

Audit Committee Mandate

Revised in 2017.

Approved by the Audit Committee on February 2, 2017.

Adopted by the Board of Directors on April 20, 2017.



1. AUTHORITY

The audit committee (the “**Committee**”) is a standing committee of the board of directors (the “**Board**”), which has the responsibilities described under the heading “Responsibilities”. The Committee reports to the Board.

The Committee has free access to the personnel and documents of Saputo Inc. (the “**Company**”) and its affiliates, and is granted the resources necessary to carry out its duties.

2. STRUCTURE

2.1. The Committee is made up of a minimum of three directors of the Company, each being independent and financially literate, except to the extent permitted by the requirements concerning the Committee as per applicable securities legislation. The terms “independent” and “financially literate” each have the meaning respectively provided under the requirements concerning the Committee as per the applicable securities legislation.

2.2. The mandate of the members is for one year and may be renewed. The members are appointed by the Board at the first meeting following the annual meeting of shareholders, or at any other meeting to fill a vacancy. The Board may dismiss or replace a member at any time.

2.3. The chairman is appointed by the Board for a one-year term, which may be renewed. In the absence or failure of the chairman to sit, the chair is filled by a member chosen by the Committee.

2.4. The Committee meets at least four times annually. The Chairman of the Board, the Lead Director, the members of the Committee, the external auditors, the person responsible for internal audit, the Chief Executive Officer or the Chief Financial Officer may call special meetings as needed. The Committee determines the place, date and time of its meetings. The meetings may be held by telephone or by any other means allowing the members to communicate with each other. Unless waived by the members of the Committee, the Committee shall meet *in camera* at each meeting.

2.5. The quorum for meetings of the Committee is a majority of the members and decisions are made by the majority of the votes cast by the members present.

- 2.6. Minutes of meetings of the Committee are taken by the secretary of the Board (or any other person designated by the Committee) and must give an exact account of the decisions made at the meetings. The minutes of the Committee meetings are presented to and filed with the Board. The president of the Committee presents a verbal report at the following Board meeting.
- 2.7. In addition to the members of the Committee, any other person may be called before the meetings at the request of the chairman of the Committee.
- 2.8. The Committee has the power to retain, at the cost of the Company, independent legal counsels or other advisors it considers necessary to carry out its mandate and to fix their compensation.
- 2.9. The Committee has the power to communicate directly with the external auditors and the internal auditor of the Company and its accounting personnel and members of its management and shall ensure that they have unrestricted access to the Committee. For the purpose of its duties, the Committee may examine the pertinent books and accounts of the Company and its affiliates.
- 2.10. The external auditors report and account directly to the Committee.

3. **RESPONSIBILITIES**

3.1 Financial Disclosure

- Review the unaudited interim financial reports and audited annual financial statements accompanied by the external auditors' report, management's discussion and analysis and press releases regarding the financial results before their public release and recommend their approval to the Board. This review includes discussions with management, in the presence of the external auditors, regarding the interim financial reports and with management and the external auditors regarding the annual financial statements and material questions concerning the accounting principles and practices of the Company.
- Review the content of all public documents disclosing financial information, audited or unaudited, including all prospectuses, the management proxy circular, annual information form and annual report of the Company before their public release and recommend their approval to the Board.
- Review and monitor practices and procedures relating to the certifications by the Chief Executive Officer and the Chief Financial Officer with respect to financial

disclosures and internal controls and procedures over financial reporting to ensure compliance with applicable securities legislation.

- Review and discuss with management and the external auditors the appropriateness, quality and disclosure of the accounting principles and practices, the underlying assumptions and the reporting practices of the Company, and the appropriateness of any significant changes thereto or any proposed material change, and ensure they are appropriate and in compliance with the applicable legislation.
- Review, examine and discuss the foreseeable repercussions of any new audit and accounting standards or new securities rules with management and the external auditors.
- Review, at least annually, the dividends policy and recommend the approval by the Board of all payments of dividends, if any.
- Review the financial statements of the pension plans of the Company.

3.2 Risk Management and Internal Control

- Periodically review, evaluate and discuss with management and internal audit the risk factors inherent to the Company (in particular, financial, strategic and operational risks) and ensure that appropriate measures are in place to enable management to identify and manage them effectively.
- Oversee the application and respect of the environmental policy of the Company and make periodical reports to the Board with respect thereto.
- Oversee the application and respect of the food safety and quality policy of the Company and make periodical reports to the Board with respect thereto.
- Periodically monitor the presence and the effectiveness of the necessary internal control systems of the Company through reports prepared by management, the internal auditor and the external auditors (which reports would also identify weaknesses or would make recommendations in respect of controls that could have a material impact on the financial information of the Company), as well as the measures implemented to remedy the situation and ensure proper follow-up.
- Periodically evaluate and assess the adequacy of the disclosure controls and procedures of the Company, including the procedures set up by the Company to communicate publicly its financial information taken or derived from its financial

statements.

- Establish and maintain a policy concerning the disclosure of material information.
- Review the report of the management on transactions with related parties.
- Review any legal matters (including litigation proceedings and claims) that could have a material effect on the financial statements or on the affairs of the Company and ensure that they are appropriately disclosed in the financial statements.
- Ensure that the annual information form and the proxy circular include the required and mandatory information concerning the Committee.
- Review communications with the Autorité des marchés financiers or any other regulatory authority regarding the financial statements and continuous disclosure documents.
- Establish and maintain procedures regarding:
 - the receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls or auditing matters;
 - the confidential and anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters.
- Review the delegation of authority and oversee its application.

3.3 Internal Auditors

- Oversee and control the internal audit function.
- Review and approve annually the internal audit plan prepared by the person responsible for internal audit.
- Review periodically the reports, observations and recommendations of the internal auditor intended for the Committee, as well as the implementation of the recommendations.
- Review the adequacy of the resources attributed to, and the organizational structure of, the internal audit department in order to fulfill its mandate and responsibilities.
- Meet periodically with the person responsible for internal audit, with and without

the presence of management. During private meetings, discuss, among other things, the level of cooperation received from management, any unresolved differences of opinion, if any, the risk management framework and the internal control systems in place.

- Evaluate the performance of the internal audit function at least once per year.

3.4 External Auditors

- Oversee the work of the external auditors retained to prepare or issue the auditors' report or render other audit, examination or certification services to the Company and resolve disagreements, if any, between management and the external auditors regarding financial reporting.
- Recommend to the Board the appointment of external auditors for the upcoming fiscal year and the fees to be paid to them.
- Review, discuss with the external auditors and adopt annually the audit plan prepared by the external auditors, determine whether it meets the needs of the Company and, at least once per year, obtain an official written declaration from the external auditors attesting to their independence and delineating all relationships the external auditors have with the Company which may affect the independence and objectivity of the external auditors.
- Review and evaluate, at least once per year, the independence and performance of the external auditors, the qualifications and quality of their engagement team and the quality of communications and interactions between the Committee, the external auditors and management. Make appropriate recommendations to the Board.
- Review the external auditors' letters of recommendations to management, management's reply thereto and the implementation of the recommendations.
- Adopt and maintain a policy concerning the prior approval of all services not related to the audit which the external auditors of the Company may render to the Company and its subsidiaries in accordance with applicable legislation, as well as the fees for such services, and ensure the enforcement of and compliance with such policy.
- Examine and approve the hiring policy of the Company with respect to former or current partners and employees of current and former external auditors of the Company, and ensure the enforcement of and compliance with such policy.

- Meet periodically with the external auditors, with and without the presence of management, in regard to the audited financial statements and discuss with them (i) the results of the audit, (ii) the assessment of the control systems in place and their recommendations, (iii) any significant risks or exposures identified during the course of the audit, and (iv) any other material matter relating to the audit, including the level of cooperation received from management and the internal auditor and any material differences in opinion between the external auditors and management that occurred during the course of the audit.
- Ensure that there is a rotation of audit partners, lead and concurring partner and other audit partners as per applicable requirements.
- Review any other issue which the Board, in the opinion of the external auditors, should be informed about and report thereon to the Board.

3.5 Evaluation of the Committee

- Annually assess the accomplishments and performance of the Committee and submit the result of this assessment to the Board.
- Annually review the mandate of the Committee and recommend any changes to the Board.

3.6 Other Responsibilities

- Carry out any other duty related to the performance of its mandate, including, in particular, any investigations about matters related to its mandate.
- Carry out any other mandate which the Board may entrust to it from time to time.
- Act as a channel of communication between management, the internal auditor, the external auditors and the Board.