SAPUTO GROUP INC.

INFORMATION CIRCULAR FOR SOLICITATION OF PROXIES

This Circular is furnished in connection with the solicitation by the management of SAPUTO GROUP INC. (the "Company") of proxies which will be used to vote at the General Annual Meeting (the "Meeting") of the holders of common shares of the Company (the "Common Shares") to be held on August 3, 1999 at the time and place and for the purposes set forth in the foregoing Notice and at any adjournment thereof.

The solicitation of proxies will be made primarily by mail. However, the management of the Company may solicit proxies at a nominal cost by telephone, telecopier or by personal interview. The Company will pay brokers and other persons holding shares for others their reasonable expenses for sending proxy material to beneficial owners in order to obtain voting instructions. The Company will bear all expenses in connection with the solicitation of proxies.

PROXIES

In order to be voted at the Meeting, a proxy must be received by the Secretary of the Company at least 48 hours prior to the Meeting. A proxy may be revoked at any time by the person giving it to the extent that it has not been exercised. A proxy may be revoked by filing a written notice with the Secretary of the Company if this notice is received no later than the business day preceding the Meeting. The powers of the proxy holders may also be revoked if the holder of Common Shares attends the Meeting in person and so requests.

The persons whose names are printed on the enclosed form of proxy will vote all the shares in respect of which they are appointed to act in accordance with the instructions indicated on the form of proxy.
If the form of proxy does not provide for any instructions, these persons will vote in favour of the proposals made by Management.

Every proxy given to any of the persons named in the form of proxy confers discretionary authority with respect to amendments or variations to the matters identified in the Notice and with respect to any other matter that may properly come before the Meeting.

The persons whose names are printed on the enclosed form of proxy are directors and executive officers of the Company. **Every holder of Common Shares has the right to appoint a person (who may not be a shareholder) to act on his behalf at the Meeting other than those whose names are printed on the form of proxy.** To exercise this right, the holder of Common Shares must insert his nominee's name in the blank space provided for such purpose in the form of proxy or prepare another proxy in proper form.

VOTING SHARES AND PRINCIPAL HOLDERS OF VOTING SHARES

The Common Shares are the only securities of the share capital of the Company which carry voting rights. As at June 1, 1999, the Company had 48,630,998 Common Shares outstanding. Each Common Share entitles its holder to one vote.

Only holders of Common Shares of record at 5:00 p.m. on June 17, 1999 will be entitled to receive the Notice. They will also be entitled to vote at the Meeting and at any adjournment thereof unless their Common Shares have been transferred and the transferee has produced properly endorsed certificate(s) representing the transferred Common Shares or has otherwise established ownership of the transferred Common Shares and has requested, at least 10 days before the Meeting, that such transferee's name be duly entered on the list of shareholders of the Company, in which case the transferee shall exercise the voting rights attached to the Common Shares.

In connection with the Company's initial public offering in October 1997 (the "Initial Public Offering"), the initial shareholders of the Company, being Gestion Jolina Inc., a holding company controlled by Mr. Emanuele (Lino) Saputo, and the holding companies owned and controlled by Emanuele (Lino) Saputo=s brothers and sisters and their families and G. De Lucia Holdings Inc. (collectively, the "Saputo Shareholders") entered into an agreement governing their relationship as shareholders of the Company. Under this agreement, Gestion Jolina Inc. has been granted by all other Saputo Shareholders a power of attorney to vote all of the Common Shares held by them at the time of the Initial Public Offering, which combined with the 20,525,304 shares held by Gestion Jolina Inc. represented, as of June 1, 1999, 33,800,037 Common Shares or 69.5% of all of the outstanding Common Shares. The agreement will terminate on the earlier of December 31, 2007 or the day on which Mr. Saputo ceases to control Gestion Jolina Inc.

The following table sets forth certain information concerning the Common Shares held directly or indirectly by the Saputo Shareholders as at June 1, 1999:

Name and municipality of residence	**Type of ownership**	**Number of Common Shares**	**Percentage of class**
Gestion Jolina Inc .... Montréal, Québec	of record	20,525,304 (1)	42.2%
Borumon Holdings Inc.. Montréal, Québec	of record	9,989,348 (2)	20.5%
Placements Italcan Inc. .... Montréal, Québec	of record	5,314,307	10.9%
G. De Lucia Holdings Inc. .... Montréal, Québec	of record	124,281	0.3%
Total		35,953,240	73.9%

(1) Includes 3,811,137 Common Shares held by Jolina Capital Inc., the sole shareholder of Gestion Jolina Inc.
(2) Includes 592,906 Common Shares held by Borussa Holdings Inc., the controlling shareholder of Borumon Holdings Inc., and 1,522,077 Common Shares held by direct and indirect minority shareholders of Borumon Holdings Inc.

To the knowledge of the Company's directors and executive officers, except as set forth above, no other person owns of record or beneficially, directly or indirectly, 10% or more of the issued and outstanding Common Shares.

ELECTION OF DIRECTORS

For 1999-2000, management proposes that the board of directors be composed of seven members. Except where the authority to vote in favour of the directors is withheld, the persons whose names are printed on the form of proxy intend to vote FOR the election of the seven nominees whose names are set forth in the following table. Each director elected will hold office until the next annual meeting or until that director's successor is duly elected, unless the office is vacated earlier in accordance with the relevant provisions of the applicable laws.

The following table sets forth, for each person nominated by management for election as a director, his name and municipality of residence, the year in which he first became a director, the principal occupation of each nominee and the number of Common Shares of the Company beneficially owned, directly or indirectly, or over which control or direction was exercised by each nominee as at June 1, 1999.

Name and municipality of residence	Director since	Principal occupation	Common Shares beneficially owned or over which control or direction was exercised
EMANUELE (LINO) SAPUTO Montréal, Québec	1992	Chairman of the Board and Chief Executive Officer of the Company	33,800,037 (1)
CAMILLO LISIO (2) Westmount, Québec	1997	President and Chief Operating Officer of the Company	15,195
ANDRÉ BÉRARD (2) Verdun, Québec	1997	Chairman of the Board and Chief Executive Officer of a Canadian Chartered Bank	1,500
PIERRE BOURGIE (2) Outremont, Québec	1997	President and Chief Executive Officer of Société Financière Bourgie Inc. (a holding company)	230,000
CATERINA MONTICCIOLO, CA (3) Laval, Québec	1997	Controller of Placements Vigica Inc. (a holding company)	27,500
PATRICIA SAPUTO, CA (3) Laval, Québec	1999 (4)	President of Pasa Holdings Inc. (a holding company)	9,500 (5)
LOUIS A. TANGUAY (3) Anjou, Québec	1997	President and Chief Operating Officer of Bell Canada International	2,000

(1) The shares are held by Jolina Capital Inc. and Gestion Jolina Inc., both of which are holding companies controlled by Mr. Emanuele (Lino) Saputo, and by other holding companies owned and controlled by his brothers and sisters and their families, which have granted to Gestion Jolina Inc. a power of attorney to vote all of the Common Shares held by them at the time of the Company's Initial Public Offering. See "Voting Shares and Principal Holders of Voting Shares".
(2) Members of the Corporate Governance and Human Resources Committee.
(3) Members of the Audit Committee.
(4) Ms. Patricia Saputo was appointed to the Board of Directors of the Company on June 9, 1999, following the resignation of Mr. Carlo Bizzotto.
(5) As at June 9, 1999.

During the last five years, all of the above nominees have been engaged in their present principal occupations or in other executive capacities with the companies indicated opposite their name or with related or affiliated companies, except for: Mr. Pierre Bourgie who, prior to January 1997, was President and Chief Executive Officer of Urgel Bourgie Inc. (funeral services); Ms. Caterina Monticciolo who, from January 1995 to October 1996, was a financial analyst with the Company and prior thereto was an accountant with Deloitte & Touche (an accounting firm); and Ms. Patricia Saputo who, prior to July 1998, was a Tax Manager with Deloitte & Touche.

Information as to shares beneficially owned by each nominee, or over which each exercised control or direction, as at June 1, 1999, has been furnished by the nominees individually as such information is not within the knowledge of the Company.

EXECUTIVE COMPENSATION

The following table provides a summary of compensation earned during the fiscal years ended March 31, 1999, 1998 and 1997, as salary, bonus or otherwise, by the five most highly compensated senior executives of the Company (collectively, the "Named Executive Officers"). Certain aspects of this compensation are dealt with in further detail in the following tables.

		Annual compensation (1)			Long-term compensation	
					Awards	
Name and principal occupation	**Year**	**Salary ($)**	**Bonus ($)**	**Other annual compensation(2) ($)**	**Number of Common Shares under options granted**	**All other compensation ($)**
Emanuele (Lino) Saputo Chairman of the Board and Chief Executive Officer	1999 1998 1997	400,000 215,000 185,000	200,000 150,000 117,000	- - -	- - -	- - -
Camillo Lisio President and Chief Operating Officer	1999 1998 1997	300,000 200,000 170,000	125,000 85,000 130,000	- - -	24,425 65,059 -	- - -
Dino Dello Sbarba Executive Vice-President, Sales, Marketing and Logistics	1999 1998 1997	225,000 185,000 165,000	80,000 55,000 80,000	- - -	12,215 40,647 -	- - -
Lino A. Saputo, Jr. Executive Vice-President, Operations	1999 1998 1997	225,000 185,000 165,000	80,000 55,000 80,000	- - -	12,215 40,647 -	- - -
Louis-Philippe Carrière Executive Vice-President, Finance and Administration and Secretary	1999 1998 1997	225,000 145,000 125,000	80,000 55,000 70,000	- - -	12,215 33,588 -	- - -

(1) These amounts include any amounts paid to the Named Executive Officers by a company controlled by Mr. Emanuele (Lino) Saputo, which, prior to August 31, 1997, provided management services in consideration for a management fee. On such date, such agreement was terminated in respect of all Named Executive Officers other than Emanuele (Lino) Saputo, as the other Named Executive Officers became employees of the Company.

(2) Excluded from Other Annual Compensation are perquisites and other personal benefits which, in the aggregate, do not exceed the lesser of $50,000 and ten percent of the total annual salary and bonus of the Named Executive Officers for the year.

The aggregate cash remuneration paid by the Company and its subsidiaries to the six executive officers of the Company for services rendered during fiscal 1999, including salaries and bonuses, was $2,210,000.

STOCK OPTION PLAN

On October 15, 1997, prior to the closing of its Initial Public Offering, the Company established a Stock Option Plan (the "plan") for full-time employees, officers and directors of the Company. The purpose of the Plan is to attract and retain experienced and competent employees, officers and directors and to encourage share ownership by such persons.

The total number of Common Shares which may be issued pursuant to the Plan is 3,000,000 Common Shares. The maximum number of Common Shares which may be optioned in favour of any single individual shall not exceed the maximum number allowed pursuant to the rules of applicable regulatory authorities.

The terms, exercise price and number of Common Shares covered by each option as well as the vesting periods of such options are determined by the Corporate Governance and Human Resources Committee at the time the options are granted. However, the Plan provides that the exercise price may not be less than the closing price of the Common Shares on The Montréal Exchange or The Toronto Stock Exchange the business day immediately preceding the date of grant, whichever is greater. Options granted under the Plan may not be assigned and will expire ten years from the date of grant.

As at March 31, 1999, 745,502 options were outstanding. In April 1999, the Corporate Governance and Human Resources Committee granted an aggregate of 421,825 options to 133 participants under the Plan at an exercise price of $39.40 per share. Of the 1,167,327 options outstanding as at June 1, 1999, 220,870 options were exercisable and 946,457 will vest at a rate of 20% per year, on each of the five anniversaries of their date of grant.

The following table presents a summary of the options granted under the Plan to the Named Executive Officers during the fiscal year ended March 31, 1999.

Name	Number of Common Shares under options granted	% of total options granted to employees in financial year	Exercise price [1] ($/Share)	Market value of Common Shares underlying options on the date of grant ($/Share) [1]	Expiration date
Emanuele (Lino) Saputo	-	-	-	-	-
Camillo Lisio	24,425	6.97	36.85	36.85	04/01/2008
Dino Dello Sbarba	12,215	3.49	36.85	36.85	04/01/2008
Lino A. Saputo, Jr.	12,215	3.49	36.85	36.85	04/01/2008
Louis-Philippe Carrière	12,215	3.49	36.85	36.85	04/01/2008

(1) Corresponds to the greater of the closing price of the Common Shares on The Montréal Exchange or The Toronto Stock Exchange on March 31, 1998, which is the day immediately preceding the date of grant.

No options granted under the Plan were exercised by the Named Executive Officers during the fiscal year ended March 31, 1999. The following table presents, for each of the Named Executive Officers, a summary of the unexercised options and of the value of the unexercised in-the-money options as at March 31, 1999 under the Plan. It should be noted that unexercised options may never be exercised and that the value of unexercised in-the-money options may never be realized.

	Number of unexercised options as at 03/31/99		Value of unexercised in-the-money options as at 03/31/99 [1]	
Name	Exercisable	Unexercisable	Exercisable ($)	Unexercisable ($)
Emanuele (Lino) Saputo	-	-	-	-
Camillo Lisio	36,823	52,661	824,835	694,770
Dino Dello Sbarba	23,235	29,627	520,464	421,177
Lino A. Saputo, Jr.	23,235	29,627	520,464	421,177
Louis-Philippe Carrière	19,940	25,863	446,656	336,863

(1) The value of an unexercised in-the-money option at fiscal year-end is equal to the difference between the greater of the closing price of the Common Shares on The Montréal Exchange or The Toronto Stock Exchange on March 31, 1999, being $39.40 per share, and the exercise price of the option. On June 8, 1999, the closing price of the Common Shares on The Montréal Exchange was $35.80.

TERMINATION OF EMPLOYMENT AND CHANGE OF CONTROL

There is no contract, arrangement or any other understanding with respect to employment, termination of employment, a change of control or a change in responsibilities following a change of control, between the Company and any of the Company's senior executive officers.

CORPORATE GOVERNANCE AND HUMAN RESOURCES COMMITTEE

Composition of the Committee

The Corporate Governance and Human Resources Committee (the "Corporate Governance Committee") is composed of three members of the Board of Directors, being two directors considered related to the Company (Messrs. André Bérard and Camillo Lisio, President and Chief Operating Officer of the Company) and one unrelated director (Mr. Pierre Bourgie). See "Statement of Corporate Governance Practices - Composition of the Board and of its Committees".

Mandate of the Committee

The Committee was created on October 28, 1997 and has been assigned by the Board of Directors of the Company various functions which may be summarized as follows:

(i) the responsibility of reviewing the executive compensation policy of the Company;

(ii) the determination of option grants and financial performance targets for the bonuses of the executives of the Company;

(iii) the review of the Company's corporate governance practices and making recommendations to the Board of Directors with respect thereto;

(iv) the responsibility to ensure proper management succession planning for the Company and making recommendations to the Board of Directors with respect thereto;

(v) the review of the compensation of the directors in their capacity as directors and making recommendations to the Board of Directors with respect thereto;

(vi) the implementation of a uniform and transparent process for selecting nominees for election to the Board of Directors and the recruiting of new candidates for Board membership, and making recommendations to the Board of Directors with respect thereto; and

(vii) the implementation of a process to assess, on an annual basis, the effectiveness of the Board of Directors and its various committees.

Report on Executive Compensation

General Principles of Executive Compensation

For the year ended March 31, 1999, the Company revised its compensation policy following a review conducted by a compensation consulting firm. During such review, the compensation policies of several manufacturing companies and distributors were analysed in light of the size of the Company, the geographic markets in which it operates and the responsibilities given to its senior executives (the “Comparator Group”).

For fiscal 1999, compensation for the senior executives of the Company, including the Named Executive Officers, was composed of three components: base salary, bonus and options. The Corporate Governance Committee believes that the compensation policy is competitive with that offered by Canadian corporations of similar size having operations in the United States.

The following constitutes a summary of the principles based upon which the compensation of the senior executives was determined for fiscal 1999. The compensation policy is designed to attract and retain competent individuals who can ensure the current and long-term success of the Company.

Base Salary

For fiscal 1999, base salary was determined based on the review of the Comparator Group, as well as on more subjective criteria such as internal equity and prior performance of each senior executive. Base salary is competitive with the upper range of the base salaries offered by the Canadian corporations included in the Comparator Group.

The Corporate Governance Committee believes that the base salary reflects salaries offered for positions involving similar responsibilities and complexity, internal equity comparisons as well as the ability and experience of the Company’s senior executives.

Annual Incentive

For fiscal 1999, the Corporate Governance Committee determined at the beginning of the fiscal year the financial performance targets which had to be achieved by the Company as well as the maximum amount of bonus which could be paid to each senior executive in the event the targets were met.

Under the plan, a bonus could only be paid if at least 85% of the financial performance targets were met by the Company, and, in this event, payments were made in proportion to the level so reached. Therefore, the maximum amount of bonus payable to a senior executive was only paid if the Company reached or exceeded the target levels set at the beginning of the fiscal year.

For fiscal 1999, the performance targets were fully met and the amount of bonus paid to each senior executive, other than the Chief Executive Officer, represented between 36% and 42% of his base salary.

The Corporate Governance Committee reviewed the bonus plan and believes that its underlying principles are sufficiently defined and adequately encourage the senior executives to excel.

Long-Term Incentive Plan

Options to purchase Common Shares may be granted from time to time to senior executives and other key employees pursuant to the Stock Option Plan in order to sustain a commitment to long-term profitability and maximize shareholder value.

On April 1, 1998, the Corporate Governance Committee granted options to senior executives for the fiscal year ended March 31, 1999. The number of options granted depended on the position held by each senior executive and represented a percentage of base salary, without taking into account the number of options already held by such senior executive. Refer to the section entitled "Stock Option Plan" for a discussion of the terms and conditions relating to the options, including vesting periods.

Chief Executive Officer

For fiscal 1999, following the review of the Comparator Group, changes were made to the Chief Executive Officer's base salary and bonus based upon the same principles as those used for the other senior executives. The Chief Executive Officer's performance is evaluated in accordance with the same criteria used to evaluate the other senior executives.

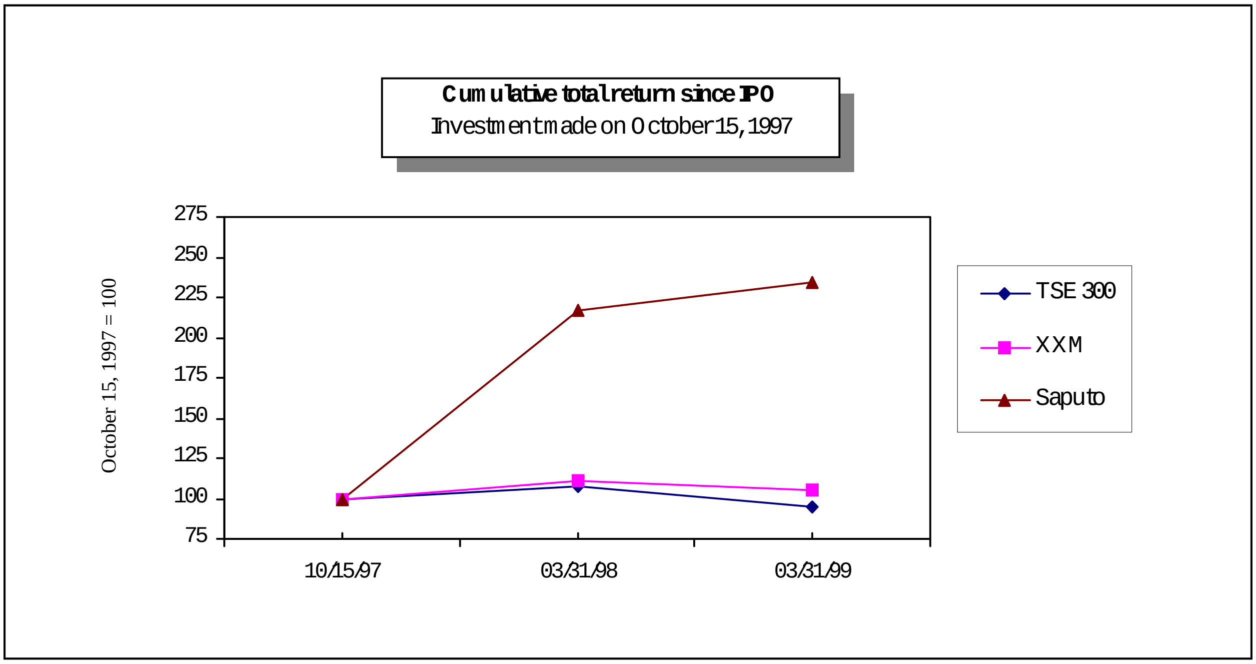
During fiscal 1999, no options were granted to the Chief Executive Officer as his interest as principal shareholder constitutes a sufficient long-term incentive.

The members of the Corporate Governance Committee whose names are set forth below have approved the issue of the foregoing report and its inclusion in this proxy circular.

André Bérard, Chairman
Pierre Bourgie
Camillo Lisio

PERFORMANCE GRAPH

The following graph compares, on a yearly basis, the total cumulative shareholder return for $100 invested in the Common Shares with the TSE 300 Index of The Toronto Stock Exchange and the XXM Index of The Montréal Exchange during the period starting October 15, 1997, when the Common Shares were listed on such exchanges, and ending March 31, 1999.



	10/15/97	03/31/98	03/31/99
TSE 300	100	107	95
XXM	100	111	105
SAPUTO	100	217	234

COMPENSATION OF DIRECTORS

Each director who is not a salaried officer or employee of the Company is being paid an annual fee of $15,000 and a further attendance fee of $500 for each meeting of the Board of Directors or any committee thereof. The Chairman of a committee is also being paid an additional annual fee of $3,000. For fiscal 1999, each director who is not a salaried officer or employee of the Company was granted 1,000 options pursuant to the Company's Stock Option Plan in consideration for his services as director of the Company. See "Stock Option Plan".

The Company carries liability insurance in an amount limited to $25 million with respect to its directors and officers as a group. For fiscal 1999, the total annual premium in respect of such insurance was approximately $75,000, all of which was paid by the Company and charged to income.

INDEBTEDNESS OF EXECUTIVE OFFICERS

None of the directors and other executive officers of the Company, nor their associates, are indebted towards the Company in respect of loans or advances.

STATEMENT OF CORPORATE GOVERNANCE PRACTICES

General

The Toronto Stock Exchange has adopted a requirement that each listed company incorporated in Canada disclose its corporate governance practices with reference to a series of guidelines (the "Governance Guidelines") contained in the final report of the TSE Committee on Corporate Governance. The Montréal Exchange has adopted a similar requirement. These guidelines (which are not mandatory) address the constitution of boards and committees, their functions, their independence from management and other means of ensuring sound corporate governance.

The Corporate Governance Committee has the responsibility of reviewing the Governance Guidelines and to report to the Board of Directors as to specific measures to be taken by the Company with respect thereto. In early June 1999, a meeting of the Board of Directors was held to discuss the report of the Corporate Governance Committee and adopt the necessary resolutions.

The following is a summary of the corporate governance practices of the Company as well as the plans of the Board of Directors to assure a greater degree of compliance with the Governance Guidelines during the current and future fiscal years.

Mandate of the Board

The mandate of the Board of Directors is to supervise the management of the business and affairs of the Company. In order to better fulfil its mandate, the Board of Directors has formally acknowledged its responsibility for, among other matters,

(i) reviewing, at least once a year, the Company's strategic orientation and the plans established with respect thereto;

(ii) identifying, with management, the principal risks of the Company's business and the systems put in place to manage these risks;

(iii) ensuring proper management succession planning, including appointing, training and monitoring senior management;

(iv) maintaining a proper communication policy with shareholders, institutional investors and participants in the financial market; and

(v) monitoring the efficiency of internal control and management information systems.

The Board has taken, when necessary, specific measures in this respect. Some of these duties were delegated to the Corporate Governance Committee and to the Audit Committee. See "Corporate Governance and Human Resources Committee - Mandate of the Committee" and "Statement of Corporate Governance Practices - Audit Committee".

Composition of the Board and of its Committees

The Governance Guidelines recommend that a board of directors be constituted with a majority of individuals who qualify as “unrelated directors”. If a company has a significant shareholder, the Board should include, in addition to a majority of unrelated directors, a number of directors who do not have interests in or relationships with either the company or the significant shareholder and which fairly reflects the investment in the company by shareholders other than the significant shareholder. The Governance Guidelines define an “unrelated director” as a director who is independent of management and is free from any interest and any business or other relationship which could, or could reasonably be perceived to, materially interfere with the director’s ability to act with a view to the best interests of the Company, other than interests and relationships arising from shareholding. The Governance Guidelines also recommend that a board of directors should examine its size to ensure an appropriate number of directors in light of the circumstances.

The Board presently consists of a majority of directors who are related to the Company and to the Saputo family, the significant shareholder (see “Voting Shares and Principle Holders of Voting Shares”). The only unrelated directors are Messrs. Pierre Bourgie and Louis A. Tanguay, whose presence adequately reflects the investment of minority shareholders in the Company. Ms. Caterina Monticciolo and Ms. Patricia Saputo are considered related as they are members of the Saputo family and Mr. André Bérard is considered related due to his position as Chairman and Chief Executive Officer of one of the principal lenders of the Company. In order to comply with the Governance Guideline, changes would have to be made to the composition of the Board of Directors of the Company.

The Board approved the recommendations made by the Corporate Governance Committee to the effect that any changes to the composition of the Board should be made over a period of time which will permit the methodical integration of the new directors without disturbing the normal course of business. It is currently the intention of the Company to add two unrelated directors to the Board over the course of the next four years, one of which should be appointed during the next two years. Further to the appointment of two additional unrelated directors, the Board will be composed almost equally of related and unrelated directors. After reviewing its size, the Board determined that a board of seven to nine directors is appropriate for decision-making purposes.

A further Governance Guideline recommends that board committees be generally comprised of outside directors, a majority of whom should be unrelated directors. A guideline also states that the Audit Committee should be composed of outside directors only.

The Company currently has two committees: the Audit Committee and the Corporate Governance Committee. The Audit Committee is composed exclusively of outside directors, a majority of whom are related to the Company. The Corporate Governance Committee is composed of a majority of outside and related directors. It is currently the intention of the Company to modify the composition of its committees in parallel with that of the Board of Directors in order (i) for an outside and unrelated director to be appointed on the Corporate Governance Committee, which will then be composed equally of related and unrelated directors, and (ii) for the Audit Committee to be comprised of a majority of unrelated directors.

Set out below is a description of the committees of the Board and their mandate.

Audit Committee

The mandate of the Audit Committee is to review (i) the annual and quarterly financial statements of the Company and certain other public disclosure documents required by regulatory authorities, (ii) the nature and scope of the annual audit as proposed by the auditors and management, and (iii) with the auditors and management, the adequacy of the internal control and management information systems of the Company, and present quarterly reports to the Board of Directors with respect thereto. The Audit Committee is composed of Louis A. Tanguay, Caterina Monticciolo, CA, and Patricia Saputo, CA.

Corporate Governance and Human Resources Committee

The composition and mandate of the Corporate Governance Committee are outlined above under "Corporate Governance and Human Resources Committee".

Independence from Management and Evaluation of the Board and Directors

The Governance Guidelines provide that to ensure independence of a board, the chairman of the board should not be a member of management. Mr. Emanuele (Lino) Saputo is acting as Chairman of the Board and Chief Executive Officer of the Company. The Board concluded, after discussions, that Mr. Saputo should continue to act as Chairman of the Board. The Board of Directors approved the recommendation of the Corporate Governance Committee and delegated to the Chairman of this committee the responsibility of ensuring that the independence of the Board of Directors be maintained at all times. The Board is presently composed of seven directors, only two of whom are members of management.

The Corporate Governance Committee is responsible for implementing a process to assess the effectiveness of each director, of the Board of Directors as a whole, and of the various committees of the Board of Directors.

Other

The Board of Directors considers that orienting and educating new directors is an important element of ensuring responsible corporate governance. By ensuring that Board members are properly informed of the business of the Company, the Board considers that it complies with the Governance Guidelines.

In certain circumstances, it may be appropriate for an individual director to engage an outside advisor at the expense of the Company. The Corporate Governance Committee will determine if the circumstances warrant the engagement of an outside advisor.

Furthermore, reference is made to the definition of the mandate of the Corporate Governance Committee for particulars of other measures taken to assure a greater degree of compliance with the Governance Guidelines and increase the effectiveness of the Board of Directors.

INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS

The Company may from time to time provide services to or receive services from other companies controlled by the Saputo Shareholders in consideration for a fee equal to the fair market value of such services.

Mr. André Bérard is the Chairman and Chief Executive Officer of a Canadian chartered bank which is one of the principal lenders of the Company. This bank is a member of the Company's banking syndicate and also acts as agent pursuant to a credit agreement relating to operating and term loans in the aggregate amount of $480,000,000.

APPOINTMENT OF AUDITORS

Deloitte & Touche, chartered accountants, have been the auditors of the Company since 1992.

Except where the authority to vote in favour of the appointment of Deloitte & Touche is withheld, the persons whose names are printed on the form of proxy intend to vote FOR the appointment of Deloitte & Touche, chartered accountants, as auditors of the Company and to vote FOR authorizing the Board of Directors to determine their remuneration. The auditors will hold office until the next Annual General Meeting or until their successors are appointed.

GENERAL

Except as otherwise specifically indicated, the information contained herein is given as at June 1, 1999. The management of the Company presently knows of no matters to come before the Meeting other than matters identified in the Notice of Meeting. If any matters which are not known should properly come before the Meeting, the persons named in the form of proxy will vote on such matters according to their best judgment.

APPROVAL OF THE DIRECTORS

The directors of the Company have approved the content and the sending of this Circular.

Saint-Léonard, Québec, June 9, 1999.

(signed) Emanuele (Lino) Saputo
Chairman of the Board