

## Board of Directors Mandate

Revised in 2015.

Approved by the Corporate Governance and Human Resources Committee on March 30, 2017.

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



The Board of Directors (the “**Board**”) is responsible for the stewardship 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 by taking into account the best interests of the Company and its shareholders in general. 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 Board must be composed of a majority of independent directors as defined by applicable legislation.
- 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. Board meetings may be held at the request of any director.
- The independent directors meet without management 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 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.
- The Board may, as required, invite any person deemed appropriate to a Board meeting to take part in discussions on the Company’s business. However, such a person may not at any time vote at a Board meeting.
- The 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, with copies to the Chief Executive Officer and to the Chief Financial Officer.

- The Board has full access to members of senior management and other personnel, as well as to documents of the Company and its affiliates. The Board is granted the resources it needs to perform its duties and is able to retain the services of external consultants for support in carrying out its mandate.

## **RESPONSIBILITIES**

The Board takes on the following responsibilities:

- 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;
- 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, compensation, indemnification, and succession and education plans for the Chief Executive Officer, the President and Chief Operating Officer, the Chief Financial Officer, the Chief Human Resources Officer and divisional Presidents;
- 7) reviewing the performance of the Chief Executive Officer in light of his position description and objectives to be met;
- 8) implementing and supervising a process for assessing the performance of the Board and the directors, as well as periodically evaluating their performance;
- 9) implementing and supervising the process to select and recruit candidates for the

Board of directors;

- 10) determining the independence, or lack thereof, of each director;
- 11) implementing and supervising the orientation and continuing professional development programs of directors;
- 12) reviewing and approving the compensation and indemnification of directors;
- 13) 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;
- 14) identifying the main risks associated with the Company's business and ensuring the deployment of appropriate measures to enable risk management;
- 15) overseeing the integrity of the Company's management information and internal control systems;
- 16) monitoring compliance of the Company with laws, regulations and norms applicable to it and its activities;
- 17) establishing and overseeing the implementation of the environmental policy;
- 18) establishing and overseeing the implementation of the food safety and quality policy;
- 19) establishing and overseeing the implementation of the corporate disclosure policy, and reviewing and approving the continuous disclosure documents, such as the financial statements, management proxy circular, annual information form and annual report;
- 20) approving significant acquisitions and sales of assets or shares, any major contract, including financing agreements and agreements under which guarantees are given or substantial assets are given as security, as well as any other important matter or any major development concerning the Company or the industry in which it operates;
- 21) approving the Company's approach to corporate governance, in particular adopting corporate governance principles and guidelines that apply specifically to the Company;

- 22) establishing and overseeing the implementation of the Code of Ethics;
- 23) deploying appropriate measures to receive comments from the Company's shareholders;
- 24) annually reviewing the Board's mandate; and
- 25) 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.

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.

The Board may request the assistance of Board committees in performing its duties, and delegate responsibilities to them if it deems appropriate.