

**LOBLAW COMPANIES LIMITED**

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**PENSION COMMITTEE CHARTER**

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# LOBLAW COMPANIES LIMITED

## PENSION COMMITTEE CHARTER

### 1. RESPONSIBILITY

The Pension Committee (the “**Committee**”) is responsible for assisting the Board of Directors of the Company (“**Board**”) in fulfilling its general oversight responsibilities in relation to:

- the management and administration of the Company’s pension assets and obligations relating to pension plans, both registered and unregistered, sponsored by the Company and its subsidiaries (the “**Pension Plans**”). For greater certainty, the Pension Plans do not include any multi-employer pension plans to which the Company or its subsidiaries contribute;
- the management and administration of retiree health and welfare benefit obligations of the Company and its subsidiaries (the “**Retiree Benefit Plans**”);
- the approval of the audited financial statements of the Pension Plans; the review of the actuarial valuation and the funding strategy of the Pension Plans;
- pension investment and monitoring responsibilities, such as the power to adopt the Statement of Investment Policies and Procedures (“**SIP&P**”), the power to invest assets of the Pension Plans in the George Weston Limited Pooled Pension Fund or to select, retain and dismiss any trustee(s) and investment managers and the approving of criteria set by management for investment manager selection and performance;
- the Company’s compliance with legal and regulatory requirements relating to Pension Plans and Retiree Benefit Plans; and
- such other duties as may be delegated to the Committee by the Board.

### 2. MEMBERS

The Board shall appoint a minimum of three directors, a majority of whom shall be non-management directors, to be members of the Committee. The members of the Committee shall be selected by the Board on recommendation of the Governance, Employee Development, Nominating and Compensation Committee of the Company. The Committee may invite to their meetings from time to time members of the George Weston Limited Pension Committee.

**3. CHAIR**

Each year, the Board shall appoint one member to be Chair of the Committee. If, in any year, the Board does not appoint a Chair, the incumbent Chair shall continue in office until a successor is appointed.

**4. TENURE**

Each member shall hold office until his or her term as a member of the Committee expires or is terminated.

**5. QUORUM, REMOVAL AND VACANCIES**

A majority of the Committee's members shall constitute a quorum. Any member may be removed and replaced at any time by the Board. The Board shall fill vacancies in the Committee by appointment from among the members of the Board. If a vacancy exists on the Committee, the remaining members may exercise all its powers so long as a quorum remains in office.

**6. DUTIES**

The Committee shall have the duties set out below as well as any other duties that are specifically delegated to the Committee by the Board.

**(a) Review of Financial Position of Pension Plans**

The Committee shall review the financial condition of the defined benefit Pension Plans, which shall include the following responsibilities:

- Monitor, and if appropriate make recommendations to management on, the valuation strategy and funding aspects of the Pension Plans, at least annually, based on the Pension Plans' actuarial reports;
- Review with management the going concern, solvency and accounting valuations and actuarial assumptions, as provided by the actuary, on an annual basis;
- Review and approve the annual audited financial statements of the Pension Plans and the auditors' reports thereon, and meet with the auditors to discuss same; and
- Review at least annually the report of the Senior Vice President, Pension and Benefits in respect of fees and expenses charged to the Pension Plans.

**(b) Investment Guidelines and Performance of Defined Benefit Pension Plans**

With respect to the assets of the defined benefit Pension Plans, the Committee is responsible for the establishment of the framework within which investment decisions are made, the oversight of the implementation of the various investment-related policies and criteria, and the oversight of the actual overall investment performance. To fulfil this responsibility, the Committee shall be responsible for the following:

- Review the SIP&P with management at least annually and recommend any changes for the investment policies and goals and other matters set out therein;
- Approve the return on investment objectives, the asset mix policy and strategic ranges for asset classes all taking into account the Company's risk tolerance;
- Review and, if appropriate, authorize or approve any investments to be managed directly by the Company or as may be directed by the Company, such investments not to exceed 5% of the total assets of the Pension Plans (determined on a market value basis) and monitor the performance of such investments and take such actions with respect thereto as it considers appropriate;
- Approve criteria for independent investment manager (“**Managers**”) selection and performance criteria;
- Consider management's recommendation on the appointment of Managers and the delegation to each such Manager the power and authority to invest and re-invest, in its sole discretion, such assets of the Pension Plans (other than those investments in the George Weston Limited Pooled Pension Fund) as management shall allocate to such Manager, subject to the SIP&P;
- Review the performance of the Managers on a regular basis, relative to the goals and policies set out in the SIP&P and such other criteria as the Committee shall have established or consider relevant, and be responsible for terminating the appointment of any Manager, as it in its discretion considers appropriate; and
- Review with management the performance of any defined benefit Pension Plan assets not invested in the George Weston Limited Pooled Pension Fund.

All power and authority hereby conferred on the Committee, and by the Committee on any sub-delegatee pursuant hereto, and all statements made herein, is and are subject to at all times, and shall be read in accordance with, the SIP&P.

**(c) Administration of Defined Contribution Pension Plans**

The Committee is responsible for the selection of investment options and periodic monitoring of the investment performance of the funds of the defined contribution Pension Plans. To fulfil this responsibility, the Committee shall be responsible for the following:

- Review with management the appointment, removal or retention of the trustee/custodian and investment managers;
- Review with management criteria for investment manager selection and performance criteria;
- Review with management the investment options or strategies that will be presented to the employees for the investment of their pension assets; and
- Review with management the performance of each Manager on a periodic basis, relative to the goals and objectives agreed to in the Manager's mandate.

**(d) Plan Provisions**

The Committee shall be responsible for reviewing from time to time the provisions of the Pension Plans and any proposed amendments. To fulfil this responsibility, the Committee shall:

- Review any amendments proposed by management to the design or text of the Pension Plans proposed by management and if appropriate, authorize any such amendments; and
- Review with management issues of Pension Plan and Retiree Benefit Plan interpretation, compliance and administration policy.

**(e) Retiree Benefit Plans**

The Committee shall require management to report to it, from time to time, but at least annually, for review, the cost of retiree benefits provided for in the Benefit Plans.

**(f) Administration**

To fulfil this responsibility, the Committee shall be responsible for the following:

- Oversee the administration of the Pension Plans, review the adequacy of the procedures instituted by management with respect thereto, receive reports from persons charged with responsibility for implementing such procedures and if necessary, meet with such persons to discuss such reports. The Committee shall make such recommendations to management with respect to the administration of the Pension Plans as it from time to time thinks fit;

- Review with management and make recommendations to the criteria for trustee/custodian (“**Trustees**”) selection and performance evaluations;
- Review with management when appropriate the performance by Trustees of their obligations in respect of any custodial relationships of assets of the Pension Plans; and
- Ensure that the individual sponsors of the Pension Plans which are participants in the Pooled Pension Fund, are provided with information and reports sufficient to enable them to fulfil their duties and responsibilities, including without limitation written reports and such other information as they may reasonably require.

**(g) Regulatory Compliance**

To fulfil this responsibility, the Committee shall be responsible for the following:

- Review with management any material changes to legislation or regulatory policies affecting the Pension Plans or the Pooled Pension Fund and monitor compliance with respect to reporting and filing requirements; and
- Review with management regulatory filings and relevant sections of the Company’s financial statements dealing with Pension Plans.

**7. DELEGATION OF DUTIES**

In addition to any delegation specifically contemplated hereby, the Committee may delegate such of its duties and responsibilities to senior management as it from time to time thinks fit and as permitted by law, and shall undertake such supervision as it deems appropriate to ensure that such duties and responsibilities are satisfied.

**8. COMPLAINTS PROCEDURE**

The Committee shall ensure management has procedures in place for the receipt, retention and follow-up of complaints received by the Company regarding pension and retiree benefits matters and a procedure for the confidential, anonymous submission of concerns by employees and retirees of the Company with respect to its Pension Plans and Retiree Benefit Plans. The Committee shall review with management period reports in this regard.

**9. REPORTING**

The Committee shall report to the Board at least annually or more often as required, on relevant Pension Plans and Retiree Benefit Plans issues, including:

- investment performance of George Weston Limited Pooled Pension Fund and other assets of Pension Plans not invested in the George Weston Limited Pooled Pension Plan;
- any significant issues found from the audit of the Pension Plans or the Pooled Pension Fund; and
- all other material matters dealt with by the Committee.

**10. REVIEW AND DISCLOSURE**

This Charter should be reviewed by the Committee at least annually and be submitted to the Governance, Employee Development, Nominating and Compensation Committee for consideration with such amendments as the Committee proposes and for recommendation to the Board for approval with such further amendments as the Governance, Employee Development, Nominating and Compensation Committee proposes.

**11. FREQUENCY OF MEETINGS AND *IN CAMERA* SESSIONS**

The Committee shall meet on at least four occasions annually at the call of the Chair. Following each regularly-scheduled meeting of the Committee, the Committee members shall meet in private session.

**12. RETENTION OF EXPERTS**

The Committee may engage such special actuarial, pension consultants or other experts, without Board approval and at the expense of the Company, as it considers necessary to perform its duties.