
- (b) use commercially reasonable efforts to defend and upon request take all commercially reasonable steps to resolve, in consultation with the other Parties, all lawsuits or other legal, regulatory or other proceedings or disputes which may adversely affect the ability of the Parties to consummate the transactions contemplated hereby, including any proxy solicitation matters to which it or its subsidiaries is a party or by which it or they are affected, and will consult with and may permit the other Parties to participate in any discussions with and in formulating strategies for responding to any such lawsuits or other legal, regulatory or other proceedings or disputes;
- (c) unless otherwise required by Applicable Law, obtain the consent of GWL prior to issuing any press releases or otherwise making public statements with respect to this Agreement or the consummation of the Arrangement; and
- (d) use best efforts to ensure that no more than 375,949,987 LCL Common Shares will be issued and outstanding as of the Effective Date.

4.4 Covenants of Spinco.

Spinco covenants and agrees to (and will cause each of its subsidiaries, as applicable, to):

- (a) perform the obligations required to be performed by it under the Pre-Arrangement Transactions and the Plan of Arrangement and do all such other acts and things as may be necessary or desirable and are within its power and control in order to carry out and give effect to the Pre-Arrangement Transactions and the Arrangement, including using all commercially reasonable efforts to obtain (on its own or in cooperation with LCL, as applicable):
 - (i) the Interim Order and the Final Order;
 - (ii) such other consents, rulings, orders, approvals and assurances as are necessary or desirable for the implementation of the Arrangement, including those referred to in Section 5.1; and
 - (iii) satisfaction of the other conditions precedent referred to in Article 5;
- (b) use commercially reasonable efforts to defend and upon request take all commercially reasonable steps to resolve, in consultation with the other Parties, all lawsuits or other legal, regulatory or other proceedings or disputes which may adversely affect the ability of the Parties to consummate the transactions contemplated hereby, and will consult with and may permit the other Parties to participate in any discussions with and in formulating strategies for responding to any such lawsuits or other legal, regulatory or other proceedings or disputes;
- (c) unless otherwise required by Applicable Law, obtain the consent of LCL and GWL prior to issuing any press releases or otherwise making public statements with respect to this Agreement or the consummation of the Arrangement; and
- (d) not issue shares in its capital stock prior to the Effective Time and will issue such initial shares only in accordance with the terms of the Arrangement, if applicable.

4.5 Covenants of GWL.

GWL covenants and agrees to (and will cause each of its subsidiaries, as applicable, to):

- (a) perform the obligations required to be performed by it under the Pre-Arrangement Transactions and the Plan of Arrangement and do all such other acts and things as may be necessary or desirable and are within its power and control in order to carry out and give effect to the Pre-Arrangement Transactions and the Arrangement, including using all commercially reasonable efforts to obtain (on its own or in cooperation with LCL, as applicable):
 - (i) the Interim Order and the Final Order;

- (ii) such other consents, rulings, orders, approvals and assurances as are necessary or desirable for the implementation of the Arrangement, including those referred to in Section 5.1; and
 - (iii) satisfaction of the other conditions precedent referred to in Article 5;
- (b) use commercially reasonable efforts to defend and upon request take all commercially reasonable steps to resolve, in consultation with the other Parties, all lawsuits or other legal, regulatory or other proceedings or disputes which may adversely affect the ability of the Parties to consummate the transactions contemplated hereby, and will consult with and may permit the other Parties to participate in any discussions with and in formulating strategies for responding to any such lawsuits or other legal, regulatory or other proceedings or disputes;
 - (c) unless otherwise required by Applicable Law, obtain the consent of LCL prior to issuing any press releases or otherwise making public statements with respect to this Agreement or the consummation of the Arrangement;
 - (d) on and after the Effective Time, provide (or cause to be provided) to LCL, from time to time upon LCL's request, such financial information in respect of Choice REIT and Choice LP, for any period up to and including the Effective Date, which information is, in the sole judgment of LCL, acting reasonably, necessary or desirable (i) for the preparation of any of LCL's consolidated financial statements (including the notes thereto), management's discussion and analysis or other financial reports required by Applicable Law or any Governmental Authority, in each case that is to be filed by LCL following the Effective Time, and (ii) for the purposes of dealing with any audit or appeal by a Governmental Authority relating to Taxes; and
 - (e) following receipt of the Final Order but prior to the Effective Time, to deliver an irrevocable treasury direction to its transfer agent directing the issuance of such aggregate number of GWL Amalco Common Shares to the applicable holders of Spinco Common Shares such that each such holder will receive 0.135 GWL Amalco Common Shares per Spinco Common Share held by them, subject to adjustments for fractional shares, in accordance with the Plan of Arrangement.

ARTICLE 5 CONDITIONS

5.1 Mutual Conditions Precedent.

The respective obligations of the Parties to complete the transactions contemplated by this Agreement are subject to the satisfaction, at or prior to the Effective Time, of each of the following conditions precedent, each of which may only be waived, in whole or in part, with the mutual written consent of the Parties:

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

- (b) the Arrangement Resolution will have been approved by the LCL Shareholders at the LCL Shareholder Meeting in accordance with the Interim Order;
- (c) the Interim Order and the Final Order will have each been obtained on terms consistent with this Agreement and shall not have been set aside or modified in a manner unacceptable to the Parties, acting reasonably, on appeal or otherwise;
- (d) all governmental, court, regulatory, third party and other approvals, consents, expiry of waiting periods, waivers, permits, exemptions, orders and agreements and all amendments and modifications to, and terminations of, agreements, indentures and arrangements considered by the Parties, each acting reasonably, to be necessary or desirable for the completion of the transactions provided for in this Agreement, the Plan of Arrangement or the Pre-Arrangement Transactions will have been obtained or received on terms that are satisfactory to the Parties, each acting reasonably;
- (e) no law, regulation or policy will have been proposed, enacted, issued, promulgated, enforced or entered into which would adversely affect any of the Parties if the Arrangement was completed or has the effect of making the Arrangement illegal, including any material change to the income tax laws of Canada or the United States that is adverse to any of the Parties;
- (f) there will not be in force any order or decree restraining or enjoining the completion of the transactions contemplated by this Agreement;
- (g) the Tax Ruling having been received by GWL and LCL, in form and substance satisfactory to GWL and LCL, will not have been withdrawn or modified and will remain in full force and effect and all of the transactions referred to in the Tax Ruling as occurring on or prior to the Effective Time will have occurred and all conditions or terms of the Tax Ruling shall have been satisfied;
- (h) (A) the LCL New Common Shares and the LCL Common Shares to be issued on the conversion of the LCL New Common Shares will have been conditionally approved to continue to be listed and posted for trading on the Exchange; and (B) the LCL Common Shares issuable on the exercise of LCL New Stock Options to be issued under the LCL New Stock Option Plan pursuant to the Arrangement will have been conditionally approved for listing and posting for trading on the Exchange, subject to, in each case, standard listing conditions imposed by the Exchange in similar circumstances;
- (i) the Spinco Common Shares will have been conditionally approved for listing and posting for trading on the Exchange, subject to standard listing conditions imposed by the Exchange in similar circumstances;
- (j) (A) the common shares and preferred shares in the capital of GWL Amalco (including shares issuable on the exercise of GWL Stock Options issued under the GWL Stock Option Plan) will have been conditionally approved to continue to be listed and posted for trading on the Exchange; and (B) the GWL Common Shares

to be issued to the applicable holders of Spinco Common Shares in accordance with the Plan of Arrangement will have been conditionally approved for listing and posting for trading on the Exchange, subject, in each case, to standard listing conditions imposed by the Exchange in similar circumstances; and

- (k) this Agreement will not have been terminated pursuant to the provisions of Article 7.

5.2 Conditions to Obligations of Each Party.

The obligation of each Party to complete the transactions contemplated by this Agreement is further subject to the conditions (which may be waived, in whole or in part, by such Party without prejudice to its right to rely on any other condition in its favour) that (i) the covenants of each other Party to be performed on or before the Effective Date pursuant to the terms of this Agreement will have been duly performed in all material respects; and (ii) except as set forth in this Agreement, the representations and warranties of each other Party will be true and correct in all material respects as at the Effective Date as though made at the Effective Time, with the same effect as if such representations and warranties had been made at, and as of, such time.

5.3 Merger of Conditions.

The conditions set out in Section 5.1 and Section 5.2 will be conclusively deemed to have been satisfied or waived, as applicable, on the filing by LCL of Articles of Arrangement under the CBCA to give effect to the Plan of Arrangement.

ARTICLE 6 INDEMNITIES

6.1 Indemnity by the Parties.

Each Party will indemnify and hold harmless the other Parties and their respective Representatives against any Loss suffered or incurred, directly or indirectly, by such indemnified party as a result of or in connection with a breach by the Indemnifying Party of a covenant contained in Section 4.2.

6.2 Third Party Claims.

- (a) If any claim, assertion or proceeding by or in respect of a third party (a “**Third Party Claim**”) is made or commenced against an Indemnified Person in respect of which the Indemnified Party proposes to demand indemnification from an Indemnifying Party, the Indemnified Person shall give notice to that effect together with particulars of the Third Party Claim to the Indemnifying Party with reasonable promptness. The failure to give, or delay in giving, such notice will not relieve the Indemnifying Party of its obligations except and only to the extent of any prejudice caused to the Indemnifying Party by such failure or delay. The Indemnifying Party may, by notice to the Indemnified Person given not later than 30 days after receipt of the notice described in this Section 6.2(a), assume control

of the defence, compromise or settlement of the Third Party Claim provided that: (i) the Third Party Claim involves only money damages and does not seek any injunctive or other equitable relief; (ii) if the named parties in any Third Party Claim include both the Indemnifying Party and the Indemnified Person, representation by the same counsel would, in the judgment of the Indemnified Person, still be appropriate notwithstanding any actual or potential differing interests between them (including the availability of different defences); and (iii) settlement of, or an adverse judgment with respect to, the Third Party Claim is not, in the judgment of the Indemnified Person, likely to establish a precedent, custom or practice adverse to the continuing business interests of the Indemnified Person. Upon assumption of control by the Indemnifying Party: (i) the Indemnifying Party shall actively and diligently proceed with the defence, compromise or settlement of the Third Party Claim at its sole cost and expense, retaining counsel reasonably satisfactory to the Indemnified Person; (ii) the Indemnifying Party shall keep the Indemnified Person fully advised with respect to the status of the Third Party Claim (including supplying copies of all relevant documents promptly as they become available) and shall arrange for its counsel to inform the Indemnified Person on a regular basis of the status of the Third Party Claim; and (iii) the Indemnifying Party shall not consent to the entry of any judgment or enter into any settlement with respect to the Third Party Claim unless consented to by the Indemnified Person (which consent may not be unreasonably or arbitrarily withheld or delayed).

- (b) The Indemnified Person may retain separate co-counsel at its sole cost and expense, and may participate in the defence of the Third Party Claim.
- (c) Provided all the conditions set forth in Section 6.2(a) are satisfied and the Indemnifying Party is not in breach of any of its other obligations under this Section 6.2, the Indemnified Person will, at the expense of the Indemnifying Party, cooperate with the Indemnifying Party and use its commercially reasonable efforts to make available to the Indemnifying Party all relevant information in its possession or under its control (provided that it does not cause it to breach any confidentiality obligations) and shall take such other steps as are, in the reasonable opinion of counsel for the Indemnifying Party, necessary to enable the Indemnifying Party to conduct such defence; provided always that: (i) no admission of fault may be made by or on behalf of the Indemnified Person without his, her or its prior written consent; and (ii) the Indemnified Person is not obligated to take any measures which, in the reasonable opinion of the Indemnified Person's legal counsel, could be prejudicial or unfavourable to the Indemnified Person.
- (d) If (i) the Indemnifying Party fails to give the Indemnified Person the notice required in Section 6.2(a) or otherwise fails to comply with any of the conditions in Section 6.2(a), or (ii) the Indemnifying Party breaches any of its other obligations under this Section 6.2, the Indemnified Person may assume control of the defence, compromise or settlement of the Third Party Claim and retain counsel as in its sole discretion may appear advisable, the whole at the

Indemnifying Party's sole cost and expense. Any settlement or other final determination of the Third Party Claim will be binding upon the Indemnifying Party. The Indemnifying Party shall, at its sole cost and expense, cooperate fully with the Indemnified Person and use its reasonable commercial efforts to make available to the Indemnified Person all relevant information in its possession or under its control and take such other steps as are, in the reasonable opinion of counsel for the Indemnified Person, necessary to enable the Indemnified Person to conduct the defence. The Indemnifying Party shall reimburse the Indemnified Person promptly and periodically for the costs of defending against the Third Party Claim (including legal fees and expenses), and shall remain responsible for any Losses the Indemnified Person may suffer resulting from, arising out of, or relating to, the Third Party Claim to the fullest extent provided in this Article 6.

6.3 Procedures for Indemnification – Direct Claims.

Any direct claim for indemnification pursuant to this Agreement must be asserted by providing notice to the Indemnifying Party within a reasonable time after the Indemnified Person becomes aware of such direct claim. The failure to give, or delay in giving, such notice will not relieve the Indemnifying Party of its obligations except and only to the extent of any prejudice caused to the Indemnifying Party by such failure or delay. The Indemnifying Party will then have a period of 30 days within which to satisfy such direct claim or, failing that, to give notice to the Indemnifying Party that it intends to dispute such direct claim, which notice must be accompanied by reasonable particulars in writing of the basis of such dispute.

ARTICLE 7 AMENDMENT AND TERMINATION

7.1 Amendment.

Subject to the provisions of the Interim Order, the Plan of Arrangement and Applicable Law, this Agreement and the Plan of Arrangement may, at any time and from time to time before or after the holding of the LCL Shareholder Meeting but not later than the Effective Time, be amended, modified or supplemented by written agreement of the Parties, without further notice to or authorization on the part of the LCL Shareholders.

7.2 Termination.

This Agreement may, at any time before or after the holding of the LCL Shareholder Meeting but prior to the issue under the CBCA of a certificate of arrangement giving effect to the Arrangement, be terminated without further notice to or authorization on the part of the LCL Shareholders (i) by written agreement of the Parties, or (ii) by either GWL or LCL if the GWL Board or the LCL Board, as the case may be, determines in good faith after consultation with its financial advisors and outside legal counsel that in order to comply with its fiduciary duties it is necessary to terminate this Agreement. This Agreement will terminate without any further action by the Parties if the Effective Date has not occurred on or before June 30, 2019.

7.3 Effect of Termination.

Upon the termination of this Agreement pursuant to Section 7.2 hereof, no Party will have any liability or further obligation to the other Parties hereto or any other Person.

ARTICLE 8 GENERAL

8.1 Expenses.

The Parties agree that each Party will bear its own out-of-pocket expenses relating to the Arrangement and the transactions contemplated hereby, including legal fees, accounting fees, financial advisory fees, regulatory filing fees, stock exchange fees, all disbursements of advisors and printing and mailing costs.

8.2 Notices.

Any demand, notice or other communication to be given in connection with this Agreement must be given in writing and delivered personally or by courier or by facsimile addressed to the recipient as follows:

(a) To LCL:

Loblaw Companies Limited
1 President's Choice Circle
Brampton, Ontario L6Y 5S5

Attention: Darren Myers, Chief Financial Officer
E-mail: darren.myers@loblaw.ca

with a copy to:

McCarthy Tétrault LLP
66 Wellington Street West, Suite 5300
TD Bank Tower
Toronto, Ontario M5K 1E6

Attention: David Woollcombe
E-mail: dwoollcombe@mccarthy.ca

(b) To Spinco:

10945544 Canada Inc.
22 St. Clair Avenue East, Suite 1901
Toronto, Ontario M4T 2S5

Attention: Gordon Currie, Executive Vice President and Chief Legal Officer
E-mail: gordon.currie@weston.ca

(c) To GWL:

George Weston Limited
22 St. Clair Avenue East, Suite 1901
Toronto, Ontario M4T 2S5

Attention: Gordon Currie, Executive Vice President and Chief Legal Officer
E-mail: gordon.currie@weston.ca

with a copy to:

Torys LLP
79 Wellington Street West, Suite 3000
Toronto, Ontario M5K 1N2

Attention: Cornell C.V. Wright
E-mail: cwright@torys.com

or other such address that a Party may, from time to time, advise the other Parties hereto by notice in writing given in accordance with the foregoing. Date of receipt of any such notice will be deemed to be the date of actual delivery thereof or, if given by facsimile, on the day of transmittal thereof if given during the normal business hours of the recipient with written confirmation of receipt by fax and verbal confirmation of same and on the next Business Day, if not given during such hours.

8.3 Time of the Essence.

Time is of the essence of this Agreement.

8.4 Assignment.

No Party may assign its rights or obligations under this Agreement or the Plan of Arrangement without the prior written consent of the other Parties, provided that no such consent will be required for any Party to assign its rights and obligations under this Agreement and the Plan of Arrangement to a corporate successor to such Party (whether by way of amalgamation or winding-up) or to a purchaser of all or substantially all of the assets of such Party.

8.5 Binding Effect.

This Agreement will be binding upon and enure to the benefit of the Parties hereto and their respective successors and permitted assigns.

8.6 Waiver.

Any waiver or release of any of the provisions of this Agreement, to be effective, must be in writing executed by the Party granting the same.

8.7 Entire Agreement.

This Agreement, together with the agreements and other documents herein or therein referred to, constitutes the entire agreement between the Parties with respect to the subject matter hereof and supersedes all prior agreements, understandings, negotiations and discussions, whether oral or written, between the Parties with respect thereto.

8.8 Governing Law; Attornment.

This Agreement will be governed by and construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein. Each Party agrees that any action or proceeding arising out of or relating to this Agreement may be instituted in the courts of Ontario, waives any objection which it may have now or later to the venue of that action or proceeding, irrevocably submits to the non-exclusive jurisdiction of those courts in that action or proceeding and agrees to be bound by any judgment of those courts.

8.9 Limitation on Liability.

No Representative of a Party shall have any personal liability whatsoever on behalf of such Party (or any of its subsidiaries) to any other Party under this Agreement, the Arrangement or any other transactions entered into, or documents delivered, in connection with any of the foregoing. In no event will one Party be liable to any other Party for any special, consequential, indirect, collateral, incidental or punitive damages or lost profits or failure to realize expected savings or other commercial or economic loss of any kind, however caused and on any theory of liability, arising in any way out of this Agreement, whether or not such Person has been advised of the possibility of such damages.

8.10 Severability.

If any term or other provision of this Agreement is invalid, illegal or incapable of being enforced by any rule or Applicable Law or public policy, all other conditions and provisions of this Agreement will nevertheless remain in full force and effect so long as the economic or legal substance of the transactions contemplated by this Agreement is not affected in any manner materially adverse to any Party. Upon such determination that any term or other provision is invalid, illegal or incapable of being enforced, the Parties will negotiate in good faith to modify this Agreement so as to effect the original intent of the Parties as closely as possible in any acceptable manner to the end that the transactions contemplated by this Agreement are fulfilled to the fullest extent possible.

8.11 Counterparts; Facsimiles.

This Agreement may be executed in one or more counterparts, each of which will be deemed to be an original and all of which taken together will be deemed to constitute the same instrument. Delivery of an executed signature page to this Agreement by any Party by electronic transmission will be as effective as delivery of a manually executed copy of the Agreement by such Party.

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF the Parties have executed this Agreement.

LOBLAW COMPANIES LIMITED

By: “Sarah Davis”
Name: Sarah Davis
Title: President

By: “Darren Myers”
Name: Darren Myers
Title: Chief Financial Officer

10945544 CANADA INC.

By: “Richard Dufresne”
Name: Richard Dufresne
Title: Director

By: “Gordon Currie”
Name: Gordon Currie
Title: Director

GEORGE WESTON LIMITED

By: “Richard Dufresne”
Name: Richard Dufresne
Title: President and Chief
Financial Officer

By: “Gordon Currie”
Name: Gordon Currie
Title: Executive Vice President
and Chief Legal Officer

SCHEDULE A
PLAN OF ARRANGEMENT

**PLAN OF ARRANGEMENT
UNDER SECTION 192 OF THE
CANADA BUSINESS CORPORATIONS ACT**

**ARTICLE 1
DEFINITIONS AND INTERPRETATION**

1.1 Definitions

In this Plan of Arrangement, unless the context otherwise requires, capitalized terms used but not defined shall have the meanings ascribed to them below:

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

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

“**Affiliate**” means, in respect of any Person, another Person if: (i) one of them is the subsidiary of the other; or (ii) each of them is Controlled by the same Person.

“**Arrangement**” means an arrangement under section 192 of the CBCA in accordance with the terms and subject to the conditions set out in this Plan of Arrangement, subject to any amendments, variations or supplements to this Plan of Arrangement made in accordance with its terms, the terms of the Arrangement Agreement or made at the direction of the Court with the consent of the parties to the Arrangement Agreement, each acting reasonably.

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

“**Arrangement Resolution**” means the special resolution approving the Plan of Arrangement to be considered at the Meeting, to be substantially in the form and content attached as Appendix “A” to the management information circular of LCL prepared and filed in connection with the Meeting.

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

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

“**CBCA**” means the *Canada Business Corporations Act*, R.S.C. 1985, c. C-44.

“**CDS**” means CDS Clearing and Depositary Services Inc.

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

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

“**Class B LP Units**” means the Class B limited partnership units in the capital of Choice LP.

“**Control**” means, when applied to a relationship between two Persons, that a Person (the “**first Person**”) is considered to control another Person (the “**second Person**”) if: (i) the first Person, directly or indirectly, beneficially owns or exercises control or direction over securities, interests or contractual rights of the second Person carrying votes which, if exercised, would entitle the first Person to elect a majority of the directors of the second Person, or a majority of any other Persons who have the right to manage or supervise the management of the business and affairs of the second Person, unless that first Person holds the voting securities only to secure a debt or similar obligation; (ii) the second Person is a partnership, other than a limited partnership, and the first Person, together with any Person Controlled by the first Person, holds more than 50% of the interests (measured by votes or by value) of the partnership; or (iii) the second Person is a limited partnership and the general partner of the limited partnership is the first Person or any Person Controlled by the first Person, and the term “Controlled” has a corresponding meaning.

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

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

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

“**Effective Date**” means the date shown on the certificate of arrangement to be issued by the Director under the CBCA after the Articles of Arrangement have been filed.

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

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

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

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

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

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

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

from

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

“**GWL**” means George Weston Limited, a corporation governed by the laws of Canada.

“**GWL Amalco**” means the corporation to be formed on the amalgamation of GWL and Spinco Amalco, as described in subsection 3.1(aa) of this Plan of Arrangement.

“**GWL Amalco Common Shares**” has the meaning given in paragraph 3.1(aa)(iv) of this Plan of Arrangement.

“**GWL Amalco Preferred Shares**” has the meaning given in paragraph 3.1(aa)(iv) of this Plan of Arrangement.

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

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

“**GWL Transfer Agent**” means Computershare Investor Services Inc., GWL’s transfer agent.

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

“**Interim Order**” means the interim order of the Court in respect of the Arrangement, as it may be varied or amended, as contemplated by section 2.3 of the Arrangement Agreement.

“**Liens**” means mortgages, charges, pledges, liens, hypothecs, security interests, restrictions, encumbrances, adverse claims and other claims or rights of third parties of any kind.

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

“**LCL Capital Reorganization**” has the meaning given in subsection 3.1(b) of this Plan of Arrangement.

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

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

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

“**LCL New Common Shares**” has the meaning given in paragraph 3.1(a)(i) of this Plan of Arrangement.

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

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

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

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

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

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

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

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

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

“**LCL Spin-off Butterfly Shares**” has the meaning given in paragraph 3.1(a)(ii) of this Plan of Arrangement.

“**LCL Spin-off Distribution**” has the meaning given in subsection 3.1(h) of this Plan of Arrangement.

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

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

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

“**LCL Transfer Agent**” means Computershare Investor Services Inc., LCL’s transfer agent.

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

“**Person**” means and includes an individual, sole proprietorship, partnership, unincorporated association, unincorporated syndicate, unincorporated organization, trust, body corporate, trustee, executor, administrator or other legal representative and the Crown or any agency or instrumentality thereof.

“**Plan of Arrangement**” means this plan of arrangement, as amended, varied or supplemented in accordance with the terms hereof, the terms of the Arrangement Agreement or made at the direction of the Court with the consent of the parties to the Arrangement Agreement, each acting reasonably.

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

“**Registered Shareholder**” means a LCL Shareholder whose name is set out in the register of LCL for the LCL Common Shares maintained by the LCL Transfer Agent.

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

“**Rocky Holdco**” means *[insert name of corporation]*, a corporation governed by the laws of Canada.

“**Rocky Sub**” means *[insert name of corporation]*, a corporation governed by the laws of Canada.

“**Rocky Sub Holdco**” means *[insert name of corporation]*, a corporation governed by the laws of Canada.

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

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

“**Spinco Amalco**” means the corporation to be formed on the amalgamation of WFDI Amalco, WHL/TC, 2397454, Rocky, Rocky Sub, WFIC Sub, Spinco and TC Amalco, as described in subsection 3.1(z) of this Plan of Arrangement.

“**Spinco Amalco Common Shares**” has the meaning given in paragraph 3.1(z)(v) of this Plan of Arrangement.

“**Spinco Amalco Preferred Shares**” has the meaning given in paragraph 3.1(z)(v) of this Plan of Arrangement.

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

“**Spinco Preferred Shares**” means the first series of preferred shares in the capital of Spinco designated as the “Preferred Shares, Series A” and having the rights, privileges, restrictions and conditions set out in Exhibit II to this Plan of Arrangement.

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

“**Spinco Share Exchange**” has the meaning given in subsection 3.1(f) of this Plan of Arrangement.

“**Spinco/GWL Conversion Ratio**” means 0.135 of a GWL Common Share or GWL Amalco Common Share, as applicable.

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

“**Tax Act**” means the *Income Tax Act* (Canada), R.S.C. 1985 (5th Supp.) c.1.

“**TC Amalco**” means *[insert name of corporation]*, a corporation governed by the laws of Canada, and the holder of Class B LP Units, and the related Special Voting Units, and the Trust Units immediately before the Effective Time.

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

“**Trust Units**” means the units in the capital of Choice REIT, other than the Special Voting Units.

“**WFDI Amalco**” means *[insert name of corporation]*, a corporation governed by the laws of Canada.

“**WFIC Sub**” means *[insert name of corporation]*, a corporation governed by the laws of Canada.

“**WFIC Sub Holdco**” means *[insert name of corporation]*, a corporation governed by the laws of Canada.

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

“**WHL Capital Reorganization**” has the meaning given in subsection 3.1(r) of this Plan of Arrangement.

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

“**WHL Documents**” means all agreements, resolutions and documents required to give effect to the transactions described in subsections 3.1(r) to 3.1(y) of this Plan of Arrangement.

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

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

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

“**WHL Spin-off Distribution**” has the meaning given in subsection 3.1(t) of this Plan of Arrangement.

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

“**WHL/TC**” means *[insert name of corporation]*, a corporation governed by the laws of Canada.

“**WHL/TC Common Shares**” means the common shares in the capital of WHL/TC.

“**WHL/TC Preferred Shares**” means the preferred shares in the capital of WHL/TC.

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

In addition, words and phrases used herein and defined in the CBCA and not otherwise defined herein or in the Arrangement Agreement shall have the same meaning herein as in the CBCA unless the context otherwise requires.

1.2 Interpretation Not Affected by Headings

The division of this Plan of Arrangement into articles, sections, subsections, paragraphs and subparagraphs and the insertion of headings herein are for convenience of reference only and shall not affect the construction or interpretation of this Plan of Arrangement. The terms “this Plan of Arrangement”, “hereof”, “herein”, “hereto”, “hereunder” and similar expressions refer to this Plan of Arrangement and not to any particular article, section or other portion hereof and include any instrument supplementary or ancillary hereto.

1.3 Rules of Construction

In this Plan of Arrangement, unless the context otherwise requires: (a) words importing the singular shall include the plural and vice versa, (b) words importing the use of either gender shall include both genders and neuter, (c) “include”, “includes” and “including” shall be deemed to be followed by the words “without limitation”, and (d) the word person and words importing persons shall include a natural person, firm, trust, partnership, association, corporation, joint

venture or government (including any governmental agency, political subdivision or instrumentality thereof) and any other entity or group of persons of any kind or nature whatsoever.

1.4 Date for any Action

If the date on which any action is required or permitted to be taken hereunder is not a Business Day, such action shall be required or permitted to be taken on the next succeeding day which is a Business Day.

1.5 Statutory References

In this Plan of Arrangement, unless something in the subject matter or context is inconsistent therewith or unless otherwise herein provided, a reference to a statute includes all regulations made thereunder, all amendments to such statute or regulation in force from time to time and any statute or regulation that supplements or supersedes such statute or regulation.

1.6 Currency

Unless otherwise stated, all references herein to amounts of money are expressed in lawful currency of Canada.

1.7 Time

Time shall be of the essence in every matter or action contemplated hereunder. All times expressed herein are local time in Toronto, Ontario unless otherwise stipulated herein.

1.8 Exhibits

The following Exhibits are attached to this Plan of Arrangement and form part hereof:

Exhibit I New Share Terms of LCL

Exhibit II Share Terms of Spinco

ARTICLE 2 ARRANGEMENT AGREEMENT

2.1 Arrangement Agreement

This Plan of Arrangement is made pursuant to, and is subject to the provisions of, the Arrangement Agreement, except in respect of the sequence of the steps comprising the Arrangement, which shall occur as set forth herein.

2.2 Binding Effect

At and after the Effective Time, this Plan of Arrangement shall be binding on: (a) LCL, GWL, GWL Amalco, Spinco, Spinco Amalco, Choice REIT, Choice LP, the Subscriber, WFDI Amalco, WHL/TC, 2397454, Rocky, Rocky Holdco, Rocky Sub, Rocky Sub Holdco, TC

Amalco, WFIC Sub, WFIC Sub Holdco and WHL, (b) all LCL Shareholders and holders of LCL Stock Options, LCL DSUs, LCL RSUs and LCL PSUs and (c) the LCL Transfer Agent and the GWL Transfer Agent, in each case without any further authorization, act or formality on the part of any person, except as expressly provided herein.

ARTICLE 3 ARRANGEMENT

3.1 Arrangement

Commencing at the Effective Time, except as otherwise noted, each of the steps set out below shall occur in the following order without any further act or formality, with each step occurring two minutes after the completion of the immediately preceding step:

LCL Spin-off Butterfly

- (a) The articles of incorporation of LCL will be amended to create and authorize the issuance (in addition to the shares that LCL is authorized to issue immediately before such amendment) of the following:
 - (i) an unlimited number of new common shares (the “**LCL New Common Shares**”), having the rights, privileges, restrictions and conditions set out in Exhibit I to this Plan of Arrangement; and
 - (ii) an unlimited number of a series of second preferred shares designated as the “**Second Preferred Shares, Series C**” (the “**LCL Spin-off Butterfly Shares**”), having the rights, privileges, restrictions and conditions set out in Exhibit I to this Plan of Arrangement.

- (b) Each LCL Shareholder will exchange each issued and outstanding LCL Common Share that it owns for one LCL New Common Share and one LCL Spin-off Butterfly Share, and the LCL Common Shares so exchanged will be cancelled (the “**LCL Capital Reorganization**”). In connection with the LCL Capital Reorganization:
 - (i) LCL will not make a joint election under the provisions of section 85 of the Tax Act (or the provisions of any corresponding applicable provincial tax legislation) with any LCL Shareholder; and
 - (ii) the aggregate amount to be added by LCL to the stated capital of the LCL New Common Shares and the LCL Spin-off Butterfly Shares will be an amount equal to the aggregate PUC of the LCL Common Shares immediately prior to the LCL Capital Reorganization, and such PUC will be allocated between the LCL New Common Shares and the LCL Spin-off Butterfly Shares based on the proportion that the FMV of the LCL New Common Shares and the LCL Spin-off Butterfly Shares, as the case may be, is of the aggregate FMV of all of the LCL New Common Shares and

the LCL Spin-off Butterfly Shares issued on the LCL Capital Reorganization.

- (c) Concurrently with the LCL Capital Reorganization, the LCL New Common Shares will, outside of this Plan of Arrangement, continue to be listed and posted for trading on the Exchange (subject to standard listing conditions imposed by the Exchange in similar circumstances), and for greater certainty, such continued listing will be effective before the LCL Spin-off Distribution in subsection 3.1(h) of this Plan of Arrangement.
- (d) Concurrently with the LCL Capital Reorganization, and in order to reflect the FMV Reduction of an LCL Common Share, each holder of LCL Stock Options will exchange all of such holder's outstanding LCL Stock Options for a number of LCL New Stock Options (with the aggregate number of LCL New Stock Options being rounded down to the nearest whole number) granting each respective holder the right to acquire a number of LCL Common Shares for an exercise price that when taken together with the number of LCL New Stock Options issued per LCL Stock Option, will result in the aggregate In The Money Amount of a holder's LCL New Stock Options not exceeding the aggregate In The Money Amount of such holder's LCL Stock Options, and the LCL Stock Options so exchanged will be cancelled. None of the LCL New Stock Options will be exercisable until after the completion of the transaction in subsection 3.1(dd) of this Plan of Arrangement.

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

- (e) Concurrently with the LCL Capital Reorganization:
 - (i) the number of LCL DSUs recorded in the account of each participant in the LCL DSU Plans;
 - (ii) the number of LCL PSUs recorded in the account of each participant in the LCL PSU Plan; and
 - (iii) the number of LCL RSUs recorded in the account of each participant in the LCL RSU Plan

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

- (f) Each holder of LCL Spin-off Butterfly Shares will transfer each LCL Spin-off Butterfly Share that it owns to Spinco in exchange for one Spinco Common Share (the “**Spinco Share Exchange**”). In connection with the Spinco Share Exchange:
- (i) if requested within 120 days after the Effective Date by a holder of LCL Spin-off Butterfly Shares that is eligible to make an election under subsection 85(1) or (2) of the Tax Act in respect of the transfer of such holder’s LCL Spin-off Butterfly Shares, Spinco will jointly elect with such holder for section 85 of the Tax Act (and the provisions of any corresponding applicable provincial tax legislation) to apply to the transfer of each share so transferred by the holder to Spinco that is eligible property for an agreed amount that is specified in such election by the holder of LCL Spin-off Butterfly Shares (subject to the limitations in the Tax Act and any corresponding applicable provincial tax legislation); and
 - (ii) the aggregate amount to be added by Spinco to the stated capital of the Spinco Common Shares will be an amount equal to the aggregate stated capital of the LCL Spin-off Butterfly Shares so transferred to Spinco, less the amount, if any, by which the aggregate stated capital of the LCL Spin-off Butterfly Shares that are subject to the section 85 elections referenced in paragraph 3.1(f)(i) of this Plan of Arrangement exceeds the aggregate agreed amounts specified in such elections.
- (g) Concurrently with the issuance of the Spinco Common Shares on the Spinco Share Exchange, the Spinco Common Shares will, outside of this Plan of Arrangement, be listed and posted for trading on the Exchange (subject to standard listing conditions imposed by the Exchange in similar circumstances), and for greater certainty, such listing will be effective before the LCL Spin-off Distribution in subsection 3.1(h) of this Plan of Arrangement.
- (h) LCL will transfer the LCL Spin-off Distribution Property to Spinco for a purchase price equal to its aggregate FMV (the “**LCL Spin-off Distribution**”), which Spinco will satisfy by issuing 1,000,000 Spinco Preferred Shares to LCL. The aggregate amount to be added by Spinco to the stated capital of the Spinco Preferred Shares will be an amount equal to the agreed amount in the subsection 85(1) election described below.

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

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

is of

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

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

- (i) Spinco will redeem and cancel all of the Spinco Preferred Shares held by LCL and will issue to LCL, as payment therefor, the Spinco Redemption Note. LCL will accept the Spinco Redemption Note as full payment of the aggregate redemption amount of the Spinco Preferred Shares so redeemed, with the risk of this note being dishonoured. The amount of any deemed dividend resulting from the application of subsection 84(3) of the Tax Act to the redemption of all of the Spinco Preferred Shares is hereby designated by Spinco, to the extent permitted under the Tax Act, as an eligible dividend.
- (j) The first taxation year of Spinco will end.
- (k) LCL will redeem and cancel all of the LCL Spin-off Butterfly Shares held by Spinco and will issue to Spinco, as payment therefor, the LCL Redemption Note. Spinco will accept the LCL Redemption Note as full payment of the aggregate redemption amount of the LCL Spin-off Butterfly Shares so redeemed, with the risk of this note being dishonoured. The amount of any deemed dividend resulting from the application of subsection 84(3) of the Tax Act to the redemption of all of the LCL Spin-off Butterfly Shares is hereby designated by LCL, to the extent permitted under the Tax Act, as an eligible dividend.
- (l) In order to settle the promissory notes issued by Spinco and LCL, the following transactions will occur simultaneously:
 - (i) LCL will satisfy its obligations under the LCL Redemption Note by transferring the Spinco Redemption Note to Spinco and Spinco will accept the Spinco Redemption Note in full satisfaction of LCL's obligations under the LCL Redemption Note; and
 - (ii) Spinco will satisfy its obligations under the Spinco Redemption Note by transferring the LCL Redemption Note to LCL and LCL will accept the LCL Redemption Note in full satisfaction of Spinco's obligations under the Spinco Redemption Note.

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

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

Shares will be deducted from the stated capital of those shares and will be added to the stated capital of the LCL Common Shares.

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

Transfer of LCL Common Shares to Holding Companies

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

WHL Spin-off Butterfly

- (r) WFDI Amalco will exchange each issued and outstanding WHL Common Share that it owns for one WHL New Common Share and one WHL Spin-off Butterfly Share, and the WHL Common Shares so exchanged will be cancelled (the “**WHL Capital Reorganization**”). In connection with the WHL Capital Reorganization:
 - (i) WFDI Amalco and WHL will not make a joint election under the provisions of subsection 85(1) of the Tax Act (or the provisions of any corresponding applicable provincial tax legislation); and

- (ii) the aggregate amount to be added by WHL to the stated capital of the WHL New Common Shares and the WHL Spin-off Butterfly Shares will be an amount equal to the aggregate PUC of the WHL Common Shares immediately prior to the WHL Capital Reorganization, and such PUC will be allocated between the WHL New Common Shares and the WHL Spin-off Butterfly Shares based on the proportion that the FMV of the WHL New Common Shares and the WHL Spin-off Butterfly Shares, as the case may be, is of the aggregate FMV of all of the WHL New Common Shares and the WHL Spin-off Butterfly Shares issued on the WHL Capital Reorganization.
- (s) WFDI Amalco will transfer all of the WHL Spin-off Butterfly Shares that it owns to WHL/TC for a purchase price equal to their FMV, which WHL/TC will satisfy by issuing 10,000 WHL/TC Common Shares to WFDI Amalco. The aggregate amount to be added by WHL/TC to the stated capital of the WHL/TC Common Shares will be an amount equal to the agreed amount in the subsection 85(1) election described below.

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

- (t) WHL will transfer the WHL Spin-off Distribution Property to WHL/TC for a purchase price equal to its aggregate FMV (the “**WHL Spin-off Distribution**”), which WHL/TC will satisfy by issuing 1,000,000 WHL/TC Preferred Shares to WHL. The aggregate amount to be added by WHL/TC to the stated capital of the WHL/TC Preferred Shares will be an amount equal to the aggregate agreed amounts in the subsection 85(1) election described below.

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

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

is of

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

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

- (u) WHL/TC will redeem all of the WHL/TC Preferred Shares held by WHL and will issue to WHL, as payment therefor, the WHL/TC Redemption Note. WHL will accept the WHL/TC Redemption Note as full payment of the aggregate redemption amount of the WHL/TC Preferred Shares so redeemed, with the risk of this note being dishonoured. The amount of any deemed dividend resulting from the application of subsection 84(3) of the Tax Act to the redemption of all of the WHL/TC Preferred Shares is hereby designated by WHL/TC, to the extent permitted under the Tax Act, as an eligible dividend.
- (v) The first taxation year of WHL/TC will end.
- (w) WHL will redeem all of the WHL Spin-off Butterfly Shares held by WHL/TC and will issue to WHL/TC, as payment therefor, the WHL Redemption Note. WHL/TC will accept the WHL Redemption Note as full payment of the aggregate redemption amount of the WHL Spin-off Butterfly Shares so redeemed, with the risk of this note being dishonoured. The amount of any deemed dividend resulting from the application of subsection 84(3) of the Tax Act to the redemption of all of the WHL Spin-off Butterfly Shares is hereby designated by WHL, to the extent permitted under the Tax Act, as an eligible dividend.
- (x) In order to settle the promissory notes issued by WHL/TC and WHL, the following transactions will occur simultaneously:
 - (i) WHL will satisfy its obligations under the WHL Redemption Note by transferring the WHL/TC Redemption Note to WHL/TC and WHL/TC will accept the WHL/TC Redemption Note in full satisfaction of WHL's obligations under the WHL Redemption Note; and
 - (ii) WHL/TC will satisfy its obligations under the WHL/TC Redemption Note by transferring the WHL Redemption Note to WHL and WHL will accept the WHL Redemption Note in full satisfaction of WHL/TC's obligations under the WHL/TC Redemption Note.

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

- (y) WFDI Amalco will exercise its conversion rights on the WHL New Common Shares and each WHL New Common Share will be converted into one WHL

Common Share. An amount equal to the stated capital of the WHL New Common Shares will be deducted from the stated capital of those shares and will be added to the stated capital of the WHL Common Shares.

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

- (z) WFDI Amalco, WHL/TC, 2397454, Rocky, Rocky Sub, WFIC Sub, Spinco and TC Amalco (referred to in this subsection as “predecessor corporations”) will amalgamate pursuant to the provisions of section 181 of the CBCA to form Spinco Amalco in such a manner that, on and by virtue of the amalgamation:
 - (i) WFDI Amalco, WHL/TC, 2397454, Rocky, Rocky Sub, WFIC Sub, Spinco and TC Amalco will cease to exist as entities separate from Spinco Amalco;
 - (ii) Spinco Amalco will possess all the property, rights, privileges and franchises (including all of the Class B LP Units, and the related Special Voting Units, and the Trust Units held by a predecessor corporation, but excluding any amounts receivable from any predecessor corporation) and will be subject to all liabilities, including civil, criminal and quasi-criminal, and all contracts, disabilities and debts of each of the predecessor corporations (other than any amounts payable to any predecessor corporation);
 - (iii) each issued and outstanding share in the capital of a predecessor corporation, other than common shares in the capital of WFDI Amalco described in paragraph 3.1(z)(vi) of this Plan of Arrangement and the Spinco Common Shares described in paragraph 3.1(z)(vii) of this Plan of Arrangement, immediately prior to the amalgamation will be cancelled without any repayment of capital in respect thereof;
 - (iv) the Articles of Arrangement will be the articles of amalgamation of Spinco Amalco and the certificate of arrangement will be the certificate of amalgamation of Spinco Amalco;
 - (v) Spinco Amalco’s share capital will be comprised of common shares having the same terms and conditions as the common shares in the capital of WFDI Amalco (the “**Spinco Amalco Common Shares**”) and preferred shares having the same terms and conditions as the preferred shares in the capital of WFDI Amalco (the “**Spinco Amalco Preferred Shares**”);
 - (vi) each issued and outstanding common share in the capital of WFDI Amalco immediately prior to the amalgamation will be converted into one Spinco Amalco Common Share;
 - (vii) each issued and outstanding Spinco Common Share (other than a Spinco Common Share held by a predecessor corporation) will be cancelled, and in consideration therefor, GWL will issue to each such holder of Spinco

Common Shares a number of GWL Common Shares per Spinco Common Share equal to the Spinco/GWL Conversion Ratio, and such holders will receive cash in lieu of any fractional shares;

- (viii) as consideration for the issuance of the GWL Common Shares as described in paragraph 3.1(z)(vii) of this Plan of Arrangement, Spinco Amalco will issue 1,000,000 Spinco Amalco Preferred Shares to GWL;
- (ix) the stated capital of the Spinco Amalco Common Shares, and the stated capital of the Spinco Amalco Preferred Shares, will be an amount equal to \$0.01;
- (x) the amount to be added by GWL to the stated capital of the GWL Common Shares will be an amount equal to the PUC of the Spinco Common Shares described in paragraph 3.1(z)(vii) of this Plan of Arrangement immediately before the amalgamation;
- (xi) no securities will be issued except as described in paragraph 3.1(z)(viii) of this Plan of Arrangement, and no assets will be distributed, by Spinco Amalco in connection with the amalgamation;
- (xii) the name of Spinco Amalco will be “Weston Food Distribution Inc.”;
- (xiii) the registered office of Spinco Amalco will be 22 St. Clair Avenue East, Suite 1901, Toronto, Ontario M4T 2S5;
- (xiv) with respect to the directors of Spinco Amalco: (A) the directors will consist of a minimum number of three directors and a maximum number of six directors, (B) until changed by the sole shareholder of Spinco Amalco, or by the directors of Spinco Amalco if authorized to do so, the number of directors of Spinco Amalco will be three (3), and (C) the initial directors of Spinco Amalco will be: Gordon Currie, Richard Dufresne and Andrew Bunston, each of whom is a resident Canadian;
- (xv) there will be no restrictions on the business Spinco Amalco may carry on or on the powers it may exercise; and
- (xvi) the by-laws of Spinco Amalco will be the by-laws of WFDI Amalco, mutatis mutandis.

Amalgamation of GWL and Spinco Amalco

- (aa) GWL and Spinco Amalco (referred to in this subsection as “predecessor corporations”) will amalgamate pursuant to the provisions of section 181 and subsection 184(1) of the CBCA to form GWL Amalco in such a manner that, on and by virtue of the amalgamation:

- (i) GWL and Spinco Amalco will cease to exist as entities separate from GWL Amalco;
- (ii) GWL Amalco will possess all the property, rights, privileges and franchises (including all of the Class B LP Units, and the related Special Voting Units, and the Trust Units held by a predecessor corporation, but excluding any amounts receivable from any predecessor corporation) and will be subject to all liabilities, including civil, criminal and quasi-criminal, and all contracts, disabilities and debts of each of the predecessor corporations (other than any amounts payable to any predecessor corporation);
- (iii) each issued and outstanding share in the capital of Spinco Amalco immediately prior to the amalgamation will be cancelled without any repayment of capital in respect thereof;
- (iv) GWL Amalco's share capital will be comprised of common shares having the same terms and conditions as the GWL Common Shares (the "**GWL Amalco Common Shares**") and preferred shares having the same terms and conditions as the respective class or series of GWL Preferred Shares (the "**GWL Amalco Preferred Shares**");
- (v) the issued and outstanding GWL Common Shares and GWL Preferred Shares immediately prior to the amalgamation will survive and continue to be GWL Amalco Common Shares and GWL Amalco Preferred Shares, respectively, without amendment;
- (vi) the stated capital of the GWL Amalco Common Shares and each class or series of GWL Amalco Preferred Shares will be an amount equal to the stated capital of the GWL Common Shares and the corresponding class or series of GWL Preferred Shares, respectively, immediately before the amalgamation;
- (vii) no securities will be issued and no assets will be distributed by GWL Amalco in connection with the amalgamation;
- (viii) the name of GWL Amalco will be "George Weston Limited";
- (ix) the registered office of GWL Amalco will be 22 St. Clair Avenue East, Suite 1901, Toronto, Ontario M4T 2S5;
- (x) there will be no restrictions on the business GWL Amalco may carry on or on the powers it may exercise;
- (xi) the by-laws of GWL Amalco will be the by-laws of GWL, mutatis mutandis; and

- (xii) in accordance with subsection 184(1) of the CBCA, the articles of amalgamation and directors of GWL Amalco will be the same as the articles of incorporation and directors, respectively, of GWL immediately prior to the amalgamation in this subsection 3.1(aa) of this Plan of Arrangement.
- (bb) Concurrently with the continuation of the GWL Amalco Common Shares and GWL Amalco Preferred Shares pursuant to the amalgamation of GWL as described in subsection 3.1(aa) of this Plan of Arrangement:
 - (i) the GWL Amalco Common Shares and GWL Amalco Preferred Shares will, outside of this Plan of Arrangement, continue to be listed and posted for trading on the Exchange; and
 - (ii) each outstanding stock option to acquire a GWL Common Share will become a stock option entitling the holder to acquire the same number of GWL Amalco Common Shares, and GWL's stock option plan will become the stock option plan of GWL Amalco, with all of the other terms and conditions of, and restrictions on, the stock options, including the exercise price, the vesting conditions and the exercise or surrender restrictions, being the same as the stock options to acquire GWL Common Shares.

Issuance of GWL Amalco Common Shares

- (cc) The Subscriber will subscribe for a number of GWL Amalco Common Shares equal to 9.6 million multiplied by the Spinco/GWL Conversion Ratio for a cash subscription price.

Amendment to LCL Articles

- (dd) The articles of incorporation of LCL will be amended to delete the amendments made to the authorized capital of LCL pursuant to subsection 3.1(a) of this Plan of Arrangement, such that the articles of incorporation of LCL as so amended will be the articles of LCL as they read immediately before the Effective Time.

3.2 WHL Documents

The transactions described in subsections 3.1(r) to 3.1(y) of this Plan of Arrangement shall be effected by the WHL Documents filed or entered into concurrent with the Effective Time and shall be deemed to be effective in the order described in this Plan of Arrangement.

ARTICLE 4 SHARES

4.1 Registers of Holders

- (a) Upon the exchange of the LCL Common Shares pursuant to subsection 3.1(b) of this Plan of Arrangement, the name of each relevant LCL Shareholder will be deemed to be removed from the register of holders of LCL Common Shares and will be deemed to be added to the registers of holders of LCL New Common Shares and LCL Spin-off Butterfly Shares as the holder of the number of LCL New Common Shares and LCL Spin-off Butterfly Shares, respectively, issued to such LCL Shareholder. Upon the cancellation of the LCL Common Shares pursuant to subsection 3.1(b) of this Plan of Arrangement, appropriate entries will be made in the register of holders of LCL Common Shares.
- (b) Upon the exchange of the LCL Spin-off Butterfly Shares pursuant to subsection 3.1(f) of this Plan of Arrangement: (i) the name of each relevant holder of LCL Spin-off Butterfly Shares will be deemed to be removed from the register of holders of LCL Spin-off Butterfly Shares and will be deemed to be added to the register of holders of Spinco Common Shares as the holder of the number of Spinco Common Shares issued to such holder of LCL Spin-off Butterfly Shares, and (ii) Spinco will be deemed to be added to the register of holders of LCL Spin-off Butterfly Shares as the holder of the number of LCL Spin-off Butterfly Shares received on the exchange by Spinco pursuant to subsection 3.1(f) of this Plan of Arrangement and will be deemed to be the legal and beneficial owner thereof.
- (c) Upon the transfer of the LCL Spin-off Distribution Property to Spinco pursuant to subsection 3.1(h) of this Plan of Arrangement: (i) LCL will be deemed to be removed from the register of holders of TC Amalco Common Shares, (ii) Spinco will be deemed to be recorded as the registered holder of the TC Amalco Common Shares on the register of holders of TC Amalco Common Shares and will be deemed to be the legal and beneficial owner thereof, and (iii) LCL will be deemed to be added to the register of holders of Spinco Preferred Shares as the holder of the number of Spinco Preferred Shares issued to LCL pursuant to subsection 3.1(h) of this Plan of Arrangement.
- (d) Upon the redemption of the Spinco Preferred Shares pursuant to subsection 3.1(i) of this Plan of Arrangement, LCL will be deemed to be removed from the register of holders of Spinco Preferred Shares and appropriate entries will be made in the register of holders of Spinco Preferred Shares.
- (e) Upon the redemption of the LCL Spin-off Butterfly Shares pursuant to subsection 3.1(k) of this Plan of Arrangement, Spinco will be deemed to be removed from the register of holders of LCL Spin-off Butterfly Shares and appropriate entries will be made in the register of holders of LCL Spin-off Butterfly Shares.

- (f) Upon the conversion of the LCL New Common Shares pursuant to subsection 3.1(m) of this Plan of Arrangement, the name of each relevant holder of LCL New Common Shares will be deemed to be removed from the register of holders of LCL New Common Shares and will be deemed to be added to the register of holders of LCL Common Shares as the holder of the number of LCL Common Shares received on the conversion by such LCL Shareholder.
- (g) Upon the transfer of the LCL Common Shares pursuant to subsection 3.1(o) of this Plan of Arrangement: (i) WFIC Sub will be deemed to be removed from the register of holders of LCL Common Shares, (ii) WFIC Sub Holdco will be deemed to be recorded as the registered holder of such LCL Common Shares on the register of holders of LCL Common Shares and will be deemed to be the legal and beneficial owner thereof, and (iii) WFIC Sub will be deemed to be added to the register of holders of common shares in the capital of WFIC Sub Holdco as the holder of the number of common shares in the capital of WFIC Sub Holdco issued to WFIC Sub pursuant to subsection 3.1(o) of this Plan of Arrangement.
- (h) Upon the transfer of the LCL Common Shares pursuant to subsection 3.1(p) of this Plan of Arrangement: (i) Rocky will be deemed to be removed from the register of holders of LCL Common Shares, (ii) Rocky Holdco will be deemed to be recorded as the registered holder of such LCL Common Shares on the register of holders of LCL Common Shares and will be deemed to be the legal and beneficial owner thereof, and (iii) Rocky will be deemed to be added to the register of holders of common shares in the capital of Rocky Holdco as the holder of the number of common shares in the capital of Rocky Holdco issued to Rocky pursuant to subsection 3.1(p) of this Plan of Arrangement.
- (i) Upon the transfer of the LCL Common Shares pursuant to subsection 3.1(q) of this Plan of Arrangement: (i) Rocky Sub will be deemed to be removed from the register of holders of LCL Common Shares, (ii) Rocky Sub Holdco will be deemed to be recorded as the registered holder of such LCL Common Shares on the register of holders of LCL Common Shares and will be deemed to be the legal and beneficial owner thereof, and (iii) Rocky Sub will be deemed to be added to the register of holders of common shares in the capital of Rocky Sub Holdco as the holder of the number of common shares in the capital of Rocky Sub Holdco issued to Rocky Sub pursuant to subsection 3.1(q) of this Plan of Arrangement.
- (j) Upon the exchange of the WHL Common Shares pursuant to subsection 3.1(r) of this Plan of Arrangement, WFDI Amalco will be deemed to be removed from the register of holders of WHL Common Shares and will be deemed to be added to the registers of holders of WHL New Common Shares and WHL Spin-off Butterfly Shares as the holder of the number of WHL New Common Shares and WHL Spin-off Butterfly Shares, respectively, issued to WFDI Amalco pursuant to subsection 3.1(r) of this Plan of Arrangement. Upon the cancellation of the WHL Common Shares pursuant to subsection 3.1(r) of this Plan of Arrangement, appropriate entries will be made in the register of holders of WHL Common Shares.

- (k) Upon the transfer of the WHL Spin-off Butterfly Shares pursuant to subsection 3.1(s) of this Plan of Arrangement: (i) WFDI Amalco will be deemed to be removed from the register of holders of WHL Spin-off Butterfly Shares, (ii) WHL/TC will be deemed to be recorded as the registered holder of such WHL Spin-off Butterfly Shares on the register of holders of WHL Spin-off Butterfly Shares and will be deemed to be the legal and beneficial owner thereof, and (iii) WFDI Amalco will be deemed to be added to the register of holders of WHL/TC Common Shares as the holder of the number of WHL/TC Common Shares issued to WFDI Amalco pursuant to subsection 3.1(s) of this Plan of Arrangement.
- (l) Upon the transfer of the WHL Spin-off Distribution Property pursuant to subsection 3.1(t) of this Plan of Arrangement: (i) WHL will be deemed to be removed from the registers of holders of common shares in the capital of 2397454 and Spinco Common Shares, (ii) WHL/TC will be deemed to be recorded as the registered holder of such common shares in the capital of 2397454 and Spinco Common Shares on the registers of holders of common shares in the capital of 2397454 and Spinco Common Shares, respectively, and will be deemed to be the legal and beneficial owner thereof, and (iii) WHL will be deemed to be added to the register of holders of WHL/TC Preferred Shares as the holder of the number of WHL/TC Preferred Shares issued to WHL pursuant to subsection 3.1(t) of this Plan of Arrangement.
- (m) Upon the redemption of the WHL/TC Preferred Shares pursuant to subsection 3.1(u) of this Plan of Arrangement, WHL will be deemed to be removed from the register of holders of WHL/TC Preferred Shares and appropriate entries will be made in the register of holders of WHL/TC Preferred Shares.
- (n) Upon the redemption of the WHL Spin-off Butterfly Shares pursuant to subsection 3.1(w) of this Plan of Arrangement, WHL/TC will be deemed to be removed from the register of holders of WHL Spin-off Butterfly Shares and appropriate entries will be made in the register of holders of WHL Spin-off Butterfly Shares.
- (o) Upon the conversion of the WHL New Common Shares pursuant to subsection 3.1(y) of this Plan of Arrangement, WFDI Amalco will be deemed to be removed from the register of holders of WHL New Common Shares and will be deemed to be added to the register of holders of WHL Common Shares as the holder of the number of WHL Common Shares received on the conversion by WFDI Amalco.
- (p) Upon the amalgamation of WFDI Amalco, WHL/TC, 2397454, Rocky, Rocky Sub, WFIC Sub, Spinco and TC Amalco pursuant to subsection 3.1(z) of this Plan of Arrangement: (i) appropriate entries will be made in the register of holders of each class of shares in the capital of each of WHL/TC, 2397454, Rocky, Rocky Sub, WFIC Sub, Spinco and TC Amalco to reflect the cancellation of such shares pursuant to paragraphs 3.1(z)(iii) and 3.1(z)(vii) of this Plan of Arrangement, (ii) the register of holders of common shares in the capital of WFDI Amalco will be deemed to be the register of holders of Spinco Amalco Common Shares, (iii) the

register of holders of preferred shares in the capital of WFDI Amalco will be deemed to be the register of holders of Spinco Amalco Preferred Shares, (iv) the name of each holder of Spinco Common Shares described in paragraph 3.1(z)(vii) of this Plan of Arrangement will be deemed to be removed from the register of holders of Spinco Common Shares and will be deemed to be added to the register of holders of GWL Common Shares as the holder of the number of GWL Common Shares issued to such holder of Spinco Common Shares pursuant to paragraph 3.1(z)(iii) of this Plan of Arrangement, and (v) GWL will be deemed to be added to the register of holders of Spinco Amalco Preferred Shares as the holder of the number of Spinco Amalco Preferred Shares issued to GWL pursuant to paragraph 3.1(z)(viii) of this Plan of Arrangement and will be deemed to be the legal and beneficial owner thereof.

- (q) Upon the amalgamation of GWL and Spinco Amalco pursuant to subsection 3.1(aa) of this Plan of Arrangement: (i) appropriate entries will be made in the register of holders of each class of shares in the capital of Spinco Amalco to reflect the cancellation of such shares, (ii) the register of holders of GWL Common Shares will be deemed to be the register of holders of GWL Amalco Common Shares and (iii) the register of holders of GWL Preferred Shares will be deemed to be the register of holders of GWL Amalco Preferred Shares.
- (r) Upon the subscription for GWL Amalco Common Shares pursuant to subsection 3.1(cc) of this Plan of Arrangement, the Subscriber will be deemed to be added to the register of holders of GWL Amalco Common Shares as the holder of the number of GWL Amalco Common Shares issued to the Subscriber pursuant to subsection 3.1(cc) of this Plan of Arrangement.

4.2 Deemed Fully Paid and Non-Assessable Shares

All LCL Common Shares, LCL New Common Shares, LCL Spin-off Butterfly Shares, Spinco Common Shares, Spinco Preferred Shares, common shares in the capital of WFIC Sub Holdco, common shares in the capital of Rocky Holdco, common shares in the capital of Rocky Sub Holdco, WHL New Common Shares, WHL Spin-off Butterfly Shares, WHL/TC Common Shares, WHL/TC Preferred Shares, WHL Common Shares, Spinco Amalco Common Shares, Spinco Amalco Preferred Shares, GWL Common Shares, GWL Amalco Common Shares and GWL Amalco Preferred Shares issued pursuant hereto will be deemed to be or have been validly issued and outstanding as fully paid and non-assessable shares for all purposes of the CBCA.

ARTICLE 5 DELIVERY OF CONSIDERATION

5.1 Delivery of Certificates

From and after the Effective Time, share certificates formerly representing GWL Common Shares will represent GWL Amalco Common Shares and share certificates formerly representing GWL Preferred Shares will represent GWL Amalco Preferred Shares. No new certificates will be issued in respect of the LCL Common Shares, GWL Common Shares or GWL Preferred Shares.

As soon as practicable following the Effective Time, the GWL Transfer Agent will deliver to each Registered Shareholder of LCL Common Shares (other than GWL and its Affiliates) at the close of business on the Distribution Record Date and the Subscriber, share certificates representing the GWL Amalco Common Shares to which such LCL Shareholder and the Subscriber is entitled pursuant to the Arrangement. Such certificates will be sent by first class mail to: (i) in the case of the LCL Shareholders (other than GWL and its Affiliates), the most recent address of the LCL Shareholder on the lists of Registered Shareholders maintained by the LCL Transfer Agent in respect of the LCL Common Shares, and (ii) in the case of the Subscriber, the address requested in writing by the Subscriber.

5.2 Withholding Rights

Each of LCL, Spinco and GWL (and their transfer agents on their behalf) shall be entitled to deduct and withhold from amounts payable under this Plan of Arrangement such amounts as each of LCL, Spinco and GWL (and their transfer agents on their behalf) is required to deduct and withhold with respect to such payment under the Tax Act or any provision of any applicable federal, provincial, territorial, state, local or foreign tax law. To the extent that amounts are so withheld, such withheld amounts shall be treated for all purposes as having been paid to the recipient of the payment in respect of which such deduction and withholding was made, provided that such withheld amounts are actually remitted in accordance with applicable law to the appropriate taxing authority.

5.3 No Liens

Any exchange or transfer of securities pursuant to this Plan of Arrangement shall be free and clear of any Liens, except for claims of the transferring or exchanging securityholder to be paid the consideration payable to such securityholder pursuant to the terms of this Plan of Arrangement.

5.4 Paramountcy

From and after the Effective Time: (a) this Plan of Arrangement shall apply to any and all LCL Common Shares, LCL Stock Options, LCL DSUs, LCL PSUs and LCL RSUs issued prior to the Effective Time, (b) the rights and obligations of the Registered Shareholders, holders of LCL Stock Options, holders of LCL DSUs, holders of LCL PSUs, holders of LCL RSUs, LCL, GWL, Spinco and any transfer agent or other depository of LCL, GWL and Spinco, shall be solely as provided for in this Plan of Arrangement, and (c) all actions, causes of action, claims or proceedings (actual or contingent and whether or not previously asserted) based on or in any way relating to any LCL Common Shares, LCL Stock Options, LCL DSUs, LCL PSUs or LCL RSUs shall be deemed to have been settled, compromised, released and determined without liability except as set forth herein.

ARTICLE 6 AMENDMENTS

6.1 Amendments to Plan of Arrangement

- (a) LCL, GWL and Spinco reserve the right to amend, modify or supplement this Plan of Arrangement at any time and from time to time, provided that each such amendment, modification or supplement must be: (i) set out in writing; (ii) agreed to in writing by LCL, GWL and Spinco; (iii) filed with the Court and, if made following the Meeting, approved by the Court; and (iv) communicated to LCL Shareholders or former LCL Shareholders if and as required by the Court.
- (b) Any amendment, modification or supplement to this Plan of Arrangement may be proposed by LCL at any time prior to the Meeting provided that LCL, GWL and Spinco shall each have consented thereto in writing, with or without any other prior notice or communication (other than as may be required under the Interim Order), and, if so proposed and accepted by the persons voting at the Meeting, shall become part of this Plan of Arrangement for all purposes.
- (c) Any amendment, modification or supplement to this Plan of Arrangement that is approved by the Court following the Meeting shall be effective only if: (i) it is consented to in writing by each of LCL, GWL and Spinco; (ii) it is filed with the Court; and (iii) if required by the Court, it is approved by LCL Shareholders voting in the manner directed by the Court.
- (d) This Plan of Arrangement may be withdrawn prior to the Effective Time in accordance with the terms of the Arrangement Agreement.
- (e) Any amendment, modification or supplement to this Plan of Arrangement may be made following the Effective Time by LCL or GWL Amalco, as the case may be, with the consent of the other, such other acting reasonably, provided that it concerns a matter which, in the reasonable opinion of LCL and GWL Amalco, is of an administrative nature required to better give effect to the implementation of this Plan of Arrangement and is not adverse to the financial or economic interests of any LCL Shareholder or holder of GWL Amalco Common Shares.

ARTICLE 7 FURTHER ASSURANCES

7.1 Further Assurances

Notwithstanding that the transactions and events set out herein shall occur and be deemed to occur in the order set out in this Plan of Arrangement without any further act or formality, each of the parties to the Arrangement Agreement shall make, do and execute, or cause to be made, done and executed, all such further acts, deeds, agreements, transfers, assurances, instruments or documents as may reasonably be required by any of them to further document or evidence any of the transactions or events set out herein.

EXHIBIT I – NEW SHARE TERMS OF LCL

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

1. LCL COMMON SHARES

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

1.1 Authorized Capital

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

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

1.2 Votes and Dividends

The holders of Common Shares are entitled:

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

1.3 Conversion of LCL New Common Shares

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

2. LCL SPIN-OFF BUTTERFLY SHARES

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

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

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

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

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

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

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

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

EXHIBIT II –SHARE TERMS OF SPINCO

ARTICLE 1 INTERPRETATION

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

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

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

ARTICLE 2 COMMON SHARES

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

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

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

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

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

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

ARTICLE 3 PREFERRED SHARES

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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