Management Information Circular

June 6, 2019

Saputo

LETTER FROM THE CHAIR OF THE BOARD AND CHIEF EXECUTIVE OFFICER
LINO A. SAPUTO, JR.

Dear Shareholders,

On behalf of the Board of Directors and Management of Saputo Inc., we cordially invite you to attend our 2019 annual meeting of shareholders, which will be held on August 8, 2019 at the Hotel Sheraton Laval, 2440 autoroute des Laurentides, Laval, Québec, at 10:00 a.m. (local time).

This management information circular provides details about all the items for consideration at the meeting and how to exercise your right to vote. It also provides information about the nominee directors and their compensation, our corporate governance practices, our executive compensation practices and our auditors.

This year, we will hold a shareholder advisory vote on our approach to executive compensation. The Board of Directors, which had closely followed developments in relation to "say on pay", has decided to incorporate a shareholder advisory vote on our approach to executive compensation for the first time at our upcoming meeting of shareholders. This management information circular contains detailed information that will help you shape an opinion about our executive compensation policies and practices.

During the meeting, we will present Management's review of our financial position for fiscal 2019, elect directors, appoint auditors, cast an advisory vote on the Company's approach to executive compensation and vote on the shareholder proposals received. We will also discuss our business activities and will be answering your questions.

We look forward to seeing you at our annual meeting of shareholders. If you are unable to attend the meeting in person, please complete and return the enclosed proxy form or voting instruction form by the date indicated on your form. Even if you plan to attend the meeting, you may find it convenient to express your views in advance by completing and returning the proxy form or voting instruction form or by voting over the Internet.

Sincerely,

LINO A. SAPUTO, JR.
Chair of the Board and Chief Executive Officer

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VOTING INFORMATION

SOLICITATION OF PROXIES

This Management Information Circular (the "Circular") is furnished in connection with the solicitation by the management (the "Management") of Saputo Inc. ("Saputo" or the "Company") of proxies which will be used to vote at the Annual Meeting (the "Meeting") of the holders of common shares of the Company (the "Common Shares") to be held on August 8, 2019, at the time and place and for the purposes set forth in the foregoing Notice of Meeting (the "Notice") and at any adjournment thereof.

The solicitation of proxies will be made primarily by mail. However, the Management of the Company (through employees or agents) may solicit proxies at a nominal and customary cost by telephone, email or by personal interview.

As permitted by Canadian securities regulators, the Company has decided to use the "notice-and-access" mechanism for delivery of meeting materials to its shareholders. Notice-and-access is a set of rules that allows issuers to post electronic versions of proxy-related materials online, via SEDAR and one other website, rather than mailing paper copies of such materials to shareholders. Instead of receiving this Circular with the form of proxy or voting instruction form, shareholders received a notice with instructions on how to access the Circular and the other proxy-related materials online. The Notice and form of proxy have been sent to both registered shareholders and beneficial holders. This Circular and other relevant materials are available on the Company's website at www.saputo.com and on SEDAR at www.sedar.com.

The Company has elected to pay for the delivery of this Circular and the other proxy-related materials to objecting beneficial holders and will reimburse brokers and other persons holding Common Shares for others for their reasonable expenses for sending proxy material to beneficial holders in order to obtain voting instructions. The Company will bear all expenses in connection with the solicitation of proxies.

APPOINTMENT OF PROXY HOLDERS

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

Voting by Proxy

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**

FOR:

- **the election of directors;**
- **the appointment of auditors;**
- **the adoption of an advisory, non-binding resolution in respect of the Company's approach to executive compensation; and**

AGAINST:

- **the shareholder proposals attached as Schedule "A" to this Circular.**

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.

In order to be voted at the Meeting, a proxy must be received by the Secretary of the Company no later than 10:00 a.m. (EDT) on August 6, 2019, or if the Meeting is adjourned, at least 48 hours (excluding weekends and holidays) before the Meeting is resumed.

Revocation of Proxies

A proxy may be revoked at any time by the person giving it, to the extent that it has not already been exercised. A proxy may be revoked by filing a written notice with the Secretary of the Company, provided 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 by depositing such written notice with the Chair of the Meeting.

Voting Requirement

A simple majority of the votes cast, in person or by proxy, will constitute approval of the matters to be adopted at the Meeting.

Non-Registered Shareholders

Shareholders who do not hold their shares in their own name, also known as non-registered holders or beneficial holders (the "Beneficial Holders"), should note that only registered holders or the persons they appoint as their proxies are authorized to attend and vote at the Meeting or any adjournment thereof.

If the Common Shares appear in an account statement sent to a shareholder by an intermediary, such as, among others, brokers, banks, trust companies and trustees or administrators of self administered RRSPs, RRIFs, RESPs and similar plans, or are registered in the name of a clearing agency of which the intermediary is a participant, such Common Shares are most probably not registered in the name of the shareholder. **As a result, each Beneficial Holder must ensure that their voting instructions are communicated to the appropriate person well before the Meeting or any adjournment thereof.**

Pursuant to National Instrument 54-101 *Communication with Beneficial Owners of Securities of a Reporting Issuer*, brokers and other intermediaries are required to request voting instructions from Beneficial Holders prior to shareholders' meetings. Brokers and other intermediaries have their own procedures for sending materials and their own guidelines for the return of documents; Beneficial Holders should follow these instructions carefully if the voting rights carried by their Common Shares are to be cast at the Meeting. In Canada, brokers often use service companies, such as Broadridge Financial Solutions Inc. ("Broadridge") or Computershare Investor Services ("Computershare") to forward meeting materials to non-registered holders and to obtain their clients' instructions. Beneficial Holders who receive a voting instruction form from Broadridge or Computershare may not use the said form to vote directly at the Meeting. If you have questions on how to exercise voting rights carried by Common Shares held through a broker or other intermediary, please contact the broker or intermediary directly.

Although a Beneficial Holder will not be recognized at the Meeting for the purpose of directly exercising the voting rights carried by the Common Shares registered in the name of their broker (or a representative thereof), they may attend the Meeting as proxy for the registered holder and, in such capacity, exercise the voting rights carried by such Common Shares by following the instructions to such effect provided by the broker or intermediary.

Unless otherwise indicated in this Circular, the form of proxy or the Notice attached hereto, shareholders shall mean registered holders.

VOTING SHARES AND PRINCIPAL HOLDERS OF VOTING SHARES

The Common Shares are the only securities of the share capital of the Company. As of May 28, 2019, the Company had 390,842,673 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 14, 2019, will be entitled to receive the Notice and to exercise the voting rights attached to the Common Shares in respect of which they are so registered at the Meeting, or any adjournment thereof, if present or represented by proxy.

To the knowledge of the Company's directors and executive officers, on May 28, 2019, the persons or companies who or which owned of record or beneficially, or exercised control or direction over, directly or indirectly, 10% or more of the issued and outstanding Common Shares were the following:

Name	Type of Ownership	Number of Common Shares	Percentage of Class
Jolina Capital Inc.(1)	of record	127,059,848	33%
Placements Italcan Inc.(2)	of record	40,000,000	10%

(1) Jolina Capital Inc. is a holding company controlled by Mr. Emanuele (Lino) Saputo.

(2) Placements Italcan Inc. is a holding company controlled by Mr. Francesco Saputo.

ELECTION OF DIRECTORS

For fiscal 2020, the Board proposes that it be composed of ten members and that the current ten members of the Board be proposed as nominees for election to the Board. **Except where the authority to vote in favour of the directors is withheld, the persons whose names are printed on the enclosed form of proxy intend to vote FOR the election of each of the ten nominees whose names are set forth in the following tables.** The vote for each director will be conducted on an individual basis. All nominees have established their eligibility and willingness to serve as directors if elected to office. Each director elected will hold office until the next annual meeting of the shareholders of the Company or until such director's successor is duly elected, unless the office is vacated earlier in accordance with the relevant provisions of applicable laws.

The following tables set forth, for each person nominated by the Board for election as a director, their name, age, place of residence, the year in which they first became a director, their principal occupation, their independence with respect to the Company, their biography, their presence on the Board of Directors and committees of the Board on which they serve, their directorships with other public companies, if any, and the number of securities of the Company they beneficially own, or over which they exercise control or direction, directly or indirectly, the whole as of May 28, 2019. Reference is made to the section entitled "Skills Matrix" for additional information on the skills possessed by the nominees.

LINO A. SAPUTO, JR.

Québec, Canada
Age: 52
Director since: 2001
Non-independent

2018 Voting Results:
For: 98.37%
Withheld: 1.63%

CURRENT PRINCIPAL OCCUPATION

Chair of the Board and Chief Executive Officer of the Company

CAREER PROFILE

Lino A. Saputo, Jr. joined the Company in 1988 as an Administrative Assistant. Over the next few years, he started rising through the ranks, managing a plant in Ontario, Canada, and holding various administrative and marketing positions. In 1993, he became Vice President, Operations and, in 1998, Executive Vice President, Operations. From July 2001 to January 2004, he was President and Chief Operating Officer of the Company's Dairy Products Division (USA). Since March 2004, Mr. Saputo, Jr. serves as Chief Executive Officer of the Company. In 2011, he was appointed to the position of Vice Chair of the Board, and since August 2017, he serves as Chair of the Board.

Saputo Board and Committee Memberships for fiscal 2019	Attendance for fiscal 2019		Compensation received for fiscal 2019
Board (Chair)	9/9	100%	$3,648,840 [(1)]

Securities held or controlled		Director share ownership met	Other Public Board Memberships	Other Committee Memberships
Common Shares	Value ($) [(2)]	Yes [(3)]	National Bank of Canada	Conduct Review and Corporate Governance Risk Management
136,855	6,233,745			

LOUIS-PHILIPPE CARRIÈRE, FCPA, FCA

Québec, Canada
Age: 58
Director since: 2017
Non-independent

2018 Voting Results:
For: 99.88 %
Withheld: 0.12 %

CURRENT PRINCIPAL OCCUPATION

Senior Advisor to the Company and Corporate Director

CAREER PROFILE

Louis-Philippe Carrière joined the Company in 1986 as Supervisor of Accounting and held various management positions in finance and administration. Mr. Carrière retired on August 1, 2017, from his role as Chief Financial Officer and Secretary after 30 years of service with the Company. His responsibilities over the years included oversight of various functions such as accounting, internal audit, taxation, legal, financing, information technology, investor relations, corporate communications, as well as mergers and acquisitions. In addition, through his role as Secretary of the Company, he was actively involved in the analysis, elaboration and implementation of the Company's corporate governance practices. Since August 1, 2017, Mr. Carrière acts as senior advisor to the Company.

Saputo Board and Committee Memberships for fiscal 2019	Attendance for fiscal 2019		Compensation received for fiscal 2019
Board	9/9	100%	$914,300 [(4)]

Securities held or controlled				Director share ownership met	Other Public Board Memberships	Other Committee Memberships
Common Shares	Options [(5)]	PSUs [(5)]	Value ($) [(2)]	Yes [(3)]	WSP Global Inc.	Audit (Chair)
46,218	561,285	50,623	9,824,519			

HENRY E. DEMONE

Nova Scotia, Canada
Age: 65
Director since: 2012
Independent

2018 Voting Results:
For: 99.63 %
Withheld: 0.37 %

CURRENT PRINCIPAL OCCUPATION

Corporate Director

CAREER PROFILE

Henry E. Demone is a corporate director. From May 2015 to May 2019, Mr. Demone was the Chair of the Board of Directors of High Liner Foods Incorporated. He was Chief Executive Officer of High Liner Foods Incorporated from 2013 to 2015, and from August 2017 to May 2018, President and Chief Executive Officer from 1992 to 2013, and President from 1989 to 1992.

Saputo Board and Committee Memberships for fiscal 2019	Attendance for fiscal 2019		Compensation received for fiscal 2019
Board	9/9	100%	$260,000
Corporate Governance and Human Resources Committee	8/8	100%	

Securities held or controlled			Director share ownership met
Common Shares	DSUs [6]	Value ($) [2]	Yes [3]
10,000	46,103	2,555,492	

Other Public Board Memberships	Other Committee Memberships
Emera Incorporated	Nominating and Corporate Governance Management Resources and Compensation

ANTHONY M. FATA

Québec, Canada
Age: 52
Director since: 2008
Independent

2018 Voting Results:
For: 99.28 %
Withheld: 0.72 %

CURRENT PRINCIPAL OCCUPATION

President, Sager Food Products Inc. (a food products manufacturing and distribution company)

CAREER PROFILE

Anthony M. Fata was, until 1999, Executive Director of Investment Banking for a wholly-owned subsidiary of a Canadian Chartered Bank. In this position, he was actively involved in various equity and debt issues, as well as numerous merger and acquisition transactions. In 1999, he became Vice President of sales and marketing of Sager Food Products Inc. He was appointed President of this company in November 2004. Mr. Fata is a member of the Québec Bar.

Saputo Board and Committee Memberships for fiscal 2019	Attendance for fiscal 2019		Compensation received for fiscal 2019
Board (Lead Director)	9/9	100%	$340,000
Corporate Governance and Human Resources Committee (Chair)	8/8	100%	

Securities held or controlled			Director share ownership met
Common Shares	DSUs [6]	Value ($) [2]	Yes [3]
12,000	85,391	4,436,160	

Other Public Board Memberships [7]	Other Committee Memberships
None	

ANNALISA KING, ICD.D

British Columbia, Canada
Age: 52
Director since: 2012
Independent

2018 Voting Results:
For: 99.98 %
Withheld: 0.02 %

CURRENT PRINCIPAL OCCUPATION

Chair of the Board of the Vancouver Airport Authority

CAREER PROFILE

Annalisa King is currently Chair of the Board of the Vancouver Airport Authority. Between 2008 and 2016, Ms. King was Senior Vice President and Chief Financial Officer of Best Buy Canada Ltd., where she was also responsible for overseeing the information and ecommerce technology, legal and real estate functions of Best Buy Canada Ltd. Prior to her position with Best Buy Canada Ltd., Ms. King was Senior Vice President of Business Transformation for Maple Leaf Foods Inc. from 2001 to 2008, and previously held leadership roles in finance at Pillsbury Canada Inc. from 1998 to 2001, and Kraft Canada Inc. from 1990 to 1998.

Saputo Board and Committee Memberships for fiscal 2019	Attendance for fiscal 2019		Compensation received for fiscal 2019
Board	8/9	89%	$260,000
Audit Committee	7/7	100%	

Securities held or controlled			Director share ownership met
Common Shares	DSUs [6]	Value ($) [2]	Yes [3]
3,031	43,475	2,118,348	

Other Public Board Memberships	Other Committee Memberships
First Capital Realty Inc.	Audit Corporate Governance (Chair)
The North West Company Inc.	Audit Compensation

KAREN KINSLEY, FCPA, FCA, ICD.D

Ontario, Canada
Age: 62
Director since: 2015
Independent

2018 Voting Results:
For: 99.87 %
Withheld: 0.13 %

CURRENT PRINCIPAL OCCUPATION

Corporate Director

CAREER PROFILE

Karen Kinsley is currently a corporate director. From 1987 to 2013, Ms. Kinsley held various positions within Canada Mortgage and Housing Corporation, including President and Chief Executive Officer from 2003 to 2013.

Saputo Board and Committee Memberships for fiscal 2019	Attendance for fiscal 2019		Compensation received for fiscal 2019
Board	9/9	100%	$260,000
Audit Committee	7/7	100%	

Securities held or controlled			Director share ownership met
Common Shares	DSUs [6]	Value ($) [2]	Yes [3]
6,800	21,655	1,296,125	

Other Public Board Memberships	Other Committee Memberships
National Bank of Canada	Audit (Chair) Risk Management
Choice Properties Real Estate Investment Trust	Audit

TONY METI, ICD.D

Québec, Canada
Age: 64
Director since: 2008
Independent

2018 Voting Results:
For: 99.37 %
Withheld: 0.63 %

CURRENT PRINCIPAL OCCUPATION

President, G.D.N.P. Consulting Services, Inc. (a consulting company)

CAREER PROFILE

Tony Meti held various executive positions within Canadian Chartered Banks over the past 30 years, including Senior Vice President, Commercial Banking and International from 2002 to 2007, and Senior Vice President, Commercial, North America, from 2000 to 2002. Since 2007, he is the President of G.D.N.P. Consulting Services, Inc.

Saputo Board and Committee Memberships for fiscal 2019	Attendance for fiscal 2019		Compensation received for fiscal 2019
Board	9/9	100%	$315,000
Audit Committee (Chair)	7/7	100%	

Securities held or controlled			Director share ownership met
Common Shares	DSUs (6)	Value ($) (2)	Yes (3)
20,800	95,929	5,317,006	

Other Public Board Memberships	Other Committee Memberships
ADF Group Inc. (Co-Chair)	Audit Compensation, Nominating and Corporate Governance

DIANE NYISZTOR, CPA, CA, H.R.C.C.C.

Québec, Canada
Age: 52
Director since: 2016
Independent

2018 Voting Results:
For: 99.51 %
Withheld: 0.49 %

CURRENT PRINCIPAL OCCUPATION

Senior Vice President, Corporate Human Resources, Cogeco Inc. (a telecommunications company)

CAREER PROFILE

Diane Nyisztor has been Senior Vice President, Corporate Human Resources of Cogeco Inc. since September 2014. Prior to her current position, Ms. Nyisztor was Partner, International Executive Services at KPMG Canada LLP from 2013 to 2014. From 2002 to 2013, she held senior management positions with SNC-Lavalin Group Inc., including Senior Vice President, Global Human Resources and Senior Vice President, Compensation and Benefits.

Saputo Board and Committee Memberships for fiscal 2019	Attendance for fiscal 2019		Compensation received for fiscal 2019
Board	9/9	100%	$260,000
Corporate Governance and Human Resources Committee	8/8	100%	

Securities held or controlled			Director share ownership met
Common Shares	DSUs (6)	Value ($) (2)	Yes (3)
5,000	16,716	989,164	

Other Public Board Memberships	Other Committee Memberships
None	

FRANZISKA RUF

Québec, Canada
Age: 56
Director since: 2016
Independent

2018 Voting Results:
For: 99.63 %
Withheld: 0.37 %

CURRENT PRINCIPAL OCCUPATION

Partner, Davies Ward Phillips & Vineberg LLP (a law firm)

CAREER PROFILE

Franziska Ruf is a partner with Davies Ward Phillips & Vineberg LLP in the Capital Markets, Corporate Governance and Mergers & Acquisitions practices since 2009. Prior to her current position, Ms. Ruf was a partner with the law firms of Stikeman Elliott LLP from 2000 to 2009 and McCarthy Tétrault LLP from 1994 to 2000. Ms. Ruf also served on the Legal Advisory Committee of the *Autorité des marchés financiers*. Ms. Ruf is a member of the Québec Bar.

Saputo Board and Committee Memberships for fiscal 2019	Attendance for fiscal 2019		Compensation received for fiscal 2019
Board	9/9	100%	$260,000
Corporate Governance and Human Resources Committee	8/8	100%	

Securities held or controlled			Director share ownership met	Other Public Board Memberships	Other Committee Memberships
Common Shares	DSUs [6]	Value ($) [2]	Yes [3]	None	
2,000	16,716	852,514			

ANNETTE VERSCHUREN, O.C.

Ontario, Canada
Age: 62
Director since: 2013
Independent

2018 Voting Results:
For: 99.82 %
Withheld: 0.18 %

CURRENT PRINCIPAL OCCUPATION

Chair of the Board and Chief Executive Officer, NRstor Inc. (a commercial energy storage project developer)

CAREER PROFILE

Annette Verschuren has been the Chair and Chief Executive Officer of NRstor Inc. since March 2012. Prior to her current position, Ms. Verschuren was President of The Home Depot Canada from 1996 to 2011.

Saputo Board and Committee Memberships for fiscal 2019	Attendance for fiscal 2019		Compensation received for fiscal 2019
Board	8/9	89%	$260,000
Audit Committee	7/7	100%	

Securities held or controlled			Director share ownership met
Common Shares	DSUs [6]	Value ($) [2]	Yes [3]
8,000	23,659	1,442,067	

Other Public Board Memberships	Other Committee Memberships
Air Canada	Governance and Nominating (Chair) Audit, Finance and Risk
Canadian Natural Resources Limited	Compensation Health, Safety, Asset Integrity and Environmental

(1) Mr. Saputo, Jr. is an executive officer of the Company. He does not receive any compensation for his services as Chair of the Board, and is subject to the Company's share ownership policy for executive officers (see "Share Ownership Policy For Executive Officers").
(2) This value corresponds to the number of Common Shares and/or DSUs and/or PSUs, as applicable, held by each director multiplied by the closing price of the Common Shares on the TSX on March 31, 2019 ($45.55) plus the value of unexercised in-the-money options, as applicable, which value corresponds to the difference between the closing price of the Common Shares on the TSX on March 31, 2019 ($45.55) and the applicable exercise price.
(3) See "Share Ownership Policy for Directors".
(4) Mr. Carrière acts as senior advisor to the Company and does not receive any compensation for his services as a director.
(5) Mr. Carrière was granted options and PSUs while he was an executive officer of the Company.
(6) Represents the aggregate of (i) the DSUs granted with respect to the director's compensation and (ii) the additional DSUs accumulated as notional equivalents of cash dividends declared on Common Shares.
(7) Mr. Fata was a director of Verona Foods Inc., an importer of specialty foods, until August 3, 2012. Verona Foods Inc. commenced proposal proceedings under the *Bankruptcy and Insolvency Act* (Canada) on October 3, 2012 by filing a notice of intent to make a proposal. On January 29, 2013, Verona Foods Inc. made a voluntary assignment into bankruptcy pursuant to the *Bankruptcy and Insolvency Act* (Canada). The trustee to Verona Foods Inc. completed its administration of the estate and was discharged on September 8, 2016.

Information as to securities beneficially owned by each nominee, or over which each nominee exercised control or direction, as at May 28, 2019, has been provided by the nominees individually.

Skills Matrix

The Corporate Governance and Human Resources Committee (the "Corporate Governance and HR Committee") has identified qualifications, competencies and skills deemed important for the Board to possess in order to provide effective oversight of the Company. The main qualifications, competencies and skills identified by the Corporate Governance and HR Committee for each nominee director are set forth in the skills matrix below. The matrix is reviewed annually by the Corporate Governance and HR Committee. The matrix also focuses on age and board tenure considerations.

	Age			Tenure at Saputo					Top Three Competencies (1) (2) (3)							
Name	50-54	55-59	60-65	0-2 years of service	3-5 years of service	6-10 years of service	11-15 years of service	16-20 years of service	Food & Drug Industries	Manufacturing	International	Retail & Consumer Trends	Government & Regulatory Affairs	Accounting & Finance	Mergers & Acquisitions	Management & Strategy
Louis-Philippe Carrière		X		X										X	X	X
Henry E. Demone			X			X			X	X		X				
Anthony M. Fata	X						X		X			X			X	
Annalisa King	X					X			X			X		X		
Karen Kinsley			X		X								X	X		X
Tony Meti			X				X				X			X	X	
Diane Nyisztor	X				X								X	X		X
Franziska Ruf		X			X						X		X		X	
Lino A. Saputo, Jr.	X							X	X	X						X
Annette Verschuren			X			X					X	X	X			

(1) Definition of Competencies:
Food & Drug Industries: Senior executive experience in the food and/or the drug industry
Manufacturing: Senior executive experience in the manufacturing industry
International: Top-level international experience
Retail & Consumer Trends: Senior executive experience in a retail or consumer company
Government & Regulatory Affairs: Experience with government and/or regulatory affairs
Accounting & Finance: Senior executive experience in accounting and financial reporting
Mergers & Acquisitions: Experience in M&A transactions
Management & Strategy: Experience working in management of a publicly listed company or large organization or other senior experience driving strategic direction and leading growth.
(2) All director nominees are financially literate and have senior executive experience in risk management.
(3) For skills on compensation policies and practices, see section "Role and Composition of the Corporate Governance and HR Committee".

COMPENSATION OF DIRECTORS

The Company's compensation policy for non-employee directors aims to attract and retain qualified individuals, taking into consideration the risks and responsibilities as directors. The Corporate Governance and HR Committee is responsible for annually reviewing the compensation policy regarding directors of the Company.

The Corporate Governance and HR Committee considers, on an annual basis, the appropriateness of retaining independent consultants to advise its members on questions concerning director compensation. Based on the review conducted for fiscal 2018 and the fact that the compensation of the Company's directors for fiscal 2018 was slightly above the third quartile of the compensation offered to directors of the companies forming part of the Director Comparative Group (as hereinafter defined), the Corporate Governance and HR Committee recommended to the Board that no change be made to the compensation offered to the Company's directors for fiscal 2019.

The comparative group established and used in prior years (the "**Director Comparative Group**") is comprised of those companies forming the Canadian Comparative Group (as hereinafter defined), the same Canadian comparative group used for executive compensation purposes, and augmented by other TSX-listed Canadian companies in order to reflect the Company's recruitment pool for directors which includes not only Canadian companies in the food sector, but also TSX-listed Canadian companies similar in size and/or with significant operations in the USA and abroad. Reference is made to the heading "Comparative Groups" under the section entitled "Executive Compensation" for details on the Canadian Comparative Group. The Company's director compensation policy objective is to be competitive with the third quartile of the compensation offered by the companies forming part of the Director Comparative Group.

Director Comparative Group		
Canadian Comparative Group	**Other TSX-listed Issuers**	
Alimentation Couche-Tard Inc.	Air Canada	Finning International Inc.
Cott Corporation	Bombardier Inc.	Goldcorp Inc.
Empire Company Limited	Canadian National Railway Company	Loblaw Companies Limited
George Weston Limited	Canadian Pacific Railway Limited	Shaw Communications Inc.
Maple Leaf Foods Inc.	Canadian Tire Corporation, Limited	SNC-Lavalin Group Inc.
Metro Inc.	Celestica Inc.	Thomson Reuters Corporation
Molson Coors Brewing Company	CGI Group Inc.	
Nutrien Ltd.		

The following table sets out the annual retainer paid to directors in fiscal 2019, in cash or in the form of Deferred Share Units ("DSUs"), as per the compensation policy and the DSU Plan:

Annual retainer	
Chair of the Board(1)	–
Lead Director and Chair of the Corporate Governance and HR Committee	$340,000
Chair of the Audit Committee	$315,000
Board members who sit on a committee	$260,000
Board member only (no committee)(2)	$240,000

(1) Mr. Saputo Jr. is not eligible to receive director fees as long as he is the Chief Executive Officer of the Company.
(2) Mr. Carrière is not eligible to receive director fees as long as he acts as senior advisor to the Company.

Deferred Share Unit Plan for Directors

The Company has a DSU plan (the "DSU Plan") for its directors. A DSU is a fully-vested phantom share of the Company with the same value as one Common Share, but does not qualify as a share of the Company and, therefore, does not confer rights normally granted to shareholders. The DSU Plan provides that additional DSUs are accumulated as notional equivalents of dividends declared on Common Shares. Each DSU vests upon award and entitles directors to receive a cash payment for the value of the DSUs they hold on the last business day of the calendar year, following the calendar year in which they cease to be members of the Board, unless they choose an earlier date upon ceasing to be members of the Board. The DSU Plan provides directors with an ongoing stake in the Company in line with the value of the Common Shares for the duration of their mandate.

Share Ownership Policy for Directors

The directors of the Company play a central role in enhancing shareholder value and, as such, the Company believes that the economic interests of directors should be aligned with those of its shareholders. The Corporate Governance and HR Committee annually reviews the Company's share ownership policy for directors and considers, among other things, corporate governance best practices, market practices and the total ownership value required of directors to meet the then-in effect multiple of their then-current annual retainer, as set out by the share ownership policy.

Pursuant to the ownership policy adopted by the Board, all directors of the Company shall, at all times while serving as directors, own a number of Common Shares and/or DSUs having a total market value of at least three times their then-current annual retainer. A copy of this policy can be found on the Company's website at www.saputo.com. Each director is required to comply with this policy within five years following their appointment as a director of the Company, and throughout their term as director. Pursuant to the DSU Plan, each director who does not meet the minimum value representing at least three times their then-current annual retainer must receive their entire compensation in DSUs. The total ownership value required of the Company's directors to meet the share ownership policy is superior to the average ownership value required of directors of the companies forming part of the Director Comparative Group.

As of March 31, 2019, all directors complied with the minimum value required under the share ownership policy. The information set out in the following table is as at March 31, 2019.

Director(1)	Common Shares	DSUs(2)	Total Common Shares and DSUs	Total Market Value of Common Shares and/or DSUs ($)(3)	Minimum Required ($)(4)	Meets the Company's Share Ownership Requirements for Directors
Louis-Philippe Carrière	46,218	–	46,218	2,105,230	720,000(5)	Yes(5)
Henry E. Demone	10,000	46,103	56,103	2,555,492	780,000	Yes
Anthony M. Fata	12,000	85,391	97,391	4,436,160	1,020,000	Yes
Annalisa King	3,031	43,475	46,506	2,118,348	780,000	Yes
Karen Kinsley	6,800	21,655	28,455	1,296,125	780,000	Yes
Tony Meti	20,800	95,929	116,729	5,317,006	945,000	Yes
Diane Nyisztor	5,000	16,716	21,716	989,164	780,000	Yes
Franziska Ruf	2,000	16,716	18,716	852,514	780,000	Yes
Annette Verschuren	8,000	23,659	31,659	1,442,067	780,000	Yes

(1) Mr. Saputo, Jr. is an executive officer of the Company. He does not receive any compensation for his services as Chair of the Board, and is subject to the Company's share ownership policy for executive officers (see "Share Ownership Policy For Executive Officers").

(2) The DSUs shown in the table represent the aggregate of (i) the DSUs granted with respect to the director's compensation and (ii) the additional DSUs accumulated as notional equivalents of cash dividends declared on Common Shares.

(3) This value corresponds to the number of Common Shares and/or DSUs held by each director, multiplied by the closing price of the Common Shares on the TSX on March 31, 2019 ($45.55).

(4) This value corresponds to three times the then-current annual retainer of each director.

(5) Mr. Carrière acts as senior advisor to the Company and does not receive any compensation for his services as a director. He however meets the minimum ownership requirements for directors of the Company.

Director Summary Compensation Table

The following table provides a summary of total compensation earned by each of the directors during the fiscal year ended March 31, 2019 and the manner in which the compensation was paid:

Name[(1)(2)]	Total Fees Earned[(3)] ($)	Allocation of Fees Earned			All Other Compensation ($)	Total Compensation ($)
		Cash ($)	DSUs[(4)(5)] ($)	Allocation of Fees between Cash and DSUs (%)		
Henry E. Demone	260,000	–	260,000	100% DSUs	–	260,000
Anthony M. Fata	340,000	–	340,000	100% DSUs	–	340,000
Annalisa King	260,000	–	260,000	100% DSUs	–	260,000
Karen Kinsley	260,000	–	260,000	100% DSUs	–	260,000
Tony Meti	315,000	–	315,000	100% DSUs	–	315,000
Diane Nyisztor	260,000	–	260,000	100% DSUs	–	260,000
Franziska Ruf	260,000	–	260,000	100% DSUs	–	260,000
Annette Verschuren	260,000	130,000	130,000	50% cash/50% DSUs	–	260,000
Total ($)	2,215,000	130,000	2,085,000	–	–	2,215,000

(1) Mr. Saputo, Jr. is an executive officer of the Company and does not receive any compensation for his services as Chair of the Board. His compensation as Chief Executive Officer is disclosed in the "NEO Summary Compensation Table".

(2) Mr. Carrière acts as senior advisor to the Company, and does not receive any compensation for his services as director. In fiscal 2019, Mr. Carrière received $914,300 as compensation for his services as senior advisor to the Company. Mr. Carrière does not receive DSUs.

(3) Directors must receive 100% of their annual retainer in DSUs until they satisfy the minimum value required under the share ownership policy for directors, after which they can elect to receive 50% of their annual retainer in cash or DSUs, with the balance paid in DSUs.

(4) These amounts do not include additional DSUs accumulated as notional equivalents of dividends declared on Common Shares in accordance with the DSU Plan.

(5) In accordance with the DSU Plan, amounts reflect the grant date fair value of the DSUs based on the average of the closing prices on the TSX on the last ten trading days of each calendar quarter. DSUs are vested upon award, but directors are only entitled to receive a cash payment after they cease to be members of the Board (see "Deferred Share Unit Plan for Directors").

Outstanding Share-Based and Option-Based Awards

The following table presents, for each director, all the share-based and option-based awards outstanding at the end of fiscal 2019. The directors do not participate in the Equity Compensation Plan.

Outstanding Share-Based Awards and Option-Based Awards

	Option-Based Awards					Share-Based Awards		
Name[1]	Award Date	Number of Common Shares Underlying Unexercised Options (#)	Option Exercise Price ($/Share)	Option Expiry Date	Value of Unexercised In-The-Money Options ($)	Number of Common Shares or Units that Have Not Vested (#)	Market or Payout Value of Share-Based Awards that Have Not Vested ($)	Market or Payout Value of Vested Share-Based Awards not Paid Out or Distributed ($)[5][6]
Louis-Philippe Carrière[2]	04/01/2012 04/01/2013 04/01/2014 04/01/2015 04/01/2016 04/01/2017	21,182 63,806 115,356 95,781 137,379 127,781	21.48 25.55 27.74 35.08 41.40 46.29	04/01/2022 04/01/2023 04/01/2024 04/01/2025 04/01/2026 04/01/2027	5,413,411[3]	- - - - 21,135 29,488	2,305,878[4]	-
Henry E. Demone	-	-	-	-	-	-	-	2,100,027
Anthony M. Fata	-	-	-	-	-	-	-	3,889,599
Annalisa King	-	-	-	-	-	-	-	1,980,307
Karen Kinsley	-	-	-	-	-	-	-	986,407
Tony Meti	-	-	-	-	-	-	-	4,369,579
Diane Nyisztor	-	-	-	-	-	-	-	761,430
Franziska Ruf	-	-	-	-	-	-	-	761,430
Annette Verschuren	-	-	-	-	-	-	-	1,077,697

(1) Mr. Saputo, Jr. is an executive officer of the Company and does not receive any compensation for his services as Chair of the Board. Outstanding share-based and option-based awards for Mr. Saputo, Jr. are disclosed in the table "Outstanding Share-Based Awards and Option-Based Awards" for named executive officers.

(2) Mr. Carrière acts as senior advisor to the Company and does not receive any compensation for his services as a director. Mr. Carrière was an executive officer of the Company until August 1, 2017. Outstanding share-based and option-based awards shown in this table reflect options and PSUs granted to Mr. Carrière in such capacity. Mr. Carrière does not receive any DSUs.

(3) This value corresponds to the difference between the closing price of the Common Shares on the TSX on March 31, 2019 ($45.55) and the exercise price of in-the-money options. This value has not been, and may never be, realized. The actual gain, if any, will depend on the value of the Common Shares on the dates the options are exercised relative to the exercise price (see "Long-Term Incentive Plans").

(4) This value corresponds to a 100% payout, being 100% of the number of PSUs granted on April 1, 2016 and April 1, 2017, multiplied by the closing price of the Common Shares on the TSX on March 31, 2019 ($45.55). A portion of this value has not been, and may never be, realized. The actual gain, if any, will depend on the attainment of the Vesting Criteria (as defined herein) and the value of the Common Shares on the date the vested PSUs will be paid out (see "Long-Term Incentive Plans").

(5) These amounts include additional DSUs accumulated as notional equivalents of dividends declared on Common Shares.

(6) This value corresponds to the number of DSUs held by each director multiplied by the closing price of the Common Shares on the TSX on March 31, 2019 ($45.55). DSUs are vested upon award, but directors are only entitled to receive a cash payment after they cease to be members of the Board (see "Deferred Share Unit Plan for Directors").

ATTENDANCE AT BOARD OF DIRECTORS AND COMMITTEE MEETINGS

The following table provides the number of meetings of the Board and its committees held during the fiscal year ended March 31, 2019, and the attendance record. During the year, there were nine meetings of the Board, seven meetings of the Audit Committee and eight meetings of the Corporate Governance and HR Committee. There was a 98% attendance rate for the Board meetings, a 100% attendance rate for the Audit Committee meetings and a 100% attendance rate for the Corporate Governance and HR Committee meetings.

Summary of Attendance of Directors			
Director	Board	Audit Committee	Corporate Governance and HR Committee
Lino A. Saputo, Jr.	9 of 9	–	–
Louis-Philippe Carrière	9 of 9	–	–
Henry E. Demone	9 of 9	–	8 of 8
Anthony M. Fata	9 of 9	–	8 of 8
Annalisa King	8 of 9	7 of 7	–
Karen Kinsley	9 of 9	7 of 7	–
Tony Meti	9 of 9	7 of 7	–
Diane Nyisztor	9 of 9	–	8 of 8
Franziska Ruf	9 of 9	–	8 of 8
Annette Verschuren	8 of 9	7 of 7	–

LETTER FROM THE LEAD DIRECTOR AND CHAIR OF THE CORPORATE GOVERNANCE AND HUMAN RESOURCES COMMITTEE

ANTHONY M. FATA

Dear Shareholders,

The members of the Corporate Governance and HR Committee are pleased to present you this report on corporate governance practices of the Company, along with an overview of the Company's executive compensation policies and practices.

Consistent with the importance the Company places in good corporate governance practices, our committee continuously monitors compliance with legislative and regulatory requirements and reviews and considers recent developments, leading practices and trends in corporate governance, as well as expectations or guidelines issued by our shareholders, institutional investors and associations (institutes) focused on governance, and other authoritative sources. For the first time this year, and following a unanimous recommendation of the Corporate Governance and Human Resources Committee, the Board will be inviting shareholders to cast an advisory vote on the Company's approach to executive compensation. Our compensation policies and practices aim at aligning the interests of the senior executive team with those of shareholders and reflect competitive market practices so as to attract, retain and motivate high-performing executives who will be incented to increase business performance and enhance shareholder value on a sustainable basis.

We appreciate the importance shareholders place on effective executive compensation policies and practices and are committed to maintaining an ongoing engagement process with you to gather feedback. We look forward to seeing you at our annual meeting of shareholders and to discuss the Company's corporate governance and executive compensation policies and practices.

On behalf of the Corporate Governance and HR Committee and the Board of Directors, we invite you to review the following sections, which provide a more detailed view of our corporate governance and executive compensation policies and practices.

Sincerely,

ANTHONY M. FATA
Lead Director and Chair of the
Corporate Governance and HR Committee

REPORT ON CORPORATE GOVERNANCE PRACTICES

The Board believes that good corporate governance practices are important and has delegated to the Corporate Governance and HR Committee the responsibility of reviewing the Company's corporate governance practices and making recommendations to the Board with respect thereto.

The Company's principal shareholder is its founder, Mr. Emanuele (Lino) Saputo, who holds in the aggregate, or exercises control or direction over, directly or indirectly, shares representing 33% of the Common Shares outstanding on May 28, 2019, as disclosed previously in this Circular. Taking into account the principal shareholder's equity stake in the Company, the Board believes that the Company's corporate governance practices are appropriate to its circumstances and effective, and that there are appropriate structures, procedures and practices in place to ensure board efficiency, board independence from Management and fair representation of the investment of minority shareholders of the Company.

The Company discloses below its corporate governance practices by addressing the governance practices discussed in National Instrument 58 - 101 *Disclosure of Corporate Governance Practices* adopted by the Canada Securities Administrators. The Company continuously monitors compliance with legislative and regulatory requirements and reviews and considers recent developments, leading practices and trends in corporate governance, as well as expectations and/or guidelines issued by shareholders, institutional investors and associations (institutes) focused on governance, and other authoritative sources. In light thereof, the Board has closely followed developments in relation to "say on pay", and has decided, following the unanimous recommendation of the Corporate Governance and HR Committee, to incorporate a shareholder advisory vote on the Company's executive compensation policies and practices at its upcoming meeting of shareholders. Please refer to the section entitled "Advisory Vote on Executive Compensation" below for more details.

CORPORATE GOVERNANCE INITIATIVES

Amongst its various corporate governance initiatives, the Company has adopted: (i) a *Code of Ethics* for directors, officers and employees; (ii) position descriptions for the Chief Executive Officer, the Chair, the committee Chairs and the Lead Director; (iii) a selection process for new directors; (iv) a complaints processing procedure; (v) an assessment process for the Chief Executive Officer, the Board, the committees and the directors, individually; (vi) a director orientation and training program; (vii) a share ownership policy for directors, executive officers and senior levels of management; (viii) a DSU Plan for the directors who are not employees of the Company; (ix) a majority voting policy for the election of directors; (x) a procedure on directors' employment and other directorships; (xi) a Board diversity policy and an employee diversity policy; (xii) an incentive compensation clawback policy; and (xiii) as an ongoing engagement process with shareholders, an advisory vote on executive compensation.

BOARD OF DIRECTORS

The Board is responsible for the stewardship of the business and affairs of the Company. As such, the Board oversees 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.

BOARD MANDATE

The mandate of the Board is to supervise the management of the business and affairs of the Company. In order to better fulfil its mandate, the Board takes on the following responsibilities, among others: (i) reviewing and approving the Company's strategic orientation and periodically studying and approving the results obtained by the Company in comparison with objectives pursued; (ii) identifying the main risks associated with the Company's business and ensuring the deployment of appropriate risk management measures; (iii) monitoring, where possible, the integrity of the Chief Executive Officer of the Company and other senior executives, and ensuring that each of them promotes a culture of integrity within the Company; (iv) reviewing and approving the appointment, indemnification and succession and education plans, and overseeing compensation, for the executive officers; (v) reviewing and approving the compensation and indemnification of directors; (vi) establishing and overseeing the implementation of the corporate disclosure policy, and reviewing and approving the continuous disclosure documents; (vii) establishing and overseeing the implementation of the environmental policy and the food safety and quality policy; (viii) overseeing the integrity of internal control over financial reporting and disclosure controls and procedures; (ix) approving the Company's approach to corporate governance, in particular adopting corporate governance principles and guidelines that apply specifically to the Company; (x) meeting with the Company's shareholders at the annual meeting of shareholders and be available to respond to questions at that time; and (xi) overseeing the implementation of appropriate measures to receive comments from the Company's shareholders. The Board has taken, when necessary, specific measures in this respect. Some of these duties were delegated to the Corporate Governance and HR Committee and to the Audit Committee. A copy of the mandate of the Board is reproduced in Schedule "B" of this Circular and is also available on the Company's website at www.saputo.com.

At the beginning of every fiscal year, the Board meets with Management in order to discuss the strategic plan prepared by Management. The Board reviews the fiscal year then ended and the budgets for the upcoming fiscal year, including required capital expenditures, in order to achieve growth and the objectives set by Management. It also reviews the competitive and regulatory environment in which the Company operates in order to identify risks and opportunities. The Board then reviews, on a quarterly basis, the Company's results and accomplishments against the objectives set in the strategic plan.

The Chief Executive Officer has the responsibility to keep the Board informed of all important developments that may impact the Company or its industry.

Composition and Independence of the Board

The Board is currently made up of ten directors, eight of whom have no participation, relationship or business ties with the Company, its subsidiaries or principal shareholder, which could affect the status of such member as an independent member under the definition of National Instrument 52-110 *Audit Committees*, the whole as disclosed hereafter. In reviewing the status of independent directors, the Corporate Governance and HR Committee has identified those directors who have no direct or indirect relationship with the Company or any of its subsidiaries that could, in the view of the Corporate Governance and HR Committee, reasonably be expected to interfere with the exercise of a director's independent judgment, the whole as defined in National Instrument 58-101 *Disclosure of Corporate Governance Practices* and National Instrument 52-110 *Audit Committees*, and based on, among other things, information provided by the directors by way of a questionnaire. Upon the recommendation of the Corporate Governance and HR Committee, the Board determines annually the independence of directors. The Company is of the opinion that the presence of the existing eight independent directors more than adequately reflects the investment of minority shareholders in the Company. With the election of the ten proposed nominees at the Meeting, the Board would continue to be composed of eight independent directors, which ratio, in the Company's opinion, continues to adequately reflect the investment of minority shareholders.

- As Chief Executive Officer of the Company, Mr. Saputo, Jr. is not an independent director.
- As former Chief Financial Officer and Secretary and current senior advisor to the Company, Mr. Carrière is not an independent director nominee.
- Mr. Demone is an independent director.
- Mr. Fata is an independent director.
- Ms. King is an independent director.
- Ms. Kinsley is an independent director.
- Ms. Nyisztor is an independent director.
- Ms. Ruf is an independent director.
- Mr. Meti is an independent director.
- Ms. Verschuren is an independent director.

Board Interlocks

On an annual basis, the Corporate Governance and HR Committee reviews the common memberships on boards of directors of public companies among directors, and, if any, new director nominees. The sole interlock between directors is set out below.

Corporation	Directors	Committees
National Bank of Canada	Ms. Kinsley	Audit Committee Risk Management Committee
	Mr. Saputo, Jr.	Risk Management Committee

Independent Directors' Meetings

The independent members of the Board meet *in camera* with the Lead Director and without Management and the non-independent directors after each Board meeting, including *ad hoc* and special meetings. The Corporate Governance and HR Committee and the Audit Committee are composed solely of independent members and meet *in camera* without Management after each committee meeting, including *ad hoc* and special meetings.

Chair and Lead Director

The Corporate Governance and HR Committee has been delegated by the Board the authority to administer all procedures required so that the Board functions independently of Management.

The positions of Chair of the Board and Chief Executive Officer are currently held by Mr. Saputo, Jr. The Board believes that combining the Chair and Chief Executive Officer positions under the strong leadership of Mr. Saputo, Jr. is beneficial for the Company.

As the positions of Chair of the Board and Chief Executive Officer are held by the same person, and recognizing the importance of independent Board oversight, the Board appointed the Chair of the Corporate Governance and HR Committee, Mr. Fata, as Lead Director. See section "Position Descriptions" below for a summary of the position descriptions of the Chair of the Board and of the Lead Director. The Board has taken steps to ensure that adequate processes and structures are in place for the Board to function independently, such as the appointment of the Lead Director. Such steps are described throughout this Circular.

Committees

The Board has two committees: the Corporate Governance and HR Committee, and the Audit Committee, both of which are composed exclusively of independent directors.

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 and HR Committee has the mandate to determine if the circumstances warrant the hiring of an outside advisor. In addition, both committees have the right to hire outside advisors in order to assist them in fulfilling their mandate.

Position Descriptions

As described above, the mandate of the Board defines the roles and responsibilities of the Board and Management. In addition, the Board has developed written position descriptions for the Chair, the Lead Director, the committee Chairs and the Chief Executive Officer.

Chair of the Board

The position description of the Chair of the Board sets out the responsibilities and duties of the Chair of the Board, is developed by the Corporate Governance and HR Committee and is approved by the Board.

The Chair of the Board is responsible for establishing procedures to govern the Board's work and ensuring the Board's full discharge of its duties. Specifically, the responsibilities of the Chair of the Board include: collaborating with the Lead Director and other members of Management, where appropriate, to develop agendas and schedules for Board meetings; providing appropriate information from Management to enable the Board and the committees to exercise their duties; ensuring proper flow of information to the Board and reviewing adequacy and timing of documentary materials in support of Management's proposals; and ensuring that the Board has full access to such members of senior Management and other personnel as well as to documents of the Company. A copy of the position description for the Chair of the Board is available on the Company's website at www.saputo.com.

Lead Director

The position description of the Lead Director sets out the responsibilities and duties of the Lead Director, which role is to provide independent leadership to the Board. The position description of the Lead Director is developed by the Corporate Governance and HR Committee and approved by the Board.

The Lead Director is responsible for facilitating the functioning of the Board independently of Management and enhancing the quality of the Company's corporate governance practices. Specifically, the responsibilities of the Lead Director include: providing the Chair of the Board with input as to the preparation of the Board agendas; taking measures to ensure the quality, quantity and timeliness of the flow of information from Management; coordinating and moderating sessions of the Board's independent directors; and representing the independent directors in discussions with Management on corporate governance issues and other matters. The Lead Director is elected annually by a vote of the directors who qualify as independent directors. A copy of the position description for the Lead Director is available on the Company's website at www.saputo.com.

Committee Chairs

The committee Chair position description sets out the responsibilities and duties of the Chair in guiding each committee in the fulfillment of its duties.

Chief Executive Officer

The position description for the Chief Executive Officer is developed with input from the Chief Executive Officer and the Corporate Governance and HR Committee, and is approved by the Board. The description provides that the Chief Executive Officer plans and oversees development of short-term and long-term organizational goals, fosters development and maintenance of the organizational culture with a view to maximizing the Company's performance, and assumes the entire responsibility for the Company's business pursuant to existing strategic plans, business goals, budgets and policies.

In addition, the Corporate Governance and HR Committee reviews and approves corporate goals and objectives that the Chief Executive Officer is responsible for meeting each year. The Corporate Governance and HR Committee also conducts an annual assessment of the Chief Executive Officer's performance in relation to those objectives and reports the results of the assessment to the Board. A copy of the evaluation process for the Chief Executive Officer can be found on the Company's website at www.saputo.com.

Corporate Governance and Human Resources Committee

The Corporate Governance and HR Committee is composed of four members of the Board: Mr. Fata, who is the Chair of this committee, Mr. Demone, Ms. Nyisztor and Ms. Ruf, all of whom are independent directors. Reference is made to the section entitled "Executive Compensation" under the heading "Role and Composition of the Corporate Governance and HR Committee" for more information on the skills and experience of the members of such committee and its responsibilities as a compensation committee.

The Corporate Governance and HR Committee has the mandate to (i) annually review and approve the executive compensation policy of the Company and executive compensation, and review and consider the results of the most recent shareholder advisory vote on executive compensation; (ii) develop and review the Company's corporate governance practices and make recommendations to the Board; (iii) review Management succession planning program and make recommendations to the Board with respect thereto; (iv) supervise the annual performance assessment process of the Chief Executive Officer, and of the Board, its committees and the directors, individually; (v) review the compensation of the directors, and make recommendations to the Board with respect thereto; (vi) adopt and maintain the share ownership policies for directors, executive officers and senior Management of the Company, and ensure compliance with such policies; (vii) supervise the process for selecting nominees for election to the Board and recruiting new candidates for Board membership, and make recommendations to the Board with respect thereto; (viii) present reports at the following Board meeting with respect to its achievements and current projects; and (ix) oversee risk management measures related to human resources risks. A copy of the mandate of the Corporate Governance and HR Committee can be found on the Company's website at www.saputo.com. During fiscal 2019, the Corporate Governance and HR Committee held eight meetings, all of which were followed by a meeting where Management was not present.

Audit Committee

The Audit Committee is composed of four members of the Board, Mses. King, Kinsley and Verschuren and Mr. Meti, who is the Chair of this committee, all of whom are independent and financially literate. The Audit Committee has the mandate to (i) review the annual and interim financial statements of the Company and certain other public disclosure documents required by regulatory authorities; (ii) review and adopt the annual audit plan prepared by the external auditors and oversee their work; (iii) review the appropriateness, quality and disclosure of the accounting principles and practices used by the Company; (iv) review and monitor periodically the presence and the effectiveness of the Company's internal control over financial reporting; (v) evaluate and assess the adequacy of the disclosure controls and procedures of the Company; (vi) approve all services not related to audit services which the external auditors may render to the Company and its subsidiaries, subject to the policy of the Company on services which may be provided by the Company's external auditors and by other accounting firms; (vii) oversee the internal audit function; (viii) review and approve the annual internal audit plan; (ix) maintain procedures regarding complaints and concerns of an auditing or accounting nature; (x) examine, approve and ensure enforcement and compliance with the Company's hiring policy with respect to current and former partners and employees of the current and former auditors of the Company; (xi) delineate any relationship the external auditors have with the Company which may affect the independence and objectivity of the external auditors; (xii) review and evaluate the risk factors inherent to the Company and ensure that appropriate measures are in place to identify and manage them effectively; and (xiii) present reports at the following Board meeting with respect to its achievements and current projects. The Audit Committee's charter is published in the Annual

Information Form of the Company under Appendix A and can also be found on the Company's website at www.saputo.com. During fiscal 2019, the Audit Committee held seven meetings, all of which were followed by meetings where Management was not present.

Through its Audit Committee and, for human resources risks, the Corporate Governance and HR Committee, the Board identifies the principal risks relating to the Company's business, ensures the implementation of appropriate systems to manage these risks and receives regular reports from Management on these matters. Product liability and environment are two risks that were identified as areas of exposure that have the potential to impact the Company's ability to meet its business objectives. The responsibility for the oversight programs related to such risks is shared with two distinct senior management-level committees in order to ensure appropriate expertise, attention and diligence, with regular reporting to the Audit Committee. Other risks that may impact the Company are addressed through reports or presentations provided to the Audit Committee. Please refer to the section "Risks and Uncertainties" of the Management's Discussion and Analysis contained in the Annual Report for a discussion of the Company's risk oversight program and a list of the principal risks relating to the Company's business. The Audit Committee, which reports to the Board, is responsible for ensuring the adequacy and the effectiveness of the Company's internal control over financial reporting. The Audit Committee regularly meets with the Chief Financial Officer and Secretary, the internal auditor and the external auditors in order to examine issues pertaining to the presentation of financial information, accounting practices, new accounting standards, internal accounting systems, as well as financial controls and procedures and auditing plans. The Audit Committee also reviews and monitors the practices and procedures relating to the certifications by the Chief Executive Officer and the Chief Financial Officer and Secretary with respect to internal control over financial reporting and disclosure controls and procedures to ensure compliance with applicable securities legislation. In the exercise of its mandate, the Audit Committee meets quarterly with the internal auditor of the Company, with and without Management.

For additional information on the Audit Committee, reference is hereby made to the section "Audit Committee Information" of the Annual Information Form of the Company for the year ended March 31, 2019. Copy of this document can be found on the Company's website at www.saputo.com, on SEDAR at www.sedar.com or by contacting the Secretary of the Company at its head office, 6869 Métropolitain Boulevard East, Montréal, Québec, H1P 1X8, Telephone: 514-328-6662.

Succession Planning

An important responsibility of the Corporate Governance and HR Committee is to ensure that a comprehensive succession plan for the Company's senior leaders is in place. To achieve this, the Corporate Governance and HR Committee meets annually with the Chief Human Resources Officer to review and update the succession plan for executive officers, including the Chief Executive Officer.

The plan identifies potential successors for executive officers in the short and medium term and highlights any areas of personal development proposed for each candidate to be better prepared to take on the relevant position. A summary of the succession plan for executive officers is presented by the Corporate Governance and HR Committee to the Board for discussion.

The executive succession plan is integrated with the Company's overall succession planning process, which has the primary objective of having high performing individuals in key roles at all levels of the organization. The Company has implemented a succession planning process through which it has identified roles that are critical to the organization to ensure that a comprehensive succession plan for such roles is in place. The Company intends to focus on the development of talent in these key roles, and manage talent by providing the proper development plan, coaching and training. Reference is made to the section "Diversity" for a discussion on diversity considerations in the Company's overall succession planning process. In connection with succession planning, the Chief Human Resources Officer benefits from the involvement of the Chief Executive Officer, as well as other members of senior Management.

Compensation

The Corporate Governance and HR Committee evaluates annually, as per its mandate and in line with its work plan, the compensation of the directors and executive officers in their respective capacity in light of the compensation policy of the Company, the practices of the market, as well as the risks and responsibilities associated with carrying out their duties. Reference is made to sections entitled "Executive Compensation" and "Compensation of Directors" for additional information on executive and director compensation, respectively.

Assessment of the Board of Directors, Committees and Directors

Pursuant to the Company's annual evaluation process, Board members complete a survey as to the performance of the Board, its committees and the individual performance of each Board member. These surveys are reviewed, on a confidential basis, by the Chair of the Corporate Governance and HR Committee. The survey of the Chair of the Corporate Governance and HR Committee is reviewed by a member of such committee mandated by the other members. The Chair of the Corporate Governance and HR Committee meets each Board member individually in order to discuss the surveys and also meets the member of the Corporate Governance and HR Committee responsible for his assessment.

A global evaluation of the performance of the Board, its committees and Board members is reviewed by the Corporate Governance and HR Committee and is presented to the Board by the Chair of the Corporate Governance and HR Committee. The evaluation of the Board and the committees takes into account their responsibilities as set forth in their respective mandates, and the evaluation of the directors for whom a position description has been established (see "Position Descriptions") takes into account their responsibilities as set forth therein. The evaluation also takes into consideration the skills, abilities, personal qualities, educational qualifications and professional experience present within the Board, and those that should be developed and/or acquired. At all times, Board members are free to discuss among themselves the performance of a fellow director, or submit such a matter to the Chair of the Corporate Governance and HR Committee, who ensures the implementation of appropriate measures to deal with any concern regarding the effectiveness of the Board and its various committees. As Board members are elected annually, the Corporate Governance and HR Committee takes into account each director's performance when recommending nominees to the Board for election at the next annual meeting of the Company's shareholders and when making recommendations regarding the composition of the committees, as well as their Chair for approval by the Board.

Orientation and Continuing Education

The Board considers that orienting and educating new directors, as well as maintaining and continuing the education of current directors, is an important element to ensure responsible corporate governance. The Corporate Governance and HR Committee is responsible for maintaining the orientation and continuing education program.

Orientation Program

Newly appointed directors are provided with background materials and the information necessary to fulfill their role as directors, such as the Company's continuous disclosure documents, copies of the mandate of the Board and its committees, minutes of previous meetings of the Board and copies of the policies and procedures adopted by the Board and its committees. In addition, new directors have the opportunity to meet individually with members of Management, the Chair of the Board and Chief Executive Officer and the Lead Director to discuss these documents, the Company's sectors of activity, its competitive and regulatory environment, as well as its business and operational strategies. New directors also have the opportunity to visit a Company facility as part of the orientation program.

Continuing Education Program

The continuing education program for current directors was developed to assist them in maintaining their skills and abilities, as well as updating their knowledge and understanding of the Company and its industry. Directors regularly meet with members of Management to discuss the affairs of the Company, the continuous disclosure documents, sectors of activity of the Company, its competitive and regulatory environment, as well as its business and operational strategies. Directors are also provided with the opportunity to meet with members of Management outside of formal Board meetings to discuss and better understand the business and remain current with industry trends. Written materials and briefings are used to ensure that directors' knowledge and understanding of the Company's affairs remain current and that directors are informed of the developments in regulatory and industry initiatives. The background materials given to all directors upon appointment are continuously updated and made available.

In addition, as part of the meetings of the Board and the committees, educational presentations are regularly given by Company representatives, or, from time to time, external consultants, on matters that are of interest to the directors or which relate to their role as directors or committee members. Board members also hold a strategic planning meeting annually with Management. The following table lists the sessions provided by the Company during fiscal 2019, the directors they were intended for and the dates on which they were given.

Sessions provided by the Company	Date	Participants
Developments in regulatory and industry initiatives	Quarterly	Board
Strategic planning	April 2018	Board
Approach to social, environmental and economic performance	April 2018	Board
New audit or accounting standards	May 2018	Audit Committee
Information technology – Project risk management and Cybersecurity	May 2018 / October 2018	Audit Committee
Intellectual property	October 2018	Audit Committee
Engagement Quality Control Review process	October 2018	Audit Committee
Competition, international markets, consumer trends and dairy industry: updates	October 2018	Audit Committee
Insurance	October 2018	Audit Committee
Trends in corporate governance	October 2018	Corporate Governance and HR Committee
Environment	November 2018	Audit Committee
Quality assurance	November 2018	Audit Committee
Directors' duties and liabilities	November 2018	Board
Trends in executive compensation	February 2019	Corporate Governance and HR Committee

Moreover, members of the Board are invited to attend the Company's meeting of shareholders. The Board has a policy of periodically conducting field visits of Company facilities. Directors have complete access to Company records. Finally, each Board member is invited to address to the Corporate Governance and HR Committee any request they may have regarding additional information or education. The Corporate Governance and HR Committee reviews such requests and takes the measures it deems appropriate. Many of the Company's directors sit on other boards of directors and are invited to share any best practices observed elsewhere with the Corporate Governance and HR Committee.

Nomination of Directors

The Corporate Governance and HR Committee, which is composed entirely of independent directors, is responsible for (i) the implementation of a uniform and transparent process for selecting nominees for election to the Board and the recruitment of new candidates for Board membership, and making recommendations to the Board with respect thereto; and (ii) the implementation and application of an annual performance assessment process of the Board, its committees and individual Board members. A copy of the Director Selection and Appointment Process can be found on the Company's website at www.saputo.com.

The Company endorses a balanced representation in terms of director tenure and age, and fostering diversity in this regard in terms of positions of leadership and the nomination of directors. For the selection of nominees for election to the Board of the Company, the Corporate Governance and HR Committee adopted a process which takes into consideration (i) what competencies and skills the Board, as a whole, should possess taking into account the Company's Board Diversity Policy (see the section entitled "Diversity" for more information); (ii) what competencies and skills each existing director possesses; (iii) what competencies and skills the Board, as a whole, possesses; and (iv) the individual performance of each director. Refer to the section entitled "Skills Matrix" for more information concerning the competencies and skills possessed by the director nominees. The Corporate Governance and HR Committee may rely on the services of qualified consultants to identify and/or recruit candidates, if it deems necessary, to assist in meeting the objectives aforementioned. The Corporate Governance and HR Committee also assesses any concerns relating to potential conflict, independence or time commitment that each nominee may present. Refer to the section entitled "Directors' Employment and Other Directorships" for additional information. Based on this analysis, which is completed at least annually, the Corporate Governance and HR Committee recommends to the Board the candidates proposed for election to the Board at the next meeting of shareholders. This assessment also allows the identification, *inter alia*, of competencies and skills that the Board should consider if and when a new director will be added to the Board.

The Board does not currently impose, nor does it believe that it should establish, term limits or retirement age limits on its directors, as such limits may cause the loss of experience and expertise important to the optimal operation of the Board. However, the importance of a balanced representation in terms of director tenure and age is recognized. Reference is made to the section "Diversity".

DIVERSITY

Board of Directors

Saputo recognizes that a diverse and inclusive environment which values diversity of thought, background, skills and experience facilitates a broader exchange of perspectives. This view is confirmed in a written Board Diversity Policy adopted by the Board. A copy of the Company's Board Diversity Policy can be found on the Company's website at www.saputo.com. Diversity enriches discussions among directors and better reflects the Company's relationship with its customers, employees, shareholders, business partners and other stakeholders. The Board Diversity Policy states that, in the context of the director nomination process, the Corporate Governance and HR Committee will consider the merit of potential candidates based on a balance of skills, abilities, personal qualities, educational qualifications and professional experience, including taking into account diversity considerations such as gender, age and geographic areas and other characteristics of the communities in which Saputo is present and conducts its business. Accordingly, consideration of the number of women who are directors, along with consideration of whether other diverse attributes are sufficiently represented on the Board, is an important component of the selection process of nominees for election to the Board and the recruitment of new candidates for Board membership. Additionally, the Corporate Governance and HR Committee's annual review of the size and composition of the Board is conducted with a view to identifying imbalances or gaps, as well as opportunities that may be associated with further diversification.

Refer to the section entitled "Skills Matrix" for more information concerning the competencies and skills possessed by each director nominee. In particular, the Corporate Governance and HR Committee endorses a balanced representation in terms of director tenure and age, and fostering of diversity in this regard in terms of positions of leadership and the nomination of new directors. In order to effectively implement the Board Diversity Policy, the Board has embedded it into its director selection and appointment process. The Corporate Governance and HR Committee measures compliance with the Board Diversity Policy as part of the periodic evaluation process of the Board, its committees and its directors.

The Board has not established a target with respect to female representation as the Board believes that the composition of the Board reflects the principles of diversity set forth in the Board Diversity Policy. Following the Meeting and assuming that all nominees are elected as contemplated in this Circular, five of the ten directors (50%) will be women.

Diversity throughout the Company

Saputo strives to embed diversity and inclusion in the corporate culture. Saputo's Diversity Policy sets out the guidelines by which Saputo endeavors to promote diversity throughout the Company. A copy of the Company's Diversity Policy can be found on the Company's website at www.saputo.com.

While the Company seeks to recruit or appoint those individuals who are most qualified for the particular position, regardless of personal characteristics, Saputo recognizes the value of diversity, including gender diversity, which offers a depth of perspectives and enhances the Company's operations. The Company is committed to attracting talented women and men, and in its recruiting and staffing efforts, the Company promotes a work environment that values diversity of gender, backgrounds, experiences and perspectives in order to foster diversity of thought and build diverse teams.

Management provides the leadership framework and direction and it is the responsibility of everyone within the Company to sustain a culture that promotes and supports principles of diversity and inclusivity. Saputo is an equal opportunity employer. All decisions regarding recruitment, hiring, promotion, compensation, employee development decisions such as training, and all other terms and conditions of employment are made without regard to race, national or ethnic origin, colour, religion, age, sex, sexual orientation, matrimonial status, civil status, or physical or mental handicap, as set out in the Company's *Code of Ethics*. Reference is made to the section entitled "Ethical Business Conduct" for more information.

Saputo is committed to offering its employees a stimulating work environment where their entrepreneurship, initiatives, professionalism, leadership and commitment are recognized and encouraged. In doing so, Saputo endorses an organizational structure which enables promotion opportunities. Proactive and engaged leaders drive change. The Company believes that an active group of diverse leaders will sustain and promote its culture of diversity by inspiring others through their actions, their development and that of their teams.

The Company has a leadership program to ensure that this "pipeline" of talent is properly developed. The Company has refrained from setting specific diversity targets in order to ensure that the most capable candidates are identified and selected on the basis of skills, experience and leadership abilities. The Company believes the most effective way to achieve its goal of increasing the representation of women in leadership roles is to identify and foster the development of high-potential women within the Company and, when recruiting externally, to keep diversity considerations in mind. For the fiscal year ended March 31, 2019, 22% of the Company's executive officers and executive vice presidents (2 out of 9) were women. 23 out of 144 leaders of the Company and its subsidiaries holding a vice president level position and above were women (16%).

MAJORITY VOTING POLICY

The Board believes that each of its members should carry the confidence and support of the shareholders. Therefore, the Board implemented a majority voting policy. Pursuant to this policy, any nominee for an uncontested election as a director at a shareholders' meeting for whom the number of votes withheld exceeds the number of votes in favour will be deemed not to have received the support of shareholders and will immediately tender their resignation to the Board following the meeting. The Corporate Governance and HR Committee shall accept the resignation, save in exceptional circumstances, and shall make a recommendation to the Board.

The Board shall determine whether or not to accept the resignation within 90 days following the applicable shareholders' meeting. Any director who tenders their resignation pursuant to this policy shall not participate in the deliberations of the Corporate Governance and HR Committee or the Board regarding the resignation. Save in exceptional circumstances, the resignation shall be accepted by the Board. In considering whether exceptional circumstances exist justifying the director's continuance in office, the Board will consider the factors considered by the Corporate Governance and HR Committee and such additional factors and information that the Board considers to be relevant. The resignation will be effective when accepted by the Board. Following the Board's decision on the resignation, the Board shall promptly disclose, via press release, its decision whether or not to accept the director's proposed resignation and a copy of such press release shall be provided to the TSX. Should the Board determine not to accept the resignation, the press release shall fully state the reasons for the decision. This policy applies only to uncontested elections, meaning elections where the number of nominees for director is equal to the number of directors to be elected as determined by the Board. A copy of the Majority Voting Policy can be found on the Company's website at www.saputo.com.

The director nominee election results from the August 7, 2018 annual meeting of the shareholders of the Company are set out below:

Name	Voted For*	Withheld from Voting*	% For*	% Withheld*
Lino A. Saputo, Jr.	327,920,312	5,430,077	98.37%	1.63%
Louis-Philippe Carrière	332,959,977	390,412	99.88%	0.12%
Henry E. Demone	332,129,312	1,221,077	99.63%	0.37%
Anthony M. Fata	330,937,134	2,413,255	99.28%	0.72%
Annalisa King	333,286,102	64,287	99.98%	0.02%
Karen Kinsley	332,933,430	416,959	99.87%	0.13%
Tony Meti	331,233,875	2,116,514	99.37%	0.63%
Diane Nyisztor	331,727,774	1,622,615	99.51%	0.49%
Franziska Ruf	332,131,567	1,218,822	99.63%	0.37%
Annette Verschuren	332,750,764	599,625	99.82%	0.18%

* As the vote for each motion was taken by a show of hands, the number of votes disclosed reflects only the proxies received by Management in advance of the annual meeting of the Company's shareholders.

BOARD SIZE

After reviewing its size, the Board determined that a board of nine to 11 directors is appropriate for decision-making purposes.

ETHICAL BUSINESS CONDUCT

The Company has a *Code of Ethics* that governs the conduct of its directors, officers and employees. The *Code of Ethics* can be obtained on the Company's website at www.saputo.com or on SEDAR at www.sedar.com. The Corporate Governance and HR Committee is responsible for the compliance process relating to the *Code of Ethics* and for the reporting process to the Board with respect thereto. The Company's Chief Human Resources Officer, has overall responsibility for the oversight of the *Code of Ethics*. In addition, pursuant to the process implemented, the Chief Human Resources Officer is required to report to the Corporate Governance and HR Committee, on an annual basis, any non-compliance by managers of the Company, except for any non-compliance by executive officers, which is required to be reported promptly to the Corporate Governance and HR Committee.

The *Code of Ethics* specifies that officers and managers have elevated responsibilities to lead by example and that they are responsible for promoting a culture of compliance and integrity. The *Code of Ethics* includes provisions on compliance with laws, including anti-bribery and antitrust laws. It also includes a section on conflicts of interest and, more specifically, on gifts and other advantages. The *Code of Ethics* requires that a statement be completed and signed by all employees, including senior executives, as well as all directors, requiring any potential, apparent or real conflict of interest involving the employee or director to be reported.

In accordance with applicable law, when a conflict of interest involving a director arises, the director has the obligation to disclose such conflict of interest and abstain from voting on the matter. The Corporate Governance and HR Committee rules on questions concerning conflicts of interest. Also refer to the section entitled "Directors' Employment and Other Directorships".

The Board has also adopted a complaints processing procedure, which allows officers and employees who have any complaint or concern regarding accounting, internal accounting controls or auditing matters to be reported on a confidential and anonymous basis. Complaints can be made via e-mail, telephone or mail to the Chair of the Audit Committee, who is responsible for overseeing the complaints processing procedure.

COMMUNICATION POLICY

The Audit Committee is responsible for the review of the annual and interim financial statements of the Company and other continuous disclosure documents, such as the Management Information Circular, the Annual Information Form, the Management's Discussion and Analysis and the Annual Report, all of which are approved by the Board before their filing or mailing. The Board is responsible for maintaining a proper communication policy with shareholders, institutional investors and participants in the financial market. In order to maintain high standards regarding disclosure issues, the Board maintains a disclosure policy. The purpose of the disclosure policy is to ensure that communications with the investment community, the media and the public are timely, consistent and accurate, and that the information is disseminated in compliance with applicable legal and regulatory requirements.

Directors' Employment and Other Directorships

Directors must inform senior Management before accepting an invitation to serve on another board or any new employment relationship. Senior Management assesses whether the director would be involved in a real, apparent or potential conflict of interest and whether the director's ability to discharge their responsibilities as a director of the Company is likely to be affected.

The Board believes that the fact that a director of the Company serves on the board of directors of another company does not necessarily interfere with their ability to exercise their independent judgement and to act in the best interest of the Company. However, directors are expected to have sufficient time to devote to their duties as Board members of the Company. In this regard, the Board has established guidelines on the maximum number of public directorships that directors may hold: (i) directors who hold a full-time executive position (other than at the director's own business) should hold at most two public company directorships, excluding any directorships (a) on the board of the corporation or organization at which such director is employed and (b) on the board of any subsidiaries or affiliated entities of the corporation or organization at which such director is employed; and (ii) other directors should hold no more than four public company directorships. Copy of the Directors' Employment and other Directorships Procedure can be found on the Company's website at www.saputo.com.

The Company maintains an up-to-date list of all the directorships and other employment of its directors.

Shareholder Engagement

The Company engages with its shareholders on an ongoing basis and in a variety of ways. The Company communicates with shareholders and other stakeholders through various channels, including news releases and other continuous disclosure documents, website, industry and institutional investor conferences, quarterly earnings and acquisition-specific calls and other meetings. Feedback from shareholders comes from one-on-one or group meetings, in addition to regular informal interactions on specific questions between the Company's investor relations department and shareholders.

By engaging with a broad range of stakeholders through open dialogue, both formally and informally, Management gains a better understanding of key topics and matters of importance to its shareholder base.

The Board encourages shareholder attendance and participation at the Company's Meeting as it provides a valuable opportunity to discuss the Company's activities and general business, financial situation, corporate governance and other important matters. Shareholders may also contact the Board through the Secretary of the Company by postal mail at 6869 Métropolitain Boulevard East, Montréal, Québec H1P 1X8 or Management via the Company's corporate communications department at investors@saputo.com.

ADVISORY VOTE ON EXECUTIVE COMPENSATION

The Corporate Governance and HR Committee and the Board spend considerable time and effort overseeing the implementation of the Company's executive compensation policies and practices and is satisfied that the policies and practices in place are aimed at aligning the interests of the senior executive team with those of shareholders, while reflecting competitive market practices. This compensation approach allows the Company to attract, retain and motivate high-performing executives who will be incented to increase business performance and enhance shareholder value on a sustainable basis. The Board appreciates the importance shareholders place on effective executive compensation policies and practices and is committed to maintaining an ongoing engagement process with its shareholders by adopting measures to gather feedback.

In light thereof, and for the first time this year, the Board has decided to present to shareholders, during its Meeting to be held on August 8, 2019, a "say on pay" advisory vote (a non-binding advisory vote on its approach to executive compensation) as part of its shareholder engagement efforts. At the Meeting, shareholders will be asked to approve the following resolution:

> "**THAT**, on an advisory basis and not to diminish the role and responsibilities of the Board, the shareholders accept the Company's approach to executive compensation disclosed in the management information circular delivered in connection with the 2019 annual shareholders' meeting."

As this is an advisory vote, the results will not be binding upon the Board. However, the Board and the Corporate Governance and HR Committee will review and analyze the voting results and take into account such results when considering future executive compensation policies and practices. Results of the vote will be disclosed in the report of voting results to be posted on SEDAR at www.sedar.com shortly after the Meeting. The Company plans on holding a "say on pay" advisory vote on an annual basis.

Unless instructed to vote against in the accompanying form of proxy, the persons whose names are printed on the enclosed form of proxy intend to vote FOR the advisory non-binding resolution in respect of the Company's approach to executive compensation.

The section that follows sets out an overview of the Company's executive compensation policies and practices.

EXECUTIVE COMPENSATION

COMPENSATION DISCUSSION AND ANALYSIS

Role and Composition of the Corporate Governance and HR Committee

The Corporate Governance and HR Committee is composed of four independent directors, Mr. Fata, who is the Chair of the Committee, Mr. Demone, Ms. Nyisztor and Ms. Ruf. Each member has direct experience that is relevant to their responsibilities in executive compensation. More specifically, all members have either held executive management positions as Chief Executive Officer, President or senior executive role with oversight over human resources functions, have advised reporting issuers with regards to human resources and compensation matters or have experience as a member of human resources and compensation committees of other public companies. In connection with their responsibilities, all members have implemented, managed and/or provided advice on compensation policies and practices. As a result, the members of the Corporate Governance and HR Committee collectively have the relevant skills and experience necessary to enable the Committee to make decisions as to the suitability of the Company's compensation policies and practices. Reference is made to the members' biographies contained in the section entitled "Election of Directors" for more information.

As stated above under the section entitled "Corporate Governance and Human Resources Committee", part of the Committee's functions is to act as a compensation committee. As such, the Committee is responsible for (i) reviewing and approving the executive compensation policy and the executive compensation; (ii) establishing the annual performance targets used in relation with the annual incentive (bonus); (iii) determining long-term incentive grants under the Company's compensation plans and establishing their terms, including, where applicable, performance criteria; (iv) assessing the risks associated with the Company's compensation policies and practices; and (v) overseeing risk management measures related to human resources risks.

The Corporate Governance and HR Committee reviewed the Company's compensation policies and practices for fiscal 2019, taking into account risks associated therewith. The Committee has not identified any risks associated with the Company's compensation policies and practices that are reasonably likely to have a material adverse effect on the Company. The significant risks and uncertainties which could affect the Company are disclosed in the Management's Discussion and Analysis accompanying the Company's financial statements. None of these risks relates to compensation policies and practices. See "Additional Information".

In the context of assessing risks related to compensation practices and policies, the Corporate Governance and HR Committee considered or adopted, as applicable, the following practices and policies, among others, which contribute to the philosophy of refraining from taking inappropriate or excessive risks: (i) the compensation structure includes a fixed portion (base salary) which is competitive and provides a regular income stream unrelated to the share price; (ii) the variable portion is composed of both a short-term incentive (bonus) and long-term incentives (options, performance share units ("PSUs") and restricted share units ("RSUs")); (iii) payments under the short-term incentive (bonus), based on the achievement and overachievement of financial performance targets of the Company, are capped; (iv) the options portion of the long-term incentive vests over five years; (v) the performance criteria for the PSU portion of the long-term incentive is set at the beginning of the relevant three-year performance cycle and the PSUs vest at the end of the cycle provided the performance criteria is met; (vi) the vesting criteria for the RSU portion of the long-term incentive is set at the beginning of the relevant three-year restriction period and the RSUs vest at the end of such period provided the participant is an employee of the Company at the time of vesting; (vii) a share ownership policy provides that executives must hold a minimum number of Common Shares; (viii) rules of conduct prohibit insiders, including directors and executive officers, from selling short, or buying any put or call options with respect to the securities of the Company, and also prohibit the purchase of financial instruments designed to hedge or offset a decrease in market value of the Company's securities; and (ix) the incentive compensation is subject to a clawback policy.

Executive Compensation Policy Objective

The Company's executive compensation policy aims to attract and retain competent individuals and motivate them to optimize value for the Company's shareholders. The compensation policy is designed to be competitive, to stimulate profitable return on investments and long-term growth.

The Corporate Governance and HR Committee is responsible for annually reviewing and approving the executive compensation policy and executive compensation, including determining the compensation elements and the compensation mix to balance the executives' focus on short-term and long-term objectives. The Company's compensation policies and practices are designed to adequately reward executive officers for their services, and to encourage them to establish short-term and long-term strategies aimed at increasing share value and creating economic wealth. The Company's compensation strategy therefore places the emphasis on compensation elements linked to performance, including share value through long-term incentive plans.

Reference is made to the section entitled "Elements of Executive Compensation" for additional information on the components of executive compensation and the relative weight of fixed and variable compensation elements.

Incentive Compensation Clawback Policy

The Company has an incentive compensation clawback policy which applies to all executive officers and certain members of senior Management of the Company. A copy of the Company's Incentive Compensation Clawback Policy can be found on the Company's website at www.saputo.com. Under this policy, the Board may, after considering the Corporate Governance and HR Committee's recommendation, in its entire discretion and to the extent that it is in the best interest of the Company to do so, require the reimbursement of the overcompensation amounts of annual and long-term incentive compensation awarded, granted or paid to such individuals if (i) they were engaged in gross negligence, intentional misconduct or fraud which caused or significantly contributed to an accounting restatement of the financial statements of the Company and (ii) the individual received incentive compensation that would have been lower than the amount actually received if the incentive compensation had been computed or received in accordance with the restated financial results.

Decision Making Process and Compensation Consulting Services

PCI Perrault Consulting Inc. ("PCI") has been retained by the Corporate Governance and HR Committee for over ten years as independent compensation consultant to provide advice relating to the competitiveness and appropriateness of the compensation programs of the Company's executives and directors.

The services include advice on compensation policies and elements of compensation for directors and compensation policies and practices, including base salaries, short and long-term incentive programs and pension benefits for executives. In providing such advice, PCI also assists the Corporate Governance and HR Committee in the selection of the comparative groups, provides information on the benchmarking of executive and director compensation with the comparative groups and provides observations and recommendations with respect to the composition and design of the compensation elements.

In fiscal 2018, PCI was not retained to perform work for the Company, other than related to executive compensation. In fiscal 2019, PCI was retained to provide assistance with a review of executive compensation for fiscal 2020, including an in-depth review of the long-term incentive component. Refer to the section "Long-Term Incentive Component for fiscal 2020" for additional information. PCI was also retained for a minor mandate related to compliance. No mandate is given to PCI unless approved by the Corporate Governance and HR Committee. The table below sets forth the fees incurred by the Company in fiscal 2018 and fiscal 2019 in connection with services provided by PCI.

Fiscal Year	Executive Compensation-Related Fees	All Other Fees
2019	$96,199	$953
2018	$24,105	N/A

For fiscal 2019, the Corporate Governance and HR Committee met with the Chief Human Resources Officer to discuss compensation matters and conducted a review of executive compensation. The Committee considered, among other things, market compensation and trend data provided by PCI regarding the compensation levels for executive officers with similar responsibilities in the comparative groups, and also considered recommendations provided by PCI for executive compensation for fiscal 2019, taking into account the performance and experience of the executive officers and their responsibilities. Following discussions with the Chief Human Resources Officer, the Committee approved, in March 2018, the fiscal 2019 compensation packages for the executives, and provided a report to the Board at its next meeting.

In connection with executive compensation, the Corporate Governance and HR Committee also benefits from the involvement of the Chief Financial Officer and Secretary, and other executive officers who are involved in the preparation of the financial budgets which are recommended to the Board for approval and form the basis for the financial performance targets on which the bonuses and PSUs are established. The Chief Financial Officer and Secretary also oversees the financial, accounting, legal and regulatory aspects of the Equity Compensation Plan, the performance share unit plan (the "PSU Plan") and the restricted share unit plan (the "RSU Plan"), including maintaining a record of the options, PSUs and RSUs granted, vested, exercised, paid-out, and cancelled, as the case may be, and filing reports with the regulatory authorities. The Chief Human Resources Officer assists in the administration of the Equity Compensation Plan, the PSU Plan and the RSU Plan. Any proposed modifications to the annual incentive (bonus) plan, the Equity Compensation Plan, the PSU Plan and the RSU Plan are also discussed with the Chief Executive Officer, and then with the Corporate Governance and HR Committee. Amendments to the Equity Compensation Plan are submitted for approval to the Board and, when required, to the shareholders. Amendments to the PSU Plan and the RSU Plan are submitted to the Corporate Governance and HR Committee for approval.

Comparative Groups

The Corporate Governance and HR Committee used the comparative groups set forth below to determine all aspects of executive compensation for fiscal 2019. The comparative groups were established for fiscal 2013 considering the size, financial performance and market capitalization of the companies, as well as their sectors of activity, and the US Comparative Group (as hereinafter defined) was modified for fiscal 2015 to include companies with larger median revenues in order to reflect the increase in the Company's annual revenues in the USA following the acquisition of the Company's Dairy Foods Division (USA). For fiscal 2019, a review of the comparative groups was conducted and it was determined that no changes were required. The same Canadian Comparative Group and the US Comparative Group as for fiscal 2018 were used.

The Canadian Comparative Group is composed of five companies in the agri-food sector and three companies in the retail distribution and sales sector of the food industry, and the US Comparative Group is composed of thirteen companies in the food processing industry, as set forth below:

Canadian Comparative Group
Alimentation Couche-Tard Inc.
Cott Corporation
Empire Company Limited
George Weston Limited
Maple Leaf Foods Inc.
Metro Inc.
Molson Coors Brewing Company
Nutrien Ltd.

US Comparative Group
Campbell Soup Company
Conagra Brands, Inc.
Dean Foods Company
Dr Pepper Snapple Group, Inc.
General Mills, Inc.
Hormel Foods Corporation
Ingredion Incorporated
Kellogg Company
The Kraft Heinz Company
Mondelez International, Inc.
The J.M. Smucker Company
The Hershey Company
United Natural Foods, Inc.

For fiscal 2019, the same combined group as for fiscal 2018 (the "Combined Group") using a weighting of 50%/50% between the Canadian Comparative Group and the US Comparative Group, respectively, to reflect the allocation of the Company's source of revenues between Canada and the USA, was used to benchmark executive compensation.

The following chart identifies the named executive officers ("NEOs") for fiscal 2019 and the comparative group(s) used to benchmark their fiscal 2019 compensation.

Name	Position	Comparative Group Used for Base Salary and Total Compensation	Comparative Group Used for Annual and Long-Term Incentive Opportunities
Lino A. Saputo, Jr.	Chief Executive Officer	Combined Group	Combined Group
Maxime Therrien	Chief Financial Officer and Secretary	Combined Group	Combined Group
Kai Bockmann	President and Chief Operating Officer Saputo Inc. and International Sector(1)	Combined Group	Combined Group
Terry Brockman	President and Chief Operating Officer Cheese Division (USA)	US Comparative Group	Combined Group
Carl Colizza	President and Chief Operating Officer (North America) (2)	Canadian Comparative Group	Combined Group

(1) Prior to April 1, 2019, Mr. Bockmann acted as Chief Operating Officer of Saputo Inc. and Dairy Division (Australia).

(2) During fiscal 2019, Mr. Colizza acted as President and Chief Operating Officer of the Dairy Division (Canada) and the Dairy Division (Argentina).

Share Ownership Policy for Executive Officers

During fiscal 2019, the Board increased the minimum share ownership requirements applicable to executive officers. Refer to the section entitled "Long-Term Incentive Component for Fiscal 2020" for additional information. Pursuant to this amended ownership policy, the Chief Executive Officer shall own a number of shares having a total market value of at least three times his annual base salary; the Chief Financial Officer and the President and Chief Operating Officer of Saputo Inc. and International Sector shall own a total market value of at least two times their annual base salary; and all other executives shall own a total market value of at least 1.5 times the executive's annual base salary. Each executive is required to comply with this policy within five years following their appointment as an executive officer of the Company. For the purposes of assessing the share ownership levels, contrary to some of its peers, the Company has decided not to include the value of options, PSUs and RSUs. This element was considered by the Committee when establishing the multiples to be held under the policy.

Management guidelines relating to achievement of intermediate thresholds specify that executives may not exercise options for Common Shares unless the Common Shares received as a result of the exercise of the options are retained for the purposes of meeting the intermediate thresholds.

As at March 31, 2019, all NEOs complied with the share ownership policy. The information set out below is as at March 31, 2019.

Name	Common Shares	Total Market Value of Common Shares ($)(1)	Minimum Required ($)(2)	Meets the Company's Share Ownership Requirements for Executives
Lino A. Saputo, Jr.	136,855	6,233,745	3,900,000	Yes
Maxime Therrien	21,171	964,339	1,150,000	n/a(3)
Kai Bockmann	19,607	893,099	1,500,000	n/a(4)
Terry Brockman	83,321	3,795,272	1,117,500	Yes
Carl Colizza	16,174	736,726	990,000	n/a(5)

(1) This value corresponds to the number of Common Shares held by each executive officer multiplied by the closing price of the Common Shares on the TSX on March 31, 2019 ($45.55).

(2) This value corresponds to the annual base salary of each executive officer for fiscal 2019 multiplied by the relevant number depending on their position. Mr. Brockman is remunerated in US dollars. For the purposes of ensuring compliance with the minimum share ownership requirement, the absolute value of their salary is used, without having regard to the exchange into Canadian dollars.

(3) Mr. Therrien was appointed Chief Financial Officer and Secretary on August 1, 2017 and was, on March 31, 2019, within the five-year grace period after appointment to meet the minimum value required under the share ownership policy.

(4) Mr. Bockmann was appointed President and Chief Operating Officer, Saputo Inc. on April 1, 2017 and was, on March 31, 2019, within the five-year grace period after appointment to meet the minimum value required under the share ownership policy.

(5) Mr. Colizza was appointed President and Chief Operating Officer of the Dairy Division (Canada) on April 1, 2015. He was, on March 31, 2019, within the five-year grace period after appointment to meet the minimum value required under the share ownership policy.

Elements of Executive Compensation

For fiscal 2019, the compensation for the executive officers of the Company (i.e. individuals having the title of Chief Officer), including the NEOs, consisted of the following:

- Base salary;
- Annual incentive (bonus);
- Long-term incentive plans (options and PSUs); and
- Pension benefits (discussed under the section "Defined Benefit Pension Plan" of this Circular).

Executives also benefit from the Company's group insurance plans on the same basis as all other employees. None of the NEOs have a written employment contract with the Company.

The following table presents the key components of total direct compensation, whether such components represent fixed or variable compensation, their form and performance period:

Executive Compensation			
Component	**Type**	**Form**	**Performance Period**
Base salary	Fixed	Cash	One year
Annual incentive (bonus)	Variable	Cash	One year
Long-term incentive (options)	Variable	Options	Vesting over five years, ten-year term
Long-term incentive (PSUs)	Variable	PSUs	Performance cycle of three years
Long-term incentive (RSUs)	Variable	RSUs	Restriction period of three years

When establishing total direct compensation, the Corporate Governance and HR Committee's objective is to target the third quartile of the compensation offered by the companies forming part of the relevant comparative group. The Chief Executive Officer's compensation is determined separately from the other executive officers since he does not receive any long-term incentives as he considers that his interest in the principal shareholder constitutes a sufficient long-term incentive. As such, the Chief Executive Officer's compensation does not set the pace for other executives' compensation.

The Corporate Governance and HR Committee's objective is also to provide adequate balance between components representing fixed and variable compensation in order to place the emphasis on compensation elements linked to performance and achieve the compensation policy's objective (see "Executive Compensation Policy Objective" above). The following table presents, for fiscal 2019, the components of total direct compensation and, for each NEO, the approximate relative weight of fixed and variable compensation elements:

Position	Fixed Compensation	Variable Compensation		
	Base Salary	Annual Incentive (bonus)(1)	Long-Term Incentive (options)(2)	Long-Term Incentive (PSUs)(3)
Chief Executive Officer	33.3%	66.7%	–	–
Chief Financial Officer and Secretary	22.8%	17.1%	25.8%	34.3%
President and Chief Operating Officer Saputo Inc. and International Sector	22.1%	19.9%	24.9%	33.1%
President and Chief Operating Officer Cheese Division (USA)	26.4%	19.8%	23.1%	30.7%
President and Chief Operating Officer (North America)	22.8%	17.1%	25.8%	34.3%

(1) Annual incentive at target.
(2) Based on the grant date fair value of option-based awards.
(3) Based on the grant date fair value of the Common Shares underlying PSU awards.

Base Salary

The base salary component of executive compensation aims to reflect salaries offered for positions involving similar responsibilities and complexity, internal equity comparisons, as well as the ability and experience of the Company's executive officers. Competitive salaries enable the Company to attract and retain talented individuals who can ensure its current and long-term success.

For NEOs, individual performance is measured based on the achievement of objectives determined annually by the executive together with the Chief Executive Officer and, with respect to the Chief Executive Officer, with the Corporate Governance and HR Committee. Reference is made to the section entitled "Position Descriptions" for a description of the annual review process of the Chief Executive Officer's performance.

For fiscal 2019, the Chief Executive Officer's base salary remained unchanged. The base salaries of other NEOs were increased to reflect market salary adjustments and to recognize the NEOs' respective experience in their current position, their tenure within the Company, the evolution of their skills and their performance against expectations.

Annual Incentive (Bonus)

The annual incentive (bonus) plan aims to encourage the achievement of financial performance targets and reward the executive officers based on the Company's success. The annual bonus of the executive officers is based solely on the financial performance of the Company or, if applicable, on a combination of the financial performance of the Company and of the relevant division, as the Corporate Governance and HR Committee considers that such performance is closely related to and reflects the officers' individual performance. Each year, the Corporate Governance and HR Committee determines the financial performance targets which are used for the calculation and payment of bonuses, and the bonus amount that would be paid to each executive officer for achieving such performance, as well as the maximum bonus amount that would be paid to each executive officer should the targets be exceeded.

For fiscal 2019, as in previous years, financial performance was based on the level of achievement of the specific levels of earnings before interest, income taxes, depreciation, amortization, gain on disposal of assets, acquisition and restructuring costs, and gain on hyperinflation ("Adjusted EBITDA") as set forth in the Company's financial statements, when compared to the Adjusted EBITDA established in the fiscal 2019 budget approved by the Board ("Budgeted EBITDA"), after adjustments for the market assumptions described below (the Budgeted EBITDA, when adjusted, the "Market-Adjusted Budgeted EBITDA"). When determining the budget, Management establishes assumptions with respect to market factors that have an impact on the Company's results. These include the average block market per pound of cheese, the spread (being the relationship between the average block market per pound of cheese and the cost of milk as raw material), dairy ingredient prices, international selling prices, as well as currency exchange rates. Such market factors and their impact on the Company's results are discussed in the Management's Discussion and Analysis accompanying the Company's financial statements.

In order to determine the level of achievement of Adjusted EBITDA realized by the Company compared to the Market-Adjusted Budgeted EBITDA for purposes of the bonus calculation, the Company adjusts Budgeted EBITDA by taking into consideration the market assumptions used when preparing the Budgeted EBITDA. The Market-Adjusted Budgeted EBITDA therefore excludes the impact of market factors that have an effect on Adjusted EBITDA, but on which the executive officers have no control. Bonuses are therefore paid based on the level of achievement of Adjusted EBITDA when compared to Market-Adjusted Budgeted EBITDA.

Under the annual incentive (bonus) plan, a bonus can only be paid to an executive if at least 85% of the Market-Adjusted Budgeted EBITDA is met by the Company, or the relevant division, depending on the executive officer. Similarly, the maximum bonus amount can only be earned if the Company, or the relevant division, meets or exceeds 107.5% of Market-Adjusted Budgeted EBITDA. Bonus payments are made proportionately to the level actually achieved above 85% of Market-Adjusted Budgeted EBITDA until the maximum of 107.5% of Market-Adjusted Budgeted EBITDA. In connection with its responsibilities as compensation committee, the Corporate Governance and HR Committee has discretion to either award compensation absent the achievement of the performance goals established or to reduce or increase the size of any payout. Such discretion was not exercised during fiscal 2019 with respect to NEOs.

For fiscal 2019, the payout percentages established for the bonuses to be awarded to the NEOs for threshold (85% of the financial performance target), target (100% of the financial performance target) and superior performance (107.5% of the financial performance target or more) remained the same as the payout percentages used for fiscal 2018.

The table below sets forth, for each NEO for fiscal 2019, the payout percentages established for the bonuses, the level of achievement reached by the Company or the relevant division with respect to the financial performance objectives established, and the bonus earned. In line with the Company's pay-for-performance philosophy, there is a direct correlation between the Company's financial performance and the bonus earned.

Name	Financial Performance Target and Objective				Fiscal 2019	
	% of Base Salary					
	Threshold (85%)	Target (100%)	Maximum (107.5% or more)	(Market-Adjusted Budgeted EBITDA)	Level of Achievement	Bonus Earned % of Base Salary
Lino A. Saputo, Jr.	150%	200%	300%	Consolidated Budget (100%)	94.2%	180.7%
Maxime Therrien	55%	75%	150%	Consolidated Budget (100%)	94.2%	67.2%
Kai Bockmann	70%	90%	180%	Consolidated Budget (100%)	94.2%	82.3%
Terry Brockman	55%	75%	150%	Cheese Division (USA) Budget (75%) Consolidated Budget (25%)	86.8% 94.2%	59.9%
Carl Colizza	55%	75%	150%	Dairy Division (Canada) Budget (60%) Dairy Division (Argentina) Budget (15%) Consolidated Budget (25%)	95.1% above 107.5% 94.2%	80.4%

Long-Term Incentive Plans

For fiscal 2019, the Company's long-term incentives are comprised of options and PSUs.

Equity Compensation Plan

Option grants are a key component of the compensation mix and serve to align executive compensation with the Company's shareholders' interests. Options are granted by the Corporate Governance and HR Committee to executive officers and other key executives pursuant to the terms of the Equity Compensation Plan and the guidelines established by the Corporate Governance and HR Committee. For participants who receive their compensation in US dollars, grants of options are established as per the same guidelines as for participants who receive their compensation in Canadian dollars. These option grant guidelines are established by the Corporate Governance and HR Committee as part of its annual review of the compensation policy, taking into account the competitiveness of total compensation and compensation practices within the Combined Group, market trends, as well as the Company's pay-for-performance philosophy. Refer to the section entitled "Decision Making Process and Compensation Consulting Services" for a discussion on the involvement of executive officers in the Equity Compensation Plan.

The Equity Compensation Plan's objective is to attract and retain quality executive officers while promoting long-term profitability and maximizing shareholder value. Option grants made by the Corporate Governance and HR Committee pursuant to the Equity Compensation Plan are expressed as a percentage of a participant's base salary, which percentage is determined based on the participant's position, without taking into account the number of options already held by such participant. On April 1, 2019, the Corporate Governance and HR Committee granted options to plan participants based on the guidelines established by the Corporate Governance and HR Committee. Refer to the section "Securities Authorized for Issuance under Equity Compensation Plans" for a discussion of the terms and conditions relating to the options, including exercise price and vesting conditions.

Performance Share Unit Plan

The PSU Plan for senior-level management of the Company and its subsidiaries is non-dilutive and is settled in cash only. The purpose of the PSU Plan is to attract and retain quality senior-level management while promoting long-term profitability and maximizing shareholder value.

PSU grants are an additional component of the compensation mix, together with the options, which serve to align executive compensation with the Company's shareholders' interests. Refer to the section entitled "Decision Making Process and Compensation Consulting Services" for a discussion on the involvement of executive officers in the PSU Plan.

PSU grants made by the Corporate Governance and HR Committee pursuant to the PSU Plan are expressed as a percentage of a participant's base salary, which percentage is determined based on the participant's position, without taking into account the number of PSUs already held by such participant. On April 1, 2019, the Corporate Governance and HR Committee granted PSUs to plan participants based on the guidelines established by the Committee as part of its annual review of the compensation policy. The guidelines are similar to the ones used for the options, and thus take into account the competitiveness of total compensation and compensation practices within the Combined Group, market trends, as well as the Company's pay-for-performance philosophy.

Under the PSU Plan, each performance cycle shall consist of three financial years of the Company (a "Performance Cycle"). At the time of grant, the Corporate Governance and HR Committee determines the performance vesting criteria (the "Vesting Criteria") which must be met by the Company. Such Vesting Criteria may include (i) a performance criteria for each financial year ("Annual Objectives") during a Performance Cycle and (ii) a performance criteria for a complete Performance Cycle (the "Cycle Objectives"). Following completion of a Performance Cycle, the PSUs for which the Vesting Criteria have been achieved will vest and be paid-out to the participants. The Corporate Governance and HR Committee has discretion to award compensation absent the achievement of the Vesting Criteria established. Such discretion was not exercised during fiscal 2019.

The value that will be paid-out at the end of a Performance Cycle will be equal to the volume weighted average trading price of the Common Shares during the five trading days preceding the calculation date, multiplied by the number of PSUs for which the Vesting Criteria have been achieved. Participants will be entitled to receive a payment in cash only. The determination with respect to the achievement of the Vesting Criteria, the calculation of the value to which the participants will be entitled and the payment thereof will be made after the release of the annual financial results of the Company which follow the end of each Performance Cycle.

The PSU Plan provides certain rules, subject to the discretion of the Corporate Governance and HR Committee, for the vesting and/or cancellation of PSUs in the case of termination of employment for cause or for a serious reason, by reason of death, injury or disability, by reason of retirement and other circumstances of termination.

The PSU Plan further provides that in the event of a change of control, the Board has discretion with respect to the treatment of PSUs which is similar to that conferred to the Board under the Equity Compensation Plan. A change of control pursuant to the PSU Plan is defined in the same manner as in the Equity Compensation Plan. See "Securities Authorized for Issuance under Equity Compensation Plans".

Long-Term Incentive Component for Fiscal 2019

For fiscal 2019, the same equity-based grant mix as that of fiscal 2018 was used for the long-term incentive component of the NEOs' compensation package, being a split of 40% options and 60% PSUs for NEOs. This translated into NEOs receiving equity-based grants having an estimated fair value of 100% of their base salary in options and 150% of their base salary in PSUs. In reaching its decision to maintain this mix, the Corporate Governance and HR Committee considered competitive equity-based compensation trends and practices. The estimated fair value of the long-term incentive component of the NEOs' compensation, which had been set at approximately 250% of the NEO's base salary in fiscal 2018, remained unchanged.

On April 1, 2018, the Corporate Governance and HR Committee granted options to all the NEOs, with the exception of the Chief Executive Officer, pursuant to the Equity Compensation Plan and the option grant guidelines for fiscal 2019. All options granted on April 1, 2018 vest at a rate of 20% per year, on each of the first five anniversaries of the date of grant. See "Long-Term Incentive Plans" above.

On April 1, 2018, the Corporate Governance and HR Committee granted PSUs to all the NEOs, with the exception of the Chief Executive Officer, pursuant to the PSU Plan and the PSU grant guidelines for fiscal 2019. Such PSUs were granted for a cycle of three years ending March 31, 2021 and will vest and be paid-out to the participants at the end of the three-year cycle if the following Vesting Criteria is met:

(i) $33\ ^1/_3$% of the number of PSUs granted for each fiscal year of the cycle for which the return on average shareholders' equity of Saputo Inc., as may be adjusted ("Adjusted ROE"), ≥ 16% (the "Annual Objective");

(ii) it being understood that 100% of the PSUs granted will vest if the cumulative Adjusted ROE for the Performance Cycle ≥ 48% (the "Cycle Objective").

Adjusted ROE is set forth in the Management's Discussion and Analysis accompanying the Company's financial statements. The Corporate Governance and HR Committee has selected Adjusted ROE as the Vesting Criteria since it is in line with the Company's pay for performance philosophy and aims to encourage executive officers to establish strategies aimed at increasing share value and creating economic wealth. The maximum realisation of the PSU payout for the Performance Cycle ending March 31, 2021 cannot exceed 100% of the PSUs granted and there is no minimum guaranteed level of vesting.

The Chief Executive Officer does not receive any long-term incentives as he considers that his interest in the principal shareholder constitutes a sufficient long-term incentive.

Payout of Fiscal 2015 PSU Grant

The PSUs granted on April 1, 2015 to NEOs and other senior-level management vested based on the achievement of Adjusted ROE for the three-year Performance Cycle ended March 31, 2018, as set out in the chart below.

Annual Cycle Ended	Annual Objective	Result	Cumulative percentage of PSUs(1)
March 31, 2016	Adjusted ROE ≥ 16%	Adjusted ROE = 19.2%	33 1/3%
March 31, 2017	Adjusted ROE ≥ 16%	Adjusted ROE = 20.7%	66 2/3%
March 31, 2018	Adjusted ROE ≥ 16%, or Cycle Objective Adjusted ROE ≥ 48%	Adjusted ROE = 18.3%, Cycle Objective Adjusted ROE = 58.2%	100%

(1) Represents the cumulative percentage of the PSUs granted on April 1, 2015 which attained the Annual Objective or the Cycle Objective, as the case may be.

As the Vesting Criteria was fully achieved, full payout (100%) of the PSUs granted on April 1, 2015, occurred in June 2018 in accordance with the PSU Plan.

The value vested during the year for each NEO is included in the table "Incentive Plan Awards – Value Vested or Earned During the Year" under the column "Share Based Awards – Value Vested During the Year".

Target Total Direct Compensation for Fiscal 2019

Target total direct compensation of the NEOs represents the sum of salary, target annual bonus and estimated fair value of the long-term incentive grants for fiscal 2019. The target total direct compensation of the Chief Executive Officer, who does not receive any long-term incentives, was below the first quartile of the Combined Group. The target total direct compensation of the President and Chief Operating Officer, Saputo Inc. was above the median of the Combined Group and the target total direct compensation of the Chief Financial Officer and Secretary was competitive with the median of the Combined Group. The target total direct compensation of the President and Chief Operating Officer of the Cheese Division (USA) was above the third quartile of the US Comparative Group and the target total direct compensation of the President and Chief Operating Officer (North America) was competitive with the median of the Canadian Comparative Group.

With the exception of the Chief Executive Officer who does not receive any long-term incentives, the President and Chief Operating Officer of the Cheese Division (USA), the NEOs continued to progress in their respective roles and consequently, their current base salary did not allow their target total direct compensation to attain the third quartile of their respective comparative group.

Long-Term Incentive Component for Fiscal 2020

On February 7, 2019, the Board adopted a restricted share unit plan (the "RSU Plan"). The RSU Plan for senior-level management of the Company and its subsidiaries is non-dilutive and is settled in cash only. No RSUs were granted during fiscal 2019. On April 1, 2019, the Corporate Governance and HR Committee granted RSUs to plan participants based on the guidelines established by the Committee as part of its annual review of the compensation policy. The guidelines are similar to the ones used for the options and PSUs, and thus take into account the competitiveness of total compensation and compensation practices within the Combined Group. Under the RSU Plan, each restriction period shall consist of three financial years of the Company (a "Restriction Period"). At the time of grant, the Corporate Governance and HR Committee determines the vesting criteria (the "Vesting Criteria") which must be met by the participants. Such criteria may include, without limitation, continuing employment through all or part of the Restriction Period. Following the completion of the Restriction Period, the RSUs for which the Vesting Criteria has been achieved will vest and be paid-out to the participants.

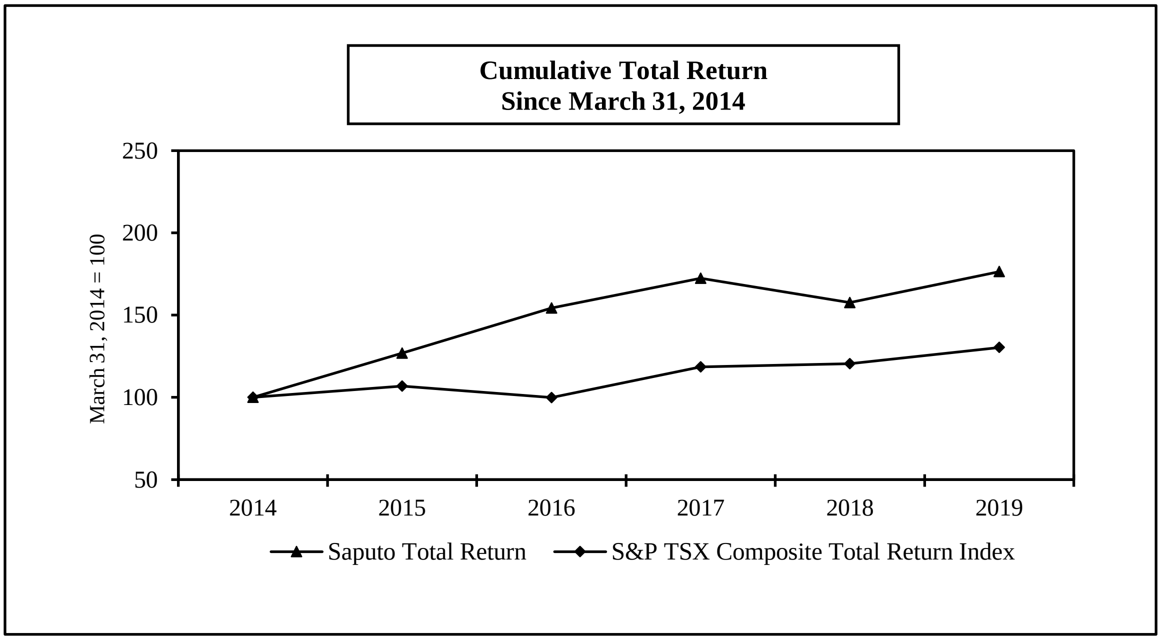
The purpose of the RSU Plan is to attract and retain quality senior-level management while promoting long-term profitability and maximizing shareholder value. RSU grants are an additional component of the long-term compensation mix, which together with options and PSU grants, serve to align executive compensation with the Company's shareholders' interests. Including RSUs in the long-term compensation mix for fiscal 2020 will have allowed the Company to maintain the proportion of total compensation based on performance and continue to reflect the Company's pay-for-performance philosophy while decreasing the proportion of options granted, thereby diminishing the Company's burn rate. In conjunction with the adoption of the RSU Plan, the Board also increased the minimum share ownership requirements applicable to executive officers. Refer to the section entitled "Share Ownership Policy for Executive Officers" for additional information.

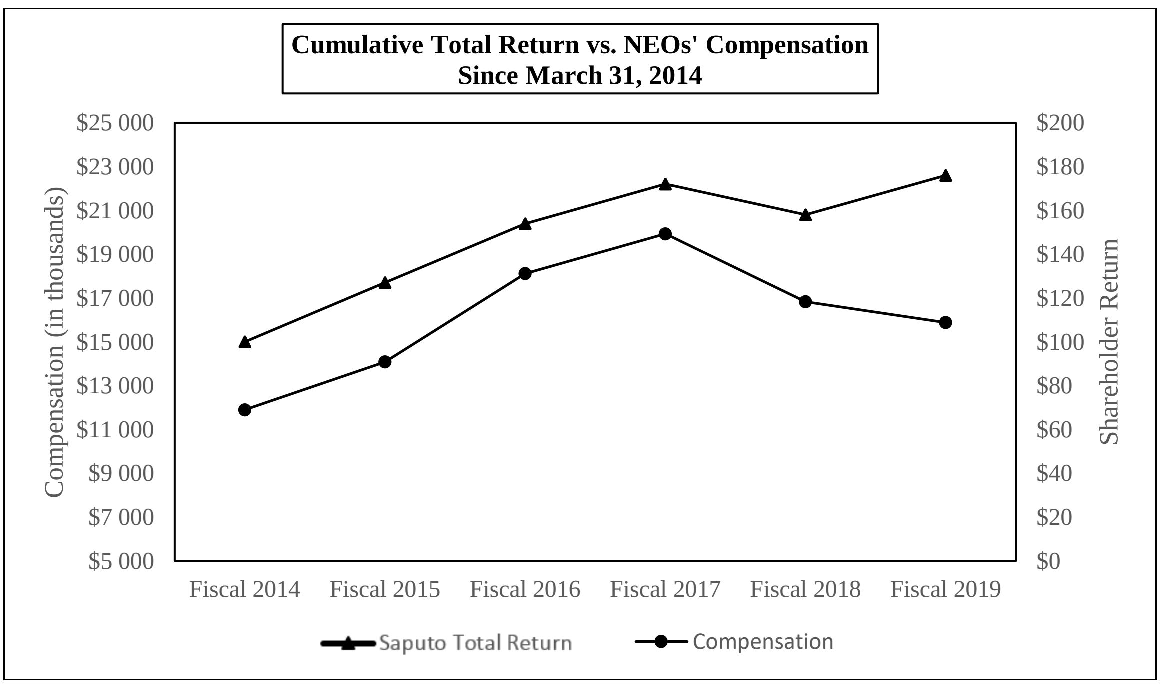
Group Insurance Benefits

The Company's intention is to protect its employees and their families against adverse effects resulting from health-related complications. Consequently, as part of their total compensation, the NEOs participate in the Company's group health, medical, accidental death and dismemberment, short-term and long-term disability, and life insurance plans on the same basis as all of the Company's employees.

Performance Graphs

The following graphs compare, on a yearly basis, the total cumulative shareholder return of $100 invested in Common Shares during the last five fiscal years with: (i) the cumulative return on the S&P/TSX Composite Total Return Index of the TSX (assuming all dividends are reinvested) and (ii) the total compensation awarded to NEOs. The third figure also presents the total compensation awarded to NEOs as a percentage of earnings before income taxes.


Cumulative Total Return
Since March 31, 2014
March 31, 2014 = 100
250
200
150
100
50
2014
2015
2016
2017
2018
2019
Saputo Total Return
S&P TSX Composite Total Return Index


Cumulative Total Return vs. NEOs' Compensation
Since March 31, 2014
Compensation (in thousands)
$25 000
$23 000
$21 000
$19 000
$17 000
$15 000
$13 000
$11 000
$9 000
$7 000
$5 000
Shareholder Return
$200
$180
$160
$140
$120
$100
$80
$60
$40
$20
$0
Fiscal 2014
Fiscal 2015
Fiscal 2016
Fiscal 2017
Fiscal 2018
Fiscal 2019
Saputo Total Return
Compensation

	3/31/14	3/31/15	3/31/16	3/31/17	3/31/18	3/31/19
Saputo Total Return	100	127	154	172	158	176
S&P TSX Composite Total Return Index	100	107	100	119	121	130
Total NEOs' Compensation(1)	11,899,705	14,086,958	18,112,529	19,933,572	16,830,280(2)	15,878,763
Earnings Before Income Taxes(3)	759,000,000	849,900,000	870,900,000	1,040,300,000	949,900,000	985,600,000
Total NEO's Compensation As a % of Earnings Before Income Taxes	1.57%	1.66%	2.08%	1.92%	1.77%	1.61%

(1) The total NEO compensation consists of the annual base salary and the annual incentive (bonus) earned during the period covered, as well as the value of the long-term incentive awards of the NEOs. The value of long-term incentive awards represents the grant date fair value of option-based awards and of the Common Shares underlying PSU awards, which value may not be fully realized.

(2) Includes: (i) compensation of Mr. Carrière, in his capacity as Chief Financial Officer and Secretary until August 1, 2017, but excludes his compensation in his capacity as senior advisor for the period starting on August 1, 2017, and (ii) compensation of Mr. Therrien in his capacity as Chief Financial Officer and Secretary since August 1, 2017, but excludes his compensation in his capacity as Executive Vice President, Finance and Administration until July 31, 2017.

(3) For additional information about earnings before income taxes, please refer to the Consolidated Financial Statements of the Company and the notes thereto as at and for the relevant period.

Although the comparison of the total cumulative shareholder return of $100 invested in Common Shares and earnings before income taxes with the total compensation awarded to NEOs may show a trend between the components, the NEOs' compensation is determined in accordance with the principles set forth above and is not specifically based on the performance of the Company's Common Shares on the TSX, mainly due to the fact that the price of the Common Shares is affected by external factors beyond the Company's and the NEOs' control.

Consequently, the Company cannot establish a direct relation between the evolution of the total compensation of the NEOs and the evolution of the price of the Common Shares or the Company's earnings before income taxes. The grant date value of option and PSU awards included in NEOs' total annual compensation shown in the graph above may not reflect their payout value and this value may not be fully realized. During the period covered by the graph, NEOs' salaries have been adjusted to reflect their respective scope of responsibilities, experience and contribution to the Company's success and the total compensation of the NEOs was adjusted commensurate with the evolution in comparative groups used and the progression in compensation practices of the relevant comparative groups. Annual bonuses are linked to the Company's annual operational financial performance during the period which is one of the many factors that may influence the price of Common Shares. The realized value of option awards is dependent on the future price of the Common Shares and links the NEOs' potential rewards with the Common Shares' price performance during and beyond this period.

The realized value of PSU awards is dependent on the Company's operational financial performance as well as on the future price of the Common Shares and links the NEOs' potential rewards with the Common Shares' price performance during and beyond this period.

NEO Summary Compensation Table

The following table provides a summary of compensation earned by the NEOs during the fiscal years ended March 31, 2019, 2018 and 2017, being salary, bonus, long-term incentives, pension or otherwise. Certain aspects of this compensation are dealt with in greater detail in the following tables.

Name and Principal Position	Year	Salary ($)	Share-Based Awards ($)(1)	Option-Based Awards ($)(2)	Non-Equity Incentive Plan Compensation ($)		Pension Value ($)(4)	All Other Compen-sation ($)(5)	Total Compen-sation ($)
					Annual Incentive Plans(3)	Long-Term Incentive Plans			
Lino A. Saputo, Jr. Chief Executive Officer	2019 2018 2017	1,300,000 1,300,000 1,300,000	– – –	– – –	2,348,840 2,669,680 3,900,000	– – –	– – –	– – –	3,648,840 3,969,680 5,200,000
Maxime Therrien Chief Financial Officer and Secretary(6)	2019 2018 2017	575,000 475,000 375,000	862,487 170,023 149,992	648,732 352,558 314,313	386,659 335,550 234,375	– – –	362,800 225,711 46,599	– – –	2,835,678 1,558,842 1,120,279
Kai Bockmann President and Chief Operating Officer, Saputo Inc. and International Sector	2019 2018 2017	750,000 650,000 667,698	1,125,015 975,006 515,016	846,169 700,969 561,148	616,950 616,122 840,353	– – –	1,121,200 870,600 210,300	858,945(8) 795,391(8) –	5,318,279 4,608,088 2,794,515
Terry Brockman President and Chief Operating Officer Cheese Division (USA)(7)	2019 2018 2017	960,603 964,540 907,550	1,117,508 1,087,491 699,991	840,530 781,855 762,727	575,065 641,335 763,431	– – –	525,100 243,700 362,400	– – –	4,018,806 3,718,921 3,496,099
Carl Colizza President and Chief Operating Officer (North America)(9)	2019 2018 2017	660,000 575,000 500,000	990,018 862,522 499,988	744,631 620,091 544,804	530,556 536,249 579,956	– – –	373,700 407,100 210,300	– – –	3,298,905 3,000,962 2,335,048

(1) This amount corresponds to the fair value of the PSU award on the grant date. For purposes of calculating the fair value of the PSU award on the grant date, a 100% payout was assumed, which is consistent with the valuation method used for accounting purposes. Such fair value equals the number of PSUs granted on April 1, 2018, 2017 and 2016 multiplied by the volume weighted average trading price for the common shares on the TSX during the five trading days prior to the grant date ($41.02, $46.29 and $41.40 respectively).

(2) This amount equals the number of options granted on (i) April 1, 2018 multiplied by $7.12, (ii) April 1, 2017 multiplied by $7.68, and (iii) April 1, 2016 multiplied by $6.94, which corresponds to the fair value of the option awards on the grant date as determined under the Black-Scholes model, an established methodology, consistent with the valuation method used for accounting purposes, using the weighted average assumptions indicated below.

	2019	2018	2017
Risk-free interest rate:	1.95%	1.10%	0.81%
Expected life of options:	5.6 years	5.4 years	5.4 years
Volatility:	18.42%	18.89%	20.01%
Dividend rate:	1.54%	1.26%	1.34%

(3) See section "Annual Incentive (Bonus)". All amounts earned are paid quarterly by the Company in cash, concurrently with the approval by the Board of the relevant interim financial statements.

(4) The Pension Value includes the current service cost and the impact of changes in the earnings during the year on the defined benefit obligation and, in the case of Mr. Therrien, for fiscal 2017 and for fiscal 2018, it also includes the employer contribution under a registered and supplemental non-contributory defined contribution plan. See section "Defined Benefit Pension Plan" for additional information.

(5) The amounts shown represent the aggregate value of perquisites and other personal benefits where they exceed the lesser of $50,000 or ten percent of the total annual salary of the NEO for the fiscal year.

(6) On August 1, 2017, Mr. Therrien was appointed Chief Financial Officer and Secretary of the Company. Prior to such date, Mr. Therrien was Executive Vice President, Finance and Administration.

(7) The compensation awarded to Mr. Brockman was in US dollars as well as the compensation awarded to Mr. Bockmann in fiscal 2017.
The translation rates used for that disclosure were (i) 1.2894 for fiscal 2019, which corresponds to the daily average exchange rate of the Bank of Canada for US$1 on March 29, 2018; (ii) 1.3304 for fiscal 2018, which corresponds to the daily average exchange rate of the Bank of Canada for US$1 on March 30, 2017; and (iii) 1.2965 for fiscal 2017, which corresponds to the closing exchange rate of the Bank of Canada for US$1 on March 30, 2016.

(8) Mr. Bockmann received for fiscal 2018 and fiscal 2019 a transition allowance comprised of a foreign exchange adjustment and a tax gross up to assist in his relocation from the United States to Canada. For fiscal 2018, these amounts were $392,498 and $388,730, respectively, and for fiscal 2019, $399,000 and $419,665, respectively.

(9) In fiscal 2017 and fiscal 2018, Mr. Colizza was President and Chief Operating Officer of the Dairy Division (Canada). In April 2018, he also took on the leadership of the Dairy Division (Argentina). Since April 2019, Carl Colizza serves as President and Chief Operating Officer (North America).

Incentive Plan Awards

The following table presents, for each NEO, all of the option-based and share-based grants outstanding at the end of fiscal 2019.

Outstanding Share-Based Awards and Option-Based Awards								
		Option-Based Awards				Share-Based Awards		
Name	Award Date	Number of Common Shares Underlying Unexercised Options (#)	Option Exercise Price ($/Share)	Option Expiry Date	Value of Unexercised In-The-Money Options[1] ($)	Number of Common Shares or Units that Have Not Vested (#)	Market or Payout Value of Share-Based Awards that Have Not Vested[2] ($)	Market or Payout Value of Vested Share-Based Awards not Paid Out or Distributed ($)
Lino A. Saputo, Jr.	–	–	–	–	–	–	–	–
Maxime Therrien	04/01/2011	13,384	21.61	04/01/2021		–		
	04/01/2012	30,260	21.48	04/01/2022		–		
	04/01/2013	28,376	25.55	04/01/2023		–		
	04/01/2014	31,290	27.74	04/01/2024		–		
	04/01/2015	31,927	35.08	04/01/2025		–		
	04/01/2016	45,290	41.40	04/01/2026		3,623		
	04/01/2017	45,906	46.29	04/01/2027		3,673		
	04/01/2018	91,114	41.02	04/01/2028	3,108,542	21,026	1,290,067	–
Kai Bockmann	04/01/2012	34,380	21.48	04/01/2022		–		
	04/01/2013	58,708	25.55	04/01/2023		–		
	04/01/2014	61,284	27.74	04/01/2024		–		
	04/01/2015	57,013	35.08	04/01/2025		–		
	04/01/2016	80,857	41.40	04/01/2026		12,440		
	04/01/2017	91,272	46.29	04/01/2027		21,063		
	04/01/2018	118,844	41.02	04/01/2028	4,564,001	27,426	2,775,316	–
Terry Brockman	04/01/2010	89,530	14.66	04/01/2020		–		
	04/01/2011	65,942	21.61	04/01/2021		–		
	04/01/2012	98,580	21.48	04/01/2022		–		
	04/01/2013	97,848	25.55	04/01/2023		–		
	04/01/2014	93,006	27.74	04/01/2024		–		
	04/01/2015	77,537	35.08	04/01/2025		–		
	04/01/2016	109,903	41.40	04/01/2026		16,908		
	04/01/2017	101,804	46.29	04/01/2027		23,493		
	04/01/2018	118,052	41.02	04/01/2028	12,133,136	27,243	3,081,184	–
Carl Colizza	04/01/2011	17,006	21.61	04/01/2021		–		
	04/01/2012	33,170	21.48	04/01/2022		–		
	04/01/2013	28,864	25.55	04/01/2023		–		
	04/01/2014	31,296	27.74	04/01/2024		–		
	04/01/2015	45,610	35.08	04/01/2025		–		
	04/01/2016	78,502	41.40	04/01/2026		12,077		
	04/01/2017	80,741	46.29	04/01/2027		18,633		
	04/01/2018	104,583	41.02	04/01/2028	3,617,268	24,135	2,498,190	–

(1) This value corresponds to the difference between the closing price of the Common Shares on the TSX on March 31, 2019 ($45.55) and the exercise price. This value has not been, and may never be, realized. The actual gain, if any, will depend on the value of the Common Shares on the dates the options are exercised relative to the exercise price (see "Long-Term Incentive Plans").

(2) This value corresponds to a 100% payout, being 100% of the number of PSUs granted on April 1, 2016, April 1, 2017 and April 1, 2018 multiplied by the closing price of the Common Shares on the TSX on March 31, 2019 ($45.55). A portion of this value has not been, and may never be, realized. The actual gain, if any, will depend on the attainment of the Vesting Criteria and the value of the Common Shares on the date the vested PSUs will be paid out (see "Long-Term Incentive Plans").

The following table presents, for each NEO, the value of incentive plan awards that have become vested during fiscal 2019 and the amount of annual incentive (bonus) earned with respect to the performance achieved during fiscal 2019:

Incentive Plan Awards – Value Vested or Earned During the Year

Name	Option-Based Awards – Value Vested During the Year(1) ($)	Share-Based Awards – Value Vested During the Year(2) ($)	Non-Equity Incentive Plan Compensation – Value Earned During the Year(3) ($)
Lino A. Saputo, Jr.	–	–	2,348,840
Maxime Therrien	207,742	171,892	386,659
Kai Bockmann	410,045	613,877	616,950
Terry Brockman	638,647	834,869	575,065
Carl Colizza	225,315	491,127	530,556

(1) The options automatically vest at a rate of 20% per year, on each of the first five anniversaries of their date of grant. This value corresponds to the difference between the closing price of the Common Shares on the TSX on April 2, 2018 ($40.96), which is the first business day following the vesting date of April 1, 2018, and the exercise price of in-the-money options. This value has not been, and may never be, realized. The actual gain, if any, will depend on the value of the Common Shares on the dates the options are exercised (see "Long-Term Incentive Plans").

(2) Pursuant to the PSU Plan, PSUs vest at the end of a Performance Cycle. The grant under the PSU Plan made on April 1, 2015 vested and was fully paid out in June 2018, as the Vesting Criteria was fully achieved. See "Payout of Fiscal 2015 PSU Grant". The grant under the PSU Plan made on April 1, 2016 will vest on June 6, 2019 subject to achieving the Vesting Criteria. The grants under the PSU Plan made on April 1, 2017 and 2018 will vest after the end of the Performance Cycle ending March 31, 2020 and 2021, respectively, subject to achieving the Vesting Criteria. See "Long-Term Incentive Plans – Performance Share Unit Plan".

(3) Corresponds to the same amount as disclosed in the "NEO Summary Compensation Table".

The following table presents, for each NEO, the aggregate number of options exercised, the average exercise price and the gains realized on exercise during fiscal 2019:

Name	Number of Common Shares Acquired on Exercise (#)	Average Exercise Price per Common Share ($)	Gain Realized ($)(1)
Lino A. Saputo, Jr.	–	–	–
Maxime Therrien	–	–	–
Kai Bockmann	–	–	–
Terry Brockman	93,354	10.70	2,918,293
Carl Colizza	–	–	–

(1) This value corresponds to the difference between the price of the Common Shares on the TSX at the time of exercise and the exercise price.

Defined Benefit Pension Plan

All NEOs, except the Chief Executive Officer, participate in the Company's registered and supplementary retirement plans (together the "Pension Plans"). The registered retirement plan in which Mr. Therrien, Mr. Bockmann and Mr. Colizza participate is a Non-Contributory Canadian Registered Defined Benefit Pension Plan and the registered retirement plan in which Mr. Brockman participates is a Contributory 401(K) pension plan registered in the USA. The supplementary retirement plan for each eligible NEO is either a Canadian or a US non-registered Executive Supplementary Retirement Pension Plan providing pension benefits in excess of the benefits provided under the applicable registered retirement plan.

Under the Pension Plans, the participants are entitled to pension benefits as of their respective normal retirement age ("NRA") equal to 2% of their respective final average earnings multiplied by their respective years of credited service. Final average earnings are defined as the average of the base salary and the annual incentive (bonus) for the 36 consecutive months within the 10-year period preceding the retirement date during which the base salary and annual incentive (bonus) are together at their highest.

The Pension Plans' NRA is 65 or can be 60 if the sum of the participant's age and their credited years of service in the relevant supplementary retirement plan is at least 70. However, members retiring from age 55 will have their pension benefits calculation reduced by ¼ of 1% for each month the actual retirement date precedes the NRA date.

The maximum annual pension benefits payable is capped at 60% of the participant's final average base salary, which is the average base salary for the 36 consecutive months within the 10-year period preceding the retirement date during which the base salary is at its highest. The credited years of service correspond to the service period following January 1, 2004.

The following table illustrates, for each NEO, the eligible years of service and estimated annual pension benefits payable at age 65 accrued as of March 31, 2019, and which will accrue if the participant remains employed by the Company until age 65, from the registered retirement plan and supplementary retirement plan combined. The table also sets forth the changes in the accrued obligation from March 31, 2018 to March 31, 2019, including the annual cost attributable to compensatory items for the fiscal 2019. These amounts were calculated using the same actuarial assumptions used for determining the accrued pension obligation at year-end presented in the Company's financial statements for the fiscal year ended March 31, 2019, in accordance with accounting principles used by the Company. For more information, see the note of the Company's financial statements for the fiscal year ended March 31, 2019 that describes employee pension and other benefits plans. See "Additional Information".

Defined Benefit Plans Table

Name	Number of Years Credited Service (#)	Annual Benefits Payable ($)		Opening Present Value of Defined Benefit Obligation ($)	Compensatory Change ($)	Non-Compensatory Change[(1)] ($)	Closing Present Value of Defined Benefit Obligation ($)
		At Year End	At Age 65				
Lino A. Saputo, Jr.	–	–	–	–	–	–	–
Maxime Therrien	1.67[(2)]	30,900	340,400	230,100	362,800	54,200	647,100
Kai Bockmann	2.25	75,400	540,400	881,600	919,200	156,800	1,957,600
	3.75[(3)]	127,700	168,100	2,214,100	202,000	287,900	2,704,000
Terry Brockman	13.00	465,800	596,700	4,390,800	525,100	423,400	5,339,300
Carl Colizza	4.00[(4)]	89,200	396,000	965,700	373,700	209,900	1,549,300

(1) The values shown under Non-Compensatory Change take into account changes in actuarial assumptions used, the impact of amounts attributable to interest accruing on the accrued obligation since the beginning of the fiscal year, and changes in the interest rate used.

(2) Mr. Therrien participates in the supplementary retirement plan effective August 1, 2017 and in the Non-Contributory Canadian Registered Defined Benefit Pension Plan as of January 1, 2018. Prior to August 1, 2017, Mr. Therrien participated in, and received an employer contribution in connection with, a registered and supplemental non-contributory defined contribution plan. As at April 1, 2018 the accumulated value pursuant to Mr. Therrien's participation in such plan was $524,988. The value accumulated in such plan as at March 31, 2019 was $554,866.

(3) This number corresponds to the years of credited service for Mr. Bockmann under the US non-registered Executive Supplementary Retirement Pension Plan, which Mr. Bockmann participated in as a result of his previous role.

(4) Mr. Colizza participates in the supplementary retirement plan since April 1, 2015. Prior to this date, Mr. Colizza participated in a registered and supplemental non-contributory defined contribution plan and received and employer contribution in connection therewith. The value accumulated in such plan as at April 1, 2018 was $365,365 and as at March 31, 2019 was $386,418.

Pension benefits earned under the Pension Plans are first payable from the Non-Contributory Canadian Registered Defined Benefit Pension Plans or the Contributory 401(K) pension plan, as per their respective terms and conditions, as applicable. Any incremental benefits are payable from the Executive Supplementary Retirement Pension Plan. The obligations accumulated in the Non-Contributory Canadian Registered Defined Benefit Pension Plans and the Contributory 401(K) pension plan are being funded. However, the Company's obligations under the Executive Supplementary Retirement Pension Plan will be paid as they become due. The Company's total obligations under the Pension Plans are expensed annually for accounting purposes in accordance with accounting principles used by the Company.

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 NEOs, except as discussed under the section entitled "Elements of Executive Compensation – Long-Term Incentive Plans – Performance Share Unit Plan" "Elements of Executive Compensation – Defined Benefit Pension Plan" and "Securities Authorized for Issuance under Equity Compensation Plan". As mentioned, the Chief Executive Officer does not receive any long-term incentive as his interest in the principal shareholder constitutes a sufficient long-term incentive.

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The following table sets out the only equity compensation plan (the "Equity Compensation Plan") previously approved by security holders as of March 31, 2019, under which equity securities of the Company are authorized for issuance:

Equity Compensation Plan Information			
Plan Category	Number of Securities to Be Issued Upon Exercise of Outstanding Options, Warrants and Rights (a)	Weighted-Average Exercise Price of Outstanding Options, Warrants and Rights	Number of Securities Remaining Available for Future Issuance under the Equity Compensation Plan (Excluding Securities Reflected in Column (a))
Equity Compensation Plan approved by security holders	20,374,871	$35.96	20,704,548

The following text presents a summary of the main characteristics of the Equity Compensation Plan established to attract and retain experienced and competent employees and officers, and to encourage share ownership by such persons.

The Company has an Equity Compensation Plan for full-time employees and officers of the Company and each of the corporations, partnerships, limited partnerships and other entities controlled, directly or indirectly, by the Company. Directors do not participate in the Equity Compensation Plan. 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 HR Committee at the time the options are granted. The Equity Compensation Plan provides that the exercise price may not be less than the volume weighted average trading price for the five trading days immediately preceding the date of grant. Options granted under the Equity Compensation Plan may not be assigned or transferred, and expire ten years from the date of grant, provided that should the expiration date for an option fall within a blackout period or within nine business days following the expiration of a blackout period, such expiration date shall be automatically extended to the tenth business day after the end of the blackout period. Options which have been granted pursuant to the Equity Compensation Plan vest over a five-year period at a rate of 20% per year. The exercise price can be paid in cash or through a "broker cashless exercise" procedure, whereby the reserve of Common Shares is deducted in full accordingly. The maximum number of Common Shares which may be issuable at any time to insiders of the Company shall not exceed 10% of the total number of outstanding Common Shares at such time. Moreover, the maximum number of Common Shares issued to insiders of the Company within any one-year period shall not exceed 10% of the total number of outstanding Common Shares at such time.

In addition, the Equity Compensation Plan provides that, where an optionee's employment terminates for cause or for a serious reason, the vested options or portions thereof may not be exercised from the date of termination of such employment. Where an optionee's employment terminates by reason of death, injury or disability, the vested options or portions thereof at the date of termination of employment may be exercised within 180 days after such date or prior to the expiration of the original term of the option, whichever occurs first. Where an optionee's employment terminates by reason of retirement, and the optionee's age and their number of years of service total 70 years or more, taking into account only whole years, the vested options or portions thereof at the date of termination of employment and the options or portions thereof to be vested within two years following such date may be exercised within 90 days after the expiration of such two-year period or prior to the expiration of the original term of the option, whichever occurs first. In all other circumstances of termination, the vested options or portions thereof at the date of termination of employment may be exercised within 90 days after such date or prior to the expiration of the original term of the option, whichever occurs first.

The Equity Compensation Plan authorizes the Board to make certain amendments without shareholder approval, including, without limitation, the following types of amendments:

(i) any limitations of conditions on participation in the Equity Compensation Plan (other than to the eligibility for participation);
(ii) any amendment to any terms upon which options may be granted and exercised, including but not limited to, the terms relating to the amount and payment of the option price, vesting, expiry and adjustment of options, or the addition or amendment of any cashless exercise features;
(iii) any amendment to the Equity Compensation Plan to permit the granting of deferred or restricted share units under the Equity Compensation Plan or to add or to amend any other provisions which would result in participants receiving securities of the Company while no cash consideration is received by the Company;
(iv) any change that is necessary or desirable to comply with applicable laws, rules or regulations of any stock exchange on which the shares of the Company are listed;
(v) any correction or rectification of any ambiguity, defective provision, error or omission in the Equity Compensation Plan or in any option;
(vi) any amendment to the definitions contained in the Equity Compensation Plan and any other amendments of a clerical nature; and
(vii) any amendment to the terms relating to the administration of the Equity Compensation Plan.

The approval of the Company's shareholders is required if the amendment to the Equity Compensation Plan relates to the following:

(i) any amendment to increase the maximum number of Common Shares issuable under the Equity Compensation Plan, except for the purpose of maintaining option value in connection with a conversion, change, reclassification, redivision, redesignation, subdivision or consolidation of Common Shares or a reorganization, amalgamation, consolidation, merger, takeover bid or similar transaction involving the Company;

(ii) any amendment to reduce the exercise price or purchase price of any option;

(iii) any amendment to extend the term of any option;

(iv) any amendment to remove or to exceed the insider participation limit set forth in the Equity Compensation Plan;

(v) any amendment to make a change to the class of persons eligible to participate under the Equity Compensation Plan;

(vi) any amendment which would permit any option granted under the Equity Compensation Plan to be transferable or assignable, other than by will or under succession laws (estate settlement); and

(vii) any amendment to the amendment provision of the Equity Compensation Plan;

provided that Common Shares held directly or indirectly by insiders benefiting from the amendment in (ii) and (iii) shall be excluded when obtaining such shareholder approval.

The Equity Compensation Plan provides that in the event of (i) a proposed amalgamation, merger or consolidation of the Company; (ii) a proposed liquidation, dissolution or winding-up of the Company; (iii) an offer to purchase the Common Shares or any part thereof made to all holders of Common Shares; or (iv) a change of control, the Board may (i) provide for the substitution, replacement or assumption of options granted by the acquiring or surviving entity; (ii) terminate the options outstanding, other than the options already vested; (iii) make options exercisable in full; or (iv) change the vesting conditions and the expiration date of the options. A change of control under the Equity Compensation Plan consists of (i) a sale of all or substantially all of the assets of the Company and its subsidiaries; or (ii) a sale, directly or indirectly, resulting in more than 50% of the Common Shares being held, directly or indirectly, by another person (other than a wholly-owned subsidiary of the Company).

The following table provides information regarding the Equity Compensation Plan as at March 31, 2019.

	Number of Common Shares/options (#)	As a % of Common Shares outstanding
Common Shares authorized for issuance under the Equity Compensation Plan	45,698,394	11.71%
Options granted in fiscal 2019[1]	4,536,208	1.16%
Options outstanding	20,374,871[2]	5.22%
Options remaining available for future grants	20,704,548	5.31%

(1) Options granted on April 1, 2018 at an exercise price of $41.02 per share.

(2) 9,342,237 options were exercisable and 11,032,634 will vest at a rate of 20% per year, on each of the first five anniversaries of their date of grant.

The following table sets out the annual burn rate for the Equity Compensation Plan for the last three fiscal years:

	March 31, 2019	March 31, 2018	March 31, 2017
Burn rate[1]	1.17%	1.01%	1.08%

(1) This number corresponds to the number of options granted under the Equity Compensation Plan during the applicable fiscal year divided by the weighted average number of Common Shares outstanding for the applicable fiscal year, expressed as a percentage.

On April 1, 2019, the Corporate Governance and HR Committee granted an aggregate of 3,319,450 options to participants under the Equity Compensation Plan at an exercise price of $45.30 per share, which represents 0.85% of the outstanding Common Shares on March 30, 2019, the business day immediately prior to the grant.

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

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

APPOINTMENT OF AUDITORS

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

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

During fiscal 2019, the Company retained its auditors, Deloitte LLP, to provide services. Details of the services and amounts paid to Deloitte LLP are presented in the section "External Auditors' Fees (By Category)" of the Annual Information Form of the Company for the year ended March 31, 2019. Copy of this document can be found on the Company's website at www.saputo.com, on SEDAR at www.sedar.com or by contacting the Secretary of the Company at its head office, 6869 Métropolitain Boulevard East, Montréal, Québec, H1P 1X8, Telephone: 514-328-6662.

INTEREST OF MANAGEMENT AND OTHERS IN TRANSACTIONS

In the normal course of business, the Company receives services from and provides goods to companies subject to control or significant influence through ownership by its principal shareholder. These goods and services are of an immaterial amount and compensated by a consideration equal to their fair value, comparable to similar arms' length transactions. Reference is made to the note of the Consolidated Financial Statements of the Company that describes the related party transactions. See "Additional Information".

SHAREHOLDER PROPOSALS

The shareholder proposals submitted for consideration of the Company's shareholders are attached as Schedule "A". For the reasons set forth below each proposal in Schedule "A", the Board recommends that shareholders vote against the proposals. **Unless instructed to vote for in the accompanying form of proxy, the persons whose names are printed on the enclosed form of proxy intend to vote AGAINST the shareholder proposals.**

Subject to the *Canada Business Corporations Act*, certain shareholders of the Company may submit to the Company proposals to be considered at the next annual meeting of the shareholders of the Company. All shareholder proposals must be received by the Company no later than March 8, 2020.

ADDITIONAL INFORMATION

The Company's financial information is included in the Consolidated Financial Statements of the Company and notes thereto, as well as in the accompanying Management's Discussion and Analysis for the fiscal year ended March 31, 2019. Copies of these documents and additional information concerning the Company can be found on the Company's website at www.saputo.com, on SEDAR at www.sedar.com. Copies of these documents may also be obtained upon request to the Secretary of the Company at its head office, 6869 Métropolitain Boulevard East, Montréal, Québec H1P 1X8, Telephone: 514-328-6662, or via the Company's corporate communications' department at investors@saputo.com.

The Board encourages shareholder attendance and participation at the Company's Meeting as it provides a valuable opportunity to discuss the Company's activities and general business, financial situation, corporate governance and other important matters. Outside of the Company's annual meetings, shareholders may contact the Board through the Secretary of the Company by postal mail at the address noted above.

GENERAL

Except as otherwise specifically indicated, the information contained herein is given as of May 28, 2019. Management of the Company presently knows of no matters to come before the Meeting other than matters identified in the Notice. If any matter 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.

Montréal, Québec, June 6, 2019.

(signed) Lino A. Saputo, Jr.
Lino A. Saputo, Jr.
Chair of the Board and Chief Executive Officer

SCHEDULE A – SHAREHOLDER PROPOSALS

The following proposals were submitted by *Mouvement d'éducation et de défense des actionnaires* (MÉDAC) of 82 Sherbrooke Street West, Montréal, Québec, H2X 1X3, a holder of Common Shares, for consideration at the Meeting. The proposals were submitted in French and translated into English by the Company.

Proposal Number One – Incorporation of Environmental, Social and Governance (ESG) Factors in Executive Compensation

It is proposed that the compensation committee present in its annual report a review of the advisability of incorporating environmental, social and governance factors in evaluating executive performance and determining executive compensation.

MÉDAC arguments:

The United Nations Principles for Responsible Investment (PRI) and the United Nations Global Compact published in 2012 state that the use of ESG factors can significantly impact the creation and protection of shareholder value.

These objectives can be summarized as follows: the proportion of women on decision-making bodies, greater integration of members of different socio-cultural backgrounds, initiatives to reduce the consumption of paper, energy and water, actions taken to ensure the sustainable employability of the workforce in terms of task automation, programs set up to promote employee health and well-being, etc.

In this regard, companies with clear ESG guidelines generally have a better reputation with their customers, are more adaptable to change, are better at risk management and are more innovative. They therefore have better tools to develop long-term value for shareholders and all stakeholders.

The inclusion of financial goals in evaluating performance and determining executive compensation unquestionably plays an essential role in achieving those objectives. The same approach should be followed regarding ESG factors.

Company arguments:

THE BOARD RECOMMENDS VOTING AGAINST THE PROPOSAL FOR THE FOLLOWING REASONS:

The Company and the Board are committed to pursuing responsible business practices. The commitment made by the Company to demonstrate good corporate citizenship is outlined in the Saputo Promise. The Saputo Promise, the Company's commitment to live up to the values on which its business was founded in 1954, consists of seven pillars that form the backbone of the Company's approach to social, environmental and economic performance: Food Quality and Safety, Our People, Business Ethics, Responsible Sourcing, Environment, Nutrition and Healthy Living, and Community. Please refer to the Company's website at www.saputo.com for more information on the Saputo Promise.

The shareholder proposal mentions considerations relating to diversity, minimizing environmental impact, working conditions, and health and safety, all of which are included in the Saputo Promise:

- Under the "Our People" pillar of the Saputo Promise, the Company has pledged to provide its employees with the best possible work environment, and one that is safe, diverse, and values-driven. The Company has a global diversity policy, which sets the direction and priorities for a diverse workforce. Saputo has a 50% representation of women on its Board and is committed to having further female representation at all levels of the Company. Furthermore, the Company invests in its employees, continuously training and developing them so they can have the skills needed to maintain high quality standards throughout its operations. Moreover, employee health and safety is a priority and the Company continues to increase its efforts to ensure that a culture of safety is embedded across its operations. To this effect, the Company has a global health and safety ("**H&S**") committee, led by its President and Chief Operating Officer, and composed of the H&S leaders of each division. Regular reporting is made to the Corporate Governance and HR Committee.

- Under the "Environment" pillar of the Saputo Promise, the Company has stated its goal of pursuing growth as a world-class dairy processor, while striving to minimize the environmental impacts of its activities. More specifically, the Company has an environmental policy directed towards minimizing the environmental impact of all its activities, which is overseen by an environmental committee (the "**Environmental Committee**"). The Environmental Committee is chaired by the Chief Executive Officer and is composed of the President and Chief Operating Officer of the Company and of each of the Company's divisions, and the senior manager in each division responsible for environmental matters. The Environmental Committee meets quarterly to discuss the environmental condition of all Company facilities, the required action plans and the status of ongoing projects. Regular reporting is made to the Audit Committee. The Company takes numerous measures to pursue environmentally responsible business practices and is committed to seeking continuous improvement in its environmental performance. Pursuant to the Company's environmental commitment, the Company implements environmentally responsible business practices related to greenhouse gas emissions, energy efficiency, food waste, packaging waste and water stewardship.

The Saputo Promise is overseen by the Company's corporate responsibility committee (the "**CR Committee**"). The CR Committee is composed of the Company's President and Chief Operating Officer, the Chief Financial Officer, the Chief Human Resources Officer, as well as the President and Chief Operating Officer of each of the Company's divisions, and its Director, Corporate Responsibility. The CR Committee meets regularly to discuss the strategic direction of the Saputo Promise, the required action plans and the status of progress of its initiatives. The Company's President and Chief Operating Officer also reports on the progress of the Saputo Promise annually to the Board. The tone at the top is clear regarding the Company's focus on pursuing environmentally and socially responsible business practices, as evidenced by the membership structure of the Company's CR Committee, the H&S committee and the Environmental Committee, and reporting done at the Board, Audit Committee or Corporate Governance and HR Committee level. The Board believes that appropriate measures and policies are in place to address the environmental and social objectives of the Company. As such, the Corporate Governance and HR Committee and the Board do not consider it necessary to directly link the Company's ESG objectives to executive compensation.

For these reasons, the Board recommends that shareholders vote AGAINST this proposal.

Proposal Number Two – Director Independence

It is proposed that all information which led to the Board's determination of the independence of a director be disclosed in the management information circular, in accordance with securities regulations.

MÉDAC arguments:

In *Regulation 58-101 respecting Disclosure of Corporate Governance Practices*, reporting issuers are asked to disclose the name of the directors who are not independent and *describe the basis for that determination*. *Regulation 52-110 Audit Committees* clarifies the definition of independence.

As University of Montreal Professor and governance expert Stéphane Rousseau writes:

> [Translation] "Many people believe that the independence of directors vis-à-vis the executive is an essential aspect of effective governance. The importance of the independence of directors stems from the Board of Directors' oversight function. The Board of Directors of a public company normally has internal directors who are part of management as well as outside directors. It is difficult for internal directors to exercise a supervisory function since that would mean asking them to objectively evaluate their own performance. They may also be reluctant or uncomfortable criticizing the Chief Executive Officer given his or her influence over their own career. From this perspective, only outside directors are in a position to oversee management[1]."

Greater disclosure of information about the corporation's different directors is necessary to better understand the nature of each director's relationship with the corporation, executives and controlling shareholders with a view to allowing shareholders to exercise their right to vote in an informed manner and improve the corporation's governance. This change will allow shareholders to determine whether directors are truly objective, particularly when they have been in office for several years.

Company arguments:

THE BOARD RECOMMENDS VOTING AGAINST THE PROPOSAL FOR THE FOLLOWING REASONS:

The Board, with the support of the Corporate Governance and HR Committee, is responsible for determining the independence of directors.

Saputo complies, and has in the past complied, with the applicable disclosure requirements relating to the determinations made by the Board pertaining to the independence of its members, including National Instrument 58-101 *Disclosure of Corporate Governance Practices* and National Instrument 52-110 *Audit Committees*. Saputo also provides, in the Circular, a description of the process followed by the Board to assess independence. The Board and the Corporate Governance and HR Committee undertake this analysis with great care and disclose the identity of directors who are not independent,

[1] **ROUSSEAU, Stéphane**, Le rôle des tribunaux et du conseil d'administration dans la gouvernance des sociétés ouvertes : réflexions sur la règle du jugement d'affaires, Les Cahiers de droit, Volume 45, *No. 3*, 2004. https://www.erudit.org/fr/revues/cd1/2004-v45-n3-cd3839/043804ar/

as well as the basis for such determination. Reference is made to the section entitled "Composition and Independence of the Board". Information regarding each director, including principal occupation, biographical information and information regarding the boards and committees of other public companies on which each director currently sits or has sat during the past 5 years, are also included in the Circular.

The Board therefore considers that the Company's disclosure regarding the determination of independence of its members is fully compliant with applicable laws and provides all relevant information to allow shareholders to make an informed voting decision. The interests of the Company, and that of its shareholders would not be furthered by the proposal.

For these reasons, the Board recommends that shareholders vote AGAINST this proposal.

Proposal Number Three – Say on Pay

It is proposed that Saputo disclose the reasons that led to its change of opinion regarding the formal adoption of a vote on "say on pay" for executive compensation which it says it intends to hold at each of its annual meetings going forward.

MÉDAC arguments:

The shareholders have supported this proposal by MÉDAC three times over the past few years with very high percentages.

Support for "say on pay" for executive compensation

2017	31.16%
2016	30.74%
2015	30.07%

As we have said in the past, public offerings require that companies be accountable, transparent, fair and attentive.

In the past, Saputo has opposed setting up "say on pay" for its executives, giving the following arguments:

- compensation is a "complex issue" and "this process does not lend itself to a direct vote 'for' or 'against'";
- "the Corporate Governance and HR Committee is in the best position […] it should not be replaced by a shareholder vote, even if it is not binding".

Why have Saputo's arguments now changed? Does Saputo agree with MÉDAC's arguments? Was Saputo's change of opinion on this issue accelerated due to considerations surrounding the corporation's acquisitions in Europe, where the practice is widespread if not mandatory?

It would be appropriate for shareholders to be given written reasons explaining Saputo's change of heart.

Company arguments:

THE BOARD RECOMMENDS VOTING AGAINST THE PROPOSAL FOR THE FOLLOWING REASONS:

The Board places great importance in good corporate governance practices and appreciates the importance that its shareholders place on effective executive compensation policies and practices. Consistently, the Company firmly believes in maintaining an ongoing engagement process with its shareholders by adopting measures to gather feedback on initiatives related to governance.

As part of its mandate, the Corporate Governance and HR Committee is responsible for annually reviewing the Company's corporate governance practices and executive compensation policies and practices. The Company's Board of Directors, through the Corporate Governance and HR Committee, has closely followed developments in relation to "say on pay" over the years. In light of this year's annual review of recent developments, leading practices and trends in corporate governance, and considering, among other things, expectations or guidelines issued by the Company's shareholders, institutional investors, associations (institutes) focused on governance, and other authoritative sources, the Corporate Governance and HR Committee unanimously recommended that the Board incorporate a shareholder advisory vote on the Company's approach to executive compensation. The elements considered by the Corporate Governance and HR Committee in its annual corporate governance review are detailed in the letter to shareholders from the Company's Lead Director and Chair of the Corporate Governance and HR Committee included in this Circular, and, as such, this shareholder proposal is moot.

For these reasons, the Board recommends that shareholders vote AGAINST this proposal.

The following proposal was submitted by B.C. Government and Service Employees' Union General Fund and B.C. Government and Service Employees' Union Defence Fund of 4911 Canada Way, Burnaby, British Columbia, V5G 3W3, holders of Common Shares, for consideration at the Meeting.

Proposal Number Four – Environmental and Social Impacts of Food Waste

It is proposed that Saputo issue an annual report, at reasonable cost and omitting proprietary information, on the environmental and social impacts of food waste generated from the Company's operations.

B.C. Government and Service Employees' Union General Fund and B.C. Government and Service Employees' Union Defence Fund Arguments:

In Canada, 58 percent of all food produced is either lost or wasted, and 86 percent of this waste takes place within the food industry and not in households1 • According to the U.N. Food and Agriculture Organization, 30 percent of food is wasted globally across the supply chain, contributing eight percent of total global greenhouse gas emissions. In the case of Canada, food waste produces emissions equivalent to 12 million additional cars being driven year-round.

Managing food waste has financial, environmental and social consequences for Saputo. Furthermore, because competitors like Kraft Heinz have made commitments to reduce food waste by 50% by 2025, consumers may show a preference for brands that have a reputation for social responsibility.

According to leading ESG (environmental, social, and governance) research firm Sustainalytics, "Saputo demonstrates weak management of its ESG risks compared to its peers... we assess the company's overall unmanaged risks at a high level."

Shareholders leave the method of disclosure to management's discretion. Shareholders also defer to management on the specific approaches used to mitigate food waste and which parts of Saputo's operations are best to target. Some options we recommend as guidelines include:

- Conducting evaluations to determine the causes, quantities, and destinations of food waste;
- Estimating greenhouse gas (GHG) emissions reductions that could be achieved or amounts of food redistributed to the food insecure if the company reduced the generation of food waste;
- Assessing the feasibility of setting goals to reduce food waste and progress made towards meeting these targets.

We urge shareholders to support this proposal.

Company Arguments:

THE BOARD RECOMMENDS VOTING AGAINST THE PROPOSAL FOR THE FOLLOWING REASONS:

As mentioned above, the Company and the Board are committed to pursuing responsible business practices while seeking continuous improvement. Environment is one of the seven pillars of the Saputo Promise and reflects the Company's goal to pursue growth as a world-class dairy processor while striving to minimize the environmental impacts of its activities. As part of this commitment, the Company recognizes that food waste is a key issue for its business and industry and has implemented and adapted processes designed to reduce the quantity of food waste across its operations and supply chain, including production and distribution. In fiscal 2019, we carried out a global assessment of food waste across our activities to identify further actions and opportunities for improvement, some of which will be implemented in fiscal 2020.

Further, the Company recognizes the importance of disclosure related to environmental issues which is done through its voluntary participation in CDP (formerly the Carbon Disclosure Project) reporting, a globally recognized disclosure system for environmental impacts. The Company has been participating in the CDP Climate disclosure since 2011 and participated in the CDP Water disclosure for the first time in fiscal 2019. Saputo's CDP report can be found at www.cdp.net.

Every year, the Company publishes a factsheet which outlines its achievements under each of the 7 pillars of the Saputo Promise throughout the year, including environment. As such, in light of the Company's demonstrated commitment to lessening the impact of its business operations on the environment, including the management of food waste, and the already existing reporting of the Company's environmental impact, through the Saputo Promise factsheet and CDP report, the Board considers that issuing an annual report specific to food waste is not necessary.

For these reasons, the Board recommends that shareholders vote AGAINST this proposal.

SCHEDULE B – BOARD MANDATE

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.