

## Board of Directors Mandate

Revised in 2019.

Approved by the Corporate Governance and Human Resources Committee on March 28, 2019.

Adopted by the Board of Directors on April 17, 2019.



The Board of Directors (the “**Board**”) is responsible for the stewardship of the business and affairs of Saputo Inc. (the “**Company**”). As such, the Board establishes all Company policies, oversees and assesses management’s strategic decisions, and has full power for duties that are not specifically delegated to its committees or to management. The Board is also responsible for overseeing the management of the Company’s business so as to enhance the creation of long-term shareholder value while considering the interests of the Company’s various stakeholders, including shareholders, employees, customers, suppliers, business partners and the communities where the Company operates. Management’s role is to conduct the Company’s day-to-day operations so as to ensure that this objective is met.

### BOARD ORGANIZATION

- The directors are elected annually by the Company’s shareholders. These directors, together with those appointed between annual meetings to fill vacancies or as additional directors, make up the Board of the Company.
- The composition and organization of the Board, including the number and qualifications of directors, the number of Board meetings, Canadian residency requirements, quorum requirements, meeting procedures and notices of meetings shall comply with applicable requirements of the *Canada Business Corporations Act*, laws and regulations and the articles and by-laws of the Company.
- The Board must be composed of a majority of independent directors as defined by applicable laws and regulations.
- The Chair of the Board must be appointed by a resolution of the Board, and a Lead Director must be appointed if the Chair of the Board is not an independent director. The Lead Director must be appointed by a resolution of the independent members of the Board.
- The Board meets at least five times per year and may call special meetings as required. The Chair of the Board, the Lead Director, any member of the Board, the Chief Executive Officer or the Chief Financial Officer and Secretary may call special meetings as needed. The Board determines the place, date and time of its meetings. The meetings may be held by telephone or by any other means allowing the members of the Board to communicate with each other. Unless waived by the independent members of the Board, the independent directors meet, *in camera*, without management and non-independent directors in attendance, following each meeting of the Board. The Chair of the Board, or Lead Director if the Chair is not an

independent director, chairs the *in camera* meetings.

- The Chair of the Board and the Lead Director approve meeting agendas and ensure that documents referred to in the agenda are forwarded to directors sufficiently in advance for their perusal. Any member of the Board may propose the inclusion of additional items on the agenda, or at any Board meeting raise subjects that are not on the agenda for that meeting.
- Minutes of Board meetings must accurately reflect the significant discussions and the decisions of the Board and must be circulated to the members of the Board for their approval. The secretary of the Company (the “**Corporate Secretary**”), his or her designate or any other person the Board requests, shall act as secretary of the Board meetings. Minutes of the Board meetings shall be recorded and maintained by the Corporate Secretary, or any other person acting in such capacity.
- The Board may invite any person deemed appropriate to a Board meeting. However, such person may not at any time vote at the Board’s meeting.
- The Board has full access to members of senior management and other personnel, as well as to documents of the Company and its subsidiaries. The Board has the authority to retain, at the cost of the Company, independent legal counsel, consultants or other advisors it considers necessary to carry out its mandate and fulfill its responsibilities, and to fix the compensation of such advisors.

#### **COMMITTEES OF THE BOARD**

- The Board has established the Audit Committee and the Corporate Governance and Human Resources Committee. Subject to applicable laws and regulations, the Board may establish other Board committees or merge or dispose of any Board committee.
- The Board has approved mandates for each existing Board committee and shall approve mandates for each new Board committee.
- The Board has delegated to the applicable committee those duties and responsibilities set out in each committee’s mandate. The Board may request the assistance of Board committees in performing its duties, and delegate additional responsibilities to them if it deems appropriate.
- To facilitate communication between the Board and each of the Board committees, each committee chair shall provide a report to the Board on material matters considered by the committee at the first Board meeting following the committee’s meeting.

## **RESPONSIBILITIES**

The Board takes on the following responsibilities outlined below:

### **A. Strategic Planning**

- 1) reviewing and approving the Company's strategic orientation: identification of short, medium and long-term qualitative and quantitative objectives, annual approval of the strategies for achieving them, which strategies take into account opportunities and risks, and monitor the achievements of management;
- 2) reviewing and approving the Company's annual budget;
- 3) periodically studying and approving the results obtained by the Company in comparison with objectives pursued; determining the causes of any discrepancies and approving the appropriate corrective actions, if any;
- 4) reviewing and approving the dividend policy and approving the declaration of dividends for payment, when required;

### **B. Management Oversight**

- 5) monitoring, where possible, the integrity of the Chief Executive Officer and other senior executives, as well as ensuring that each of them promotes a culture of integrity within the Company;
- 6) reviewing and approving the appointment, indemnification and succession and education plans, and overseeing compensation, for the executive officers;
- 7) developing and approving written position descriptions for the Chief Executive Officer;
- 8) reviewing the performance of the Chief Executive Officer in light of his position description and objectives to be met;

### **C. Risk Management**

- 9) identifying the main risks associated with the Company's business and ensuring the deployment of appropriate risk management measures;

- 10) overseeing the integrity of the Company's internal control over financial reporting and disclosure controls and procedures;
- 11) monitoring compliance of the Company with laws, regulations and norms applicable to it and its activities;
- 12) establishing and overseeing the implementation of the environmental policy;
- 13) establishing and overseeing the implementation of the food safety and quality policy;
- 14) overseeing the risk management measures related to the health and safety risk;

#### **D. Communications**

- 15) establishing and overseeing the implementation of the corporate disclosure policy, and reviewing and approving the continuous disclosure documents, such as the financial statements, management's discussion and analysis, management information circular, annual information form and annual report;
- 16) meet with the Company's shareholders, in conjunction with management, at the annual meeting of shareholders and be available to respond to questions at that time;
- 17) overseeing the implementation of appropriate measures to receive comments from the Company's shareholders;

#### **E. Corporate Governance and Board Matters**

- 18) developing and approving written position descriptions for the Chair of the Board, the Lead Director and the chair of each Board committee;
- 19) implementing and supervising a process for assessing the performance of the Board, its committees and the directors, as well as periodically evaluating their performance;
- 20) implementing and supervising the process to select and recruit candidates for the Board;
- 21) determining the independence, or lack thereof, of each director;

- 22) implementing and supervising the orientation and continuing professional development programs of directors;
- 23) reviewing and approving the compensation and indemnification of directors;
- 24) ensuring, as feasible, that each director acts with integrity and good faith in the best interest of the Company, with the diligence and the skills that would present, in such circumstances, a prudent and diligent person;
- 25) approving the Company's approach to corporate governance, in particular adopting corporate governance principles and guidelines that apply specifically to the Company;
- 26) establishing and overseeing the implementation of the Code of Ethics with the purpose of encouraging and promoting a culture of ethical business conduct;
- 27) annually reviewing the Board's mandate;
- 28) reviewing any other matter or issue that may be referred to it by one of the Board committees or that the Board deems appropriate to be mandated to act on; and
- 29) approving significant acquisitions and dispositions of businesses, any major contract or project, including financing agreements and agreements under which guarantees are given or substantial assets are given as security, as well as any other important matter concerning the Company.

In general, the Board has the responsibility to approve all matters that lie within the powers of directors under the *Canada Business Corporations Act* and any other applicable law.