## UNDERWRITING AGREEMENT

April 4, 2005

George Weston Limited
Suite 1901
22 St. Clair Avenue East
Toronto, Ontario M4T 2S7

Attention: Richard P.Mavrinac
Chief Financial Officer

Dear Sirs:

We understand that George Weston Limited ("**Weston**") proposes to issue and sell 8,000,000 5.20% Preferred Shares, Series III (the "**Offered Shares**") having the attributes substantially as described in Schedule A annexed hereto and to be described in the English and French language versions of the Prospectus Supplement (as hereinafter defined) at a price of $25.00 per share and that Weston will prepare and file all documents and amendments to such documents necessary in order to qualify the Shares for Distribution (as hereinafter defined) in each of the Qualifying Jurisdictions (as hereinafter defined).

Upon and subject to the terms and conditions contained herein, RBC Dominion Securities Inc. (the "**Lead Underwriter**"), CIBC World Markets Inc., BMO Nesbitt Burns Inc., TD Securities Inc., National Bank Financial Inc., Merrill Lynch Canada Inc. and Scotia Capital Inc. (each an "**Underwriter**" and collectively, the "**Underwriters**"), severally and not jointly, offer to purchase all but not less than all of the Offered Shares from Weston, and by its acceptance hereof, Weston agrees to sell to the Underwriters at the Closing Time (as hereinafter defined) all, but not less than all, of the Offered Shares for an aggregate purchase price of $200,000,000 (the "**Purchase Price**"). The Underwriters propose to distribute the Offered Shares in the Qualifying Jurisdictions (as hereinafter defined) pursuant to the Final Base Shelf Prospectus (as hereinafter defined) filed by Weston in each of the Qualifying Jurisdictions as described in this Agreement as to be supplemented by the Prospectus Supplement (as hereinafter defined) to be filed by Weston in each of the Qualifying Jurisdictions in the manner contemplated by this Agreement.

By acceptance of this Agreement, Weston grants to the Underwriters a one-time, unassignable right to purchase, severally and not jointly, in multiples of 40,000 shares, up to 2,000,000 5.20% Preferred Shares, Series III (the "**Additional Shares**") from Weston on the same terms and conditions as the purchase of the Offered Shares. If the Lead Underwriter, on behalf of the Underwriters, elects to exercise such right, the Lead Underwriter shall notify Weston in writing not later than 5:00 p.m. on April 15, 2005, or, if the Closing Date is other than April 18, 2005, 24 hours prior to the Closing Time (as hereinafter defined), which notice shall specify the number of Additional Shares to be purchased by the Underwriters on the Closing Date. If any Additional Shares are purchased, each Underwriter agrees, severally and not jointly, to purchase the number of Additional Shares (subject to such adjustments to eliminate fractional shares as the Lead Underwriter may determine) that bears the same proportion to the total number of Additional Shares to be purchased as the number of Offered Shares set out in section 14 of this Agreement opposite the name of such Underwriter bears to the total number of Offered Shares.

The term "**Shares**" means the Offered Shares and, if the right to purchase the Additional Shares is exercised, also includes the Additional Shares.

In consideration of the Underwriters' agreement to purchase the Shares which will result from Weston's acceptance of this offer, and in consideration of the services to be rendered by the Underwriters in connection therewith, including, without limitation, assisting in preparing documentation relating to the sale of the Shares, including the Prospectus Supplement (as such term is hereinafter defined) and distributing the Shares to the public in Canada directly and through other investment dealers and brokers, Weston agrees to pay to the Underwriters at the Closing Time a fee (the "**Underwriting Fee**") equal to $0.25 per Share sold by the Underwriters to such institutions as the Lead Underwriter and Weston may agree in writing and $0.75 per Share sold for all other Shares purchased by the Underwriters, as agreed between the Company and the Underwriters at least 48 hours prior to the Closing Time.

**Terms and Conditions**

The Agreement resulting from the acceptance of this letter by Weston shall be subject to the following terms and conditions:

1. **Definitions**

In this Agreement, capitalized terms have the indicated meanings and additionally:

(a) "**Agreement**" means the agreement resulting from the acceptance by Weston of the offer made by the Underwriters by this letter;

(b) "**Closing**" means the completion of the issue and sale by Weston and the purchase by the Underwriters of the Shares pursuant to this Agreement;

(c) "**Closing Date**" means April 18, 2005 or such other date, not later than May 20, 2005, as the Underwriters and Weston may agree upon in writing;

(d) "**Closing Time**" means 8:00 a.m. (Toronto time) on the Closing Date or such other time on the Closing Date as the Underwriters and Weston may agree upon in writing;

(e) "**Common Shares**" shall have the meaning ascribed thereto in the Prospectus;

(f) "**DBRS**" means Dominion Bond Rating Service Limited;

(g) **"Debt Securities"** shall have the meaning ascribed thereto in the Prospectus;

(h) "**Distribution**" means "distribution" or "distribution to the public", as those terms are defined by applicable Securities Legislation of the Qualifying Jurisdictions;

(i) "**final MRRS decision document**" means the document issued by the principal regulator under the Mutual Reliance Review System that evidences that final receipts for the Final Base Shelf Prospectus have been issued in each of the Qualifying Jurisdictions;

(j) "**Final Base Shelf Prospectus**" means English and French language versions (unless the context indicates otherwise) of the final short form base shelf prospectus of Weston proposed to be dated April 11, 2005 in respect of an aggregate of $1,000,000,000 of the Company's Debt Securities and Preferred Shares and, unless the context otherwise requires, includes all documents incorporated therein by reference;

(k) "**Indemnified Parties**" means the Underwriters (which for the purpose of section 10 other than the last sentence of paragraph 10(b) shall be deemed to include affiliates of the Underwriters which are engaged in the offering and Distribution of the Shares) and each of the Underwriters' directors, officers and employees and each person who controls any of the Underwriters;

(l) "**material change**", "**material fact**" and "**misrepresentation**" shall have the meanings ascribed thereto under the applicable Securities Legislation of the Qualifying Jurisdictions;

(m) "**Mutual Reliance Review System"** means the system for reviewing prospectuses and annual information forms established by the Securities Commissions and provided for in NP 43-201;

(n) "**NI 44-101**" means National Instrument 44-101 adopted by the Securities Commissions in respect of short form prospectus distributions;

(o) "**NI 44-102**" means National Instrument 44-102 adopted by the Securities Commissions in respect of shelf distributions;

(p) "**NP 43-201**" means National Policy 43-201 adopted by the Securities Commissions and its related Memorandum of Understanding;

(q) "**OSC**" means the Ontario Securities Commission;

(r) **"Preferred Shares"** shall have the meaning ascribed thereto in the Prospectus;

(s) "**Preliminary Base Shelf Prospectus"** means the English and French language versions of the preliminary short form base shelf prospectus of Weston dated April 1, 2005 in respect of an aggregate of $1,000,000,000 of the Company's Debt Securities and Preferred Shares and, unless the context otherwise requires, includes all documents incorporated therein by reference;

(t) "**Preliminary Prospectus**" means the Preliminary Base Shelf Prospectus, as supplemented by the Preliminary Prospectus Supplement, together in each case with all documents incorporated therein by reference;

(u) "**Preliminary Prospectus Supplement**" means the English and French language versions of the preliminary prospectus supplement of Weston dated April 4, 2005 relating to the proposed distribution of the Shares;

(v) "**principal regulator**" means the principal regulator for Weston under the Mutual Reliance Review System, which is the OSC;

(w) "**Prospectus**" means the Final Base Shelf Prospectus, as supplemented by the Prospectus Supplement, together in each case with all documents incorporated therein by reference, as amended by any Prospectus Amendment;

(x) "**Prospectus Amendment**" means the English and French language versions of any amendment to the Final Base Shelf Prospectus, any amendment to any document incorporated therein by reference, any amending or supplemental prospectus and any other similar document;

(y) "**Prospectus Supplement**" means the English and French language versions of the prospectus supplement of Weston proposed to be dated April 11, 2005 relating to the offering of the Shares;

(z) "**Public Record**" means all information filed by or on behalf of Weston with the Securities Commissions, including without limitation, the Final Base Shelf Prospectus and any other information filed with any Securities Commission in compliance, or intended compliance, with any applicable Securities Legislation;

(aa) "**Qualifying Jurisdictions**" means, collectively, all of the provinces of Canada;

(bb) "**S&P**" means Standard & Poor's, a division of The McGraw-Hill Companies, Inc.;

(cc) "**Securities Commissions**" means the securities commissions or other securities regulatory authorities in the Qualifying Jurisdictions;

(dd) "**Securities Legislation**" means all applicable securities laws in each of the Qualifying Jurisdictions and the respective rules and regulations under such laws together with applicable notices and published policy statements of the Securities Commissions in the Qualifying Jurisdiction;

(ee) "**Shelf Procedures**" means the rules and procedures established pursuant to NI 44-102;

(ff) "**subsidiary**" has the meaning ascribed thereto in the *Securities Act* (Ontario);

(gg) "**TSX**" means The Toronto Stock Exchange;

(hh) "**Underwriter Matters**" means information relating solely to the Underwriters in the Prospectus; and

(ii) "**Weston Information**" means all information in the Prospectus and all information in documents incorporated by reference therein under the heading, "Documents Incorporated by Reference" (for greater certainty, including subsequently filed documents that are deemed to be incorporated by reference therein), other than Underwriter Matters.

2. **<u>Qualification and Offering for Sale</u>**

(a) Weston shall, prior to the filing of both the Preliminary Prospectus Supplement and the Prospectus Supplement, allow the Underwriters to participate fully in the preparation of both the Preliminary Prospectus Supplement and the Prospectus Supplement and such other documents as may be required under applicable Securities Legislation to qualify the Distribution of the Shares in the Qualifying Jurisdictions and allow the Underwriters to conduct all "due diligence" investigations which the Underwriters may reasonably require (including with respect to the documents incorporated therein by reference) in order to confirm that the Public Record, together with the Preliminary Prospectus Supplement and the Prospectus Supplement, as the case may be, is accurate and current in all material respects, to fulfill the Underwriters' obligations as underwriters, and to enable the Underwriters to responsibly sign the certificate in the Preliminary Prospectus Supplement and the certificate in the Prospectus Supplement required to be signed by the Underwriters.

(b) Weston represents and warrants to and for the benefit of the Underwriters that it has elected to rely upon the Shelf Procedures, has prepared and filed the Preliminary Base Shelf Prospectus (in English and French) and all such other documents as are required under applicable Securities Legislation (in English and, as required, French) with the principal regulator, utilizing the Mutual Reliance Review System and has obtained a preliminary MRRS decision document in respect of the Preliminary Base Shelf Prospectus evidencing that preliminary receipts of the Securities Commissions in each of the Qualifying Jurisdictions have been issued. Weston shall prepare and file the Preliminary Prospectus Supplement and all such other documents as are required under applicable Securities Legislation (in English and French, as appropriate) with the principal regulator and the other Securities Commissions and otherwise fulfill all legal requirements to enable the Shares to be offered to the public and the Underwriters to solicit expressions of interest from the public indicating an interest in purchasing the Shares in each of the Qualifying Jurisdictions through the Underwriters or any other investment dealer or broker registered in the applicable Qualifying Jurisdiction as soon as reasonably possible, and, in any event, not later than 10:00 a.m. on April 5, 2005 and Weston will advise the Underwriters promptly when such filings have been made. Weston agrees with the Underwriters that it will prepare and file the Final Base Shelf Prospectus (in English and French) and all such other documents as are required under applicable Securities Legislation (in English and, as required, French) with the principal regulator, utilizing the Mutual Reliance Review System as soon as reasonably possible after any comments of the Securities Commissions in the Qualifying Jurisdictions have been satisfied and, in any event, not later than 10:00 a.m. on April 11, 2005 (or such later date and time as may be agreed to in writing by the Underwriters) and will obtain a final MRRS decision document in respect of the Final Base Shelf Prospectus evidencing that final receipts of the Securities Commissions in each of the Qualifying Jurisdictions have been issued as soon as reasonably possible and in any event by no later than 5:00 p.m. (Toronto time) on April 11, 2005 (or such later date and time as may be agreed to in writing by the Underwriters). Weston shall prepare and file the Prospectus Supplement and all such other documents as are required under applicable Securities Legislation (in English and French, as appropriate) with the principal regulator and the other Securities Commissions and otherwise fulfill all legal requirements to enable the Shares to be offered and sold to the public in each of the Qualifying Jurisdictions through the Underwriters or any other investment dealer or broker registered in the applicable Qualifying Jurisdiction as soon as reasonably possible and, in any event, not later than 10:00 a.m. on April 11, 2005 (or such later date and time as may be agreed to in writing by the Underwriters) and Weston will advise the Underwriters promptly when such filings have been made. Weston shall, until the Distribution of the Shares has been completed, promptly take or cause to be taken all additional steps and proceedings that from time to time may be required under Securities Legislation to continue to qualify the Shares for Distribution in each of the Qualifying Jurisdictions or, in the event that the Shares have, for any reason, ceased to so qualify, to again qualify the Shares for Distribution in each of the Qualifying Jurisdictions.

(c) The Underwriters will offer the Shares purchased pursuant to the terms hereof for sale to the public, directly and through banking and selling group members, only as permitted by Securities Legislation and upon the terms and conditions set forth in the Prospectus and in this Agreement. The Underwriters will not solicit offers to purchase or sell the Shares so as to require registration of the Shares or filing of a prospectus, registration statement or other notice or document with respect to the Shares under the laws of any jurisdiction other than the Qualifying Jurisdictions, and will require each banking and selling group member to agree with the Underwriters, for the benefit of Weston, not to so solicit or sell. For purposes of this paragraph 2(c), the Underwriters shall be entitled to assume that the Shares may be offered to the public and that expressions of interest may be solicited by the Underwriters from the public indicating an interest in purchasing the Shares in all Qualifying Jurisdictions following the filing of the Preliminary Prospectus Supplement and that the Shares are qualified for Distribution in all Qualifying Jurisdictions following the filing of the Prospectus Supplement unless the Underwriters receive notice to the contrary from Weston or any Securities Commission of the applicable Qualifying Jurisdiction. The Underwriters shall use their reasonable commercial efforts to complete, and to cause the banking and selling group members to complete, the Distribution of the Shares as soon as possible and in any event within 30 days of the Closing Date (the period between the date hereof and the completion of such Distribution being the "Distribution Period"). Notwithstanding the foregoing provisions of this paragraph, an Underwriter will not be liable to Weston under this paragraph with respect to a default by another Underwriter under this paragraph if the former Underwriter is not also in default.

(d) Each of the Underwriters, within the Distribution Period, will notify the Lead Underwriter, and the Lead Underwriter will notify Weston, in writing, when the Distribution of the Shares has terminated. Each of the Underwriters will, as soon as possible after the Closing Date, notify the Lead Underwriter, and the Lead Underwriter will notify Weston, in writing, of the amount of the Shares sold in each Qualifying Jurisdiction where such information is required for the purpose of calculating fees payable to Securities Commissions.

3. **Delivery of Prospectus and Related Documents**

Weston has delivered or caused to be delivered or shall deliver or cause to be delivered to the Underwriters the documents set out below at the respective times indicated:

(a) on the date hereof, or as soon as practicable after the date hereof, copies of the Preliminary Base Shelf Prospectus, in the English and French languages, as filed with the Securities Commissions in the Qualifying Jurisdictions, signed and certified as required by the Securities Legislation of the Qualifying Jurisdictions and copies of all documents or information incorporated by reference therein;

(b) prior to or contemporaneously with the filing with the Securities Commissions of the Preliminary Prospectus Supplement:

(i) copies of the Preliminary Prospectus Supplement, in the English and French languages, as filed with the Securities Commissions in the Qualifying Jurisdictions, signed and certified as required by the Securities Legislation of the Qualifying Jurisdictions; and

(ii) copies of any documents or information incorporated by reference therein which have not previously been delivered to the Underwriters;

(c) on April 11, 2005, or as soon as practicable after that date, copies of the Final Base Shelf Prospectus, in the English and French languages, as filed with the Securities Commissions in the Qualifying Jurisdictions, signed and certified as required by the Securities Legislation of the Qualifying Jurisdictions and copies of all documents or information incorporated by reference therein which have not previously been delivered to the Underwriters;

(d) prior to or contemporaneously with the filing with the Securities Commissions of the Prospectus Supplement:

(i) copies of the Prospectus Supplement, in the English and French languages, as filed with the Securities Commissions in the Qualifying Jurisdictions, signed and certified as required by the Securities Legislation of the Qualifying Jurisdictions; and

(ii) copies of any documents or information incorporated by reference therein which have not previously been delivered to the Underwriters;

(e) as soon as they are available, copies of the English and French language versions, as applicable, of any Prospectus Amendment required to be filed under the Securities Legislation of the Qualifying Jurisdictions, as filed with the Securities Commissions in the Qualifying Jurisdictions, signed and certified as required by the Securities Legislation of the Qualifying Jurisdictions;

(f) contemporaneously with the filing with the Securities Commissions of any documents or information incorporated by reference in the Prospectus, copies of any such documents or information which have not been previously delivered to the Underwriters;

(g) at the time of the delivery to the Underwriters pursuant to this paragraph 3 of the French language version of the Preliminary Prospectus Supplement, the Prospectus Supplement or any Prospectus Amendment:

(i) an opinion of Gowling Lafleur Henderson LLP addressed to the Underwriters and Weston and dated, in the case of the Preliminary Prospectus Supplement, as of the date of the Preliminary Prospectus Supplement and, in the case of the Prospectus Supplement, the date of the Prospectus Supplement or, in the case of any Prospectus Amendment, the date of the Prospectus Amendment, as the case may be, to the effect that the French language version of the Preliminary Prospectus or the Prospectus, as the case may be, as supplemented or amended thereby is in all material respects a reasonable and proper translation of the English language version thereof and the French language version of each of the documents incorporated therein by reference (except for any financial statements and financial information which are the subject of the opinion of Weston's auditors referred to below (the "**Financial Information**"), as to which no opinion need be expressed by such counsel) is in all material respects a true and appropriate translation of the English language version thereof and, in each case, the English language version and the French language version thereof are not susceptible of any materially different interpretation with respect to any material matter contained therein;

(ii) an opinion of Weston's auditors addressed to the Underwriters and Weston and dated, in the case of the Preliminary Prospectus Supplement, as of the date of the Preliminary Prospectus Supplement and, in the case of the Prospectus Supplement, the date of the Prospectus Supplement or, in the case of any Prospectus Amendment, the date of the Prospectus Amendment, as the case may be, to the effect that the French language version of the Financial Information set forth in the Preliminary Prospectus or the Prospectus, as the case may be, as supplemented or amended thereby or incorporated therein by reference is in all material respects a complete and proper translation of the English language version thereof;

(h) at the time of delivery to the Underwriters pursuant to this paragraph 3 of the Prospectus Supplement or any Prospectus Amendment, a signed comfort letter from Weston's auditors dated the date of such document in a form and in substance reasonably satisfactory to the Underwriters, addressed to the Underwriters and Weston, with respect to the financial and accounting information contained in or incorporated by reference in the Prospectus, which comfort letter shall be based on a review by the auditors having a cut-off date not more than two business days prior to the date of such document and shall be in addition to any comfort letters which must be filed with Securities Commissions pursuant to applicable Securities Legislation; and

(i) prior to or concurrently with the execution of this Agreement, evidence satisfactory to the Underwriters, acting reasonably, that the Shares have been conditionally approved for listing on the TSX.

Opinions or comfort letters similar to the foregoing shall be provided to the Underwriters and Weston, with respect to any Prospectus Amendment filed pursuant to paragraph 6(a) and any other relevant document that may be translated into the French language at the time the same is presented to the Underwriters for their signature or, if the Underwriters' signature is not required in accordance with applicable Securities Legislation, at the time the same is filed. All such opinions or comfort letters shall be in form and substance reasonably satisfactory to the Underwriters and the Underwriters' counsel.

4. **Representations**

(a) The delivery to the Underwriters of the Preliminary Base Shelf Prospectus, the Preliminary Prospectus Supplement, the Final Base Shelf Prospectus, the Prospectus Supplement and any Prospectus Amendment and documents or information incorporated therein by reference pursuant to section 3 shall constitute a representation and warranty by Weston to the Underwriters that all Weston Information contained therein and in documents or information incorporated therein by reference (except any information or statements which are modified by or superseded by information or statements contained in the Prospectus or a Prospectus Amendment, as the case may be) is at the respective dates of delivery thereof true and correct in all material respects, contains no misrepresentation and constitutes full, true and plain disclosure of all material facts relating to Weston and its subsidiaries, taken together, and the Shares as required by the applicable Securities Legislation in the Qualifying Jurisdictions, and that, with respect to such Weston Information, there has been no 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 and that such documents comply fully with the requirements of the Securities Legislation of the Qualifying Jurisdictions. Such delivery of such documents shall constitute the consent by Weston to the use by the Underwriters and selling group members of such documents in connection with the solicitation of expressions of interest from the public indicating an interest in purchasing the Shares and the Distribution of the Shares in the Qualifying Jurisdictions in compliance with the provisions of this Agreement.

(b) In addition to the representations and warranties contained in paragraph 4(a) hereof, Weston represents and warrants to the Underwriters that:

(i) Weston and each subsidiary of Weston which carries on a material portion of the business of Weston, on a consolidated basis, has been duly incorporated and is validly existing under the laws of the jurisdiction of its incorporation and has all requisite corporate power and authority to own, lease and operate its properties and conduct its business as now conducted by it and is qualified to carry on business under the laws of each jurisdiction in which it carries on a material portion of its business;

(ii) except as may be disclosed in the Prospectus or any Prospectus Amendment or any document incorporated by reference therein, there has been no material adverse change (actual, anticipated, contemplated or threatened) in the business, affairs, operations, assets, liabilities (contingent or otherwise), capital or ownership of Weston on a consolidated basis since the end of the last completed fiscal year of Weston for which financial statements have been reported on by the auditors of Weston and filed with the Securities Commissions in all of the Qualifying Jurisdictions and there are no actions, suits or proceedings pending or, to the best knowledge of Weston, threatened, against or affecting Weston or any of its subsidiaries at law or in equity or before or by any federal, provincial, municipal or other governmental department, commission, board, bureau or agency, domestic or foreign, which, if adversely determined, would have a material adverse effect on Weston or Weston and its subsidiaries, taken as a whole;

(iii) Weston is a reporting issuer not in default of any requirement under the Securities Legislation;

(iv) Weston is authorized under its Articles to issue the following classes of shares in its capital:

(A) 54,525 Senior Preferred Shares, issuable in series;

(B) an unlimited number of Preferred Shares, issuable in series;

(C) an unlimited number of Junior Preferred Shares, issuable in series; and

(D) an unlimited number of Common Shares;

and, as of March 31, 2005, the only issued and outstanding shares of Weston are 129,038,226 Common Shares, 9,400,000 Preferred Shares, Series I and 10,600,000 Preferred Shares, Series II;

(v) Weston is qualified in accordance with the provisions of NI 44-101 and NI 44-102 to file a short form base shelf prospectus in each of the Qualifying Jurisdictions;

(vi) as at the date hereof, no person, firm or corporation (except the Underwriters) has any agreement or option, or right or privilege (whether pre-emptive or contractual) capable of becoming an agreement, for the purchase of any of the Shares;

(vii) neither the execution and delivery of this Agreement nor the consummation of the transactions provided for herein results or will result in the breach of any of the terms, conditions or provisions of, constitutes or will constitute a default under, the charter documents of Weston, any indenture, agreement or other instrument to which Weston or any of its subsidiaries is a party or by which Weston or any of its subsidiaries is bound, which breach or default would have a material adverse effect on Weston or Weston and its subsidiaries, taken as a whole, or constitutes or will constitute a breach or violation of any law or regulation to which Weston or any of its subsidiaries is subject or of any judgment, order or decree of any governmental body, agency or court having jurisdiction over Weston or any of its subsidiaries, which breach or violation would have a material adverse effect on Weston or Weston and its subsidiaries, taken as a whole; and

(viii) this Agreement has been duly authorized by all necessary corporate action on the part of Weston, has been duly executed and delivered on behalf of Weston and constitutes a legally valid and binding obligation of Weston enforceable against it in accordance with its terms.

5. **Commercial Copies**

(a) Weston shall, as soon as possible but in any event not later than April 5, 2005, cause to be delivered to the Underwriters, without charge, commercial copies of the Preliminary Prospectus in such numbers and in such major Canadian cities as the Underwriters may reasonably request by verbal instructions to the printer thereof given no later than the time when Weston authorizes the printing of the commercial copies of such documents.

(b) Weston shall, as soon as possible but in any event not later than 12:00 p.m. (local time) on April 12, 2005 (or such later date and time as may be agreed to in writing by the Underwriters) cause to be delivered to the Underwriters, without charge, commercial copies of the Prospectus in such numbers and in such major Canadian cities as the Underwriters may reasonably request by verbal instructions to the printer thereof given no later than the time when Weston authorizes the printing of the commercial copies of such documents. In addition, Weston shall cause to be delivered to the Underwriters, without charge, commercial copies of any Prospectus Amendment in such numbers and in such Canadian cities as the Underwriters may reasonably request by verbal instructions no later than 48 hours after the later of the filing of such Prospectus Amendment and the time such commercial copies are requested by the Underwriters.

(c) Weston shall cause to be provided to the Underwriters such number of copies of any documents incorporated by reference in the Preliminary Prospectus, the Prospectus, or any Prospectus Amendment, as the Underwriters may reasonably request for use in connection with offering the Shares to the public. The Underwriters agree that the Underwriters will not, directly or indirectly, use or distribute, and will require each banking and selling group member not to so use or distribute, the Preliminary Prospectus, the Prospectus or any Prospectus Amendment, nor offer, sell or deliver any of the Shares in any country or jurisdiction except under circumstances that will result in compliance with the applicable laws and regulations thereof without any additional cost or regulatory compliance being imposed upon Weston other than is contemplated by this Agreement.

6. **Material Changes and New Filings**

(a) During the period from the date of this Agreement to the end of the Distribution Period, Weston shall promptly notify the Underwriters in writing of:

(i) any change (actual, contemplated or threatened) in the business, affairs, operations, assets, liabilities (contingent or otherwise), capital or ownership of Weston and its subsidiaries taken as a whole; or

(ii) any change in any matter covered by a statement contained in the Preliminary Prospectus, the Prospectus or any Prospectus Amendment,

which change is, or may be, of such a nature as to render the Preliminary Prospectus, the Prospectus or any Prospectus Amendment, as the case may be, including the documents incorporated therein by reference, misleading or untrue in any material respect or would result in any of such documents containing a misrepresentation or which would result in any of such documents not complying with the Securities Legislation of any of the Qualifying Jurisdictions, or which change would reasonably be expected to have a significant effect on the market price or value of any securities of Weston. Weston shall promptly comply with all applicable filing and other requirements under Securities Legislation in the Qualifying Jurisdictions arising as a result of such change including, if necessary, preparing and filing with Securities Commissions in the Qualifying Jurisdictions such Prospectus Amendment to the Preliminary Prospectus or the Prospectus, as the case may be, (in a form approved by the Underwriters and their counsel, such approval not to be unreasonably withheld or unreasonably delayed) as may be necessary for such purposes. Weston shall in good faith discuss with the Underwriters any change in circumstances (actual or proposed) which is of such a nature that there is reasonable doubt whether notice need be given to the Underwriters pursuant to this paragraph and, in any event, prior to making any filing referred to in this paragraph.

(b) During the Distribution Period, Weston shall provide to the Underwriters on a timely basis, for review by the Underwriters and their counsel prior to filing, any proposed document, including without limitation any annual information form, material change report or information circular, which may be deemed to be incorporated by reference in the Prospectus.

(c) If a material change or a change in a material fact occurs after the date of this Agreement and prior to the Closing Date, then, subject to paragraph 12, the Closing Date shall be, unless Weston and the Underwriters otherwise agree in writing, the fifth business day following the later of:

(i) the date on which all applicable filings or other requirements of the Securities Legislation with respect to such material change or change in a material fact have been complied with in all Qualifying Jurisdictions and any appropriate receipts obtained for such filings and notice of such filings from Weston have been received by the Underwriters; and

(ii) the date upon which the commercial copies of any Prospectus Amendment have been delivered in accordance with paragraph 5(c);

However, in no event shall the Closing Date be later than May 20, 2005.

7. **Closing**

The Underwriters' purchases of the Shares shall take place at the offices of Weston's counsel in Toronto at the Closing Time on the Closing Date or at such other places as may be agreed to in writing by Weston and the Underwriters. At the Closing Time, Weston shall deliver to the Underwriters, or as the Underwriters may direct, a certificate representing the Shares registered in the name of RBC Dominion Securities Inc. (or in such other name or names of which the Underwriters shall notify Weston not less than 24 hours prior to the Closing Time), against payment to Weston by the Underwriters of the aggregate purchase price for the Shares, by bank draft or certified cheque. Concurrently Weston shall pay the Underwriting Fee to the Lead Underwriter on behalf of the Underwriters.

8. **Conditions of Closing**

The obligation of the Underwriters to purchase the Shares will be subject to the receipt by the Underwriters at the Closing Time of:

(a) a certificate dated the Closing Date and signed by Weston's Chief Financial Officer, or such other officer of Weston as may be reasonably acceptable to the Underwriters, certifying on behalf of Weston and without personal liability that, to the best of the knowledge, information and belief of the person signing such certificate, after having made reasonable inquiries:

(i) no order, ruling or determination having the effect of ceasing or suspending trading in the Shares or any other securities of Weston in any of the Qualifying Jurisdictions has been issued and no proceedings for such purpose are pending, contemplated or threatened;

(ii) since the date of this Agreement, no event or change has occurred which has had a material adverse effect on the business, affairs, operations, assets, liabilities (contingent or otherwise), capital or ownership of Weston and its subsidiaries, taken as a whole, and which is not disclosed in the Final Base Shelf Prospectus or any Prospectus Amendment (including the documents incorporated therein by reference) and no transaction has been entered into by any of Weston or its subsidiaries which is material to Weston and its subsidiaries on a consolidated basis, which is not disclosed in the Final Base Shelf Prospectus or any Prospectus Amendment (including the documents incorporated therein by reference);

(iii) Weston has complied in all material respects with all terms and conditions of this Agreement to be complied with by it at or prior to the Closing Time;

(iv) the representations and warranties of Weston contained herein are true and correct in all material respects as of the Closing Time with the same force and effect as if made at and as of the Closing Time;

(v) the Shares have been rated by DBRS as Pfd-2 (low) and by S&P as P-2; and

(vi) such other matters as the Underwriters may reasonably request;

(b) certificates dated the Closing Date, signed by an appropriate officer of Weston addressed to the Underwriters and their counsel, with respect to the constating documents of Weston, all resolutions of the board of directors of Weston relating to this Agreement, the Prospectus and the incumbency and specimen signatures of signing officers;

(c) Articles of Amendment of Weston providing for the designation of 10,000,000 preferred shares of Weston as Preferred Shares, Series III and providing for the rights, restrictions, conditions and limitations attaching to such shares substantially as described in Schedule A annexed hereto shall have been filed with the Director appointed under the *Canada Business Corporations Act*;

(d) a comfort letter from Weston's auditors dated the Closing Date and satisfactory in form and substance to the Underwriters bringing the information contained in the comfort letter referred to in paragraph 3(h) hereof forward to the Closing Date, provided that such comfort letter shall be based on a review by the auditors having a cut-off date not more than two business days prior to the Closing Date;

(e) an opinion of Gowling Lafleur Henderson LLP, counsel to Weston, dated the Closing Date and in form and substance satisfactory to the Underwriters and their counsel, as to compliance with the laws of the Province of Quebec relating to the use of the French language;

(f) an opinion of Gowling Lafleur Henderson LLP, counsel to Weston, dated the Closing Date, addressed to the Underwriters and their counsel, and in form and substance satisfactory to the Underwriters and their counsel, with respect to such matters as the

Underwriters and their counsel may reasonably request relating to Weston and the authorization, issue and distribution of the Shares;

(g) an opinion of McCarthy Tétrault LLP, counsel to the Underwriters, dated the Closing Date, addressed to the Underwriters, and in form and substance satisfactory to the Underwriters, as to such matters as the Underwriters may reasonably request; and

(h) a certificate from Weston's transfer agent dated the Closing Date and signed by an authorized officer of such transfer agent confirming the issued capital of Weston.

It is understood that counsel for the Underwriters may rely on the opinions of counsel for Weston as to matters which relate specifically to Weston, and that counsel for Weston and the Underwriters may rely upon the opinions of local counsel as to all matters not governed by the laws of the respective jurisdictions in which they are qualified to practice and may rely, to the extent appropriate in the circumstances, as to matters of fact on certificates of officers of Weston and of Weston's auditors, and that the opinions of counsel may be subject to the usual qualifications as to equitable remedies, creditors' rights laws and public policy considerations.

9. **Delivery of Shares**

Weston shall make all necessary arrangements for the exchange, on the Closing Date at the principal transfer office of Weston's transfer agent in each of the cities of Calgary, Toronto, Vancouver and Montreal, of the certificate for the Shares for certificates representing the same aggregate number of Shares and registered in such names as shall be designated by the Underwriters and by members of any selling group formed in connection with the sale of the Shares at least two business days prior to the Closing Time. All such exchanges are to be made at the cost of Weston, other than any applicable transfer taxes.

10. **Indemnification and Contribution**

(a) Subject as provided below, Weston shall indemnify the Indemnified Parties from and against all losses (other than loss of profit in connection with the distribution of the Shares), claims, demands, damages, liabilities, expenses and costs which the Indemnified Parties may suffer or incur and which are caused by or arise directly or indirectly by reason of:

(i) any Weston Information contained in the Prospectus or any Prospectus Amendment, including the documents incorporated therein by reference, or in any other document or material filed or delivered pursuant hereto, being or being alleged to be a misrepresentation or untrue, or any omission or alleged omission to state therein any fact or information required to be stated therein or necessary to make any of the statements therein not misleading in light of the circumstances in which they were made;

(ii) any order made or any inquiry, investigation or proceeding commenced or threatened by any securities regulatory or other authority based upon any untrue statement, omission or misrepresentation or alleged untrue statement, omission or misrepresentation in any Weston Information in the Prospectus or any Prospectus Amendment, including the documents incorporated therein by reference, or in any other document or material filed or delivered pursuant hereto preventing or restricting the trading in or the Distribution of the Shares in any of the Qualifying Jurisdictions;

(iii) the material breach of any representations, warranties or covenants of Weston contained herein or delivered pursuant hereto; or

(iv) the non-compliance by Weston with any material requirement of the Securities Legislation in connection with the transactions herein contemplated including Weston's non-compliance with any statutory obligation to make any document available for inspection.

The rights of indemnity contained in this paragraph 10(a) shall not be available to the Underwriters and their respective directors, officers, employees and control persons if Weston has complied with the provisions of paragraphs 5(b) and 6(a) and the person asserting any claim contemplated by this paragraph 10(a) was not provided with a copy of the Prospectus or any Prospectus Amendment which corrects any misrepresentation or alleged misrepresentation which is the basis of such claim and which is required, under applicable Securities Legislation, to be delivered to such person by the Underwriters.

(b) If any claim contemplated by paragraph 10(a) shall be asserted against any of the Indemnified Parties, the Indemnified Party concerned shall promptly notify Weston in writing of the nature of such claim (provided that any failure to so notify promptly shall relieve Weston of liability under this paragraph to the extent that such failure prejudices Weston's ability to defend such claim) and Weston shall, subject as hereinafter provided, be entitled (but not required) to assume the defence on behalf of the Indemnified Party of any suit or proceeding (including any governmental or regulatory investigation or proceeding) brought to enforce such claim. Any such defence shall be through legal counsel acceptable to the Indemnified Party (whose acceptance shall not be unreasonably withheld or unreasonably delayed) and no admission of liability or settlement shall be made by Weston or any Indemnified Party in respect of any Indemnified Party without, in each case, the prior written consent of all of the parties hereto and the Indemnified Party, such consent not to be unreasonably withheld or unreasonably delayed. An Indemnified Party shall have the right to employ separate counsel in any such suit and participate in the defence thereof but the fees and expenses of such counsel shall be at the expense of the Indemnified Party unless (i) Weston fails to assume the defence of such suit on behalf of the Indemnified Party within a reasonable period of time, or (ii) the employment of such counsel has been authorized in writing by Weston, or (iii) the named parties to any such suit or proceeding include both the Indemnified Party and Weston and the Indemnified Party shall have been advised in writing by counsel acceptable to Weston, acting reasonably, that representation of both parties by the same counsel would be inappropriate because there may be a conflict of interest in having the Indemnified Person represented by the same counsel as Weston or there may be one or more legal defences available to the Indemnified Party which are different from or in addition to those available to Weston, in which case, if such

Indemnified Party notifies Weston in writing that it elects to employ separate counsel at the expense of Weston, Weston shall not have the right to assume the defence of such suit or proceeding on behalf of the Indemnified Party but shall be liable to pay the reasonable fees and expenses of counsel for the Indemnified Party, it being understood, however, that Weston shall not, in connection with any one such action or separate but substantially similar or related actions in the same jurisdiction arising out of the same general allegations or circumstances, be liable for the reasonable fees and expenses of more than one separate law firm (in addition to any local counsel) for all such Indemnified Parties. Weston shall not be liable for any settlement of any action or suit effected without its written consent or any admission of liability without its prior written consent. It is the intention of Weston to constitute the Underwriters as trustees for the Indemnified Parties of the covenants of Weston under this section 10 and the Underwriters agree to accept such trust and to hold and enforce such covenants on behalf of such persons.

(c) In order to provide for just and equitable contribution in circumstances in which the indemnification provided for in paragraph 10(a) is unavailable (other than in accordance with its terms), in whole or in part, to an Indemnified Party in respect of any losses, claims, demands, damages, liabilities, costs or expenses referred to therein, Weston and the Underwriters shall contribute to the amount paid or payable (or, if such indemnity is unavailable only in respect of a portion of the amount so paid or payable, such portion of the amount so paid or payable) by such Indemnified Party as a result of such losses, claims, demands, damages, liabilities, costs or expenses:

(i) in such proportion as is appropriate to reflect the relative benefits received by Weston on the one hand and the Underwriters on the other hand from the offering of the Shares; or

(ii) if the allocation provided by clause (i) above is not permitted by applicable law, in such proportion as is appropriate to reflect not only the relative benefits referred to in clause (i) above but also the relative fault of Weston on the one hand and the Underwriters on the other hand in connection with the information, statement, omission, misrepresentation, order, inquiry, investigation or other matter or thing referred to in paragraph 10(a) which resulted in such losses, claims, demands, damages, liabilities, costs or expenses, as well as any other relevant equitable considerations;

provided that the Underwriters shall not in any event be liable to contribute, in the aggregate, an amount in excess of the total Underwriting Fee or the portion thereof actually received; and provided further that Weston shall not be liable to contribute unless the claim is in relation to a matter referred to in paragraph 10(a). The relative benefits received by Weston on the one hand and the Underwriters on the other shall be deemed to be in the same proportion as the total proceeds from the offering (net of the Underwriting Fee but before deducting expenses) received by Weston is to the Underwriting Fee received by the Underwriters. The relative fault of Weston on the one hand and of the Underwriters on the other hand shall be determined by reference to, among other things, whether the information, statement, omission, misrepresentation, order, enquiry, investigation or other matter or thing referred to in paragraph 10(a) which resulted in such losses, claims, demands, damages, liabilities, costs or expenses relates to information supplied by or steps or actions taken or done by or on behalf of or caused by Weston, on the one hand, or to information supplied by or steps or actions taken or done by or on behalf of the Underwriters, on the other hand, and the relative intent, knowledge, access to information and opportunity to correct or prevent such statement, omission or misrepresentation referred to in paragraph 10(a) of Weston on the one hand and the Underwriters on the other hand. The amount paid or payable by an Indemnified Party as a result of the losses, claims, demands, damages, liabilities, costs or expenses referred to above shall be deemed to include, subject to the limitations set forth in paragraph 10(b), any legal or other expenses reasonably incurred by such Indemnified Party in connection with investigating or defending any such losses, claims, damages, liabilities, costs or expenses, whether or not resulting in any such action, suit, proceeding or claim. With respect to this paragraph 10(c), Weston acknowledges and agrees that the Underwriters are contracting on their own behalf and as agents for their affiliates, directors, officers, employees and agents.

(d) No party who has engaged in fraud, wilful default, fraudulent misrepresentation, gross negligence, wilful misconduct or reckless disregard shall be entitled to claim indemnification pursuant to paragraph 10(a) or contribution pursuant to paragraph 10(c) from any person who has not engaged in such fraud, wilful default, fraudulent misrepresentation, gross negligence, wilful misconduct or reckless disregard.

(e) If any provision of paragraphs 10(a), (b) or (c) is determined to be void, voidable or unenforceable, in whole or in part, such determination shall not affect or impair or be deemed to affect or impair the validity of any other provision of this Agreement and such void, voidable or unenforceable provision shall be severable from this Agreement.

(f) The rights to indemnification and contribution provided in this section 10 shall be in addition to and not in derogation from any other rights which the Underwriters may have by statute or otherwise at law.

11. **Expenses**

Whether or not the transactions herein contemplated shall be completed, all expenses of or incidental to the sale of the Shares and of or incidental to all other matters in connection with the transactions herein set out shall be borne by Weston, including, without limitation, expenses payable in connection with the qualification of the Shares for sale to the public, the fees and expenses of counsel to Weston, the fees and expenses of Weston's auditors and all costs incurred in connection with the preparation, translation, printing and delivery of Prospectus and any Prospectus Amendment and all documents required to be incorporated by reference therein (including commercial copies thereof). Notwithstanding the foregoing, the fees and expenses of counsel to the Underwriters, out-of-pocket expenses incurred by the Underwriters and the cost of advertisements placed by the Underwriters shall be paid by the Underwriters, except that the Underwriters will be reimbursed by

Weston for all of these fees, expenses and costs, to the extent they are reasonable, if the sale of the Shares is not completed due to any failure of Weston to comply with the terms of this Agreement or to take any step or action or make any filing required by it to be taken or made as contemplated by this Agreement.

12. **Early Termination**

(a) In addition to any other remedies which may be available to the Underwriters, the Underwriters (or any of them) shall be entitled, at their option, to terminate and cancel their obligations under this Agreement, without any liability on their part, if prior to the Closing Time:

(i) any inquiry, investigation or other proceeding is commenced, announced or threatened or any order or ruling is issued under or pursuant to any statute of Canada, any province of Canada, the United States, any state of the United States or by any stock exchange or other regulatory authority other than an inquiry, investigation or other proceeding based solely on the activities of an Underwriter, or there is any change of law or the interpretation or administration thereof by applicable judicial or securities regulatory authorities, which, in the reasonable opinion of the Underwriters (or any of them), operates to prevent or restrict the trading in or the distribution of the Shares or any other securities of Weston;

(ii) there does occur or shall have occurred any change (actual, contemplated or threatened) in the business, affairs, operations, assets, liabilities (contingent or otherwise), capital or ownership of Weston and its subsidiaries taken as a whole, or any change in any material fact contained or incorporated by reference in the Prospectus or any Prospectus Amendment (other than a change related solely to the Underwriters) which, in the opinion of the Underwriters (or any of them), could reasonably be expected to have a significant adverse effect on the market price or value of the Shares;

(iii) the ratings assigned by any nationally recognized securities rating agency to any securities of Weston shall have been lowered or the rating outlook for any such securities shall have been revised downward or if any such rating agency shall have publicly announced that it has under surveillance or review, with possible negative or uncertain implications, its rating of any securities of Weston, if, in the sole opinion of the Underwriters, such change in ratings or outlook or announcement could be reasonably expected to have a material adverse effect on the market price or value of the Shares or any other securities of Weston; or

(iv) there should occur, develop or come into effect or existence any event, action, state, condition or occurrence of national or international consequence or any action, law, regulation, regulatory proceeding, inquiry or other occurrence which, in the reasonable opinion of the Underwriters (or any of them), seriously adversely affects, or may seriously adversely affect, the financial markets in Canada or the United States or the business, operations or affairs of Weston and its subsidiaries, taken as a whole.

(b) Any such termination shall be effected by giving written notice to Weston at any time prior to the Closing Time. In the event of a termination by the Underwriters (or any of them) pursuant to paragraph 12(a), there shall be no further liability on the part of the Underwriters (or any of them) or of Weston to the Underwriters (or any of them) except in respect of the payment of such of the expenses referred to in section 11 payable by Weston as shall previously have been incurred and any liability which may have arisen or may thereafter arise under section 10 hereof.

## 13. **Authority to Lead Underwriter**

Subject as provided below, all steps which must or may be taken by the Underwriters in connection with this Agreement, including any agreement to amend such agreement (but with the exception of the steps contemplated by section 12), may be taken by the Lead Underwriter on the Underwriters' behalf, after consultation with the other Underwriters, and each of the Underwriters authorizes Weston to deal solely with the Lead Underwriter on behalf of all of the Underwriters, to accept notification of any such steps from the Lead Underwriter and to deliver the Shares referred to in section 9 to, or to the order of, the Lead Underwriter on their behalf. The Underwriters also authorize the Lead Underwriter to provide instructions to counsel with respect to the scope of legal due diligence to be conducted and any undertaking to the Company regarding not disclosing the particulars of certain transactions examined in such legal review.

## 14. **Underwriters' Obligations Several**

Subject to the terms and conditions hereof, the obligation of the Underwriters to purchase the Shares shall be several and not joint. The percentage of the aggregate number of the Shares to be separately purchased and paid for by the Underwriters shall be as follows:

| | |
|---|---|
| RBC Dominion Securities Inc. | 25.0% |
| CIBC World Markets Inc. | 20.0% |
| BMO Nesbitt Burns Inc. | 17.5% |
| TD Securities Inc. | 14.0% |
| National Bank Financial Inc. | 9.5% |
| Merrill Lynch Canada Inc. | 7.0% |
| Scotia Capital Inc. | 7.0% |
| Total | 100.0% |

If at the Closing Time, any one or more of the Underwriters shall fail or refuse to purchase its respective percentage of the Shares, the remaining Underwriters shall be obligated severally to purchase such Shares which the defaulting Underwriter or Underwriters have failed to purchase, in the proportion that the percentage set forth opposite the name of each of the remaining Underwriters bears to the aggregate of such percentages; provided, however, that in the event that the percentage of the total number of Shares which one or more of the Underwriters has failed to purchase exceeds 9% of the total number of Shares which the Underwriters have agreed to purchase, the other Underwriters shall have the right, but not the obligation, to purchase severally, on a pro rata basis as between themselves or in such other proportions as they may agree upon, all, but not less than all, of the Shares which would otherwise have been purchased by the Underwriters which fail to purchase. If any non-defaulting Underwriter elects not to exercise such right and no other non-defaulting Underwriter elects to exercise such right so as to assume the entire obligations of the defaulting Underwriters and arrangements satisfactory to the Lead Underwriter (on behalf of the Underwriters) and Weston for the purchase of such Shares are not made within 48 hours after such default, then (i) each non-defaulting Underwriter shall be entitled, by notice to Weston, to terminate, without liability, its obligation to purchase its original percentage of the Shares, and (ii) Weston shall have the right to terminate its obligations hereunder without liability on its part except, in respect of non-defaulting Underwriters only, under section 10 (if applicable) or 11 hereof. In any such case either the non-defaulting Underwriter or Weston shall have the right to postpone the Closing Time, for such period, not exceeding five business days, in order that the required changes, if any, in the Prospectus or in any other documents or arrangements may be effected. Any action taken under this section 14 shall not relieve any defaulting Underwriter from liability in respect of any default by such Underwriter under this Agreement.

## 15. **Terms and Conditions**

All terms and conditions of this Agreement shall be construed as conditions, and any material breach or failure by Weston to comply in all material respects with any such terms or conditions shall entitle the Underwriters to terminate their obligations to purchase the Shares by giving written notice to that effect to Weston at or prior to the Closing Time. It is understood that the Underwriters may waive in whole or in part, or extend the time for compliance with, any of such terms and conditions without prejudice to the Underwriters' rights in respect of any other of such terms and conditions or any other or subsequent breach or non-compliance, provided that to be binding on the Underwriters any such waiver or extension must be in writing. In the event of the termination of the Underwriters' obligations pursuant to this section 15, Weston's liability hereunder to the Underwriters shall be limited to payment of such of the expenses referred to in section 11 hereof payable by Weston as shall previously have been incurred and to any liability which may have arisen or may thereafter arise under section 10.

## 16. **Future Offerings**

Weston shall not, without the prior written consent of the Lead Underwriter, such consent not to be unreasonably withheld or unreasonably delayed, offer or sell, agree to offer or sell, or announce any intention to offer or sell, any additional Preferred Shares of Weston or any securities convertible into or exchangeable for Preferred Shares of Weston in connection with financing transactions at any time prior to 90 days after the Closing Date.

## 17. **Survival**

The representations, warranties, covenants, indemnities and agreements of Weston contained in this Agreement or contained in certificates or other documents delivered pursuant hereto shall survive the purchase by the Underwriters of the Shares and shall continue in full force and effect notwithstanding any subsequent disposition by the Underwriters of the Shares and the Underwriters shall be entitled to rely on the representations and warranties of Weston contained in this Agreement or contained in certificates or other documents delivered pursuant hereto notwithstanding any investigation which the Underwriters may undertake or which may be undertaken on the Underwriters' behalf.

## 18. **Notices**

Any notice or other communication to be given hereunder shall:

in the case of notice to Weston, be addressed to:

George Weston Limited
Suite 1901
22 St. Clair Avenue East
Toronto, Ontario M4T 2S7

Facsimile: (416) 922-7791
Attention: Vice President, Treasurer

with a copy to:

George Weston Limited
Suite 1901
22 St. Clair Avenue East
Toronto, Ontario M4T 2S7

Facsimile: (416) 922-7791
Attention: Secretary

in the case of notice to the Underwriters, be addressed to:

RBC Dominion Securities Inc.
200 Bay Street
Royal Bank Plaza, P.O. Box 50
Toronto, Ontario M5J 2W7

Facsimile: (416) 842-7555
Attention: Stewart C. Burton

Any such notice or other communication shall be in writing, and unless delivered personally to a responsible officer of the addressee, shall be given by courier service or facsimile, and shall be deemed to have been given when actually received.

19. **Miscellaneous**

(a) Time shall be of the essence of this Agreement.

(b) If any provision of this Agreement is determined to be void or unenforceable in whole or in part, it shall be deemed not to affect or impair the validity of any other provision of this Agreement and such void or unenforceable provision shall be severable from this Agreement.

(c) All dollar amounts referred to in this Agreement are in Canadian funds.

(d) This Agreement shall be governed by and construed in accordance with the laws of the Province of Ontario. Each of the parties irrevocably attorns to the non-exclusive jurisdiction of the courts of the Province of Ontario with respect to all matters arising out of this Agreement and the transactions contemplated herein.

(e) This Agreement may be executed in several counterparts and by facsimile signature, each of which when so executed shall be deemed to be an original and such counterparts together shall constitute one and the same agreement.

(f) Headings are for convenience of reference and shall not affect the interpretation of this Agreement.

If the foregoing is acceptable to you, please signify such acceptance by executing and returning the enclosed copy of this letter to RBC Dominion Securities Inc. on behalf of the Underwriters. Such acceptance will constitute an agreement for the purchase by the Underwriters and sale by Weston of the Shares on the terms set out herein, and an agreement by Weston to the terms set out herein.

**[Balance of page intentionally left blank.]**

Yours truly,

**RBC DOMINION SECURITIES INC.**

By: (signed) Stewart C. Burton
Name: Stewart C. Burton
Title: Managing Director

**CIBC WORLD MARKETS INC.**

By: (signed) Daniel J. McCarthy
Name: Daniel J. McCarthy
Title: Managing Director

**BMO NESBITT BURNS INC.**

By: (signed) James P. Bowland
Name: James P. Bowland
Title: Managing Director

**TD SECURITIES INC.**

By: (signed) Andrew W. Durnford
Name: Andrew W. Durnford
Title: Managing Director

**NATIONAL BANK FINANCIAL INC.**

By: (signed) William Crossland
Name: William Crossland
Title: Managing Director

**MERRILL LYNCH CANADA INC.**

By: (signed) Jeremy Rakusin
Name: Jeremy Rakusin
Title: Director

**SCOTIA CAPITAL INC.**

By: (signed) Melanie E. Ruby
Name: Melanie E. Ruby
Title: Director

**[Balance of page intentionally left blank.]**

The foregoing is in accordance with our understanding and is accepted by Weston as of April 4, 2005.

**GEORGE WESTON LIMITED**

By: (Signed) Lisa Swartzman
Name: Lisa Swartzman
Title: Vice President, Treasurer

By: (Signed) Robert A. Balcom
Name: Robert A. Balcom
Title: Vice President, Assistant Secretary

# GEORGE WESTON LIMITED
# PREFERRED SHARES, SERIES III

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*Term Sheet* *April 4, 2005*

## SCHEDULE A

| | |
|---|---|
| **Issuer:** | George Weston Limited ("Weston" or the "Company"). |
| **Issue:** | 5.20% Preferred Shares, Series III (the "Preferred Shares"). |
| **Amount:** | $200 million (8 million Preferred Shares). ($250 million (10 million Preferred Shares) if the Underwriters' Option is exercised in full.) |
| **Underwriters' Option:** | The Underwriters shall have the option to purchase up to an additional 2 million Preferred Shares ($50 million) on the same terms and conditions, such option to be exercisable at the sole discretion of the Underwriters at any time until 5:00 p.m. on April 15, 2005 or, if the Closing Date is other than April 18, 2005, 24 hours prior to the time of closing on the Closing Date. |
| **Issue Price:** | $25.00 per Preferred Share. |
| **Dividends:** | Fixed, cumulative, preferential cash dividends of $1.30 per annum per Preferred Share will, if declared, be payable quarterly on the 1st day of January, April, July and October of each year.<br><br>The initial dividend, if declared, of $0.26356 per Preferred Share will be payable on July 1, 2005, based on an anticipated closing date of April 18, 2005. |
| **Redemption:** | The Preferred Shares will not be redeemable by Weston prior to July 1, 2010. On and after July 1, 2010, the Company may, at its option, on not less than 30 nor more than 60 days' notice, redeem for cash the Preferred Shares in whole or in part, at $26.00 per Preferred Share if redeemed prior to July 1, 2011; $25.75 per Preferred Share if redeemed on or after July 1, 2011 and prior to July 1, 2012; $25.50 per Preferred Share if redeemed on or after July 1, 2012 and prior to July 1, 2013; $25.25 per Preferred Share if redeemed on or after July 1, 2013 and prior to July 1, 2014; and $25.00 per Preferred Share if redeemed on or after July 1, 2014, in each case together with an amount equal to all accrued and unpaid dividends thereon, to but excluding the date on which such Preferred Shares are redeemed. |

# GEORGE WESTON LIMITED
## PREFERRED SHARES, SERIES III

*Term Sheet* *April 4, 2005*

**SCHEDULE A**

**Conversion into Another Series of Preferred Shares:** The Company may at any time and from time to time, at its option, create one or more further series of preferred shares of the Company, into which any Series III Preferred Shares may, at the option on the holder, be converted on a share-for-share basis, such right to be exercised within 45 days of notice of the creation of a further series of shares.

**Purchase for Cancellation:** The Company may purchase for cancellation at any time all, or from time to time any part of, the Preferred Shares in the open market, by private agreement or otherwise at the lowest price or prices at which, in the opinion of the board of directors of the Company, such shares are obtainable, such price not to exceed $25.00 per share plus all accrued and unpaid dividends to but excluding the date of purchase and costs of purchase if such shares are purchased otherwise than through a recognized stock exchange or pursuant to an invitation for tenders.

**Voting Rights:** The holders of the Preferred Shares will not be entitled to receive notice of, or to attend, or to vote at, any meeting of the shareholders of the Company unless the Company shall have failed to pay eight quarterly dividends on the Preferred Shares, whether or not consecutive. In that event and only so long as any such dividends on the Preferred Shares remain in arrears, the holders of the Preferred Shares will be entitled to receive notice of, and to attend, all meetings of shareholders of the Company and to cast one vote for each Preferred Share held.

**Priority:** The Preferred Shares rank in priority to all other shares of the Company with respect to the payment of dividends and with respect to the distribution of assets in the event of the liquidation, dissolution or winding-up of the Company except for the Senior Preferred Shares, of which none is issued. Each series of preferred shares ranks in such respects on a parity with every other series of preferred shares.

**Listing:** Application will be made to list the Preferred Shares on The Toronto Stock Exchange.

**Provisional Ratings:** S&P: P-2<br>DBRS: Pfd-2 (low)

# GEORGE WESTON LIMITED
## PREFERRED SHARES, SERIES III

*Term Sheet* *April 4, 2005*

**SCHEDULE A**

| | |
|---|---|
| **Tax Status:** | The Company will elect to pay tax under Part VI.I of the *Income Tax Act* (Canada) such that holders of Preferred Shares will not be required to pay tax on dividends received on such shares under Part IV.1. |
| **Eligibility:** | The Preferred Shares will be eligible for investment under the usual statutes. |
| **Underwriting Basis:** | "Bought Deal" subject to conventional bought deal termination provisions to be included in a definitive underwriting agreement. |
| **Underwriting Fee:** | 1.0% to certain specified institutions and 3.0% on all other sales. |
| **Use of Proceeds:** | The net proceeds of this offering will be added to the general funds of Weston and used to repay maturing commercial paper and for general corporate purposes. |
| **Closing:** | On or about April 18, 2005. |