Management Proxy Circular

June 2, 2016

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VOTING INFORMATION

SOLICITATION OF PROXIES

This Circular is furnished in connection with the solicitation by the management (the "Management") of SAPUTO INC. (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 2, 2016, at the time and place and for the purposes set forth in the foregoing Notice and at any adjournment thereof.

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

This Circular and related proxy materials are being sent to both registered shareholders and beneficial holders. The Company does not send proxy-related materials directly to beneficial holders and is not relying on the notice-and-access provisions of securities laws for delivery to either registered shareholders or beneficial holders. The Company will deliver proxy-related materials to nominees, custodians and fiduciaries and they will be asked to promptly forward them to beneficial holders.

The Company has elected to pay for the delivery of its 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 or executive officers 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 his or her behalf at the Meeting. To exercise this right, the holder of Common Shares must insert his or her 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 in favour of the proposals made by the Management of the Company; 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 July 29, 2016, 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 Chairman 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 his broker (or a representative thereof), he or she 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 and the notice of Meeting 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 which carry voting rights. As of May 24, 2016, the Company had 392,956,748 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 10, 2016, 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 24, 2016, 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	133,559,848	34%
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, which holds 40,000,000 Common Shares, of which 5,379,624 are held by Italsap Investments Inc., a subsidiary of Placements Italcan Inc.

ELECTION OF DIRECTORS

For fiscal 2017, the Board of Directors (the "Board") proposes that the Board be composed of ten members. Mr. Pierre Bourgie and Ms. Patricia Saputo have advised the Company that they do not intend to renew their mandates as directors. The Board proposes Ms. Diane Nyisztor and Ms. Franziska Ruf as new 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 form of proxy intend to vote FOR the election of the ten nominees whose names are set forth in the following table.** 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 or until that director's successor is duly elected, unless the office is vacated earlier in accordance with the relevant provisions of applicable laws.

The following table sets forth, for each person nominated by Management for election as a director, his or her name, age, place of residence, the year in which he or she first became a director, his or her principal occupation, his or her independence with respect to the Company, his or her biography, his or her presence on the Board of Directors of other public companies, the committees of the Board of the Company on which he or she serves, if any, the number of Common Shares beneficially owned, or over which control or direction is exercised, directly or indirectly, and the number of Deferred Share Units ("DSUs") owned, the whole as of May 24, 2016. Reference is made to section entitled "Skills Matrix" for additional information on the skills possessed by the nominees.

EMANUELE (LINO) SAPUTO, C.M., O.Q., Dr h.c.
Chairman of the Board of the Company
Québec, Canada
Age: 78

Director since 1992
Non-independent
Holdings: 133,559,848 Common Shares
Value ($)(1): 5,561,432,071

Emanuele (Lino) Saputo founded the Company with his parents in 1954. He became Chairman of the Board and President of the Company in 1969. In 1997, following the initial public offering of the Company, he was named Chairman of the Board and Chief Executive Officer, and remained in this position until March 2004, following which he remained Chairman of the Board. Mr. Saputo also served on the Board of Directors of TransForce Inc. from 2008 to 2012.

LINO A. SAPUTO, JR.
Chief Executive Officer
and Vice Chairman of the Board of the Company
Québec, Canada
Age: 49

Director since 2001
Non-independent
Holdings: 136,764 Common Shares
Value ($)(1): 5,694,853

Lino A. Saputo, Jr. joined the Company in 1988 as Administrative Assistant. 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). In March 2004, he was appointed to the position of President and Chief Executive Officer and, since 2011, he also holds the position of Vice Chairman of the Board. Mr. Saputo, Jr. serves on the Board of Directors of Transcontinental Inc., National Bank of Canada and Warrnambool Cheese and Butter Factory Company Holdings Limited, the Company's Australian subsidiary.

HENRY E. DEMONE
Chairman, High Liner Foods Incorporated (a processor and marketer of prepared frozen seafood)
Nova Scotia, Canada
Age: 62

Director since 2012
Independent
Holdings: 5,000 Common Shares and 25,938 DSUs[(2)]
Value ($)[(1)]: 1,288,258

Member of the Corporate Governance and Human Resources Committee

Henry E. Demone has been the Chairman of the Board of Directors of High Liner Foods Incorporated since May 2015, its Chief Executive Officer from 2013 to 2015, its President and Chief Executive Officer from 1992 to 2013 and its President from 1989 to 1992. Mr. Demone also serves on the Board of Directors of Emera Inc.

ANTHONY M. FATA[(3)]
President, Sager Food Products Inc. (a food products manufacturing and distribution company)
Québec, Canada
Age: 49

Director since 2008
Independent
Holdings: 12,000 Common Shares and 58,683 DSUs[(2)]
Value ($)[(1)]: 2,943,240

Member of the Corporate Governance and Human Resources Committee[(4)]

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 Quebec Bar.

ANNALISA KING, ICD.D
Corporate Director
British Columbia, Canada
Age: 49

Director since 2012
Independent
Holdings: 23,508 DSUs(2)
Value ($)(1): 978,873

Member of the Audit Committee

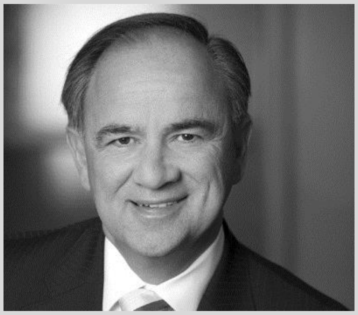
Annalisa King is currently a corporate director and was Senior Vice President and Chief Financial Officer of Best Buy Canada Ltd. between 2008 and May 2016. Ms. King was also responsible for overseeing the information and ecommerce technology, legal and real estate functions of Best Buy Canada Ltd. and since May 2016, continues to serve Best Buy Canada Ltd. in an advisory capacity. Prior to her position with Best Buy Canada Ltd., Ms. King was Senior Vice President of Business Transformation for Maple Leaf Foods Inc. Ms. King serves on the Board of Directors of the North West Company. Ms. King also served on the Board of Directors of Afexa Inc. in 2011.

KAREN KINSLEY, FCPA, FCA, ICD.D
Corporate Director
Ontario, Canada
Age: 59

Director since 2015
Independent
Holdings: 3,000 Common Shares and 2,583 DSUs(2)
Value ($)(1): 232,476

Member of the Audit Committee

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. Ms. Kinsley currently serves on the Board of Directors of the National Bank of Canada.

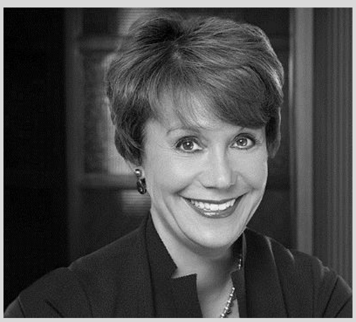


TONY METI, ICD.D
President, G.D.N.P. Consulting Services, Inc. (a consulting company)
Québec, Canada
Age 61

Director since 2008
Independent
Holdings: 20,800 Common Shares and 69,835 DSUs(2)
Value ($)(1): 3,774,041

Chairman of the Audit Committee

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 has been President of G.D.N.P. Consulting Services, Inc. Mr. Meti serves on the Board of Directors of ADF Group Inc. Mr. Meti also served on the Board of Directors of Lakeside Steel Inc. from 2011 to 2012.



DIANE NYISZTOR, CPA, CA, H.R.C.C.C.
Senior Vice President, Corporate Human Resources, Cogeco Inc.
(a telecommunications company)
Quebec, Canada
Age: 49

New nominee
Independent
Holdings: 1,000 Common Shares
Value ($)(1): 41,640

Ms. Nyisztor has been Senior Vice President, Corporate Human Resources of Cogeco Inc. since September 2014. Prior to her current position, Ms. Nyisztor was a 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.

FRANZISKA RUF
Partner, Davies Ward Phillips & Vineberg LLP (a law firm)
Quebec, Canada
Age: 53

New nominee
Independent
Holdings: –
Value ($)(1): –

Ms. 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 currently serves on the Legal Advisory Committee of the *Autorité des marchés financiers*. Ms. Ruf is a member of the Quebec Bar.

ANNETTE VERSCHUREN, O.C.
Chairman and Chief Executive Officer, NRstor Inc. (a commercial energy storage project developer)
Ontario, Canada
Age: 59

Director since 2013
Independent
Holdings: 7,000 Common Shares and 12,698 DSUs(2)
Value ($)(1): 820,225

Member of the Audit Committee

Annette Verschuren has been the Chairman 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. Ms. Verschuren serves on the Board of Directors of Air Canada and Canadian Natural Resources Ltd. Ms. Verschuren also served on the Board of Directors of the North West Company from 2011 to 2014.

(1) 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, 2016 ($41.64).
(2) The DSUs shown in the table represent the aggregate of (i) the annual grants of DSUs, (ii) the DSUs granted with respect to the director's compensation and (iii) the DSUs accumulated as notional equivalents of cash dividends declared on Common Shares.
(3) Mr. Anthony M. 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).
(4) Mr. Fata ceased to be a member of the Audit Committee on August 4, 2015 and became a member of the Corporate Governance and Human Resources Committee on the same date.

During the last five years, all of the above-listed nominees have been engaged in their present principal occupations or in other executive capacities with the companies indicated opposite their name, or with related or affiliated companies, except for Ms. Annalisa King who was Senior Vice President and Chief Financial Officer of Best Buy Canada Ltd. from 2008 to 2016, Ms. Karen Kinsley who was President and Chief Executive Officer of the Canada Mortgage and Housing Corporation from 2003 to 2013, Ms. Diane Nyisztor who was a partner at KPMG Canada LLP from 2013 to 2014, and Senior Vice President, Compensation and Benefits, at SNC-Lavalin Group Inc. from 2011 to 2013, and Ms. Annette Verschuren who was President of The Home Depot Canada from 1996 to 2011.

Information as to Common Shares and DSUs beneficially owned by each nominee, or over which each nominee exercised control or direction, as at May 24, 2016, 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 tenure considerations.

	Age				Tenure at Saputo						Top Three Competencies (1) (2) (3)							
Name	Under 50	50-59	60-69	70-78	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	20 + years	Food & Drug Industries	Manufacturing	International	Retail & Consumer Trends	Government & Regulatory Affairs	Accounting & Finance	Mergers & Acquisitions	Management & Strategy
Henry Demone			X			X					X	X		X				
Anthony M. Fata	X						X				X			X			X	
Anna Lisa 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	
Emanuele Saputo				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 financial 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.

For fiscal 2016, the Corporate Governance and HR Committee decided not to conduct a new detailed compensation review and decided to compare its director compensation practices to a comparative group established and used in the prior year (the "Director Comparative Group"), 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 US and abroad. Reference is made to the heading "Comparative Groups" under the section entitled "Executive Compensation" for details on the Canadian Comparative Group (as hereinafter defined).

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

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.

Based on this annual review, the compensation of directors was determined to be competitive with the third quartile of the compensation offered to directors of the companies forming part of the Director Comparative Group. The Corporate Governance and HR Committee therefore recommended to the Board that no change be made to the compensation offered to the Company's directors for fiscal 2016.

The following table sets out the fees paid to directors in fiscal 2016, in cash or in the form of DSUs, as per the compensation policy and the DSU Plan:

Annual fee	
Chairman of the Board	$ 500,000
Lead Director	$ 90,000
Other non-employee directors	$ 65,000
Additional annual fee for committee participation	
Corporate Governance and HR Committee – Chairman	$ 7,500
Corporate Governance and HR Committee – other members	$ 5,000
Audit Committee – Chairman	$ 10,000
Audit Committee – other members	$ 5,000
Attendance fees (non-employee directors) (per meeting)	
Board meetings	$ 2,000
Corporate Governance and HR Committee meetings	$ 2,000
Audit Committee meetings	$ 2,000

Non-employee directors also receive an annual DSU grant, the details of which are set out below for fiscal 2016:

Annual DSU grant	
Lead Director	5,200 DSUs
Chairman of the Audit Committee	5,200 DSUs
Other non-employee directors	4,000 DSUs

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

Pursuant to the ownership policy adopted by the Board, all directors of the Company shall, at all times while directors, own a number of Common Shares and/or DSUs having a total market value of at least three times their then-current annual cash retainer and annual DSU grant. Each director is required to comply with this policy within five years following his/her appointment as a director of the Company, and throughout his/her term as director. Pursuant to the DSU Plan, each director who does not meet the minimum value representing at least three times his/her then-current annual cash retainer and annual DSU grant must receive his or her entire compensation in DSUs. As of March 31, 2016, all directors complied with the minimum ownership requirement. The information set out below is as at March 31, 2016.

Director (1)	Common Shares	DSUs	Total Common Shares and DSUs	Total Market Value of Common Shares and/or DSUs ($)(2)	Annual Retainer ($)	Minimum Required ($)(3)	Meets the Company's Share Ownership Requirements for Directors
Emanuele (Lino) Saputo	133,559,848	–	133,559,848	5,561,432,071	500,000	1,500,000	Yes
Pierre Bourgie	1,335,820	60,525	1,396,345	58,143,806	90,000	919,584	Yes
Henry E. Demone	5,000	25,938	30,938	1,288,258	65,000	694,680	Yes
Anthony M. Fata	12,000	58,683	70,683	2,943,240	65,000	694,680	Yes
Annalisa King	–	23,508	23,508	978,873	65,000	694,680	Yes
Karen Kinsley	3,000	2,583	5,583	232,476	65,000	694,680	N/A (4)
Tony Meti	20,800	69,835	90,635	3,774,041	65,000	844,584	Yes
Patricia Saputo	4,000	60,640	64,640	2,691,610	65,000	694,680	Yes
Annette Verschuren	7,000	12,698	19,698	820,225	65,000	694,680	Yes

(1) Mr. Lino A. Saputo, Jr. is an executive officer of the Company, does not receive any compensation for his services as a director, 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 held by each director multiplied by the closing price of the Common Shares on the TSX on March 31, 2016 ($41.64).

(3) This value corresponds to three times the then-current annual retainer and annual DSU grant of each director. The value of the annual DSU grant corresponds to the annual number of DSUs granted multiplied by the closing price of the Common Shares on the TSX on March 31, 2016 ($41.64).

(4) Ms. Karen Kinsley is within the five-year grace period after appointment to meet the minimum ownership requirements.

Director Summary Compensation Table

The following table provides a summary of compensation earned by each of the directors during the fiscal year ended March 31, 2016, as fees, share-based and option-based awards or otherwise:

Name (1)	Fees Earned (2) ($)	Share-Based Awards (3) ($)	Option-Based Awards ($)	Non-Equity Incentive Plan Compensation ($)	Pension Value ($)	All Other Compensation ($)	Total ($)
Emanuele (Lino) Saputo (4)	500,000	–	–	–	–	–	500,000
Lucien Bouchard (6)	33,343 (5)	66,060	–	–	–	–	99,403
Pierre Bourgie	119,500	205,250	–	–	–	–	324,750
Henry E. Demone	91,417 (5)	146,131	–	–	–	–	237,548
Anthony M. Fata	93,357 (5)	163,579	–	–	–	–	256,936
Annalisa King	93,304 (5)	144,839	–	–	–	–	238,143
Karen Kinsley (7)	12,751 (5)	62,148	–	–	–	–	74,899
Tony Meti	98,269 (5)	209,406	–	–	–	–	307,675
Caterina Monticciolo (6)	28,432	73,522	–	–	–	–	101,954
Patricia Saputo	75,000	165,389	–	–	–	–	240,389
Annette Verschuren	94,000	139,843	–	–	–	–	233,843
Total	1,239,373	1,376,167	–	–	–	–	2,615,540

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

(2) Fees earned are paid on a quarterly basis, in cash or in the form of DSUs, as per the compensation policy and the DSU Plan.

(3) Amounts reflect the fair value of DSUs granted per quarter as part of the annual DSU grant, calculated based on the closing price of the Common Shares on the TSX on the last trading day of each quarter. Additional DSUs are accumulated as notional equivalents of dividends declared on Common Shares. 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").

(4) Mr. Emanuele (Lino) Saputo receives a $500,000 annual fee as compensation for his services as executive Chairman but does not receive attendance fees, nor an annual DSU grant.

(5) Paid in the form of DSUs, as per the compensation policy and the DSU Plan.

(6) Ceased to be a director of the Company on August 4, 2015.

(7) Became a director of the Company on November 5, 2015.

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 year 2016. As at March 31, 2016, there were no option-based awards outstanding as 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 ($)	Market or Payout Value of Vested Share-Based Awards not Paid Out or Distributed ($) (2)
Emanuele (Lino) Saputo	–	–	–	–	–	–	–	–
Lucien Bouchard (3)	–	–	–	–	–	–	–	–
Pierre Bourgie	–	–	–	–	–	–	–	2,520,261
Henry E. Demone	–	–	–	–	–	–	–	1,080,058
Anthony M. Fata	–	–	–	–	–	–	–	2,443,560
Annalisa King	–	–	–	–	–	–	–	978,873
Karen Kinsley (4)	–	–	–	–	–	–	–	107,556
Tony Meti	–	–	–	–	–	–	–	2,907,929
Caterina Monticciolo (3)	–	–	–	–	–	–	–	2,521,011
Patricia Saputo	–	–	–	–	–	–	–	2,525,050
Annette Verschuren	–	–	–	–	–	–	–	528,745

(1) Mr. Lino A. Saputo, Jr. is an executive officer of the Company and does not receive any compensation for his services as a director. 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) 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, 2016 ($41.64). 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").

(3) Ceased to be a director of the Company on August 4, 2015.

(4) Became a director of the Company on November 5, 2015.

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, 2016, and the attendance record. During the year, there were five meetings of the Board, seven meetings of the Audit Committee and six meetings of the Corporate Governance and HR Committee. There was a 100% 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
Emanuele (Lino) Saputo	5 of 5	–	–
Lino A. Saputo, Jr.	5 of 5	–	–
Lucien Bouchard (1)	3 of 3	–	2 of 2
Pierre Bourgie	5 of 5	–	6 of 6
Henry E. Demone	5 of 5	–	6 of 6
Anthony M. Fata (2)	5 of 5	3 of 3	4 of 4
Annalisa King	5 of 5	7 of 7	–
Karen Kinsley (3)	2 of 2	2 of 2	–
Tony Meti	5 of 5	7 of 7	–
Caterina Monticciolo (1)	3 of 3	–	–
Patricia Saputo	5 of 5	–	–
Annette Verschuren	5 of 5	7 of 7	–

(1) Ceased to be a director of the Company on August 4, 2015.

(2) Ceased to be a member of the Audit Committee on August 4, 2015 and became a member of the Corporate Governance and HR Committee on the same date.

(3) Became a director and member of the Audit Committee on November 5, 2015.

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, and holds in the aggregate, or exercises control or direction over, directly or indirectly, shares representing 34% of the Common Shares outstanding on May 24, 2016, as disclosed previously in this Circular. The Board believes that the value of the principal shareholder's equity stake in the Company ensures that his interests are aligned with those of the other shareholders of the Company. The Board believes that the Company's existing 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 of National Instrument 58-101— "Disclosure of Corporate Governance Practices" — adopted by the Canada Securities Administrators. The Company follows the evolution of corporate governance practices and guidelines in Canada. The Corporate Governance and HR Committee and the Board will pursue their review of the Company's corporate governance practices and, if appropriate, will implement changes to improve them.

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 Chairman, the committee Chairs and the Lead Director; (iii) a selection process for new directors and a related Board diversity policy; (iv) a whistleblowing policy; (v) an assessment process for the Chief Executive Officer, the Board, the committees and the directors, individually; (vi) a continuing education program for the directors; (vii) minimum ownership requirements 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; and (xi) an incentive compensation clawback policy.

Board of Directors

The Board is legally responsible for overseeing the stewardship of the Company's affairs to ensure that its resources are managed so as to create economic wealth.

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 has formally acknowledged its responsibility for, among other matters, (i) reviewing, at least once per year, the Company's strategic orientation and the plans established with respect thereto; (ii) identifying, with Management, the principal risks of the Company's business and the systems put in place to manage these risks; (iii) to the extent feasible, satisfying itself as to the integrity of the Chief Executive Officer of the Company and other senior officers, and to create a culture of integrity throughout the Company; (iv) ensuring proper Management succession planning, including appointing, training and monitoring senior Management; (v) maintaining a proper communication policy with shareholders, institutional investors and participants in the financial market; (vi) overseeing the integrity of internal control and management information systems; and (vii) developing the Company's approach to corporate governance, including developing a set of corporate governance principles and guidelines specifically applicable to the Company. 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.

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 would 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 determining the status of independent directors, the Corporate Governance and HR Committee has — based, among other things, on information provided by the directors by way of a questionnaire — 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". These determinations as to independence of the directors are reviewed and approved by the Board. 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 be composed of eight independent directors, which ratio, in the Company's opinion, continues to adequately reflect the investment of minority shareholders.

- As the executive Chairman of the Board of the Company, Mr. Emanuele (Lino) Saputo is not an independent director.
- As Chief Executive Officer of the Company, Mr. Lino A. Saputo, Jr. is not an independent director.
- Mr. Henry E. Demone is an independent director.
- Mr. Anthony M. Fata is an independent director.
- Ms. Annalisa King is an independent director.
- Ms. Karen Kinsley is an independent director.
- Ms. Diane Nyisztor is an independent director nominee.
- Ms. Franziska Ruf is an independent director nominee.
- Mr. Tony Meti is an independent director.
- Ms. Annette Verschuren is an independent director.

Mr. Pierre Bourgie and Ms. Patricia Saputo, who are not standing for re-election, are independent directors. The independent directors meet without Management and without the Chairman of the Board following each Board meeting.

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 and new nominee directors is set out below.

Corporation	Directors	Committees
National Bank of Canada	Ms. Karen Kinsley	Audit Committee Human Resources Committee Risk Management Committee
	Mr. Lino A. 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 and committee meeting. During fiscal 2016, five such meetings were held. The Corporate Governance and HR Committee and the Audit Committee are composed solely of independent members and held respectively six and seven meetings without Management during fiscal 2016.

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 Chairman of the Board and Chief Executive Officer are separate. The principal shareholder of the Company and its founder, Mr. Emanuele (Lino) Saputo, holds the position of Chairman of the Board. Mr. Lino A. Saputo, Jr. holds the positions of Chief Executive Officer and Vice Chairman of the Board. The experience and expertise of Mr. Emanuele (Lino) Saputo in the sectors in which the Company is engaged benefit all members of Management and the Board. However, as the position of Chairman of the Board is held by a member who is not independent, the Board appointed the Chairman of the Corporate Governance and HR Committee, Mr. Pierre Bourgie, as Lead Director. The responsibilities of the Lead Director include: ensuring that the Board is able to function independently of Management, setting Board agendas with the Chairman of the Board, overseeing the quality of the information sent to directors, calling and chairing the meetings of independent directors, and reviewing any comments or requests made by an independent director. The Lead Director is elected annually by a vote of the directors who qualify as independent directors.

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 Chief Executive Officer, the Chairman, the committee Chairs and the Lead Director.

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

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.

Corporate Governance and Human Resources Committee

The Corporate Governance and HR Committee is composed of three members of the Board: Messrs. Pierre Bourgie, who is the Chairman of this committee, Anthony M. Fata and Henry E. Demone, 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) review and approve the executive compensation policy of the Company; (ii) review the Company's corporate governance practices and make recommendations to the Board with respect thereto; (iii) ensure proper Management succession planning for the Company and make recommendations to the Board with respect thereto; (iv) implement a process to assess, on an annual basis, the performance of the Chief Executive Officer, and periodically, the performance of the Board, its committees and the directors, individually; (v) review the compensation of the directors in their capacity as directors, including the review of the requirements regarding the minimal number of shares and/or DSUs each director must hold, and make recommendations to the Board with respect thereto; (vi) implement a uniform and transparent 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; and (vii) present quarterly reports to the Board with respect to its achievements and current projects. During fiscal 2016, the Corporate Governance and HR Committee held six 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. Annalisa King, Karen Kinsley and Annette Verschuren and Mr. Tony Meti, who is the Chairman of this committee, all of whom are independent and financially literate. The Audit Committee has the mandate to (i) review the annual and quarterly 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, including the appropriateness of the accounting principles and practices used by the Company; (iii) monitor periodically the adequacy and the effectiveness of the internal control systems of the Company; (iv) 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; (v) oversee and control the internal audit function; (vi) review and approve the annual internal audit plan; (vii) oversee the application of the Company's procedure regarding complaints of an auditing or accounting nature; (viii) examine, approve and apply the Company's hiring policy with respect to employees and former employees of the current and former auditors of the Company; (ix) delineate any relationship the external auditors have with the Company which may affect the independence and objectivity of the external auditors; (x) review and evaluate the risk factors inherent to the Company's business and ensure that appropriate measures are in place to manage them effectively; and (xi) present quarterly reports to the Board 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. During fiscal 2016, the Audit Committee held seven meetings, all of which were followed by meetings where Management was not present.

Through its Audit 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 program 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 systems. 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, upcoming accounting norms, internal accounting systems, as well as financial controls and procedures, auditing procedures and programs. 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 with respect to financial disclosures, and internal controls and procedures over financial reporting, 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, 2016. Copy of this document can be found 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 aims to ensure that a strong pipeline of talent is being developed at all levels in the organization. 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 officers in their respective capacity in light of 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 formal periodic evaluation process, Board members complete an effectiveness survey as to the performance of the Board, its committees and the individual performance of each Board member. These surveys are submitted on a confidential basis and are reviewed by the Chairman of the Corporate Governance and HR Committee. The survey completed by the Chairman of the Corporate Governance and HR Committee is submitted to a member of this committee mandated by the other members. The Chairman 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 presented to the Board by the Chairman 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 competencies, qualifications, knowledge and 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 Chairman 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 to the Board nominees for election of Board members at the next annual general meeting of shareholders and when recommending the composition of the committees, as well as their Chairmen 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

With respect to newly appointed directors, they 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 at least one member of Management 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

With respect to current directors, the continuing education program 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. The Chairman of each committee of the Board presents, at the quarterly Board meetings, a summary of the achievements and current projects of his committee. Directors 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 senior levels 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 2016, 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
Facility visit	April 2015	Board
Strategic planning	April 2015	Board
New audit or accounting standards	May 2015	Audit Committee
Pension plans	May 2015	Audit Committee
Integration of acquisitions	October 2015	Audit Committee
Tax	October 2015	Audit Committee
Competition, international markets, consumer trends and dairy industry: updates	October 2015	Audit Committee
Information technology strategy and enterprise resource planning	November 2015	Audit Committee
Trends in corporate governance	November 2015	CGHR Committee

Environment	January 2016	Audit Committee
Quality assurance	January 2016	Audit Committee
Trends in executive compensation	February 2016	CGHR Committee
Other governance considerations	March 2016	CGHR 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 he or she 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 one or more 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 a process to assess periodically the effectiveness of the Board, its committees and the individual performance of each Board member.

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 "Skills Matrix" for more information concerning the 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 "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.

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".

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. In fiscal 2016, with a view of identifying a suitable pool of candidates for nomination or appointment over time, the Company's external advisors helped in the preparation of a list of potential candidates based on the skills sought and requirements established, including as to diversity, as well as their interest, availability and suitability. Interviews were also conducted by a designated member of the Corporate Governance and HR Committee, and by the Vice Chairman of the Board. A recommendation was thereafter made to the Corporate Governance and HR Committee, which then reviewed the candidacy of certain individuals. Following the Corporate Governance and HR Committee's recommendation to the Board, Ms. Kinsley joined the Board on November 5, 2015. Following Ms. Saputo and Mr. Bourgie's decision to not renew their mandates as directors, the Corporate Governance and HR Committee recommended Ms. Diane Nyisztor and Ms. Franziska Ruf to the Board. For more information, see the section entitled "Election of Directors".

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. 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, background, experience and knowledge, 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 "Skills Matrix" for more information concerning the 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 annual general meeting and assuming that all nominees are elected as contemplated in this Circular, five of the ten directors (50%) will be women.

Saputo Management

Saputo strives to embed diversity and inclusion in the corporate culture. The Company's *Code of Ethics* prohibits workplace discrimination based on race, national or ethnic origin, colour, religion, age, sex, sexual orientation, matrimonial status, civil status, or physical or mental handicap. Reference is made to the section entitled "Ethical Business Conduct" for more information. 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.

Saputo prides itself on developing its employees internally and providing them with opportunities to advance their careers. 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. Currently, 18% of the Company's executive officers and executive vice presidents (2 out of 11) are women. 12 out of 103 leaders of the Company and its major subsidiaries holding a vice president level position and above are women (12%).

Majority Voting Policy

The Board believes that each of its members should carry the confidence and support of the shareholders. Therefore, in addition to the individual voting process implemented several years ago, the Board also has a majority voting policy. Pursuant to this policy, any nominee for 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 his or her resignation to the Board following the meeting. The Corporate Governance and HR Committee shall consider the resignation and whether or not it should be accepted 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 his or her resignation pursuant to this policy shall not participate in the deliberations of the 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 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.

The director nominee election results from the August 4, 2015 annual meeting are set out below:

Name	Voted For*	Withheld from Voting*	% For*	% Withheld*
Emanuele (Lino) Saputo	280,707,529	1,845,422	99.35%	0.65%
Lino A. Saputo, Jr.	280,059,817	2,493,134	99.12%	0.88%
Pierre Bourgie	278,765,905	3,787,046	98.66%	1.34%
Henry E. Demone	281,068,129	1,484,822	99.47%	0.53%
Anthony M. Fata	281,609,569	943,382	99.67%	0.33%
Annalisa King	281,077,768	1,475,183	99.48%	0.52%
Tony Meti	281,284,675	1,268,276	99.55%	0.45%
Patricia Saputo	281,577,850	975,101	99.65%	0.35%
Annette Verschuren	281,484,648	1,068,303	99.62%	0.38%

* 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.

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 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 whistleblowing procedures, which allow 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 Chairman of the Audit Committee, who is responsible for overseeing the whistleblowing procedures.

Communication Policy

The Audit Committee is responsible for the review of the annual and quarterly financial statements of the Company and all other continuous disclosure documents required by regulatory authorities, all of which are approved by the Board before 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 to the investing public are timely, consistent and accurate, and that the information is disseminated in compliance with all applicable requirements of the TSX and securities regulatory authorities.

Directors' Employment and Other Directorships

Directors must inform senior Management before accepting an invitation to serve on another board, or with respect to any 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 his or her 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 his or her ability to exercise his or her 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.

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

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 three independent directors, Messrs. Pierre Bourgie, who is the Chairman of the committee, Henry E. Demone and Anthony M. Fata. Each member has direct experience that is relevant to his responsibilities in executive compensation. More specifically, all members have held executive management positions as Chief Executive Officers or President of organizations with oversight over human resources functions. Messrs. Bourgie and Demone also have experience as members 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; (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; and (iv) assessing the risks associated with the Company's compensation policies and practices.

The Corporate Governance and HR Committee reviewed the Company's compensation policies and practices for fiscal 2016, 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 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 and performance share units ("PSUs")); (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) a share ownership policy provides that executives must hold a minimum number of Common Shares; (vii) rules of conduct prohibit insiders, including directors and named executive officers ("NEOs"), 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 (viii) the incentive compensation is subject to a clawback policy.

Share Ownership Policy for Executive Officers

Pursuant to the ownership policy for executive officers adopted by the Board, the Chief Executive Officer shall own a number of shares having a total market value of at least two times his annual base salary; the Chief Financial Officer and the President and Chief Operating Officer of the Company shall own a total market value of at least 1.5 times their annual base salary; and all other executives, including NEOs, shall own a total market value of at least one time the executive's annual base salary. Each executive is required to comply with this policy within five years following his or her appointment as an executive officer of the Company.

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, 2016, all NEOs complied with the minimum ownership requirement. The information set out below is as at March 31, 2016.

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.	136,764	5,694,853	2,600,000	Yes
Louis-Philippe Carrière	45,567	1,897,410	1,260,000	Yes
Dino Dello Sbarba	61,811	2,573,810	1,462,500	Yes
Terry Brockman	53,092	2,210,751	680,000	Yes
Paul Corney	8,302	345,695	500,000	n/a [3]

(1) This value corresponds to the number of Common Shares held by each NEO multiplied by the closing price of the Common Shares on the TSX on March 31, 2016 ($41.64).

(2) This value corresponds to the relevant number of times annual base salary for fiscal 2016 applicable to each NEO. Mr. Brockman and Mr. Corney are 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. Corney was named President and Chief Operating Officer, Dairy Foods Division (USA) on April 1, 2014 and was, on March 31, 2016, within the five-year grace period after appointment to meet the minimum ownership requirement.

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 reviewing and monitoring the executive compensation policy, 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 option and PSU grants.

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

In fiscal 2016, the Company has adopted an incentive compensation clawback policy which applies to all executive officers and certain members of senior management of the Company. 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) he/she was 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"), an independent compensation consulting firm, has been retained by the Corporate Governance and HR Committee for over the past ten years for 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 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.

For fiscal 2016, PCI was retained to provide assistance with a review of executive compensation. In fiscal 2015, PCI also provided advice on the compensation of directors. The table below sets forth the fees incurred by the Company in connection with services provided by PCI in fiscal 2015 and fiscal 2016. During such years, PCI was not retained to perform other work for the Company. No mandate is given to PCI unless approved by the Corporate Governance and HR Committee.

Executive Compensation-Related Fees		
Fiscal Year	**Executive Compensation-Related Fees**	**All Other Fees**
2016	$88,483	N/A
2015	$13,238	N/A

For fiscal 2016, the 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 2016, taking into account the performance and experience of the executive officers. Following discussions with the Chief Human Resources Officer, the Committee approved, in March 2015, the fiscal 2016 compensation packages for the executives, and provided a report to the Board at its next meeting.

In connection with executive compensation, the 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 are established. The Chief Financial Officer and Secretary also oversees the financial, accounting, legal and regulatory aspects of the Equity Compensation Plan and the performance share unit plan (the "PSU Plan") including maintaining a record of the options and PSUs granted, vested, exercised, paid-out, and cancelled, as the case may be, and filing insider reports and other reports with the regulatory authorities. The Chief Human Resources Officer assists in the administration of the Equity Compensation Plan and the PSU Plan. Any proposed modifications to the annual incentive (bonus) plan, the Equity Compensation Plan and the PSU Plan are 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 are submitted to the 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 2016. 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). As the review conducted for fiscal 2015 was comprehensive, a simple update of fiscal 2015 market data was considered sufficient to assist the Corporate Governance and HR Committee in its decision with respect to fiscal 2016 executive compensation. For fiscal 2016, the same comparative groups as for fiscal 2015 were used.

The Canadian Comparative Group is composed of six companies in the agri-food sector and four 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
Agrium Inc.
Alimentation Couche-Tard Inc.
Canada Bread Company, Limited
Cott Corporation
Empire Company Ltd.
George Weston Limited
Maple Leaf Foods Inc.
Metro Inc.
Molson Coors Brewing Company
Tim Hortons Inc.

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

For fiscal 2016, the same combined group as for fiscal 2015 (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 US, was also used to benchmark the compensation of certain executives.

The following chart identifies the NEOs for fiscal 2016 and the comparative group used to benchmark their fiscal 2016 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
Louis-Philippe Carrière	Chief Financial Officer and Secretary	Combined Group	Combined Group
Dino Dello Sbarba	President and Chief Operating Officer	Combined Group	Combined Group
Terry Brockman	President and Chief Operating Officer Cheese Division (USA)	US Comparative Group	Combined Group
Paul Corney	President and Chief Operating Officer Dairy Foods Division (USA)	US Comparative Group	Combined Group

Elements of Executive Compensation

For fiscal 2016, the compensation for the executive officers of the Company, including the NEOs, consisted of the following:

- Base salary;
- Annual incentive (bonus);
- Long-term incentive plans (options and PSUs); and
- Retirement 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	Stock options	Vesting over five years, ten-year term
Long-term incentive (PSUs)	Variable	PSUs	Performance cycle 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 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 2016, 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	25%	75%	–	–
Chief Financial Officer and Secretary	23.9%	35.8%	16.4%	23.9%
President and Chief Operating Officer	23.9%	35.8%	16.4%	23.9%
President and Chief Operating Officer Cheese Division (USA)	27.8%	34.8%	15.3%	22.1%
President and Chief Operating Officer Dairy Foods Division (USA)	27.8%	34.8%	15.3%	22.1%

(1) Annual incentive at target.

(2) Based on the estimated grant date fair value of option-based awards.

(3) Based on the estimated 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 2016, the NEOs' base salaries were increased to reflect market salary adjustments and to recognize the NEOs' respective experience in their current position and their tenure within the Company, the evolution of their skills and their performance against expectations. No significant changes were made, except as outlined below, as base salary was generally in line with the compensation policy objective of being competitive with the third quartile of salaries paid by the companies forming part of the relevant comparative group. For fiscal 2016, the Chief Executive Officer's base salary was increased as his total direct compensation was significantly below the Company's compensation policy objective and Mr. Corney's base salary was increased to continue to progress towards the third quartile of salaries paid by companies in the US Comparative Group.

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 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 2016, as in previous years, financial performance was based on the level of achievement of the earnings before interest, income taxes, depreciation, amortization, gain on disposal of a business, acquisition, restructuring and other costs ("Adjusted EBITDA") as set forth in the Company's financial statements, realized after adjustments described below ("Market-Adjusted EBITDA") when compared to the EBITDA set forth in the fiscal 2016 budget approved by the Board ("Budgeted EBITDA"). When determining the budgets, 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), the average butter market price per pound, as well as dairy ingredient prices and 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 Budgeted EBITDA for purposes of the bonus calculation, the Company reconciles Adjusted EBITDA realized to take into consideration the assumptions used when preparing the Budgeted EBITDA. The Market-Adjusted EBITDA therefore excludes the impact of market factors that have an effect on EBITDA, but on which the executive officers have no control. Bonuses are therefore paid based on the level of achievement of Market-Adjusted EBITDA when compared to Budgeted EBITDA.

Under the annual incentive (bonus) plan, a bonus can only be paid if at least 85% of the 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 105% of Budgeted EBITDA. Bonus payments are made proportionately to the level actually achieved above 85% of Budgeted EBITDA until the maximum of 105% of 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 2016 with respect to NEOs.

For fiscal 2016, the payout percentage for superior performance (105% of the financial performance target or more) of the Chief Executive Officer was increased to bring his maximum total direct compensation above the first quartile. All other payout percentages established for the bonuses to be awarded to NEOs for threshold (85% of the financial performance target), target (100% of the financial performance target) and superior performance (105% of the financial performance target or more) remained the same as the payout percentages used for fiscal 2015. The contributions to total direct compensation resulting from those payout percentages were generally in line with the Company's compensation policy.

Name	% of Base Salary		
	Threshold (85% financial performance target)	Target (100% financial performance target)	Maximum (105% financial performance target or more)
Lino A. Saputo, Jr.	150%	200%	300%
Louis-Philippe Carrière	70%	90%	150%
Dino Dello Sbarba	70%	90%	150%
Terry Brockman	55%	75%	125%
Paul Corney	55%	75%	125%

The table below sets forth, for each NEO for fiscal 2016, the level of achievement reached by the Company or the relevant division with respect to the financial performance objectives established, and the bonus earned.

Name	Financial Performance Target Used	Level of Achievement	Fiscal 2016 Bonus Earned as a % of Base Salary
Lino A. Saputo, Jr.	Consolidated Budgeted EBITDA	>105%	300%
Louis-Philippe Carrière	Consolidated Budgeted EBITDA	>105%	150%
Dino Dello Sbarba	Consolidated Budgeted EBITDA	>105%	150%
Terry Brockman	Cheese Division (USA) Budgeted EBITDA (75% weighting) Consolidated Budgeted EBITDA (25% weighting)	>105% >105%	125%
Paul Corney	Dairy Foods Division (USA) Budgeted EBITDA (75% weighting) Consolidated Budgeted EBITDA (25% weighting)	>105% >105%	125%

Long-Term Incentive Plans

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 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 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 from time to time 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, 2016, the Corporate Governance and HR Committee granted options to plan participants based on the guidelines established by the 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 from time to time 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, 2016, 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 Committee determines the 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 maximum realisation of the PSU payout for a Performance Cycle cannot exceed 100% of the PSUs granted. 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 2016.

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 2016

For fiscal 2016, the same equity-based mix as fiscal 2015 was used regarding the Company's long-term incentive component, being a combination of 50% options and 50% PSUs for NEOs. In reaching its decision to maintain this mix, the Corporate Governance and HR Committee took into account competitive equity-based compensation trends and practices. The estimated fair value of the long-term incentive component which had been set at approximately 200% of the NEO's base salary in fiscal 2015 remained unchanged, which percentage is competitive with the third quartile of the Combined Group for the Chief Financial Officer, above the median for the President and Chief Operating Officer and competitive with the median for the President and Chief Operating Officer, Cheese Division (USA) and the President and Chief Operating Officer, Dairy Foods Division (USA).

On April 1, 2015, 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 2016. The estimated fair value of options granted represented approximately 100% of their base salary All options granted on April 1, 2015 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, 2015, 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 2016. The fair value of the PSUs granted represented approximately 100% of their base salary. Such PSUs were granted for a cycle of three years ending March 31, 2018 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 ("ROE"), ≥ 16% (the Annual Objective);

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

ROE is set forth in the Company's Annual Report. The Corporate Governance and HR Committee has selected 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 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 2013 PSU Award

The PSUs awarded on April 1, 2012 to NEOs and other senior-level management vested based on the achievement of ROE for the three-year Performance Cycle ended March 31, 2015, as set out in the chart below.

Annual Cycle Ended	Annual Objective	Result	Cumulative percentage of PSUs (1)
March 31, 2013	ROE ≥ 18 %	ROE = 23.0 %	33 1/3 %
March 31, 2014	ROE ≥ 18 %	ROE = 22.8 %	66 2/3 %
March 31, 2015	ROE ≥ 18 %, or Cycle Objective ROE ≥ 54 %	ROE = 20.4 %, Cycle Objective ROE = 66.2 %	100 %

(1) Represents the cumulative percentage of the PSUs granted on April 1, 2012 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, 2012, occurred in June 2015 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 2016

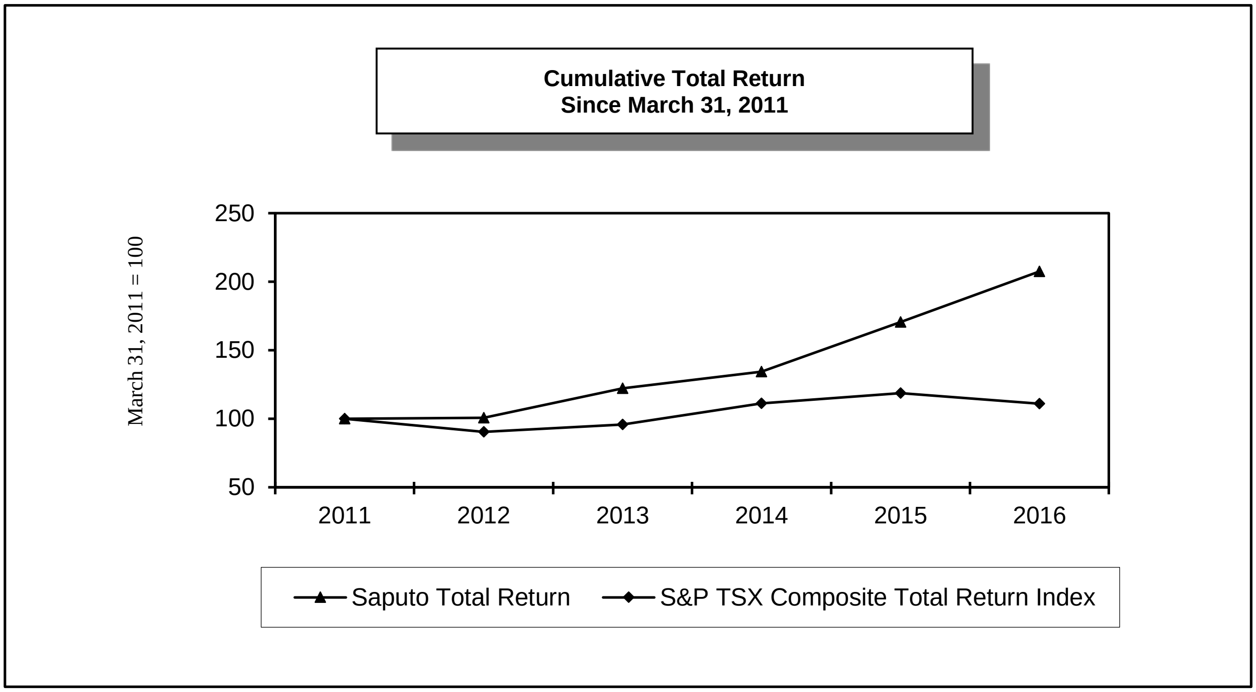
Target total direct compensation of the NEOs represents the sum of salary, target annual bonus and estimated fair value of the long-term incentive grants for fiscal 2016. The target total direct compensation of the President and Chief Operating Officer and the Chief Financial Officer is slightly above the third quartile of the Combined Group, reflective of their long tenure. The President and Chief Operating Officer of the Cheese Division (USA)'s total direct compensation is competitive with the third quartile of the U.S. Comparative Group. The President and Chief Operating Officer of the Dairy Foods Division (USA)'s total direct compensation is between the first quartile and the median of the U.S. Comparative Group and is reflective of his relatively recent appointment. The total direct compensation of the Chief Executive Officer, who does not receive any long-term incentives, is below the first quartile of the Combined Group.

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 Graph

The following graph compares, on a yearly basis, the total cumulative shareholder return of $100 invested in Common Shares with the cumulative return on the S&P/TSX Composite Total Return Index of the TSX during the five fiscal years ending March 31, 2016 (assuming all dividends are reinvested).



	3/31/11	3/31/12	3/31/13	3/31/14	3/31/15	3/31/16
SAPUTO TOTAL RETURN	100	101	122	134	171	207
S&P TSX COMPOSITE TOTAL RETURN INDEX	100	90	96	111	119	111

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 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 since 2011. 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, as well as the evolution in comparative groups used and the progression in compensation practices of the relevant comparative groups. Annual variable compensation and PSUs are linked to the Company's annual operational financial performance during the period. However, option awards, being dependent on the price of the Common Shares, link the NEOs' potential rewards with the Common Shares' price performance during and beyond this period. The award date value of option and PSU awards included in NEOs' total annual compensation does not reflect their final payout value. NEOs' final total rewards are contingent upon the Company's operational, financial and Common Share price performance during and beyond this period.

NEO Summary Compensation Table

The following table provides a summary of compensation earned during the fiscal years ended March 31, 2016, 2015 and 2014, as salary, bonus, long-term incentives, pension or otherwise, by the NEOs, being the CEO, CFO and the three most highly compensated executive officers of the Company. Certain aspects of this compensation are dealt with in greater detail in the following tables.

					Non-Equity Incentive Plan Compensation ($)				
Name and Principal Position	**Year**	**Salary ($)**	**Share-Based Awards ($)(1)**	**Option-Based Awards ($) (2)**	**Annual Incentive Plans (3)**	**Long-Term Incentive Plans**	**Pension Value ($) (4)**	**All Other Compen-sation ($) (5)**	**Total Compen-sation ($)**
Lino A. Saputo, Jr. Chief Executive Officer	2016 2015 2014	1,300,000 1,100,000 1,100,000	- - -	- - -	3,900,000 2,162,600 2,157,980	- - -	- - -	- - -	5,200,000 3,262,600 3,257,980
Louis-Philippe Carrière Chief Financial Officer and Secretary	2016 2015 2014	840,000 800,000 675,000	839,991 800,022 337,516	576,602 629,844 609,222	1,260,252 709,200 597,233	- - -	651,500 531,600 1,900,100	- - -	4,168,345 3,470,666 4,119,071
Dino Dello Sbarba President and Chief Operating Officer	2016 2015 2014	975,000 925,000 875,000	975,014 925,018 437,518	669,267 728,266 789,724	1,462,793 820,013 774,191	- - -	881,800 766,300 3,571,300	- - -	4,963,874 4,164,597 6,447,733
Terry Brockman President and Chief Operating Officer Cheese Division (USA)(6)	2016 2015 2014	851,156 711,564 635,000	679,991 645,010 312,477	466,773 507,813 564,094	1,064,158 664,756 415,326	- - -	338,400 246,400 707,100	- - -	3,400,478 2,775,543 2,633,997
Paul Corney President and Chief Operating Officer Dairy Foods Division (USA) (6) (7)	2016 2015 2014	625,850 468,860 300,000	499,995 424,977 29,996	343,218 334,611 169,373	782,469 504,769 72,052	- - -	190,800 217,700 37,100	50,404 - -	2,492,736 1,950,917 608,521

(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, 2015, 2014 and 2013 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.

(2) This amount equals the number of options granted on April 1, 2015 multiplied by $6.02 ($5.46 for April 1, 2014 and $5.77 for April 1, 2013), 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.

	2016	2015	2014
Risk-free interest rate:	0.80%	1.71%	1.34%
Expected life of options:	5.3 years	5.3 years	5.5 years
Volatility:	21.19%	23.43%	26.96%
Dividend rate:	1.53%	1.82%	1.66%

(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 quarterly 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. For the year ended March 31, 2014, it also included the past service cost resulting from modifications in fiscal 2014 to the supplementary retirement pension plans for executives. 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. Mr. Corney's amounts for fiscal 2016 include a rent allowance totalling US$31,800 to assist in his relocation from Canada to the United States. Amounts of perquisites and other personal benefits paid in US dollars have been converted to Canadian dollars using translation rates of 1.2517, which correspond to the closing exchange rate of the Bank of Canada for US$1 on March 25, 2015.

(6) The compensation awarded to Mr. Brockman and Mr. Corney was in US dollars. The translation rates used for this disclosure were 1.016, 1.1032, and 1.2517, which correspond to the closing exchange rate of the Bank of Canada for US$1 on March 28, 2013, March 27, 2014 and March 25, 2015 respectively.

(7) Mr. Corney was appointed President and Chief Operating Officer, Dairy Foods Division (USA) on April 1, 2014. Prior to such date, he was Senior Vice President - National Retail Sales, Dairy Division (Canada).

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 year 2016. The Company made its first share-based awards to NEOs on April 1, 2012, with the inception of the PSU Plan.

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.	–	–	–	–	–	–	–	–
Louis-Philippe Carrière	04/01/2011	14,462	21.610	04/01/2021		–		
	04/01/2012	84,850	21.480	04/01/2022		–		
	04/01/2013	105,676	25.550	04/01/2023		13,210		
	04/01/2014	115,356	27.740	04/01/2024		28,840		–
	04/01/2015	95,781	35.080	04/01/2025	5,932,348	23,945	2,748,032	
Dino Dello Sbarba	04/01/2011	78,088	21.610	04/01/2021		–		
	04/01/2012	130,354	21.480	04/01/2022		–		
	04/01/2013	136,986	25.550	04/01/2023		17,124		
	04/01/2014	133,382	27.740	04/01/2024		33,346		
	04/01/2015	111,174	35.080	04/01/2025	8,979,455	27,794	3,258,913	–
Terry Brockman	04/01/2007	75,792	11.545	04/01/2017		–		
	04/01/2008	80,906	13.905	04/01/2018		–		
	04/01/2009	105,140	10.700	04/01/2019		–		
	04/01/2010	89,530	14.660	04/01/2020		–		
	04/01/2011	65,942	21.610	04/01/2021		–		
	04/01/2012	98,580	21.480	04/01/2022		–		
	04/01/2013	97,848	25.550	04/01/2023		12,230		
	04/01/2014	93,006	27.740	04/01/2024		23,252		
	04/01/2015	77,537	35.080	04/01/2025	16,877,431	19,384	2,284,620	–
Paul Corney	04/01/2011	3,902	21.610	04/01/2021		–		
	04/01/2012	13,500	21.480	04/01/2022		–		
	04/01/2013	17,612	25.550	04/01/2023		1,174		
	04/01/2014	54,284	27.740	04/01/2024		15,320		
	04/01/2015	57,013	35.080	04/01/2025	1,762,247	14,253	1,280,305	–

(1) This value corresponds to the difference between the closing price of the Common Shares on the TSX on March 31, 2016 ($41.64) 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 100% payout, being 100% of the number of PSUs granted on April 1, 2013, April 1, 2014 and April 1, 2015 multiplied by the closing price of the Common Shares on the TSX on March 31, 2016 ($41.64). 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 year 2016 and the amount of bonus earned with respect to the performance achieved during fiscal year 2016:

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.	–	–	3,900,000
Louis-Philippe Carrière	1,247,149	363,400	1,260,252
Dino Dello Sbarba	1,466,269	447,203	1,462,793
Terry Brockman	1,128,232	338,183	1,064,158
Paul Corney	401,533	42,660	782,469

(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 1, 2015 ($35.01), which is the vesting date, 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 (see "Long-Term Incentive Plans").

(2) Pursuant to the PSU Plan, PSUs vest at the end of a Performance Cycle. The first grant under the PSU Plan was made on April 1, 2012 and vested and was fully paid out in June 2015 as the Vesting Criteria was fully achieved. See "Payout of Fiscal 2013 PSU Award". The grant under the PSU Plan made on April 1, 2013 will vest on June 2, 2016 subject to achieving the Vesting Criteria. The grants under the PSU Plan made on April 1, 2014 and 2015 will vest after the end of the Performance Cycle ending March 31, 2017 and 2018, 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".

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 Messrs. Louis-Philippe Carrière, Dino Dello Sbarba and Paul Corney participate is a Non-Contributory Canadian Registered Defined Benefit Pension Plan and the registered retirement plan in which Mr. Terry Brockman participates is a Contributory 401(K) pension plan registered in the US. 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 retirement 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 maximum annual pension benefits payable, prior to the applicable reduction for early retirement, is capped at 60% of the participant's 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. However, each participant who adhered to the supplementary retirement plan on January 1, 2004, is accruing a pension equal to 3% of their respective final average earnings multiplied by their respective years of credited service. The NEOs in this situation are Messrs. Carrière and Dello Sbarba.

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

If a participant has a spouse at the time of retirement, the benefit payable to his spouse will be on the basis of a joint and surviving spouse annuity, reduced to 60% upon his death. Otherwise, the normal form of payment will be a lifetime pension guaranteed for ten years.

The following table illustrates, for each NEO, the eligible years of service and estimated annual retirement benefits payable at age 65 accrued as of March 31, 2016, 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, 2015, to March 31, 2016, including the annual cost attributable to compensatory items for the fiscal year 2016. 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, 2016, 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, 2016 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 ($)	Non-Compensatory Change ($)	Closing Present Value of Defined Benefit Obligation ($)
		At Year End	At Age 65				
Lino A. Saputo, Jr.	–	–	–	–	–	–	–
Louis-Philippe Carrière	12.25	463,000	525,000	6,310,300	651,500	(664,900)	6,296,900
Dino Dello Sbarba	12.25	555,000	615,000	9,256,100	881,800	(612,900)	9,525,000
Terry Brockman	10.00	290,000	561,800	3,013,400	338,400	68,600	3,420,400
Paul Corney	2.00	31,200	161,200	187,600	190,800	81,700	460,100
	12.25 (1)	35,500	35,500	640,600	–	(37,900)	602,700

(1) This number corresponds to the years of credited service for Mr. Corney under the Saputo Dairy Canada Defined Benefit Pension Plan, which Mr. Corney participated in as a result of his previous role as an employee of a business acquired by the Company in 2001. Under such defined benefit pension plan, participants are entitled to retirement benefits as of their respective age of retirement equal to 2% of their final average base salary multiplied by their years of service. Furthermore, the total annual pension payable from the plan at retirement is limited by the provisions of the *Income Tax Act*. Based on 2016 limits, the maximum annual retirement benefit is equal to $2,890 multiplied by Mr. Corney's years of credited service. The limit is indexed annually.

Retirement 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, 2016, 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	16,903,824	$24.41	12,381,559

On April 1, 2015, the Corporate Governance and HR Committee granted an aggregate of 3,280,395 options to participants under the Equity Compensation Plan at an exercise price of $35.08 per share, which represents 0.8% of the outstanding Common Shares as of such date. On April 1, 2016, the Corporate Governance and HR Committee granted an aggregate of 4,218,934 options to participants under the Equity Compensation Plan at an exercise price of $41.40 per share, which represents 1.07% of the outstanding Common Shares as of such date.

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 its subsidiaries. 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 for options granted prior to July 31, 2007, provided that the exercise price may not be less than the closing price of the Common Shares on the TSX on the business day immediately preceding the date of grant. For options granted thereafter, 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, 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 optioned in favour of any single individual shall not exceed 5% of the total number of outstanding Common Shares. 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 portion of an option 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 portion of an option 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 his/her number of years of service total 70 years or more, taking into account only whole years, the vested portion of an option at the date of termination of employment and the portion of an option 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 portion of an option 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 terms relating to the provision of financial assistance to optionees or 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;

provided that such amendments to the terms of any previously granted option may not lead to significant or unreasonable dilution in the Company's outstanding securities or provide additional benefits to eligible participants, especially insiders, at the expense of the Company and its existing security holders, in which case approval of the shareholders of the Company must be obtained. The approval of the shareholders of the Company 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 adjustments in the event that such Common Shares are subdivided, consolidated, converted or reclassified by the Company or that any other action of a similar nature affecting such Common Shares is taken by 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 make a change to the class of persons eligible to participate under the Equity Compensation Plan; and

(v) 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);

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).

As of May 24, 2016, of the 45,498,260 Common Shares authorized for issuance under the Equity Compensation Plan, 16,648,938 Common Shares had been issued (or 4.2% of the Common Shares outstanding at such date), there were 20,633,164 options outstanding (representing 20,633,164 Common Shares or 5.3% of the Common Shares outstanding at such date) and 8,216,158 options remaining available for future grants (representing 8,216,158 Common Shares or 2.1% of the Common Shares outstanding at such date). Of the 20,633,164 options outstanding as of May 24, 2016, 9,720,634 options were exercisable and 10,912,530 will vest at a rate of 20% per year, on each of the first five anniversaries of their date of grant.

DIRECTORS AND OFFICERS' INSURANCE COVERAGE

The Company carries liability insurance in an amount limited to $100 million with respect to its directors and officers as a group, subject to a $500,000 to $1 million deductible, depending on the type of claim. For fiscal 2016, the total annual premium in respect of such insurance was $256,110, all of which was paid by the Company and charged to earnings.

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 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 or until their successors are appointed.

During fiscal 2016, 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, 2016. Copy of this document can be found 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 and provides goods and services from and 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

Shareholders proposals submitted for consideration of the Company's shareholders are attached as Schedule "A". For the reasons set forth below the proposals in Schedule "A", the Board recommends that shareholders vote against the proposals. **The persons whose names are printed on the enclosed form of proxy will vote the Common Shares represented thereby against the shareholder proposals, unless the shareholder of the Company has given contrary instructions in such form of proxy.**

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 Company. All shareholder proposals must be received by the Company no later than March 4, 2017.

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, 2016. Copies of these documents and additional information concerning the Company can be found on SEDAR at www.sedar.com, and 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.

GENERAL

Except as otherwise specifically indicated, the information contained herein is given as of May 24, 2016. Management of the Company presently knows of no matters to come before the Meeting other than matters identified in the Notice of Meeting. If any 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 2, 2016.

(signed) Emanuele (Lino) Saputo
Emanuele (Lino) Saputo, C.M., O.Q., Dr h.c.
Chairman of the Board

SCHEDULE A – SHAREHOLDER PROPOSALS

The following proposals were submitted by *Mouvement d'éducation et de défense des actionnaires* (MÉDAC) of 82 Sherbrooke Street West, Montreal, Quebec, 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 – Female Representation

It is proposed that the board of directors adopt measures, targets and deadlines regarding female representation at the board and management levels.

MÉDAC arguments:

Currently, three out of the nine directors (33%) are women, 18% of members of the executive officers and executive vice presidents of the Company (2 of 11) are women, and 10 out of the 95 members of management of the Company and its major subsidiaries holding a vice president level position and above are women (11%).

In order for the Company to pursue its efforts in this area and improve its performance, particularly with respect to executive management, we ask that the Company set specific targets and deadlines.

Such a practice enables to state the importance that executive management attaches to this subject and to implement an action plan to achieve the objectives set over a specific period, to ensure a true equality of opportunity based on equal skills, experiences and ambitions.

Company arguments:

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

As set out in more detail in the section entitled "Diversity – Board of Directors", the Corporate Governance and HR Committee, which is responsible for recommending director nominees to the Board, has embedded the Board Diversity Policy into its director selection and nomination process. In taking into consideration potential candidates, the Corporate Governance and HR Committee considers their merit based on a balance of skills, background, experience and knowledge, including taking into account diversity considerations such as gender, age and geographic areas and other characteristics of the communities in which the Company is present and conducts its business. The Board has decided not to fix a target regarding representation of women at the Board level. Even though the Board has not fixed such a target, the Board highly values diversity and remains fully committed to ensuring that women are well represented on the Board.

The same value placed on diversity at the Board level is placed at management level and Saputo strives to embed diversity and inclusion in the corporate culture. In considering fulfillment of executive and leadership roles, the Company believes in the value of having representations of both genders. While the Company seeks to recruit or appoint those individuals who are most qualified for the particular position, regardless of personal characteristics, the Company recognizes the value of diversity, including gender diversity, which offers a depth of perspectives and enhances the Company's operations.

The Company prides itself on developing its employees internally and providing them with opportunities to advance in their career. 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 these reasons, the Board recommends that the shareholders vote AGAINST this proposal.

<u>Proposal Number Two - Advisory Vote on Executive Compensation</u>

It is proposed that the board of directors adopt a policy for the implementation of an advisory vote on executive compensation.

<u>MÉDAC arguments:</u>

At the last annual meeting, the proposal to adopt a policy for the implementation of an advisory vote on the compensation of the five most senior executives of the Company received the support of 58.7% of the subordinate votes – which are the votes not held by the Saputo family. Such support shows the willingness of the shareholders to express their views and interest about this question.

In its response to our proposal, Saputo's management wrote: "The Company believes that the compensation of its executives, including the NEOs, is a complex area that requires thoughtful deliberation over time to arrive at the right mix or balance, and does not lend itself to a direct "for" or "against" vote."

We are reminded that close to 150 Canadian corporations have adopted an advisory vote policy. Such a vote allows organizations to obtain an indication on the level of satisfaction or dissatisfaction of its shareholders with regards to a subject that interests all. In the event of a high "against" vote, it allows the board of directors to implement corrective measures before the situation deteriorates, negatively affecting the reputation of the company and leading to high abstentions with regards to the election of certain directors which could cause their resignation under the majority voting policy.

<u>Company arguments:</u>

THE BOARD RECOMMENDS VOTING <u>AGAINST</u> THE PROPOSAL FOR THE FOLLOWING REASONS:

The Company and the Board appreciate the importance that shareholders place on effective executive compensation programs and are committed to proactive, open and responsive communications with shareholders that allow receipt of meaningful and specific comments, which can be considered and used to address shareholder concerns in a timely manner.

Last year, this same proposal was submitted to the vote of the Company's shareholders by the MÉDAC. The shareholders of the Company had the opportunity to express their view on this proposal and the proposition was rejected by 69.93% of the votes cast.

The Company and the Board reaffirm their position, which position was confirmed by a majority of the Company's shareholders at the last annual shareholders' meeting. By electing the members who make up the Board each year, shareholders grant them a well-defined mandate to supervise the management of the business and internal affairs of the Company. One of the main responsibilities of the Board is to oversee the compensation policy of the Company's senior executives with the objective of stimulating profitable return on investments and long term growth. The Company believes that the compensation of its executives, including the NEOs, is a complex area that requires thoughtful deliberation over time to arrive at the right mix or balance.

In order to rigorously fulfill its responsibilities, the Board is supported by the Corporate Governance and HR Committee, composed entirely of independent members. Each member of the Corporate Governance and HR Committee, whose responsibility includes ensuring that the Company's executive compensation policies and practices are suited to the Company's business, is experienced in executive compensation. When making recommendations to the Board of Directors with respect to compensation, the Corporate Governance and HR Committee uses its skills and its knowledge of the Company, its operations and the market in which it evolves, has the benefit of external professional guidance and follows the process described under the section "Compensation Discussion and Analysis". With respect to external professional guidance, the Corporate Governance and HR Committee has retained, for over the past ten years, PCI-Perrault Consulting Inc. ("PCI"), an independent compensation consulting firm, for advice relating to the competitiveness and appropriateness of the compensation programs of the Company's executives. The services provided by PCI include advice on compensation policies and practices, including base salaries, short and long-term incentive programs and pension benefits. The Corporate Governance and HR Committee therefore acts in a rigorous and informed manner.

The Company believes that the Corporate Governance and HR Committee is in the best position to oversee executive compensation of the Company, and should not be substituted by a vote by shareholders, even non-binding, on executive compensation.

Therefore, the Board believes that the adoption of this proposal would not be in the interest of the Company and its shareholders. Instead of holding such a vote, the Board invites shareholders who have questions or comments about the Company's compensation policy to submit them to the Company or the Chair of the Corporate Governance and HR Committee.

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 Saputo Inc. (the "Company"). As such, the Board establishes all Company policies, oversees and assesses management's strategic decisions, and has full power for duties that are not specifically delegated to its committees or to management. The Board is also responsible for overseeing the management of the Company's business by taking into account the best interests of the Company and its shareholders in general. Management's role is to conduct the Company's day-to-day operations so as to ensure that this objective is met.

BOARD ORGANIZATION

- The directors are elected annually by the Company's shareholders. These directors, together with those appointed between annual meetings to fill vacancies or as additional directors, make up the Board of the Company.

- The Board must be composed of a majority of independent directors as defined by applicable legislation.

- The Chair of the Board must be appointed by a resolution of the Board, and a Lead Director must be appointed if the Chair of the Board is not an independent director. The Lead Director must be appointed by a resolution of the independent members of the Board.

- The Board meets at least five times per year and may call special meetings as required. Board meetings may be held at the request of any director.

- The independent directors meet without management in attendance, following each meeting of the Board. The Chair of the Board, or Lead Director if the Chair is not an independent director, chairs the meetings.

- The Chair of the Board and the Lead Director approve meeting agendas and ensure that documents referred to in the agenda are forwarded to directors sufficiently in advance for their perusal.

- The Board may, as required, invite any person deemed appropriate to a Board meeting to take part in discussions on the Company's business. However, such a person may not at any time vote at a Board meeting.

- The minutes of Board meetings must accurately reflect the significant discussions and the decisions of the Board and must be circulated to the members of the Board, with copies to the Chief Executive Officer and to the Chief Financial Officer.

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

RESPONSIBILITIES

The Board takes on the following responsibilities:

1) reviewing and approving the Company's strategic orientation: identification of short, medium and long-term qualitative and quantitative objectives, annual approval of the strategies for achieving them, which strategies take into account opportunities and risks, and monitor the achievements of management;

2) reviewing and approving the Company's annual budget;

3) periodically studying and approving the results obtained by the Company in comparison with objectives pursued; determining the causes of any discrepancies and approving the appropriate corrective actions, if any;

4) reviewing and approving the dividend policy and approving the declaration of dividends for payment, when required;

5) monitoring, where possible, the integrity of the Chief Executive Officer and other senior executives, as well as ensuring that each of them promotes a culture of integrity within the Company;

6) reviewing and approving the appointment, compensation, indemnification, and succession and education plans for the Chief Executive Officer, the President and Chief Operating Officer, the Chief Financial Officer, the Chief Human Resources Officer and divisional Presidents;

7) reviewing the performance of the Chief Executive Officer in light of his position description and objectives to be met;

8) implementing and supervising a process for assessing the performance of the Board and the directors, as well as periodically evaluating their performance;

9) implementing and supervising the process to select and recruit candidates for the Board of directors;

10) determining the independence, or lack thereof, of each director;

11) implementing and supervising the orientation and continuing professional development programs of directors;

12) reviewing and approving the compensation and indemnification of directors;

13) ensuring, as feasible, that each director acts with integrity and good faith in the best interest of the Company, with the diligence and the skills that would present, in such circumstances, a prudent and diligent person;

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

15) overseeing the integrity of the Company's management information and internal control systems;

16) monitoring compliance of the Company with laws, regulations and norms applicable to it and its activities;

17) establishing and overseeing the implementation of the environmental policy;

18) establishing and overseeing the implementation of the food safety and quality policy;

19) establishing and overseeing the implementation of the corporate disclosure policy, and reviewing and approving the continuous disclosure documents, such as the financial statements, management proxy circular, annual information form and annual report;

20) approving significant acquisitions and sales of assets or shares, any major contract, including financing agreements and agreements under which guarantees are given or substantial assets are given as security, as well as any other important matter or any major development concerning the Company or the industry in which it operates;

21) approving the Company's approach to corporate governance, in particular adopting corporate governance principles and guidelines that apply specifically to the Company;

22) establishing and overseeing the implementation of the Code of Ethics;

23) deploying appropriate measures to receive comments from the Company's shareholders;

24) annually reviewing the Board's mandate; and

25) reviewing any other matter or issue that may be referred to it by one of the Board committees or that the Board deems appropriate to be mandated to act on.

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

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