

JUNE 3, 2021

Management
Information
Circular
2021

Saputo

Table of Contents

Notice of 2021 Annual Meeting of Shareholders and Notice of Availability of Proxy Materials	2
Letter from the Chair of the Board and Chief Executive Officer	4
Voting Information	5
Voting Shares and Principal Holders of Voting Shares	12
Election of Directors	12
Compensation of Directors	20
Attendance at Board of Directors and Committee Meetings	24
Letter from the Lead Director and Chair of the Corporate Governance and Human Resources Committee	25
Report on Corporate Governance Practices	26
Advisory Vote on Executive Compensation ("Say on pay")	42
Executive Compensation	43
Termination of Employment and Change of Control	63
Securities Authorized for Issuance Under Stock Option Plan	63
Indebtedness of Directors and Executive Officers	66
Appointment of Auditors	66
Interest of Management and Others in Transactions	67
Shareholder Proposals	67
Additional Information	67
General	68
Approval of the Directors	68
Schedule A - Shareholder Proposals	69
Schedule B - Board Mandate	74
Schedule C - Change of Auditor	77

Notice of 2021 Annual Meeting of Shareholders and Notice of Availability of Proxy Materials

NOTICE IS HEREBY GIVEN that the annual meeting of the shareholders (the "**Meeting**") of Saputo Inc. ("**we**" or the "**Company**") will be held on August 5, 2021, at 10:00 a.m. (Eastern time), in a virtual-only format via live webcast at <https://web.lumiagm.com/486765661> for the following purposes:

- (1) to elect directors for the ensuing year (see page 12 of the management information circular of the Company [the "**Circular**"]);
- (2) to appoint auditors for the ensuing year and authorize the directors to fix their remuneration (see page 66 of the Circular)
- (3) to consider and, if deemed appropriate, adopt an advisory non-binding resolution on our approach to executive compensation (see page 42 of the Circular); and
- (4) to transact such other business as may properly come before the meeting and any adjournment thereof.

Additional information on matters to be put before the Meeting is set forth in the Circular.

Only shareholders of the Company of record at 5:00 p.m. on June 11, 2021, will be entitled to receive notice and vote at the Meeting.

By logging on to <https://web.lumiagm.com/486765661> and following the instructions set forth in the Circular, shareholders will be able to attend the Meeting live. Registered shareholders and duly appointed proxyholders will be able to attend, participate, vote and ask questions at the Meeting. Non-registered shareholders who will not have duly appointed themselves as proxyholder will be able to attend the meeting only as guests. Guests will be able to listen to the Meeting but will not be able to vote or ask questions.

Regardless of whether or not shareholders are able to attend the Meeting (or any adjournment thereof): (i) registered shareholders are requested to complete, date and sign the form of proxy and to return it to Computershare Investor Services Inc. ("Computershare") in the envelope accompanying the form of proxy, or alternatively, to vote by phone or over the Internet, at their discretion, by following the instructions provided in the form of proxy, and (ii) non-registered shareholders are requested to complete, date, sign and return the voting instruction form by following the instructions set out on such form. To be used at the Meeting, proxies must be received by 10:00 a.m. (Eastern time) two (2) business days prior to the Meeting, being August 3, 2021, or any adjournment thereof.

We are using the notice-and-access procedures permitted by Canadian securities laws for the delivery of the Circular, the management's discussion and analysis, the consolidated financial statements of the Company and the auditors' report for the fiscal year ended March 31, 2021, and other related materials of the Meeting (the "**Proxy Materials**") to shareholders. Under the notice-and-access procedures, instead of receiving paper copies of the Proxy Materials, shareholders receive a copy of this notice of 2021 annual meeting of shareholders and notice of availability of proxy materials (the "**Notice of Meeting**") and a voting instruction form or a form of proxy. The use of notice and access allows for faster access to the Proxy Materials, contributes to the protection of the environment, is consistent with our environmental policy and helps reduce printing and postage costs.

The Proxy Materials will be available online at <http://www.saputo.com/en/investors/shareholder-reports/2021> and on SEDAR under our profile at www.sedar.com.

If you would like to receive a paper copy of the Proxy Materials by mail, you must make a request. Requesting a paper copy is free of charge. You have received, with this Notice of Meeting, a voting instruction form or a form of proxy on which a 15-digit or 16-digit control number is indicated. Shareholders with a 15-digit control number, namely registered shareholders, may call Computershare toll free at 1-866-962-0498 within North America or 1-514-982-8716 outside North America to request a paper copy of the Proxy Materials. Shareholders with a 16-digit control number, namely non-registered shareholders, may call Broadridge Investor Communications Corporation ("**Broadridge**") toll free at 1-800-474-7493 (English) or 1-800-474-7501 (French) within North America or 1-303-562-9305 (English) or 1-303-562-9306 (French) outside North America to request a paper copy of the Proxy Materials. In each case, shareholders will be asked to enter the control number indicated on the voting instruction form or the form of proxy they received to request a paper copy of the Proxy Materials.

To receive the Proxy Materials in advance of the voting deadline and Meeting date, requests for paper copies must be received by July 23, 2021. If you do request a paper copy of the Proxy Materials, please note that another voting instruction form or form of proxy will not be sent; please retain the one received with this Notice of Meeting for voting purposes.

To obtain a paper copy of the Proxy Materials after the Meeting date, registered shareholders may contact our corporate communications department at investors@saputo.com and non-registered shareholders may contact Broadridge's toll free at 1-800-474-7493 (English) or 1-800-474-7501 (French) within North America or 1-303-562-9305 (English) or 1-303-562-9306 (French) outside North America.

Shareholders are invited to attend the Meeting as there will be an opportunity to discuss our activities and general business, financial situation, corporate governance and other important matters. **We would like to remind shareholders to review all of the information contained in the Proxy Materials prior to voting.**

If you have any questions regarding this Notice of Meeting, the notice-and-access procedures or the Meeting and you are a registered shareholder, please contact Computershare at 1-866-964-0492 (toll free in North America) between 8:30 a.m. and 8:00 p.m. (Eastern Time) or at 1-514-982-6253 (outside North America) or online at www.investorcentre.com/service. If you are a non-registered shareholder, please contact Broadridge at 1-844-916-0609.

Montréal, Québec, June 3, 2021.

BY ORDER of the Board of Directors

(signed) Maxime Therrien

MAXIME THERRIEN, CPA, CA

Chief Financial Officer and Secretary



Letter from the Chair of the Board and Chief Executive Officer

Dear Shareholders,

On behalf of the Board of Directors and Management of Saputo Inc., we cordially invite you to attend our 2021 annual meeting of shareholders. Once again this year, due to the restrictions imposed in the context of the ongoing COVID-19 pandemic and to mitigate risks to your health and safety as well as that of our communities, employees and other stakeholders, we will hold our annual meeting in a virtual only format.

The COVID-19 pandemic impacted our lives and our business from the onset of fiscal 2021. Despite the challenges, our team was able to adapt to this new reality and achieved remarkable performance. Further, the crisis provided us with an opportunity to adapt and to explore paths we may have never ventured down before. For example, we successfully launched two direct-to-consumer websites, the first in Canada, and the second in the United Kingdom, and we have begun investing focus on ramping up our efforts to reach consumers through third-party online channels and business to business platforms. What remains unchanged, however, is our unwavering dedication to our employees and our commitment to safeguarding their health and safety during these uncertain times, while in tandem, honouring our collective commitment to our valued shareholders, customers, consumers and the communities we serve.

This meeting is your opportunity to learn more about our achievements, our current initiatives and how we intend to ensure our future success. During the meeting, we will review our fiscal 2021 financial results, provide an overview of our new global strategic plan, and report on the progress of the Saputo Promise, our approach to social, environmental and economic performance. We will also proceed to elect directors, appoint auditors, and cast an advisory vote on the Company's approach to executive compensation.

As part of our enhanced measures to enable active shareholder participation in the virtual meeting, registered shareholders and duly appointed proxyholders will be able to ask questions live during the meeting using their phone, as well as vote their shares on all items of business covered. Questions can also be submitted in writing via the online platform, similar to last year. Non-registered shareholders who will not have duly appointed themselves as proxyholder will be able to attend the meeting only as guests. Guests will be able to listen to the meeting but will not be able to vote or to ask questions.

Please read this management information circular for more details about all the items for consideration at the meeting, our corporate governance and executive compensation practices, how to attend the meeting online and how to exercise your right to vote.

We look forward to your participation at our annual meeting of shareholders. If you are unable to attend the virtual meeting online, please complete and return the enclosed proxy form or voting instruction form by the date indicated on your form. Even if you plan to attend the virtual meeting online, you may find it convenient to vote before the meeting by completing and returning the proxy form or voting instruction form, or by voting by phone or over the Internet.

Sincerely,

LINO A. SAPUTO

Chair of the Board and Chief Executive Officer

Voting Information

Solicitation of Proxies

This Management Information Circular (the "Circular") is provided in connection with the solicitation of proxies by the management (the "Management") of Saputo Inc. ("we", "Saputo" or the "Company") for use at the annual meeting (the "Meeting") of the holders of common shares of the Company (the "Common Shares") to be held at 10:00 a.m. (Eastern time) on August 5, 2021, in a virtual only format, which will be conducted at <https://web.lumiagm.com/486765661>, for the purposes set forth in the foregoing Notice of Meeting (the "Notice") and at any adjournment thereof.

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

As permitted by Canadian securities regulators and consistent with the goals stated in our environmental policy, we will use the notice-and-access procedures for the delivery of meeting materials to shareholders. These procedures allow issuers to post meeting materials online rather than mailing paper copies to shareholders. Instead of receiving this Circular, shareholders will receive a notice (the "**Notice-and-Access Letter**") with instructions on how to access the Circular and the other proxy-related materials online. The Notice-and-Access Letter and form of proxy or voting instruction form have been sent to both registered and non-registered shareholders. This Circular and other relevant materials are available on our website at www.saputo.com and on SEDAR at www.sedar.com.

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

Shareholder Voting Matters

The following items will be brought before the Meeting:

- 1 Election of directors;

- 2 Appointment of auditors;

- 3 Adoption of an advisory, non-binding resolution in respect of our approach to executive compensation; and

- 4 Consideration of such other business, if any, that may properly come before the Meeting or any adjournment thereof.

Virtual Only Format

Once again this year, due to the restrictions imposed in the context of the ongoing COVID-19 pandemic and to mitigate risks to your health and safety as well as that of our communities, employees and other stakeholders, we will hold our annual meeting in a virtual only format. Shareholders will not be able to attend the Meeting in person. Registered shareholders and duly appointed proxyholders will be able to attend, participate and vote at the Meeting online at <https://web.lumiagm.com/486765661> by following the steps outlined below. Non-registered (beneficial) shareholders who have not duly appointed themselves as a proxyholder, can login to the Meeting by clicking "I am a guest" and completing the online form. Non-registered (beneficial) shareholders will be able to attend the live webcast but will not be able to ask questions or vote at the Meeting. See "Appointment of Proxyholders" for additional information on voting at the Meeting and appointing yourself as a proxyholder and registering with Computershare Investor Services ("**Computershare**").

To attend the Meeting:

- Check in online at <https://web.lumiagm.com/486765661>. We recommend that you log in well before the Meeting starts. The Meeting will begin promptly at 10:00 a.m. (Eastern time) on August 5, 2021, unless otherwise adjourned or postponed.
- Click "I have a Login" and then enter your control number and the password **saputo2021** (case sensitive).

Registered shareholders: The control number located on the form of proxy or in the email notification you received is your control number.

Duly appointed proxyholders: Computershare will provide the proxyholder with a control number by e-mail after the proxy voting deadline has passed and the proxyholder has been duly appointed AND registered as described in "Appointment of Proxyholders" below.

OR

- Click "**Guest**" and then complete the online form.

Note that the Internet Explorer web browser cannot be used to access the online Meeting. Please consider using the latest version of a web browser such as Chrome, Safari, Edge or Firefox instead.

It is important that you are connected to the Internet at all times during the Meeting in order to vote when ballots are opened. You should ensure you have a strong, preferably high-speed, Internet connection wherever you intend to participate in the Meeting. It is your responsibility to ensure connectivity for the duration of the Meeting.

For any technical difficulties experienced during the check-in process or during the Meeting, please call 1-800-564-6253 (toll free in North America) or 514-982-7555 (outside North America).

If a major technical malfunction or other significant problem disrupts the meeting, the Chair of the Meeting may recess, expedite or adjourn the Meeting or take such other action as the Chair determines appropriate given the circumstances.

Photography, audio or video recordings of the webcast of the Meeting are strictly prohibited.

Registered and Non-Registered Shareholders

You are a registered shareholder if your Common Shares are registered directly in your name with Computershare. You may hold your Common Shares in the form of a physical share certificate or through the direct registration system (DRS) on the records of Computershare in electronic form. Unless otherwise indicated in this Circular, the form of proxy or the Notice, "shareholders" refers to registered shareholders.

You are a non-registered shareholder when an intermediary (such as a broker, a bank, a trust company or another financial institution) (an "**Intermediary**") holds your Common Shares in your name. Non-registered shareholders must ensure that their voting instructions are communicated to the appropriate person well before the Meeting or any adjournment thereof. **In all cases, non-registered shareholders should carefully follow the instructions of their Intermediary, including those regarding when, where, and by what means the voting instruction form must be delivered.**

Intermediaries are required to request voting instructions from non-registered shareholders prior to the Meeting. Intermediaries have their own procedures for sending materials and their own voting instructions. Non-registered shareholders should follow these instructions carefully for their votes to be cast at the Meeting. In Canada, brokers often use a service provider, such as Broadridge Financial Solutions Inc. ("**Broadridge**") or Computershare, to forward meeting materials to non-registered shareholders and to obtain their clients' instructions. Non-registered shareholders cannot use a voting instruction form received from Broadridge or Computershare to vote directly at the Meeting. If you have questions on how to exercise voting rights carried by Common Shares held through an Intermediary, please contact your Intermediary directly.

How to vote

VOTING BY PROXY BEFORE THE MEETING

You may vote before the Meeting by completing your form of proxy or voting instruction form in accordance with the instructions provided therein. Non-registered shareholders should also carefully follow all instructions provided by their Intermediaries to ensure that their Common Shares are voted at the Meeting. Voting by proxy is the easiest way to vote. It means you are giving someone else the authority to attend the Meeting and vote on your behalf.

The directors or executive officers of the Company named as proxyholders in the enclosed form of proxy (the "**Saputo proxyholders**") will vote (or withhold from voting) the Common Shares in respect of which they are appointed as proxies in accordance with your instructions, including on any ballot that may be called. If there are changes to the items of business or new items properly come before the Meeting, a proxyholder can vote as they see fit.

You can appoint someone else to be your proxy. This person does not need to be a shareholder. See the section below titled "Appointment of Proxyholders".

There are three ways for registered shareholders to vote by proxy before the Meeting:

1	Phone voting	You may vote by calling the toll-free phone number 1 866 732 VOTE (8683). You will be prompted to provide your control number printed on the form of proxy. If you vote by phone, you may not appoint a person as your proxy other than the directors or of Saputo named in the form of proxy or voting instruction form. Please follow the voice prompts that allow you to vote your Common Shares and confirm that your instructions have been properly recorded.
2	Internet voting	You may vote by logging on to the website indicated on the form of proxy (www.investorvote.com). Please follow the website prompts that allow you to vote your Common Shares and confirm that your instructions have been properly recorded.
3	Return your form of proxy by mail	You may vote by completing, signing and returning the form of proxy in the postage-paid envelope provided.

Proxies, whether submitted through the Internet, by phone or mail as described above, must be received by Computershare (Computershare Investor Services Inc., 100 University Avenue, 8th Floor, North Tower, Toronto, Ontario, Canada M5J 2Y1) no later than 10:00 a.m. on August 3, 2021, or if the Meeting is adjourned, at least 48 hours (excluding weekends and holidays) before the Meeting is resumed. Your Common Shares will be voted in accordance with your instructions as indicated on the proxy. The time limit for the deposit of proxies may be waived or extended by the chair of the Meeting at his discretion without notice.

If you are a registered shareholder, contact Computershare at 1-800-564-6253 (toll free in North America) or 514-982-7555 (outside North America), for any voting questions.

VOTING AT THE MEETING

Registered shareholders may vote at the Meeting by completing a ballot online during the Meeting, as further described in the section above entitled "Virtual Only Format".

Non-registered shareholders who have not duly appointed themselves as their proxy will not be able to vote at the Meeting but will be able to participate as a guest. This is because the Company and Computershare do not have a record of the non-registered shareholders of the Company, and, as a result, will have no knowledge of your shareholdings or entitlement to vote unless you appoint yourself as your proxy. If you are a non-registered shareholder and wish to vote at the Meeting, you have to appoint yourself as your proxy by inserting your own name in the space provided on the voting instruction form sent to you and you must follow all of the applicable instructions, including the deadline, provided by your Intermediary. See the section "Appointment of Proxyholders" below and the section "Virtual Only Format" above.

Submitting questions

Only registered shareholders or duly appointed proxyholders who have logged in using the control number included in the form of proxy or voting instruction form, as applicable, will be able to submit or ask questions during the Meeting. A person logging in as a guest will not be able to ask questions. We encourage shareholders and proxyholders to submit their questions in writing using the dialogue box as early as possible during the Meeting so they can be addressed at the right time.

There are two ways to ask questions during the Meeting:

In writing	Over the phone
By using the relevant dialog box in the function “Ask a question” by clicking on the appropriate icon during the Meeting.	In real time over the phone by submitting your phone number in the function “Ask a question” by clicking on the appropriate icon during the Meeting. An operator will then call you at the appropriate time and provide you with instructions to ask a question. Your phone number will not be shared with the other Meeting attendees.

The Chair of the Meeting and other members of Management present at the Meeting will answer questions relating to matters to be voted on before a vote is held on each matter, if applicable. General questions will be addressed by them at the end of the Meeting during the question period. The Chair of the Meeting has broad authority to conduct the Meeting in an orderly manner. To ensure the Meeting is conducted in a manner that is fair to all shareholders, the Chair of the Meeting may exercise broad discretion with respect to, for example, the order in which questions are asked and the amount of time devoted to any one question. The Chair’s decisions are final and are not subject to appeal. All webcast participants must comply with the directions of the Chair of the Meeting.

The Chair of the Meeting reserves the right to edit questions or to reject questions that are determined by the Chair to be:

- substantially repetitive of statements made by another participant;
- related to a personal grievance;
- deemed inappropriate or irrelevant for the Meeting;
- related to non-public information about Saputo; or
- are in furtherance of a shareholder’s personal or business interest.

Any questions relevant to the Meeting that cannot be answered during the Meeting due to time constraints will be answered and posted online at <https://www.saputo.com/en/investors/calendar-of-events>.

Appointment of proxyholders

APPOINTMENT OF PROXY

The Saputo proxyholders are directors or executive officers of the Company. Every shareholder has the right to appoint a person (who need not be a shareholder), to act on their behalf at the Meeting. To exercise this right, shareholders must insert its nominee's name in the blank space provided for such purpose in the form of proxy or prepare another proxy in proper form and, in either case, deliver the completed form of proxy to Computershare (Computershare Investor Services Inc., 100 University Avenue, 8th Floor, North Tower, Toronto, Ontario, Canada M5J 2Y1) no later than 10:00 a.m. on August 3, 2021, or if the Meeting is adjourned, at least 48 hours (excluding weekends and holidays) before the Meeting is resumed.

EXERCISE OF DISCRETION BY PROXIES

The persons whose names are printed on the enclosed form of proxy will vote (or withhold from voting) all the Common Shares in respect of which they are appointed to act in accordance with the instructions indicated on the form of proxy. If a shareholder specifies a choice with respect to any matter to be acted upon, the Common Shares will be voted accordingly. If no instructions are given, the Common Shares will be voted by the Saputo proxyholders:

For

- the election of directors
- the appointment of auditors
- the adoption of an advisory, non-binding resolution in respect of our approach to executive compensation

A completed proxy confers discretionary authority upon the proxyholder with respect to amendments or variations to the matters identified in the Notice and any other matter that may properly come before the Meeting or any adjournment thereof.

APPOINTMENT OF A THIRD-PARTY PROXYHOLDER

The following applies to registered and non-registered shareholders who wish to appoint someone as their proxy other than the Saputo proxyholders named in the form of proxy or voting instruction form. Shareholders who wish to appoint themselves or a third-party proxyholder to represent them at the Meeting **MUST** submit their form of proxy or voting instruction form (as applicable), appointing themselves or that third-party proxyholder **AND** register themselves or that third-party proxyholder online, as described below. Registering yourself or your third-party proxyholder is an additional step to be completed **AFTER** you have submitted your form of proxy or voting instruction form. **Failure to register the proxyholder will result in the proxyholder not receiving a control number that will act as their online sign-in credentials and is required for them to vote at the Meeting and, consequently, only being able to attend the Meeting online as a guest.**

HOW TO APPOINT YOURSELF OR A THIRD-PARTY PROXYHOLDER

Step 1

Submit your form of proxy or voting instruction form

To appoint yourself or a third party proxyholder, insert your or such person's name in the blank space provided in the form of proxy or voting instruction form and follow the instructions for submitting such proxy or voting instruction form. This must be completed prior to registering such proxyholder, which is an additional step to be completed once you have submitted your form of proxy or voting instruction form.

If you are a non-registered shareholder and wish to vote at the Meeting, you have to insert your own name in the space provided on the voting instruction form sent to you by your Intermediary, follow all of the applicable instructions provided by your Intermediary AND register yourself as your proxyholder. By doing so, you are instructing your intermediary to appoint you as proxyholder. It is important that you comply with the signature and return instructions provided by your intermediary.

Step 2

Register your proxyholder

Registering yourself or a third-party proxyholder can only be done after Step 1. Registering the proxyholder is an additional step once a shareholder has submitted their proxy/voting instruction form. Failure to register a duly appointed proxyholder will result in the proxyholder not receiving a username to participate in the Meeting. To register a proxyholder, shareholders MUST visit <http://www.computershare.com/saputo2021> no later than August 3, 2021 at 10:00 a.m. or if the Meeting is adjourned, at least 48 hours (excluding weekends and holidays) before the Meeting is resumed, and provide Computershare with their proxyholder's contact information, so that Computershare may provide the proxyholder with a username via email. Without a username, proxyholders will not be able to vote or ask questions at the Meeting but will be able to participate as a guest.

Revocation of Proxies

A shareholder who previously completed a form of proxy may revoke it by submitting a written notice of the revocation to the Secretary of the Company no later than the business day preceding the Meeting.

Voting Requirement and Quorum

A quorum is present at the Meeting if the holders of not less than 25% of the Common Shares entitled to vote at the Meeting are present online or represented by proxy, irrespective of the number of persons actually at the Meeting. If a quorum is present at the opening of the Meeting, the shareholders present or represented by proxy may proceed with the business of the Meeting notwithstanding that a quorum is not present throughout the Meeting. If a quorum is not present at the opening of the Meeting, the shareholders present or represented by proxy may adjourn the Meeting to a fixed time and place but may not transact any other business.

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

Voting Shares and Principal Holders of Voting Shares

The Common Shares are the only securities of the share capital of the Company. As at May 25, 2021, 412,683,567 Common Shares were outstanding. Each Common Share entitles its holder to one vote.

Only holders of Common Shares of record at 5:00 p.m. on June 11, 2021, 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 our directors and executive officers, on May 25, 2021, 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	130,383,688 ⁽²⁾	32%
Placements Italcant Inc. ⁽³⁾	of record	42,500,000	10%

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

(2) Includes 2,540,813 Common Shares held indirectly by Jolina Capital Inc. through 11446037 Canada Inc.

(3) Placements Italcant Inc. is a holding company controlled by Mr. Francesco Saputo.

Election of Directors

For fiscal 2022, the Board of Directors of the Company (the "**Board**") proposes that it be composed of ten members and that the current ten members of the Board be proposed as nominees for election to the Board. **Except where the authority to vote in favour of the directors is withheld, the persons whose names are printed on the enclosed form of proxy intend to vote FOR the election of each of the ten nominees whose names are set forth in the following tables.** The vote for each director will be conducted on an individual basis. All nominees have established their eligibility and willingness to serve as directors if elected to office. Each director elected will hold office until the next annual meeting of the shareholders of the Company or until such director's successor is duly elected, unless the office is vacated earlier in accordance with the relevant provisions of applicable laws.

The following tables provide, for each nominee, their name, age, place of residence, the year in which they first became a director, their principal occupation, their independence with respect to the Company, their biography, their attendance at Board and committee meetings, their directorships with other public companies, if any, and whether they serve on committee(s) of the board of directors of such companies, and the number of securities of the Company they beneficially own, or over which they exercise control or direction, directly or indirectly. Refer to the section entitled "Skills Matrix" for additional information on the skills possessed by the nominees.

Lino A. Saputo



Lino A. Saputo joined the Company in 1988 as an Administrative Assistant. Over the next few years, he started rising through the ranks, managing a plant in Ontario, Canada, and holding various administrative and marketing positions. In 1993, he became Vice President, Operations and, in 1998, Executive Vice President, Operations. From July 2001 to January 2004, he was President and Chief Operating Officer of our Dairy Products Division (USA). Since March 2004, Mr. Saputo serves as Chief Executive Officer of the Company. In 2011, he was appointed to the position of Vice Chair of the Board, and since August 2017, he serves as Chair of the Board. Under his leadership, the Saputo Promise was implemented, a commitment to live up to the values on which Saputo was founded in 1954. Mr. Saputo was named Canada's 2019 Outstanding CEO of the Year[®], an award founded in 1990 to identify and recognize exemplary leadership and achievement by a Canadian Chief Executive Officer.

Québec, Canada
Age: 54
Director since: 2001
Non-independent

Saputo Board and Committee Memberships for fiscal 2021	Attendance for fiscal 2021		Compensation received for fiscal 2021
Board (Chair)	12/12	100%	\$4,344,290 ⁽¹⁾

2020 Voting Results:
FOR: 97.81%

Securities held or controlled		Director share ownership met	Other Public Board Memberships	Other Committee Memberships
Common Shares	Value (\$) ⁽²⁾	Yes ⁽³⁾	National Bank of Canada	Conduct Review and Corporate Governance Committee Risk Management Committee
196,947	7,442,627			

Louis-Philippe Carrière, FCPA, FCA



Louis-Philippe Carrière joined the Company in 1986 as Supervisor of Accounting and held various management positions in finance and administration. Mr. Carrière retired on August 1, 2017, from his role as Chief Financial Officer and Secretary after 30 years of service with the Company. His responsibilities over the years included oversight of various functions such as accounting, internal audit, taxation, legal, financing, information technology, investor relations, corporate communications, as well as mergers and acquisitions. In addition, through his role as Secretary of the Company, he was actively involved in the analysis, elaboration and implementation of our corporate governance practices. Between August 1, 2017, and April 3, 2020, Mr. Carrière acted as senior advisor to the Company.

Québec, Canada
Age: 60
Director since: 2017
Non-independent

Saputo Board and Committee Memberships for fiscal 2021	Attendance for fiscal 2021		Compensation received for fiscal 2021
Board	12/12	100%	\$250,500 ⁽⁴⁾

2020 Voting Results:
FOR: 99.66%

Securities held or controlled				Director share ownership met	Other Public Board Memberships	Other Committee Memberships
Common Shares	Options ⁽⁵⁾	DSUs ⁽⁶⁾	Value (\$) ⁽²⁾	Yes ⁽³⁾	WSP Global Inc.	Audit Committee (Chair)
46,435	511,285	6,981	3,865,738			

Henry E. Demone



Nova Scotia, Canada
Age: 67
Director since: 2012
Independent

Henry E. Demone is a corporate director. From May 2015 to May 2019, Mr. Demone was the Chair of the Board of Directors of High Liner Foods Incorporated. He was Chief Executive Officer of High Liner Foods Incorporated from 1992 to 2015, and from August 2017 to May 2018. Throughout his career at High Liner Foods Incorporated, Mr. Demone led the company from a regional fishing and processing operation to a leading supplier in North America. Mr. Demone also held positions with trade associations in the fishing industry.

Saputo Board and Committee Memberships for fiscal 2021	Attendance for fiscal 2021		Compensation received for fiscal 2021
Board	12/12	100%	\$260,000
Corporate Governance and Human Resources Committee	7/7	100%	

2020 Voting Results: FOR: 98.78%

Securities held or controlled			Director share ownership met	Other Public Board Memberships	Other Committee Memberships
Common Shares	DSUs ⁽⁶⁾	Value (\$) ⁽²⁾	Yes ⁽³⁾	Emera Incorporated	Nominating and Corporate Governance Committee Management Resources and Compensation Committee
10,000	55,135	2,461,451			

Anthony M. Fata



Québec, Canada
Age: 54
Director since: 2008
Independent

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

Saputo Board and Committee Memberships for fiscal 2021	Attendance for fiscal 2021		Compensation received for fiscal 2021
Board (Lead Director)	12/12	100%	\$340,000
Corporate Governance and Human Resources Committee	7/7	100%	

2020 Voting Results: FOR: 98.27%

Securities held or controlled			Director share ownership met	Other Public Board Memberships	Other Committee Memberships
Common Shares	DSUs ⁽⁶⁾	Value (\$) ⁽²⁾	Yes ⁽³⁾	None	
12,242	107,693	4,532,343			

Annalisa King, ICD.D



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

British Columbia, Canada
Age: 54
Director since: 2012
Independent

Saputo Board and Committee Memberships for fiscal 2021		Attendance for fiscal 2021		Compensation received for fiscal 2021
Board		12/12	100%	\$260,000
Audit Committee		7/7	100%	

2020 Voting Results:
FOR: 99.88%

Securities held or controlled			Director share ownership met	Other Public Board Memberships	Other Committee Memberships
Common Shares	DSUs ⁽⁶⁾	Value (\$) ⁽²⁾	Yes ⁽³⁾	First Capital Real Estate Investment Trust The North West Company Inc.	Audit Committee Corporate Governance Committee (Chair) Audit Committee (Chair) Governance Committee
3,031	59,712	2,371,057			

Karen Kinsley, FCPA, FCA, ICD.D



Karen Kinsley is currently a corporate director. From 1987 to 2013, Ms. Kinsley held various positions within Canada Mortgage and Housing Corporation, including Chief Financial Officer for nine years, Vice President of Mortgage Insurance and Securitization and President and Chief Executive Officer from 2003 to 2013.

Ontario, Canada
Age: 64
Director since: 2015
Independent

Saputo Board and Committee Memberships for fiscal 2021		Attendance for fiscal 2021		Compensation received for fiscal 2021
Board		12/12	100%	\$260,000
Audit Committee		7/7	100%	

2020 Voting Results:
FOR: 99.88%

Securities held or controlled			Director share ownership met	Other Public Board Memberships	Other Committee Memberships
Common Shares	DSUs ⁽⁶⁾	Value (\$) ⁽²⁾	Yes ⁽³⁾	National Bank of Canada Choice Properties Real Estate Investment Trust	Audit Committee (Chair) Risk Management Committee Audit Committee (Chair)
6,800	29,771	1,382,018			

Tony Meti, ICD.D



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

Québec, Canada
Age: 66
Director since: 2008
Independent

Saputo Board and Committee Memberships for fiscal 2021			Attendance for fiscal 2021		Compensation received for fiscal 2021
Board			12/12	100%	\$315,000
Audit Committee (Chair)			7/7	100%	

2020 Voting Results:
FOR: 98.94%

Securities held or controlled			Director share ownership met	Other Public Board Memberships	Other Committee Memberships
Common Shares	DSUs ⁽⁶⁾	Value (\$) ⁽²⁾	Yes ⁽³⁾	ADF Group Inc. (Co-Chair)	Audit Committee Compensation, Nominating and Corporate Governance Committee
20,800	112,639	5,042,659			

Diane Nyisztor, CPA, CA, H.R.C.C.C.



Diane Nyisztor has been, since August 31, 2019, Senior Vice President and Chief Human Resources Officer of Cogeco Inc. She was Senior Vice President, Corporate Human Resources of Cogeco Inc. from October 2015 to August 2019 and Vice President, Corporate Human Resources of Cogeco Inc. from October 2014 to October 2015. Prior to that, Ms. Nyisztor was Partner, International Executive Services at KPMG Canada LLP from 2013 to 2014. From 2002 to 2013, she held senior management positions with SNC-Lavalin Group Inc., including Senior Vice President, Global Human Resources and Senior Vice President, Compensation and Benefits.

Québec, Canada
Age: 54
Director since: 2016
Independent

Saputo Board and Committee Memberships for fiscal 2021			Attendance for fiscal 2021		Compensation received for fiscal 2021
Board			11/12	91.66%	\$260,000
Corporate Governance and Human Resources Committee			7/7	100%	

2020 Voting Results:
FOR: 98.68%

Securities held or controlled			Director share ownership met	Other Public Board Memberships	Other Committee Memberships
Common Shares	DSUs ⁽⁶⁾	Value (\$) ⁽²⁾	Yes ⁽³⁾	None	
5,000	31,951	1,396,378			

Franziska Ruf



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

Québec, Canada
Age: 58
Director since: 2016
Independent

Saputo Board and Committee Memberships for fiscal 2021		Attendance for fiscal 2021		Compensation received for fiscal 2021
Board		12/12	100%	\$260,000
Corporate Governance and Human Resources Committee		7/7	100%	

2020 Voting Results:
FOR: 98.78%

Securities held or controlled			Director share ownership met	Other Public Board Memberships	Other Committee Memberships
Common Shares	DSUs ⁽⁶⁾	Value (\$) ⁽²⁾	Yes ⁽³⁾	None	
2,000	31,951	1,283,008			

Annette Verschuren, O.C.



Annette Verschuren has been the Chair and Chief Executive Officer of NRstor Inc. since March 2012. Prior to her current position, she was President of The Home Depot Canada from 1996 to 2011. Ms. Verschuren is Chair of the Board of Sustainable Development Technology Canada (SDTC), a foundation created by the Government of Canada to support environmental technologies, Chair of the Board of MaRS Discovery District, a not-for-profit corporation that offers venture support services and entrepreneurship education programs to science and technology companies, and Co-Chair of the Smart Prosperity Leaders' Initiative, an initiative launched by respected Canadian leaders in 2016 to harness new thinking to accelerate Canada's transition to a stronger, cleaner economy. In 2011, Ms. Verschuren was honoured as an Officer of The Order of Canada for her contribution to the retail industry and corporate social responsibility.

Ontario, Canada
Age: 64
Director since: 2013
Independent

Saputo Board and Committee Memberships for fiscal 2021		Attendance for fiscal 2021		Compensation received for fiscal 2021
Board		11/12	91.66%	\$260,000
Audit Committee		6/7	85.71%	

2020 Voting Results:
FOR: 99.76%

Securities held or controlled			Director share ownership met	Other Public Board Memberships	Other Committee Memberships
Common Shares	DSUs ⁽⁶⁾	Value (\$) ⁽²⁾	Yes ⁽³⁾	Air Canada	Governance and Nominating Committee (Chair)
8,000	31,850	1,505,931		Canadian Natural Resources Limited	Audit, Finance and Risk Committee
					Compensation Committee
					Health, Safety, Asset Integrity and Environmental Committee

-
- (1) Mr. Saputo is an executive officer of the Company. He does not receive any compensation for his services as Chair of the Board.
 - (2) This value corresponds to the number of Common Shares and DSUs held by each director multiplied by the closing price of the Common Shares on the TSX on March 31, 2021 (\$37.79) plus the value of unexercised in-the-money options, as applicable, which value corresponds to the difference between the closing price of the Common Shares on the TSX on March 31, 2021 (\$37.79), and the applicable exercise price.
 - (3) See "Share Ownership Policy for Directors".
 - (4) This amount represents the total compensation earned by Mr. Carrière as senior advisor to the Company between April 1, 2020 and April 3, 2020 as well as the compensation for his services as director from April 4, 2020 to March 31, 2021.
 - (5) Mr. Carrière was granted options while he was an executive officer of the Company.
 - (6) Represents the aggregate of (i) the DSUs granted with respect to the director's compensation and (ii) the additional DSUs accumulated as notional equivalents of cash dividends declared on Common Shares.
 - (7) Mr. Fata was a director of Verona Foods Inc., an importer of specialty foods, until August 3, 2012. Verona Foods Inc. commenced proposal proceedings under the *Bankruptcy and Insolvency Act* (Canada) on October 3, 2012 by filing a notice of intent to make a proposal. On January 29, 2013, Verona Foods Inc. made a voluntary assignment into bankruptcy pursuant to the *Bankruptcy and Insolvency Act* (Canada). The trustee to Verona Foods Inc. completed its administration of the estate and was discharged on September 8, 2016.

Information as to securities beneficially owned by each nominee, or over which each nominee exercised control or direction, as at May 25, 2021, has been provided by the nominees individually.

Skills Matrix

The Corporate Governance and Human Resources Committee (the "**CGHR Committee**") has identified the main qualifications, competencies and skills that members of the Board should possess to provide effective oversight over the Company. These are set forth in the skills matrix below for each nominee director. The matrix is reviewed annually by the CGHR Committee.

Name	Age			Board Tenure at Saputo				Top Three Skills ^{(1) (2) (3)}								
	50-54	55-59	60-70	0-5 years of service	6-10 years of service	11-15 years of service	16-20 years of service	Manufacturing, Food & Drug Industries	International	Retail & Consumer Trends	Government & Regulatory Affairs	Accounting & Finance	Mergers & Acquisitions	Management & Strategy	Environmental, Social & Governance	Technology, Digital & Cyber
Louis-Philippe Carrière			X	X								X	X	X		
Henry E. Demone			X		X			X		X				X		
Anthony M. Fata	X					X		X		X			X			
Annalisa King	X				X					X		X				X
Karen Kinsley			X		X						X	X		X		
Tony Meti			X			X			X			X	X			
Diane Nyisztor	X			X							X	X		X		
Franziska Ruf		X		X					X		X		X			
Lino A. Saputo	X						X	X						X	X	
Annette Verschuren			X		X				X	X					X	

(1) Definition of Competencies:

Manufacturing, Food & Drug Industries: Senior executive experience in the manufacturing industry, in the food and/or the drug 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;

Environment, Social and Governance: Experience with policies, practices or risk management associated with environmental, sustainable development, social and corporate responsibility, and/or governance issues relevant to the Company;

Technology, Digital & Cyber: Experience with technology, digital and/or cybersecurity issues in a large organization.

(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 CGHR Committee".

Compensation of Directors

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

The CGHR Committee considers, on an annual basis, the appropriateness of retaining independent consultants to advise its members on questions concerning director compensation. For fiscal 2021, the CGHR Committee conducted, with the support of PCI-Perrault Consulting Inc. ("**PCI**"), a review of the compensation of non-employee directors. This review included an analysis of the composition of the Director Comparative Group (as defined below) to ensure that companies composing the Director Comparative Group share similarities in terms of activity, scope and/or financial characteristics with the Company. The CGHR Committee concluded that changes were required in order that the Director Comparative Group include companies of a size comparable to the Company in terms of revenues and market capitalization and to take into account mergers and acquisitions activities that had occurred among previous group constituents.

PCI's review also concluded that the compensation of our directors remained above the third quartile of the compensation offered to directors of the companies in the Director Comparative Group, as so modified. Accordingly, the CGHR Committee recommended to the Board that no change be made to the compensation of directors for fiscal 2021 in line with our director compensation policy, the objective of which is to be competitive with the third quartile of the compensation offered by the companies in the Director Comparative Group.

The comparative group used for purposes of the review of the compensation of our directors (the "**Director Comparative Group**") in fiscal 2021 was formed of:

- the Canadian Comparative Group described under the heading "Comparative Groups" in the section entitled "Executive Compensation"; and
- other Canadian companies as determined by the CGHR Committee as described above.

Director Comparative Group

Canadian Comparative Group	Other Canadian companies	
Alimentation Couche-Tard Inc.	Air Canada	Loblaw Companies Limited
Canadian Tire Corporation, Limited	Bombardier Inc.	Newmont Corporation
Dollarama Inc.	BRP Inc.	Shaw Communications Inc.
Empire Company Limited	Canadian National Railway Company	SNC-Lavalin Group Inc.
George Weston Limited	Canadian Pacific Railway Limited	Thomson Reuters Corporation
Maple Leaf Foods Inc.	CGI Group Inc.	WSP Global Inc.
Metro Inc.		
Molson Coors Beverage Company		
Nutrien Ltd.		

The following table sets out the annual retainer paid to directors in fiscal 2021, in cash or in the form of Deferred Share Units ("DSUs"), as per the compensation policy and the DSU Plan. We do not pay a meeting fee for Board meetings or committee meetings.

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

(1) Mr. Saputo is not eligible to receive director fees as long as he is the Chief Executive Officer of the Company.

DEFERRED SHARE UNIT PLAN FOR DIRECTORS

We have a DSU plan (the "**DSU Plan**") for our 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

Our directors play a central role in enhancing shareholder value and, as such, we believe that the economic interests of our directors should be aligned with those of our shareholders. The CGHR Committee annually reviews our share ownership policy for directors and considers, among other things, corporate governance best practices, market practices and the market value of the securities required to be owned by directors to meet the threshold set out in our share ownership policy.

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

As at March 31, 2021, all directors complied with the minimum value required under the share ownership policy. The information set out in the following table is as at March 31, 2021.

Director ⁽¹⁾	Common Shares	DSUs ⁽²⁾	Total Common Shares and DSUs	Total Market Value of Common Shares and/or DSUs ⁽³⁾ (\$)	Minimum Required ⁽⁴⁾ (\$)	Meets the Company's Share Ownership Requirements for Directors
Louis-Philippe Carrière	46,435	6,981	53,416	2,018,591	720,000	Yes
Henry E. Demone	10,000	55,135	65,135	2,461,452	780,000	Yes
Anthony M. Fata	12,242	107,693	119,935	4,532,344	1,020,000	Yes
Annalisa King	3,031	59,712	62,743	2,371,058	780,000	Yes
Karen Kinsley	6,800	29,771	36,571	1,382,018	780,000	Yes
Tony Meti	20,800	112,639	133,439	5,042,660	945,000	Yes
Diane Nyisztor	5,000	31,951	36,951	1,396,378	780,000	Yes
Franziska Ruf	2,000	31,951	33,951	1,283,008	780,000	Yes
Annette Verschuren	8,000	31,850	39,850	1,505,932	780,000	Yes

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

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

(3) This value corresponds to the number of Common Shares and/or DSUs held by each director, multiplied by the closing price of the Common Shares on the TSX on March 31, 2021 (\$37.79).

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

DIRECTOR SUMMARY COMPENSATION TABLE

The following table provides a summary of total compensation earned by each of the directors during fiscal 2021 and the manner in which the compensation was paid:

Name ⁽¹⁾	Total Fees Earned ⁽³⁾ (\$)	Allocation of Fees Earned			All Other Compensation (\$)	Total Compensation (\$)
		Cash (\$)	DSUs ^{(4) (5)} (\$)	Allocation of Fees between Cash and DSUs (%)		
Louis-Philippe Carrière ⁽²⁾	240,000	–	240,000	100% DSUs	–	240,000
Henry E. Demone	260,000	130,000	130,000	50% cash/50% DSUs	–	260,000
Anthony M. Fata	340,000	–	340,000	100% DSUs	–	340,000
Annalisa King	260,000	–	260,000	100% DSUs	–	260,000
Karen Kinsley	260,000	130,000	130,000	50% cash/50% DSUs	–	260,000
Tony Meti	315,000	157,500	157,500	50% cash/50% DSUs	–	315,000
Diane Nyisztor	260,000	–	260,000	100% DSUs	–	260,000
Franziska Ruf	260,000	–	260,000	100% DSUs	–	260,000
Annette Verschuren	260,000	130,000	130,000	50% cash/50% DSUs	–	260,000
Total (\$)	2,455,000	547,500	1,907,500	–	–	2,455,000

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

(2) In fiscal 2021, Mr. Carrière received \$10,500 in cash as compensation for his services as senior advisor to the Company between April 1, 2020 and April 3, 2020 and \$240,000 in DSUs as compensation for his services as director from April 4, 2020 to March 31, 2021.

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

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

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

OUTSTANDING SHARE-BASED AND OPTION-BASED AWARDS

The following table presents, for each director, all the share-based and option-based awards outstanding at the end of fiscal 2021. The directors do not participate in the Stock Option Plan.

Outstanding Share-Based Awards and Option-Based Awards

Name ⁽¹⁾	Option-Based Awards					Share-Based Awards		
	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 ⁽⁴⁾⁽⁵⁾ (\$)
Louis-Philippe Carrière ⁽²⁾	04/01/2013	34,988	25.55	04/01/2023	1,847,147 ⁽³⁾	–	–	263,812
	04/01/2014	115,356	27.74	04/01/2024				
	04/01/2015	95,781	35.08	04/01/2025				
	04/01/2016	137,379	41.40	04/01/2026				
	04/01/2017	127,781	46.29	04/01/2027				
Henry E. Demone	–	–	–	–	–	–	–	2,083,552
Anthony M. Fata	–	–	–	–	–	–	–	4,069,718
Annalisa King	–	–	–	–	–	–	–	2,256,516
Karen Kinsley	–	–	–	–	–	–	–	1,125,046
Tony Meti	–	–	–	–	–	–	–	4,256,628
Diane Nyisztor	–	–	–	–	–	–	–	1,207,428
Franziska Ruf	–	–	–	–	–	–	–	1,207,428
Annette Verschuren	–	–	–	–	–	–	–	1,203,612

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

(2) Mr. Carrière was an executive officer of the Company until August 1, 2017. Outstanding option-based awards shown in this table reflect options granted to Mr. Carrière in such capacity.

(3) This value corresponds to the difference between the closing price of the Common Shares on the TSX on March 31, 2021 (\$37.79) and the exercise price of in-the-money options. This value has not been, and may never be, realized. The actual gain, if any, will depend on the value of the Common Shares on the dates the options are exercised relative to the exercise price (see "Long-Term Incentive Plans").

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

(5) 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, 2021 (\$37.79). DSUs are vested upon award, but directors are only entitled to receive a cash payment after they cease to be members of the Board (see "Deferred Share Unit Plan for Directors").

Attendance at Board of Directors and Committee Meetings

The following table provides the number of meetings of the Board and its committees held during fiscal 2021, and the attendance record.

Summary of Attendance of Directors

Director	Board	Audit Committee	CGHR Committee
Lino A. Saputo	12 of 12	–	–
Louis-Philippe Carrière	12 of 12	–	–
Henry E. Demone	12 of 12	–	7 of 7
Anthony M. Fata	12 of 12	–	7 of 7
Annalisa King	12 of 12	7 of 7	–
Karen Kinsley	12 of 12	7 of 7	–
Tony Meti	12 of 12	7 of 7	–
Diane Nyisztor	11 of 12	–	7 of 7
Franziska Ruf	12 of 12	–	7 of 7
Annette Verschuren	11 of 12	6 of 7	–
Number of meetings in fiscal 2021	12	7	7
Attendance rate	99%	96%	100%



Letter from the Lead Director and Chair of the Corporate Governance and Human Resources Committee

Dear Shareholders,

The members of the CGHR Committee are pleased to present you this report on Saputo's corporate governance practices, along with a discussion of the Company's executive compensation policies and practices. The Committee's report discusses key topics of interest to our shareholders, including corporate responsibility.

In a year marked by the COVID-19 pandemic, the Board played a key role in monitoring its effects on the Company's activities and providing guidance to Management in the decision-making process. The Board met frequently to discuss and address the impacts of the pandemic on the Company's operations and provided regular input to Management regarding the Company's strategy in light of the crisis. Thanks to Management's proactive approach and dedicated leadership, the Company delivered strong results despite the disruption in global economic conditions, dairy commodity markets, supply chains, and business productivity, while always prioritizing the health and well-being of its employees.

The Board maintains its commitment to good governance and continues to seek to adopt the best governance practices for the Company. The composition of our Board reflects this engagement, with independent directors accounting for 80% of the Board, women representing 50% and directors representing a diversity of skills, age, tenure and experience.

The Board also oversees the progress of our ESG objectives and other initiatives as part of Saputo's journey to create shared value for our stakeholders through the Saputo Promise, which forms the backbone of our approach to social, environmental and economic performance.

At the Meeting, shareholders will be invited to cast an advisory vote on the Company's approach to executive compensation. In the current unprecedented context, and with the heightened competition for talents globally, attracting, retaining, and motivating high-performing executives is key. Our compensation policy and practices aim to offer competitive compensation, in alignment with shareholders' interests, and to enhance shareholder value on a sustainable basis.

We appreciate the importance shareholders place on effective executive compensation policies and are committed to maintaining an ongoing engagement process with you to gather feedback. We look forward to your participation at our annual meeting of shareholders. Please remember to vote your shares by proxy or online during the Meeting.

Sincerely,

ANTHONY M. FATA

Lead Director and Chair of the
CGHR Committee

To contact the Board: investors@saputo.com

Report on Corporate Governance Practices

The Board understands the importance of good corporate governance practices. The CGHR Committee is responsible of reviewing the Company's corporate governance practices and making recommendations to the Board with respect thereto.

The Company's principal shareholder is our founder, Mr. Emanuele (Lino) Saputo, who holds in the aggregate, or exercises control or direction over, directly or indirectly, shares representing 32% of the Common Shares outstanding on May 25, 2021. Considering the principal shareholder's equity stake in the Company, the Board believes that the Company's corporate governance practices are appropriate and effective. The Board considers 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.

This report provides a discussion of our corporate governance practices. We continuously monitor compliance with legislative and regulatory requirements, and review and consider recent developments, leading practices and trends in corporate governance, as well as expectations and/or guidelines issued by shareholders, institutional investors and associations (institutes) focused on governance, and other authoritative sources. The CGHR Committee regularly reviews the Company's corporate governance practices and, where appropriate, recommends changes for continuous improvement.

Corporate Responsibility Governance

The Saputo Promise is our approach to social, environmental and economic performance based on seven Pillars: Food Quality and Safety, Our People, Business Ethics, Responsible Sourcing, Environment, Nutrition and Healthy Living, and Community. The Board oversees our practices, guidelines and policies related to the Saputo Promise.

Corporate governance of the Saputo Promise and its Pillars are summarized below:

- The **Corporate Responsibility Committee ("CR Committee")** oversees the overall strategy of the Saputo Promise and monitors the Company's progress for each of its seven Pillars. The CR Committee is composed of our President and Chief Operating Officer, the Chief Financial Officer, the Chief Human Resources Officer, the President and Chief Operating Officer of each operating division, and our Director, Corporate Responsibility. Our President and Chief Operating Officer annually reports to the Board of Directors on the Saputo Promise.
- The **Environmental Committee**, which includes our President and Chief Operating Officer, the President and Chief Operating Officer of each operating division and the senior manager in each division responsible for environmental matters, is responsible for overseeing the implementation of the Environmental Policy and the achievement of our environmental objectives. Quarterly reporting of our environmental performance is made to the Audit Committee by the Environmental Committee and the Chair of the Environmental Committee meets annually with the Audit Committee.
- The **Quality Assurance Committee ("QA Committee")** provides global governance to ensure our high food quality and safety standards and our Food Quality and Safety Policy are upheld consistently across our operations. The QA Committee is comprised of our President and Chief Operating Officer, Saputo Inc. and International Sector, and the President and Chief Operating Officer and quality assurance experts of each of our divisions. Quarterly reporting on the Company's food quality and safety performance is made to the Audit Committee by the QA Committee and the Chair of the QA Committee meets annually with the Audit Committee.
- The **Health and Safety Committee ("H&S Committee")** is responsible for aligning our best practices in respect of health and safety ("H&S") globally. It is led by our President and Chief Operating Officer and is composed of our Chief Human Resources Officer and the H&S leaders of each of its divisions. The Chief Human Resources Officer reports quarterly to the CGHR Committee on H&S matters.

- The **Saputo Diversity, Equity and Inclusion Global Council ("DE&I Council")**, comprised of our President and Chief Operating Officer and employees from each of our divisions, promotes a diverse and inclusive work environment. Through the initiatives of the **DE&I Council**, we aim to continue reviewing the current policies and procedures as well as deploying learning and development programs with the intent of providing equal opportunities to all employees and potential candidates. The Chief Human Resources Officer receives regular updates on the **DE&I Council's** progress and reports yearly to the Board on diversity, equity and inclusion matters.
- The **Animal Welfare Committee** oversees our efforts and initiatives to ensure suppliers' compliance with recognized animal care standards or Codes of Practice, and monitors animal welfare best practices. The Animal Welfare Committee is led by our Director of Animal Welfare and is comprised of our internal senior leaders from Governmental Affairs, Milk Procurement, Communications and Sales. Breaches to the Company's Animal Welfare Policy would be reported annually to the Audit Committee.
- The **Information Technology Security Committee ("IT Committee")**, chaired by our Senior Vice President, Information Technologies, and composed of members of our senior management representing each of our divisions, monitors the practices, procedures and controls used to identify, assess and manage our key cybersecurity programs and risks. The IT Committee also oversees the Company's measures to protect the confidentiality, integrity and availability of our electronic information, intellectual property and data. The Senior Vice President, Information Technologies, reports quarterly to the Audit Committee on the IT Committee's work and any material issues that arise.

Additional information on our approach to Corporate Responsibility is available in our Annual Information Form dated June 3, 2021.

Corporate Governance Initiatives

As part of our various corporate governance initiatives, we have adopted or put in place:

- | | |
|---|--|
| (i) a <i>Code of Ethics</i> for directors, officers and employees; | (viii) a DSU Plan for the directors who are not employees of the Company; |
| (ii) position descriptions for the Chief Executive Officer, the Chair of the Board, the Board committee Chairs and the Lead Director; | (ix) a majority voting policy for the election of directors; |
| (iii) a selection process for new directors; | (x) a procedure on directors' employment and other directorships; |
| (iv) an anonymous and confidential whistleblowing line hosted by a third-party; | (xi) a Board diversity policy and an employee diversity policy; |
| (v) an assessment process for the Chief Executive Officer, the Board, the committees and the directors, individually; | (xii) a single-trigger incentive compensation clawback policy (for grants made after April 1, 2021); |
| (vi) a director orientation and training program; | (xiii) an advisory vote on executive compensation; and |
| (vii) a share ownership policy for directors, executive officers, and senior levels of management; | (xiv) a shareholder communication and engagement policy. |

Board of Directors

The Board is responsible for the stewardship of our business and affairs. As such, the Board oversees the management of our business so as to enhance the creation of long term shareholder value while considering the interests of our various stakeholders, including shareholders, employees, customers, suppliers, business partners and the communities where we operate.

Board Mandate

The mandate of the Board is to supervise the management of our business and affairs. In order to better fulfill its mandate, the Board takes on the following responsibilities, among others:

-
- | | |
|---|---|
| (i) reviewing and approving our strategic orientation and periodically reviewing and approving the results obtained by the Company in comparison with objectives pursued; | (vii) establishing and overseeing the implementation of the shareholder communication and engagement policy; |
| (ii) monitoring, where possible, the integrity of our Chief Executive Officer and other senior executives, and ensuring that each of them promotes a culture of integrity within the Company; | (viii) meeting with the Company's shareholders and stakeholders at the annual meeting of shareholders and being available to respond to questions at that time or in accordance with our shareholder communication and engagement policy; |
| (iii) reviewing and approving the appointment, indemnification, succession and education plans, and overseeing compensation, for the executive officers; | (ix) overseeing the ESG factors and risks material to our business and the deployment of appropriate measures to manage them; |
| (iv) identifying the main risks associated with our business and ensuring the deployment of appropriate risk management measures; | (x) overseeing our practices, guidelines and policies related to the Saputo Promise; |
| (v) overseeing the integrity of internal control over financial reporting and disclosure controls and procedures; | (xi) approving our approach to corporate governance, in particular adopting corporate governance principles and guidelines that apply specifically to us; and |
| (vi) establishing and overseeing the implementation of the corporate disclosure policy, and reviewing and approving the continuous disclosure documents; | (xii) reviewing and approving the compensation and indemnification of directors. |
-

The Board has taken, when necessary, specific measures in this respect. Some of these duties were delegated to the CGHR Committee and to the Audit Committee. A copy of the mandate of the Board is reproduced in Schedule B of this Circular and is also available at www.saputo.com.

The Board meets with Management annually in order to discuss the strategic plan prepared by Management. The Board reviews our annual budget and the objectives set by Management. It also reviews the competitive and regulatory environment in which we operate in order to assess risks and opportunities. The Board then reviews, on a quarterly basis, our results and accomplishments in comparison with the objectives set in the strategic plan.

The Chief Executive Officer has the responsibility of keeping the Board informed of important developments that may impact us or our industry. In this regard, special meetings of the Board have been held regularly throughout fiscal 2021 to keep Board members apprised of developments related to the COVID-19 pandemic and its impact on our activities, allowing Board members to oversee our strategic orientation and risk management measures in response to the crisis.

Composition and Independence of the Board

The Board is currently composed of ten directors, eight of whom are considered independent, as defined under securities laws.

As the Board recognizes the importance of independent Board oversight, Mr. Fata acts as Lead Director.

INDEPENDENT

Henry E. Demone
 Anthony M. Fata
 Annalisa King
 Karen Kinsley
 Tony Meti
 Diane Nyisztor
 Franziska Ruf
 Annette Verschuren

NON-INDEPENDENT

Lino A. Saputo
Chief Executive Officer of the Company
 Louis-Philippe Carrière
Former executive officer of, and senior adviser, to the Company

In reviewing the independence of directors, the CGHR Committee identifies the directors with no direct or indirect relationship with the Company or any of our subsidiaries that could, in their view, reasonably be expected to interfere with the exercise of a director's independent judgment. The CGHR Committee's review is based on, among other things, the information provided by the directors by way of a questionnaire. Upon the recommendation of the CGHR Committee, the Board annually assesses the independence of directors. We are of the opinion that the presence of the existing eight independent directors, including a Lead Director, adequately reflects the investment of minority shareholders in the Company. With the election of the ten proposed nominees at the Meeting, the Board would continue to be composed of eight independent directors, which ratio, in our opinion, would continue to adequately reflect the investment of minority shareholders.

Board Interlocks

On an annual basis, the CGHR Committee reviews the common memberships on boards of directors of public companies among directors, and, if any, new director nominees to ensure that directors (i) maintain their independence and avoid potential conflicts of interest, and (ii) are able to devote the requisite time and attention to the Company's affairs. The sole interlock between directors is set out below.

Corporation	Directors	Committees
National Bank of Canada	Ms. Kinsley	Audit Committee Risk Management Committee
	Mr. Saputo	Risk Management Committee Conduct Review and Corporate Governance Committee

Independent Directors' Meetings

The independent members of the Board meet *in camera* with the Lead Director and without Management and the non-independent directors after each Board meeting, including *ad hoc* and special meetings (such as the special meetings held throughout fiscal 2021 to discuss the COVID-19 pandemic). The CGHR Committee and the Audit Committee are composed solely of independent members and meet *in camera* without Management after each committee meeting, including *ad hoc* and special meetings.

Chair and Lead Director

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

As the positions of Chair of the Board and Chief Executive Officer are held by the same person, and recognizing the importance of independent Board oversight, the Board appointed the Chair of the CGHR Committee, Mr. Fata, as Lead Director. See section "Position Descriptions" below for a summary of the position descriptions of the Chair of the Board and of the Lead Director. The appointment of the Lead Director is part of the measures taken by the Board to ensure that adequate processes and structures are in place for the Board to function independently.

Committees

The Board has two committees: the CGHR 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 CGHR Committee has the mandate to determine if circumstances warrant the hiring of an outside advisor. In addition, both committees can hire outside advisors to assist them in fulfilling their mandate.

Position Descriptions

The Board has developed written position descriptions for the Chair, the Lead Director, the committee Chairs and the Chief Executive Officer.

CHAIR OF THE BOARD

The position description of the Chair of the Board, which sets out the responsibilities and duties of the Chair of the Board, is developed by the CGHR Committee and approved by the Board.

The Chair of the Board is responsible for establishing procedures to govern the Board's work and ensuring the Board's full discharge of its duties. Specifically, the responsibilities of the Chair of the Board include:

-
- | | |
|---|--|
| (i) collaborating with the Lead Director and other members of Management, where appropriate, to develop agendas and schedules for Board meetings; | (iii) ensuring proper flow of information to the Board and reviewing adequacy and timing of documentary materials in support of Management's proposals; and |
| (ii) providing appropriate information from Management to enable the Board and the committees to exercise their duties; | (iv) ensuring that the Board has full access to such members of senior Management and other personnel as well as to documents of the Company and our subsidiaries. |
-

A copy of the position description for the Chair of the Board is available at www.saputo.com.

LEAD DIRECTOR

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

The Lead Director is responsible for facilitating the functioning of the Board independently of Management and enhancing the quality of our corporate governance practices. Specifically, the responsibilities of the Lead Director include:

-
- | | |
|---|--|
| (i) providing the Chair of the Board with input as to the preparation of the Board agendas; | (iv) representing the independent directors in discussions with Management on corporate governance issues and other matters; and |
| (ii) taking measures to ensure the quality, quantity and timeliness of the flow of information from Management; | (v) approving meetings between directors and shareholders, shareholder organizations and other governance groups. |
| (iii) coordinating and moderating sessions of the Board's independent directors; | |
-

The Lead Director is elected annually by a vote of the directors who qualify as independent directors. A copy of the position description for the Lead Director is available at www.saputo.com.

COMMITTEE CHAIRS

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

CHIEF EXECUTIVE OFFICER

The position description for the Chief Executive Officer is developed with input from the Chief Executive Officer and the CGHR 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 our performance, and assumes the entire responsibility for our business pursuant to existing strategic plans, business goals, budgets and policies.

In addition, the CGHR Committee reviews and approves annually the corporate goals and objectives under the Chief Executive Officer's responsibility. The CGHR Committee also conducts an annual assessment of the Chief Executive Officer's performance in relation to those objectives and reports the results of the assessment to the Board. A copy of the evaluation process for the Chief Executive Officer is available at www.saputo.com.

Corporate Governance and Human Resources Committee

The CGHR Committee is composed of four independent directors: Mr. Fata, who is the Chair of this committee, Mr. Demone, Ms. Nyisztor and Ms. Ruf. For more information on their skills and experience, and on the committee's responsibilities related to executive compensation, see the section "Executive Compensation" under the heading "Role and Composition of the CGHR Committee" below. The CGHR Committee has the mandate to:

-
- | | |
|---|--|
| (i) develop and review our corporate governance practices and make recommendations to the Board; | (vi) adopt and maintain the share ownership policies for directors, executive officers and senior Management of the Company, and ensure compliance with such policies; |
| (ii) review the compensation of directors, and make recommendations to the Board; | (vii) review the Management succession planning program and make recommendations to the Board; |
| (iii) develop and supervise the process of selection and appointment of directors; | (viii) oversee the elements of the Saputo Promise delegated by the Board, such as the risk management measures related to human resources risks; and |
| (iv) review and approve the executive compensation policy and executive compensation, and review and consider the results of the most recent shareholder advisory vote on executive compensation; | (ix) report to the Board on the material matters considered by the committee. |
| (v) supervise the annual performance assessment process of the Chief Executive Officer, and of the Board, its committees and the directors, individually; | |
-

A copy of the mandate of the CGHR Committee is available at www.saputo.com.

Audit Committee

The Audit Committee is composed of four independent directors: Mr. Meti, who is the Chair of this committee, Ms. King, Ms. Kinsley and Ms. Verschuren, all of whom are financially literate. The Audit Committee has the mandate to:

-
- | | |
|--|--|
| (i) review the annual and interim financial statements of the Company and certain other public disclosure documents required by regulatory authorities; | (vii) oversee the internal audit function; |
| (ii) evaluate and assess the adequacy of the disclosure controls and procedures of the Company; | (viii) review and approve the annual internal audit plan; |
| (iii) review the appropriateness, quality and disclosure of the accounting principles and practices used by the Company; | (ix) review and adopt the annual audit plan prepared by the external auditors and oversee their work; |
| (iv) review and evaluate the risk factors inherent to the Company and ensure that appropriate measures are in place to identify and manage them effectively; | (x) review and evaluate the independence and performance of the external auditors; |
| (v) review and monitor periodically the presence and the effectiveness of our internal control over financial reporting; | (xi) maintain a policy concerning the prior approval of all services not related to audit services by the external auditors and approve these services in accordance with the policy; |
| (vi) maintain procedures regarding complaints and concerns of an auditing, audit controls or accounting nature; | (xii) examine, approve and ensure enforcement and compliance with our hiring policy with respect to current and former partners and employees of the current and former auditors of the Company; and |
| | (xiii) report to the Board on the material matters considered by the Audit Committee. |
-

The Audit Committee's charter is published in the Annual Information Form of the Company under Appendix A and is also available at www.saputo.com.

Risk Management

Through the Audit Committee and, for human resources risks, the CGHR Committee, the Board oversees our management of the principal risks to which we are exposed, including ESG risks and ensures the implementation of appropriate methods by Management to identify, evaluate, manage, mitigate and report on these risks in a proactive manner. For a list of all the principal risks affecting our business, please refer to the "Risks and Uncertainties" section of the Management's Discussion and Analysis contained in the Annual Report of the Company for fiscal 2021.

Our ongoing risk management process includes the regular, periodic performance of an in-depth assessment of the risks and uncertainties to which we are or may be subject, the results of which are presented to the Audit Committee. This assessment, conducted via interviews and surveys with key members of Management, is used to identify the risks we are exposed to and determines the importance of those risks based on the potential impact of those risks on our ability to execute on our strategies and achieve our objectives. Based on this assessment, Management identifies adequate measures to manage or mitigate these risks. Each risk is assigned to individual members of Management, who then report to the Audit Committee the status of mitigations in place to manage the risks to which they are assigned. Management also identifies key performance indicators to measure each risk identified and provides the Audit Committee with a quarterly performance report indicating the overall risk trend and status, and discussing the ongoing appropriateness of the mitigations in place. In years where an in-depth assessment is not performed, a management-level committee, assisted by the Internal Audit team, performs a risk assessment update, including discussions on emerging risks, which is presented to the Audit Committee. The Audit Committee reviews annually the list of risks monitored and

the key performance indicators. Our Internal Audit team and Management are responsible to assess the risks to which we are exposed on a periodic basis and present the results of their assessments to the Audit Committee.

Internal Control Over Financial Reporting

The Audit Committee is responsible for ensuring the adequacy and the effectiveness of our internal control over financial reporting. The Audit Committee regularly meets with the Chief Financial Officer and Secretary, the internal audit team and the external auditors of the Company in order to examine issues pertaining to the presentation of financial information, accounting practices, new accounting standards, internal accounting systems, as well as financial controls and procedures and auditing plans. The Audit Committee also reviews and monitors the practices and procedures relating to the certifications by the Chief Executive Officer and the Chief Financial Officer and Secretary with respect to internal control over financial reporting and disclosure controls and procedures to ensure compliance with applicable securities legislation. In the exercise of its mandate, the Audit Committee meets quarterly with the internal auditor of the Company, with and without Management.

For additional information on the Audit Committee, see the "Audit Committee Information" section in our Annual Information Form for the year ended March 31, 2021.

Succession Planning

The CGHR Committee is responsible for ensuring that a comprehensive succession plan for our senior leaders is in place. Our succession plan identifies potential successors for each executive officer in the short and medium term. For each potential successor, the plan highlights areas of personal development to be better prepared to take on the relevant position. The Chief Human Resource Officer meets annually with the CGHR Committee to review and update the succession plan. A summary of the succession plan is presented by the Committee to the Board for discussion.

The executive succession plan is integrated with our overall succession planning process, the primary objective of which is to have high performing individuals in key roles at all levels of the organization. We have implemented a comprehensive succession plan for key roles within the organization. We focus on the development of talent in these key roles, and manage talent by providing adequate development plans, coaching and training. Reference is made to the section "Diversity" for a discussion on diversity considerations in our 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 CGHR Committee evaluates annually the compensation of the directors and executive officers in their respective capacity in light of the compensation policy of the Company, the practices of the market, as well as the risks and responsibilities associated with carrying out their duties. As part of its mandate, the CGHR Committee is also responsible for approving the performance targets and criteria used in relation to the annual incentive (bonus) and long-term incentive grants under our compensation plans and for reviewing any adjustments proposed by Management. Reference is made to sections entitled "Executive Compensation" and "Compensation of Directors" or additional information on executive and director compensation, respectively.

Assessment of the Board of Directors, Committees and Directors

We carry out an evaluation of the Board, its committees and individual directors on an annual basis, which covers areas such as board responsibilities, composition and diversity, structure, and meetings, and provides directors with the possibility to provide subjective comments, including with respect to the quality and completeness of the information provided by Management.

As part of the evaluation, the Chair of the CGHR Committee meets each Board member individually. Any key issue identified in the process is presented to the Committee and reported to the Board. Independent directors may discuss any of the matters raised during an *in camera* meeting, or with the Chair of the Board. At all times, Board members may discuss the performance of a fellow director or submit any matter related to the performance of the Board and its members to the Chair of the CGHR Committee, who ensures the implementation of appropriate measures to address any issue.



The consensus of the results of the evaluation conducted in fiscal 2021 was that Board members are generally satisfied with the performance and effectiveness of the Board, its committees and directors. Board members noted the commitment of both Management and the Board to the operations of the Company, and the good functioning of the Board throughout a year marked by the COVID-19 pandemic. The results of the evaluation guided the Board in identifying areas of focus tied to business priorities for the upcoming fiscal year. The CGHR Committee considered the results of the evaluation in reviewing the composition of the Board committees and their respective Chair.

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 CGHR Committee is responsible for maintaining the orientation and continuing education program.

ORIENTATION PROGRAM

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

CONTINUING EDUCATION PROGRAM

The continuing education program for current directors was developed to assist them in maintaining their skills and abilities, as well as updating their knowledge and understanding of the Company and our industry. Directors regularly meet with members of Management to discuss the affairs of the Company, the continuous disclosure documents, sectors of activity of the Company, our competitive and regulatory environment, as well as our business and operational strategies. Directors are also provided with the opportunity to meet with members of Management outside of formal Board meetings to discuss and better understand the business and remain current with industry trends. Written materials and briefings are used to ensure that directors' knowledge and understanding of our 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 provides details on the sessions provided to directors during fiscal 2021.

Date	Topic	Participants
Quarterly	Developments in regulatory and industry initiatives	Board
April 2020	Strategic orientation and objectives	Board
May 2020	Internal audit function Financial risk management and pension plan risks	Audit Committee Audit Committee
October 2020	USA and International Markets, competition, consumer trends, dairy industry and other risks Insurance practices Intellectual property	Audit Committee Audit Committee Audit Committee
November 2020	Mergers and acquisitions trends and industry benchmarking Quality assurance Environment Human resources risk management	Board Audit Committee Audit Committee CGHR Committee
January 2021	Global economic outlook Trends in food industry	Board Board
February 2021	Information systems, IT Security Committee, cybersecurity and business disruptions Trends in executive compensation	Audit Committee CGHR Committee

Moreover, members of the Board attend the Company's meeting of shareholders, absent a compelling reason. 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 CGHR Committee any request they may have regarding additional information or education. The CGHR Committee reviews such requests and takes the measures it deems appropriate. Many of our directors sit on other boards of directors and are invited to share any best practices observed elsewhere with the CGHR Committee.

Nomination of Directors

The CGHR Committee is responsible for:

- (i) the implementation of a uniform and transparent process for selecting nominees for election to the Board and the recruitment of new candidates for Board membership, and making recommendations to the Board with respect thereto; and
 - (ii) the implementation and application of an annual performance assessment process of the Board, its committees and individual Board members.
-

A copy of the Director Selection and Appointment Process can be found at www.saputo.com.

We endorse a balanced representation in terms of director tenure and age, and we aim to foster diversity 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 CGHR Committee adopted a process which takes into consideration:

- (i) what competencies and skills the Board, as a whole, should possess taking into account our Board Diversity Policy (see the section entitled "Board Diversity" for more information);
 - (ii) what competencies and skills each existing director possesses;
 - (iii) what competencies and skills the Board, as a whole, possesses; and
 - (iv) the individual performance of each director.
-

Refer to the section entitled "Skills Matrix" for more information concerning the competencies and skills possessed by the director nominees. The CGHR Committee may rely on the services of qualified consultants to identify and/or recruit candidates, if it deems necessary, to assist in meeting the aforementioned objectives. The CGHR Committee also assesses any concerns relating to potential conflict, independence or time commitment that each nominee may present. Refer to the section entitled "Directors' Employment and Other Directorships" for additional information. Based on this analysis, which is completed at least annually, the CGHR Committee recommends to the Board the candidates proposed for election to the Board at the next meeting of shareholders. This assessment also allows the identification, *inter alia*, of competencies and skills that the Board should consider if and when a new director will be added to the Board.

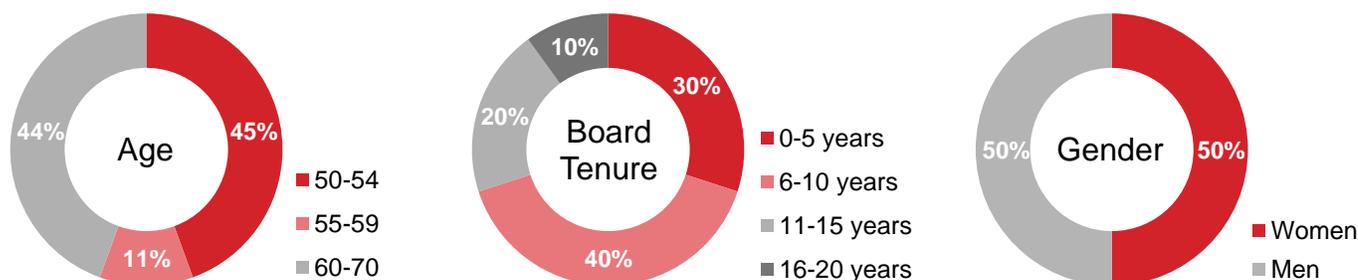
The Board does not currently impose term limits or retirement age limits on its directors, as such limits may cause the loss of experience and expertise important to the optimal operation of the Board. However, the importance of a balanced representation in terms of director tenure and age is recognized.

Board Diversity

We recognize that a diverse and inclusive environment which values diversity of thought, background, skills and experience facilitates a broader exchange of perspectives. The Board believes that diversity enriches discussions among directors and better reflects our relationship with our employees, shareholders, customers, business partners and other stakeholders.

Our Board Diversity Policy states that, in the context of the director nomination process, the CGHR Committee will consider the merit of potential candidates based on a balance of skills, abilities, personal qualities, educational qualifications and professional experience, including taking into account diversity considerations such as gender, age and geographic areas and other characteristics of the communities in which we are present and conduct our business. Our Board Diversity Policy is available at www.saputo.com.

The CGHR Committee endorses a balanced representation in terms of director tenure and age, and aims to foster diversity in the leadership of the Company. In order to effectively implement the Board Diversity Policy, the Board has embedded it into its director selection and appointment process. Additionally, the CGHR Committee considers the Board's diversity in its annual assessment of the Board's performance and its annual review of the size and composition of the Board. The Board of Directors and the CGHR Committee consider diversity in the broadest sense, including gender and other diverse attributes, in selecting potential director candidates.



The Board of Directors has not adopted a written policy relating to the identification and nomination of women, Aboriginal peoples, persons with disabilities and members of visible minorities (each a "Designated Group") for directors or set targets related to the representation of the Designated Groups on the Board, and has rather incorporated consideration of diversity into its practices as described above. Further, the Board of Directors believes that it is a combination of the skills, experience and character of an individual that are the most important qualities in assessing the value that such individual can bring to the Board of Directors.

Currently, five of the ten directors (50%) are women and the Board does not have any directors from other Designated Groups. Following the Meeting and assuming that all nominees are elected as contemplated in this Circular, five of the ten directors (50%) will be women and no director will be a member of another Designated Group.

Diversity, Equity and Inclusion throughout the Company

Anchored in the Saputo Promise, we strive to embed diversity, equity and inclusion in our corporate culture and provide our employees around the globe with equal opportunities and a sense of belonging, regardless of their background, experience or beliefs. This creates a better work environment and fosters individual and team growth, allowing us to better serve our customers and attract the best diverse talent. A copy of our Diversity Policy is available at www.saputo.com.

We recognize the value of diversity, which offers a depth of perspectives and enhances our operations. All decisions regarding recruitment, hiring, promotion, compensation, employee development decisions such as training, and all other terms and conditions of employment are made without regard to race, national or ethnic origin, colour, religion, age, gender, sex, sexual orientation, matrimonial status, civil status, physical or mental ability, or thoughts and beliefs, in each case in accordance with the laws of the jurisdictions in which we operate and as set out in our Code of Ethics. Reference is made to the section entitled "Ethical Business Conduct" for more information.

Saputo is committed to offering our employees a stimulating work environment where their entrepreneurship, initiatives, professionalism, leadership and commitment are recognized and encouraged. In doing so, Saputo endorses an organizational structure that enables promotion opportunities. Proactive and engaged leaders drive change and we believe that an active group of diverse leaders will sustain and promote a culture of diversity by inspiring others through their actions, their development and that of their teams. Our Diversity Policy provides that diversity is taken into account when identifying and fostering the development of high-potential individuals within the Company or when recruiting externally, including for senior management positions.

Our most recent initiatives to promote diversity, equity and inclusion include:

- providing unconscious bias training to people leaders;
- increasing the visibility of women role models in the Company;
- introducing flexible work arrangements;
- expanding employees' parental leave benefits;
- introducing a talent management strategy focused on employees growing in their own way through a blended learning and development approach.

As at March 31, 2021, three of the ten executive officers (30%) are members of a Designated Group, as two executive officers (20%) are women and one executive officer (10%) is a member of a visible minority. There is currently no executive officer of the Company who is a member of another Designated Group.

30%
of executive officers
are members of a
Designated Group

Majority Voting Policy

Pursuant to our majority voting policy, any nominee for an uncontested election as a director at a shareholders' meeting for whom the number of votes withheld exceeds the number of votes in favour will be deemed not to have received the support of shareholders and will immediately tender their resignation to the Board following the meeting. The CGHR Committee shall accept the resignation, save in exceptional circumstances, and shall make a recommendation to the Board.

The Board shall determine whether or not to accept the resignation within 90 days following the applicable shareholders' meeting. Any director who tenders their resignation pursuant to this policy shall not participate in the deliberations of the CGHR Committee or the Board regarding the resignation. Save in exceptional circumstances, the resignation shall be accepted by the Board. The resignation will be effective when accepted by the Board. Following the Board's decision on the resignation, the Board shall promptly disclose, via a press release, its decision whether or not to accept the director's proposed resignation and a copy of such press release shall be provided to the TSX. Should the Board determine not to accept the resignation, the press release shall fully state the reasons for the decision. This policy applies only to uncontested elections, meaning elections where the number of nominees for director is equal to the number of directors to be elected as determined by the Board. A copy of the Majority Voting Policy is available at www.saputo.com.

The director nominee election results from the August 6, 2020, annual meeting of the shareholders of the Company are set out below:

Name	Voted For	Withheld from Voting	% For	% Withheld
Lino A. Saputo	337,758,047	7,564,422	97.81%	2.19%
Louis-Philippe Carrière	344,151,131	1,171,338	99.66%	0.34%
Henry E. Demone	341,108,617	4,213,852	98.78%	1.22%
Anthony M. Fata	339,333,086	5,989,383	98.27%	1.73%
Annalisa King	344,904,901	417,457	99.88%	0.12%
Karen Kinsley	344,904,733	417,736	99.88%	0.12%
Tony Meti	341,667,882	3,654,587	98.94%	1.06%
Diane Nyisztor	340,773,734	4,548,735	98.68%	1.32%
Franziska Ruf	341,109,382	4,213,087	98.78%	1.22%
Annette Verschuren	344,510,004	812,465	99.76%	0.24%

Board Size

After reviewing its size, the Board determined that a board of nine to 12 directors is appropriate for decision-making purposes.

Ethical Business Conduct

We have a *Code of Ethics* that governs the conduct of our directors, officers and employees. The *Code of Ethics* is available at www.saputo.com or on SEDAR at www.sedar.com. The CGHR Committee is responsible for the compliance process relating to the *Code of Ethics* and for the reporting process to the Board with respect thereto. Our 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 CGHR 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 CGHR 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 CGHR Committee rules on questions concerning conflicts of interest. Also refer to the section entitled "Directors' Employment and Other Directorships".

Any complaint or concern regarding compliance with the *Code of Ethics*, our policies, procedures, guidelines and applicable laws can be reported by any employee to his or her supervisor or human resource partner, to the Chief Human Resources Officer or anonymously by using our whistleblower tool. Our whistleblower tool is provided by an independent service provider and accessible online or by phone.

Directors' Employment and Other Directorships

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

The Board believes that serving on another board of directors does not necessarily interfere with a director's independent judgement or duty to act in the best interest of the Company. However, directors are expected to have sufficient time to devote to their duties as Board members of the Company. In this regard, the Board has established guidelines on the maximum number of public directorships that directors may hold:

-
- (i) directors who hold a full-time executive position (other than at the director's own business) should hold at most two public company directorships, excluding any directorships
 - a) on the board of the corporation or organization at which such director is employed, or
 - b) on the board of any subsidiaries or affiliated entities of the corporation or organization at which such director is employed; and
 - (ii) other directors should hold no more than four public company directorships.
-

A copy of the Directors' Employment and other Directorships Procedure is available at www.saputo.com.

We maintain an up-to-date list of all the directorships and other employment of our directors.

Shareholder Communication and Engagement

The Board understands the importance of constructive communication and engagement with shareholders as part of its oversight and direction of the Company. The Company and the Board believe that by engaging with a broad range of stakeholders through open dialogue, both formally and informally, the Company gains a better understanding of key topics and matters of importance to our shareholder base. Our Shareholder Communication and Engagement Policy is available at www.saputo.com.

INVESTOR RELATIONS

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

BOARD ENGAGEMENT WITH SHAREHOLDERS

Members of the Board may also meet with Saputo's shareholders, shareholder organizations and governance groups. The main intent of these meetings is for the Board to gain a better understanding of key topics and matters of importance to our shareholder base.

The Board encourages shareholder participation at the Company's Meeting as it provides a valuable opportunity to discuss our activities and general business, financial situation, corporate governance, and other important matters. Shareholders may also contact the Board via our corporate communications department at investors@saputo.com. Requests made to this address are reviewed by the Company's Secretary who determines whether the communication received should be addressed to the Board or should instead be addressed by Management.

CORPORATE DISCLOSURE POLICY

The Audit Committee is responsible for the review, as directed by the Board, of the annual and interim financial statements of the Company and other continuous disclosure documents, such as the Management Information Circular, the Annual Information Form, the Management's Discussion and Analysis and the Annual Report, all of which are approved by the Board before their filing or mailing. The Board maintains a corporate disclosure policy to ensure that communications with the investment community, the media and the public are timely, consistent, and accurate, and that the information is disseminated in compliance with applicable legal and regulatory requirements.

Advisory Vote on Executive Compensation ("Say on pay")

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

At the Meeting, the Board will present a non-binding advisory vote on our approach to executive compensation as part of our shareholder engagement efforts. At the Meeting, shareholders will be asked to approve the following resolution:

"THAT, on an advisory basis and not to diminish the role and responsibilities of the Board, the shareholders accept our approach to executive compensation disclosed in the management information circular delivered in connection with the 2021 annual shareholders' meeting."

As this is an advisory vote, the results will not be binding upon the Board. However, the Board and the CGHR Committee will review and analyze the voting results and take into account such results when considering future executive compensation policies and practices. Results of the vote will be disclosed in the report of voting results to be posted on SEDAR at www.sedar.com shortly after the Meeting.

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

The section that follows sets out an overview of our executive compensation policies and practices.

Executive Compensation

COMPENSATION DISCUSSION AND ANALYSIS 44

Role and Composition of the CGHR Committee	44
Executive Compensation Policy Objective	45
Incentive Compensation Clawback Policy	45
Decision Making Process and Compensation Consulting Services	45
Comparative Groups	47
Share Ownership Policy for Executive Officers	48

ELEMENTS OF EXECUTIVE COMPENSATION 49

Fiscal 2021 Executive Compensation	50
Base Salary	51
Annual Incentive (Bonus)	51
Long-Term Incentive Plans	53
Target Total Direct Compensation for Fiscal 2021	57
Group Insurance Benefits	57
Performance Graph	57
NEO Realized/Realizable Compensation	58
NEO Summary Compensation Table	59
Incentive Plan Awards	60
Defined Benefit Pension Plan	61

Compensation Discussion and Analysis

ROLE AND COMPOSITION OF THE CGHR COMMITTEE

The CGHR Committee is composed of four independent directors with relevant experience in executive compensation. Each member has either held executive management positions as Chief Executive Officer, President or a senior executive role with oversight over human resources functions, advised reporting issuers with regards to human resources and compensation matters, or have experience as a member of human resources and compensation committees of other public companies. Each member has experience in implementing, managing or providing advice on compensation policies and practices. As a result, the members of the CGHR Committee have the relevant skills and experience necessary to enable the Committee to make decisions as to the suitability of our compensation policies and practices. See the section entitled "Election of Directors" for the members' biographies.

As part of its functions, the CGHR Committee is responsible for:

-
- (i) reviewing and approving the executive compensation policy and executive compensation;
 - (ii) establishing the annual performance targets used in relation to the annual incentive (bonus);
 - (iii) determining long-term incentive grants under our compensation plans and establishing their terms, including, where applicable, performance criteria;
 - (iv) assessing the risks associated with our compensation policies and practices; and
 - (v) overseeing the elements of the Saputo Promise delegated by the Board, such as the risk management measures related to human resources risks.
-

The CGHR Committee reviewed our compensation policies and practices for fiscal 2021 and considered the associated risks. The Committee has not identified any risks associated with our compensation policies and practices that are reasonably likely to have a material adverse effect on the Company. The significant risks and uncertainties relating to the Company and our business are disclosed in the Management's Discussion and Analysis accompanying our financial statements. None of these risks relate to compensation policies and practices. See "Additional Information". The CGHR Committee implemented various compensation practices and policies consistent with our philosophy of refraining from taking inappropriate or excessive risks. Our compensation structure provides for:

-
- | | |
|--|--|
| (i) a fixed portion (base salary) which is competitive and provides a regular income stream unrelated to the share price; | (vi) a share ownership policy which provides that executives must hold a minimum number of Common Shares; |
| (ii) a variable portion composed of both an annual incentive (bonus) and long-term incentives (options, performance share units (" PSUs ") and restricted share units (" RSUs ")); | (vii) rules of conduct that prohibit insiders, including directors and executive officers, from selling short, or purchasing financial instruments designed to hedge or offset a decrease in the market value of our securities; and |
| (iii) a cap on the amount payable under the annual incentive (bonus); | (viii) the incentive compensation is subject to a clawback policy. |
| (iv) a five-year vesting period for the options; | |
| (v) the PSUs and RSUs to vest at the end of the cycle and, in the case of the PSUs, if the performance criteria are met; | |
-

EXECUTIVE COMPENSATION POLICY OBJECTIVE

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

The CGHR Committee is responsible for annually reviewing and approving the executive compensation policy and executive compensation, including determining the compensation elements and the compensation mix to balance the executives' focus on short-term and long-term objectives. Our 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. Our compensation strategy therefore places the emphasis on compensation elements linked to performance, including share value through long-term incentive plans.

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

INCENTIVE COMPENSATION CLAWBACK POLICY

We have an incentive compensation clawback policy that applies to all executive officers and certain members of senior Management of the Company. A copy of our Incentive Compensation Clawback Policy is available at www.saputo.com. Under this policy, the Board may, after considering the CGHR Committee's recommendation, in its entire discretion and to the extent that it is in the best interest of the Company, require the reimbursement of the overcompensation amounts of annual and long-term incentive compensation awarded, granted or paid to any such individuals who were engaged in gross negligence, intentional misconduct or fraud. For compensation grants made on or after April 1, 2021, the compensation clawback policy is triggered whether or not there is a restatement of the Company's financial statements.

DECISION MAKING PROCESS AND COMPENSATION CONSULTING SERVICES

PCI has been retained by the CGHR Committee for over ten years as independent compensation consultant to provide advice relating to the competitiveness and appropriateness of the compensation programs of our executives and directors.

The services provided by PCI 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 CGHR Committee in the selection of the comparative groups, provides information on the benchmarking of executive and director compensation with the comparative groups and provides observations and recommendations with respect to the composition and design of the compensation elements.

In fiscal 2021, PCI assisted the Company with the following matters:

- providing market positioning research on executive compensation;
- reviewing the Company's executive compensation and performance-based metrics in light of the COVID-19 pandemic;
- reviewing our long-term incentive plan practices;
- reviewing the comparative group we use to benchmark compensation of our directors and executive officers;
- reviewing the disclosure on director and executive compensation provided in the Circular; and
- reviewing the terms of our employee share ownership plan.

Every mandate granted to PCI must be approved by the CGHR Committee. The table below sets forth the fees incurred by the Company for PCI's services in the two most recently completed fiscal years.

Fiscal Year	Executive and Director Compensation– Related Fees	All Other Fees
2021	\$75,512	\$14,095 ⁽¹⁾
2020	\$194,848	\$0

(1) Fees related to a review of our employee share ownership plan.

For fiscal 2021, the CGHR Committee conducted a review of the Company's executive compensation with the Chief Human Resources Officer. In its review, the Committee examined the compensation of executive officers with similar responsibilities in the comparative groups. The Committee also considered recommendations made by PCI for executive compensation, which are based on the executive officers' performance and responsibilities. Following discussions with the Chief Human Resources Officer, the Committee approved, in March 2020, the executive compensation packages for fiscal 2021, and provided a report to the Board at its next meeting. During fiscal 2021, the CGHR Committee reviewed the impact of the COVID-19 pandemic on our activities, including the measures taken by the Company with respect to the health, safety and well-being of our employees. The CGHR Committee, with the assistance of PCI, examined the performance targets under our performance share unit plan (the "**PSU Plan**") and the payouts under our annual incentive plan, in light of the impacts of the COVID-19 pandemic on our operations and results.

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

COMPARATIVE GROUPS

The CGHR Committee used the comparative groups set forth below to determine all aspects of executive compensation for fiscal 2021. The comparative groups were established considering the similarities in terms of size, financial performance, market capitalization and revenue of the companies, as well as their sectors of activity with the Company. In fiscal 2021, the CGHR Committee made changes to the composition of the Canadian Comparative Group and the US Comparative Group in order for them to include companies of a size comparable size to the Company in terms of revenues and market capitalization, and to take into account mergers and acquisitions activities that had occurred among previous group constituents.

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

Canadian Comparative Group	US Comparative Group
Alimentation Couche-Tard Inc.	Campbell Soup Company
Canadian Tire Corporation	Conagra Brands, Inc.
Dollarama Inc.	General Mills, Inc.
Empire Company Limited	Hormel Foods Corporation
George Weston Limited	Ingredion Incorporated
Maple Leaf Foods Inc.	Kellogg Company
Metro Inc.	Keurig Dr Pepper Inc.
Molson Coors Beverage Company	McCormick and Company Inc.
Nutrien Ltd.	The Hershey Company
	The J.M. Smucker Company
	The Kraft Heinz Company
	United Natural Foods, Inc.

The chart below identifies the named executive officers ("**NEOs**") for fiscal 2021 and the comparative group(s) used to benchmark their fiscal 2021 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	Chief Executive Officer	Combined Group	Combined Group
Maxime Therrien	Chief Financial Officer and Secretary	Combined Group	Combined Group
Kai Bockmann	President and Chief Operating Officer Saputo Inc. and International Sector	Combined Group	Combined Group
Carl Colizza	President and Chief Operating Officer (North America) and Dairy Division (USA)	Combined Group	Combined Group
Terry Brockman	Chief Business Officer Dairy Division (USA)	US Comparative Group	Combined Group

For fiscal 2021, the "Combined Group" referred to in the chart above was determined using a weighting of 50%/50% between the Canadian Comparative Group and the US Comparative Group, respectively.

SHARE OWNERSHIP POLICY FOR EXECUTIVE OFFICERS

Pursuant to the Share Ownership Policy for Executive Officers, the executive officers of the Company shall own a number of shares having a total market value of at least:

- three times their annual base salary for the Chief Executive Officer;
- two times their annual base salary for the Chief Financial Officer and the President and Chief Operating Officer of Saputo Inc. and International Sector;
- 1.5 times their annual base salary for other executive officers.

Each executive officer is required to comply with this policy within five years following their appointment as an executive officer of the Company (the "**Grace Period**"). Management has established guidelines providing for intermediate thresholds to be met during the Grace Period. Under these management guidelines, an executive officer may not exercise options for Common Shares during the Grace Period unless the executive officer retains enough of the Common Shares received as a result of the exercise to meet the intermediate thresholds.

For the purposes of assessing the share ownership levels, contrary to some of our peers, the Company has decided not to include the value of options, PSUs and RSUs. This element was considered by the Committee when establishing the multiples to be held under the policy.

The following table sets out the attainment by each NEO of the share ownership requirements as at March 31, 2021.

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	196,947	7,442,627	3,900,000	Yes
Maxime Therrien	40,214	1,519,687	1,320,000	Yes
Kai Bockmann	49,753	1,880,166	1,720,000	Yes
Carl Colizza	32,356	1,222,733	1,162,500	Yes
Terry Brockman	103,868	3,925,172	1,162,500	Yes

(1) This value corresponds to the number of Common Shares held by each executive officer multiplied by the closing price of the Common Shares on the TSX on March 31, 2021 (\$37.79).

(2) This value corresponds to the annual base salary of each executive officer for fiscal 2021 multiplied by the relevant number depending on their position. Mr. Saputo, Mr. Bockmann, Mr. Colizza and Mr. Brockman are remunerated in U.S. dollars. For the purposes of ensuring compliance with the minimum share ownership requirement, the absolute value of their salary is used, without regard for the exchange to Canadian dollars.

Elements of Executive Compensation

For fiscal 2021, the compensation for the executive officers of the Company, including the NEOs, consisted of the following:

Base Salary	Annual Incentive	Long-term Incentive Plans	Pension Benefits
-------------	------------------	---------------------------	------------------

The following table presents the key components of our executive officers' compensation for fiscal 2021:

Element	Purpose	Risk mitigating features	Link to business and talent strategies
Base Salary	<ul style="list-style-type: none"> reflect salaries offered for positions involving similar responsibilities and complexity, internal equity comparisons, as well as the individual's experience 	<ul style="list-style-type: none"> based on market data prepared by an independent compensation consultant reference group based on companies with similarities in size and activities market data is reviewed annually 	<ul style="list-style-type: none"> attract and retain talented individuals who can ensure current and long-term success
Annual incentive (bonus)	<ul style="list-style-type: none"> encourage the achievement of financial performance targets and reward executive officers based on our success 	<ul style="list-style-type: none"> solely based on our financial performance or, if applicable, on a combination of the financial performance of the Company and of the relevant division targets set by CGHR Committee at the beginning of the year performance targets are adjusted to exclude the impact of market factors any adjustment is reviewed by the CGHR Committee capped payouts no guarantee of minimum payout clawback policy 	<ul style="list-style-type: none"> direct correlation between our financial performance and the bonus earned uses a performance target that is based on the annual budget
Stock Option Plan	<ul style="list-style-type: none"> attract and retain quality executive officers promoting long-term profitability and maximizing shareholder value 	<ul style="list-style-type: none"> options vest over 5 years, term is 10 years 	<ul style="list-style-type: none"> encourage the leadership team to create sustainable long-term value align executive compensation with shareholders' interests
Performance Share Units	<ul style="list-style-type: none"> attract and retain quality senior-level management promoting long-term profitability and maximizing shareholder value 	<ul style="list-style-type: none"> vest only if performance objectives set by the CGHR Committee are met value of the grant is set based on the responsibility of the position and market data non-dilutive clawback policy 	<ul style="list-style-type: none"> focuses the leadership team on achieving challenging performance goals payout based on share price and Company performance attract and retain talented individuals who can ensure current and long-term success align executive compensation with shareholders' interests
Restricted Share Units	<ul style="list-style-type: none"> attract and retain quality senior-level management promoting long-term profitability and maximizing shareholder value 	<ul style="list-style-type: none"> vest over three years value of the grant is set based on the responsibility of the position and market data non-dilutive 	<ul style="list-style-type: none"> payout based on share price attract and retain highly qualified leaders align executive compensation with shareholders' interests
Pension benefits	<ul style="list-style-type: none"> pension benefit and supplemental plan based on pay, age and service and competitive with the market 	<ul style="list-style-type: none"> balance risks of performance-based elements of compensation maximum payable 	<ul style="list-style-type: none"> attract and retain highly qualified leaders

Executives also benefit from our group insurance plans generally available to all employees. None of the NEOs have a written employment contract with the Company.

FISCAL 2021 EXECUTIVE COMPENSATION

The 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 2021. The CGHR Committee set the fiscal 2021 total direct executive compensation to:

- target the third quartile of the relevant comparative group; and
- provide the adequate balance between fixed and variable components, with an emphasis on performance-linked elements and consistent with the executive compensation policy objective to attract and retain competent individuals and motivate them to optimize value for the shareholders.

The CEO does not receive any long-term incentives as he considers that his interest in the principal shareholder is a sufficient long-term incentive. As such, the CEO's compensation is determined separately and does not set the pace for the other executives' compensation.

The following table presents, for fiscal 2021, 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⁾	PSUs ⁽³⁾	RSUs ⁽³⁾
Chief Executive Officer	33.3%	66.7%	–	–	–
Chief Financial Officer and Secretary	22.2%	20.0%	13.4%	35.5%	8.9%
President and Chief Operating Officer Saputo Inc. and International Sector	24.1%	24.1%	12.1%	31.8%	7.9%
President and Chief Operating Officer (North America) and Dairy Division (USA)	23.5%	24.7% ⁽⁴⁾	12.0%	31.8%	8.0%
Chief Business Officer Dairy Division (USA)	28.6%	21.4%	12.2%	29.2%	8.6%

(1) Annual incentive at target.

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

(3) Based on the grant date fair value of the Common Shares underlying PSU or RSU awards.

(4) As further described below, in addition to his regular annual bonus, Mr. Colizza was awarded a special bonus in fiscal 2021 representing, at target, 15% of his base salary.

Changes to the Currency of Compensation

During the second quarter of fiscal 2021, the two former USA divisions, the Cheese Division (USA) and the Dairy Foods Division (USA), were merged into a single division now known as the Dairy Division (USA). The new division allows us to have a more agile USA platform, aligned under a common strategy.

To support the new organizational structure, the new leadership team is led by Mr. Colizza, who was named President and Chief Operating Officer, Dairy Division (USA). Mr. Colizza assumes this role in addition to his role as President and Chief Operating Officer (North America). In fiscal 2022, Mr. Colizza will ensure the transition of the Dairy Division (USA)'s leadership to Ms. Lyne Castonguay who was appointed Deputy President and Chief Operating Officer, Dairy Division (USA) on February 5, 2021.

In fiscal 2021, Mr. Bockmann and Mr. Colizza were relocated to the United States to enable the Company to have an executive presence in the United States and to locally support our operations and growth strategy. Mr. Saputo also spent a notable portion of his time in the United States during fiscal 2021. To ensure that their compensation remains competitive and attractive, the currency of their compensation, including base salary, was changed to US dollars, at par, while the other attributes of their compensation were maintained at their existing levels.

Consistent with our Global Strategic Plan FY2022-FY2025, the Company will require certain members of its management team to focus on strategic opportunities, with an emphasis on the United States and other international markets.

Considering that over 70% of our revenues are now generated outside of Canada, the CGHR Committee reviewed the comparative group used to benchmark executive compensation in order for it to better reflect the global employment market for executive talent. The revised comparative group includes more companies based outside of North America compared to the comparative group used to fix the fiscal 2021 compensation. In order to adequately benchmark the Company's executive compensation against the new, more global comparative group on a consistent basis, the CGHR Committee chose to convert compensation data to a common currency, the US dollar. Converting data to a common currency allows a more precise, equitable, meaningful and neutral comparison. In addition, the CGHR Committee determined that all executives with corporate functions will be paid in US dollars starting in fiscal 2022, thereby eliminating any impact of currency swings between the Canadian and US dollar. The Committee believes that the US dollar is the appropriate currency for the compensation of our executives with corporate functions given that the talent pool for these functions is global and the scope of our growth opportunities and operations in the United States and in other markets outside of Canada.

This change to the currency of compensation had a non-recurring impact on the pension value for fiscal 2021 for Mr. Therrien, Mr. Bockmann and Mr. Colizza. See section "Defined Benefit Pension Plan" below.

BASE SALARY

On April 1, 2020, the base salaries of NEOs other than the CEO were increased to reflect market salary adjustments and to recognize the NEOs' respective experience in their current position, their tenure within the Company, the evolution of their skills and their individual performance. During the year, the base salaries of Mr. Saputo, Mr. Bockmann and Mr. Colizza were converted to US dollars, at par, as described above.

For NEOs, individual performance is measured based on the achievement of objectives determined annually by the NEO together with the Chief Executive Officer and, with respect to the Chief Executive Officer, with the CGHR 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.

ANNUAL INCENTIVE (BONUS)

Compensation under our annual incentive plan is based on achievement of specific levels of earnings before interest, income taxes, depreciation, amortization, impairment of intangible assets, inventory revaluation resulting from a business acquisition, acquisition and restructuring costs ("**Adjusted EBITDA**") as set forth in our financial statements, compared to the Adjusted EBITDA presented to the Board in our annual budget ("**Budgeted EBITDA**"), after adjustments, if deemed appropriate by the CGHR Committee, for the market assumptions described below (the Budgeted EBITDA, when adjusted, the "**Market-Adjusted Budgeted EBITDA**").

To determine the actual level of achievement of Adjusted EBITDA compared to the Market-Adjusted Budgeted EBITDA, we adjust, as appropriate, the Budgeted EBITDA based on certain market assumptions used when determining the Budgeted EBITDA at the beginning of the fiscal year. The purpose of these adjustments is to exclude the impact of market factors that impact Adjusted EBITDA, but on which the executive officers have no control. These market factors may include the average block market price and the spread (as defined in our Management's Discussion and Analysis dated June 3, 2021), as well as dairy ingredient prices, international selling prices and currency exchange rates. These adjustments are reviewed annually by the CGHR Committee.

Under the annual incentive (bonus) plan, a bonus is paid if at least 85% of the Market-Adjusted Budgeted EBITDA is met by the Company, or the relevant division, depending on the executive officer's position. Similarly, the maximum bonus amount is only earned if the Company, or the relevant division, meets or exceeds 107.5% of Market-Adjusted Budgeted EBITDA. Bonus payments are made proportionately to the level achieved above 85% of Market-Adjusted Budgeted EBITDA until the maximum of 107.5% of Market-Adjusted Budgeted EBITDA. Bonuses are paid quarterly by the Company in cash, based on the annual and interim financial statements of the Company approved by the Board.

In connection with its responsibilities as the Company's compensation committee, the CGHR Committee has the discretion to award compensation absent the achievement of the performance goals established and to reduce or increase the size of any payout as it deems appropriate depending upon the circumstances.

ANNUAL INCENTIVE (BONUS) FOR FISCAL 2021

The Budgeted EBITDA was discussed with the Board in May 2020 at a time when the severity, magnitude, duration, and intensity of the COVID-19 pandemic were impossible to predict, as was its impact on our business and financial performance and condition. At that time, Management presented the Board with three different budget scenarios for fiscal 2021. The Budgeted EBITDA to be used in connection with the annual incentive plan (bonus) for fiscal 2021 was ultimately set based on the most ambitious budget scenario presented to the Board once Management was able to better understand the level of performance that could reasonably be expected to be achieved considering the short to medium-term impact of the pandemic on our performance.

In early fiscal 2022, the CGHR Committee reviewed our fiscal 2021 annual results, without considering any adjustments based on market assumptions. Then, the CGHR Committee considered the broader performance achieved in fiscal 2021 despite the challenges of the pandemic impacting our divisions to various degrees. The CGHR Committee determined that no standalone adjustments for COVID-19 would be made to the Budgeted EBITDA for fiscal 2021. Based on this review, the CGHR Committee decided:

- to cap annual incentives based on the consolidated budget at a 100% achievement level despite Saputo achieving more than 100% of the consolidated Budgeted EBITDA;
- to level out the incentives based on the divisional budgets by increasing the payout in divisions having achieved less than 100% of their divisional Budgeted EBITDA, and capping payout in divisions having exceeded their divisional Budgeted EBITDA.

Overall, the CGHR Committee believes that the fiscal 2021 annual incentive outcome for NEOs fairly recognises the combined business and personal performance of the executives for the year, while considering the varying degrees by which the COVID-19 pandemic impacted our business. The CGHR Committee believes that the fiscal 2021 annual incentives represent a fair balance between the substantial efforts deployed in the divisions which were the most negatively impacted by the pandemic, including the efforts deployed to date towards the merger of our two former USA divisions into the unified Dairy Division (USA), while avoiding granting excessive gains to executives in a time of heightened uncertainty.

Further, the CGHR Committee believes that capping the consolidated portion and levelling annual incentives throughout its divisions is consistent with the philosophy put forward by Saputo early in the COVID-19 crisis that "we are all in this together".

The CGHR Committee believes that awarding annual incentives to NEOs in this year of crisis is appropriate and consistent with Saputo's compensation policy objective to motivate and retain key management. The CGHR Committee notes that throughout the crisis, Saputo supported its employees and did not make any lay-offs in response to the pandemic. Further, Saputo did not receive COVID-19 relief government funding.

The table below sets forth, for each NEO, the payout percentages established for their annual bonuses in fiscal 2021, 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 and Objective				Fiscal 2021	
	Payout percentage (% of Base Salary)			(Budgeted EBITDA)	Level of Achievement	Bonus Earned % of Base Salary
	Achievement of 85% of the Budgeted EBITDA	Achievement of 100% of the Budgeted EBITDA	Achievement of 107.5% or more of the Budgeted EBITDA			
Lino A. Saputo	150%	200%	300%	Consolidated Budget (100%)	101.3%	200%
Maxime Therrien	70%	90%	180%	Consolidated Budget (100%)	101.3%	90%
Kai Bockmann	75%	100%	200%	Consolidated Budget (100%)	101.3%	100%
Carl Colizza ⁽¹⁾	70%	90%	180%	Dairy Division (Canada) Budget (37.5%) Dairy Division (USA) Budget (37.5%) Consolidated Budget (25%)	102.7%	90%
Terry Brockman	55%	75%	150%	Dairy Division (USA) Budget (75%) Consolidated Budget (25%)	97.9%	75%

(1) Mr. Carl Colizza is the President and Chief Operating Officer (North America) since April 1, 2019. In connection with his additional appointment on April 1, 2020, as the President and Chief Operating Officer of the Dairy Foods Division (USA), which was subsequently merged into the unified Dairy Division (USA), on an interim basis, Mr. Colizza was awarded a special bonus in fiscal 2021 representing up to 22.5% (15% if the target is achieved) of his base salary based on the Budgeted EBITDA of the Dairy Division (USA), in addition to his bonus applicable under the annual incentive plan. See "NEO Summary Compensation Table".

LONG-TERM INCENTIVE PLANS

For fiscal 2021, our long-term incentives are comprised of options, PSUs and RSUs. Grants are determined by the CGHR Committee and are expressed as a percentage of a participant's base salary. This percentage is determined based on the participant's position with the Company, regardless of the number of options, PSUs or RSUs already held by the participant. Grant guidelines are established by the CGHR Committee as part of its annual review of our compensation policy based on the competitiveness of total compensation and compensation practices within the Combined Group, market trends, as well as our 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 decision-making process of long-term incentives grants.

Stock Option Plan

Option grants are a key component of the compensation mix and serve to align executive compensation with shareholders' interests and encourage our leadership team to create sustainable long-term value. Options are granted to executive officers and other key executives pursuant to our stock option plan (the "**Stock Option Plan**") and the guidelines established by the CGHR Committee as part of its annual review of the compensation policy. Grant guidelines take into account the competitiveness of total compensation and compensation practices within the Combined Group, market trends, as well as our 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 Stock Option Plan.

Annual option grants are expressed as a percentage of a participant's base salary, as determined based on the participant's position, regardless of the number of options already held by such participant. On April 1, 2020, the CGHR Committee granted options to plan participants based on the guidelines established by the CGHR Committee.

PSU Plan and RSU Plan

Both the PSU Plan and RSU Plan are non-dilutive and settled in cash only. PSUs and RSUs are an additional component of the compensation mix which, together with options, serve to align executive compensation with shareholders' interests.

Vesting of PSUs

Under the PSU Plan, each performance cycle consists of three financial years of the Company (a "**Performance Cycle**"). The CGHR Committee typically determines the applicable performance vesting criteria (the "**PSU Vesting Criteria**") at the time of grant. Exceptionally, for the reasons discussed in the "Long-Term Incentive Component for Fiscal 2021" section below, the PSU Vesting Criteria for the fiscal 2021 PSU grant were determined later during the year. The PSU 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 PSU Vesting Criteria have been achieved vest and are paid out to the participants.

For grants made on April 1, 2020, the PSU Vesting Criteria is based on adjusted net earnings per share (fully diluted) prior to the inclusion of amortization of intangible assets related to business acquisitions, net of applicable income taxes ("**Adjusted EPS excluding amortization of acquired intangibles**"). Adjusted EPS excluding amortization of acquired intangibles is described in our Management's Discussion and Analysis. We believe that Adjusted EPS excluding amortization of acquired intangibles:

- is aligned with the overall compensation objectives and philosophy of the Company;
- is simple for participants to understand;
- directly reflects our financial and operating performance in a given period; and
- is an effective measure to assess performance against our peer group.

Under the vesting formula (the "**PSU Vesting Formula**"), PSUs granted on April 1, 2020, will vest and be paid out to participants at the end of the Performance Cycle as follows:

(i) Up to one-third of the PSUs may vest for each fiscal year of the Performance Cycle. The number of PSUs vesting for each fiscal year is determined by multiplying one-third of the PSUs granted by the applicable multiplier shown at the right (the "**Annual Vesting Multiplier**"), varying between 25% (if a minimum threshold performance is achieved) and 100% depending on the annual Adjusted EPS excluding amortization of acquired intangibles' performance for the fiscal year.

Level of achievement for the Annual Cycle (% of the Annual Objective Adjusted EPS excluding amortization of acquired intangibles)	Annual Vesting Multiplier (linear)
< 50%	0%
50%	25%
75%	50%
≥ 100%	100%

(ii) At the end of the Performance Cycle, additional PSUs may be credited based on the Adjusted EPS excluding amortization of acquired intangibles' performance for the Three-year Performance Cycle. As such, at the end of the Performance Cycle, a second multiplier (the "**Three-year Vesting Multiplier**") shown at the right will be applied to the number of PSUs granted for the Performance Cycle.

Level of achievement for the Performance Cycle (% of the Cycle Objective Adjusted EPS excluding amortization of acquired intangibles)	Three-year Vesting Multiplier (linear)
< 50%	0%
50%	25%
75%	50%
100%	100%
≥ 150%	150%

The additional PSUs described in paragraph (ii) will be credited only if the number of PSUs vesting using the Three-year Vesting Multiplier is higher than the sum of PSUs vested annually in accordance with paragraph (i). The maximum payout under PSU Vesting Formula is equivalent to 150% of the number of PSUs initially granted for the Performance Cycle.

Vesting of RSUs

Under the RSU Plan, each restriction period consists of three financial years of the Company (a "**Restriction Period**"). At the time of grant, the CGHR Committee determines the vesting criteria (the "**RSU Vesting Criteria**") which must be met by the participants. The RSU Vesting Criteria may include continuing employment through all or part of the Restriction Period. At the end of the Restriction Period, the RSUs for which the RSU Vesting Criteria has been achieved vest and are paid out to the participants.

Other features of the PSU Plan and the RSU Plan

Under the PSU Plan and the RSU Plan, the CGHR Committee has discretion to award compensation absent the achievement of the Vesting Criteria established.

The amount paid out at the end of a Performance Cycle or a Restriction Period is equal to the volume weighted average trading price¹ of the Common Shares during the five trading days preceding the calculation date, multiplied by the number of PSUs or RSUs, as the case may be, for which the applicable vesting criteria have been achieved. Participants are entitled to receive a payment in cash only. For PSUs, we calculate the amount payable to participants after the release of our annual financial results following the end of each Performance Cycle. The payment of the RSUs vested to a participant is made after the end of the applicable Restricted Period in accordance with the RSU Plan.

Each of the PSU Plan and the RSU Plan provide certain rules, subject to the discretion of the CGHR Committee, for the vesting and/or cancellation of PSUs and RSUs 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 and the RSU Plan further provide that in the event of a change of control, the Board has discretion with respect to the treatment of PSUs and RSUs which is similar to that conferred to the Board under the Stock Option Plan. A change of control pursuant to the PSU Plan and the RSU Plan is defined in the same manner as in the Stock Option Plan. See "Securities Authorized For Issuance Under Stock Option Plan".

Long-Term Incentive Component for Fiscal 2021

For fiscal 2021, we used the following target mix for the long-term incentive component of the NEOs' compensation package:

- 55% in PSUs;
- 30% in options; and
- 15% in RSUs.

This translates into NEOs (other than the Chief Executive Officer) receiving equity-based grants having an estimated fair value of either 75% or 80% of their base salary in options, 135% or 160% of their base salary in PSUs and 40% of their base salary in RSUs. In determining the compensation mix, the CGHR Committee considered competitive equity-based compensation trends and practices. The compensation mix for fiscal 2021 remained unchanged compared to fiscal 2020. The estimated fair value of the long-term incentive component of the NEOs' compensation was set at either 250% or 280% of the NEO's base salary in fiscal 2021, as it was in fiscal 2020.

On April 1, 2020, the CGHR Committee granted options, PSUs and RSUs to all NEOs other than to the Chief Executive Officer, pursuant to the Stock Option Plan, the PSU Plan and the RSU Plan. The Chief Executive Officer does not receive any long-term incentives as he considers that his interest in the principal shareholder constitutes an adequate long-term incentive.

All options granted on April 1, 2020, vest at a rate of 20% per year, on each of the first five anniversaries of the date of grant.

The Performance Cycle of the PSUs and RSUs granted on April 1, 2020, will end on March 31, 2023.

¹ For grants made before April 1, 2021, we use price in Canadian dollars. For grants made on or after April 1, 2021, we use the price in the currency used to pay the participant's compensation without applying the exchange rate with the Canadian dollar.

The CGHR Committee aims to set the PSU Vesting Criteria targets at the beginning of the Performance Cycle. Since the April 1, 2020, PSU grant was made during a time of unprecedented uncertainty at the onset of the COVID-19 pandemic, the CGHR Committee set the PSU Vesting Criteria targets for these PSUs during the fiscal year, once Management was able to better understand the level of performance that could reasonably be expected to be achieved for the performance cycle, consistent with the approach used to set Budgeted EBITDA (See “Annual incentive (bonus) for fiscal 2021” above)

IMPACT OF COVID-19 ON PSU PAYOUTS

The PSU Vesting Criteria for the PSUs granted on April 1, 2018, and 2019, is based on Adjusted ROE targets which were set at the time of the grant. The payout of these PSUs is based on the Adjusted ROE for each fiscal year of the applicable three-year performance cycle, including fiscal 2021. In light of the impact of the COVID-19 global pandemic which could not have been predicted or accounted for at the time when these PSUs were granted on April 1, 2018, and 2019, the CGHR Committee has decided not to include the fiscal 2021 Annual Cycle in the calculation of the payout for the Performance Cycle. Consequently:

- the payout of the PSUs granted on April 1, 2018, will be based on Saputo’s performance in fiscal 2019 and fiscal 2020, resulting in a payout of 69.4% for the Performance Cycle (instead of 61.2% had the 2021 Annual Cycle been included);
- the payout of the PSUs granted on April 1, 2019, will be based on Saputo’s performance in fiscal 2020 and fiscal 2022.

The CGHR Committee believes that this approach is appropriate given the strong and resilient leadership demonstrated by Management throughout the fiscal year, and considering the broader performance of the business achieved in fiscal 2021, as well as our compensation policy objective to motivate and retain key management.

Payout of PSUs granted on April 1, 2017

The PSUs granted on April 1, 2017, to NEOs and other senior-level management participants vested based on the achievement of Adjusted ROE for the three-year Performance Cycle ended March 31, 2020, as set out in the chart below.

Annual Cycle Ended	Annual Objective	Result
March 31, 2018	Adjusted ROE ≥ 18%	Adjusted ROE = 18.3%
March 31, 2019	Adjusted ROE ≥ 18%	Adjusted ROE = 14.2%
March 31, 2020	Adjusted ROE ≥ 18% or Cycle Objective Adjusted ROE ≥ 54%	Adjusted ROE = 12.9% Cycle Objective Adjusted ROE = 45.4%

Under the payout grid, a payout is made if the Company achieves at least 50% of the Cycle Objective of Adjusted ROE. The cumulative Adjusted ROE of 45.4% for the Performance Cycle ended March 31, 2020, represented 84.1% of the Cycle Objective, resulting in a payout of 68.2% of the PSUs granted on April 1, 2017, which occurred in June 2020 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 2021

The chart below describes, for each NEO, the target total direct compensation for fiscal 2021 in comparison with the applicable comparative group.

Name and Principal Position	Comparison of the NEO's target total direct compensation for fiscal 2021 with the applicable comparative group
Lino A. Saputo Chief Executive Officer	Below the first quartile of the Combined Group
Maxime Therrien Chief Financial Officer and Secretary	Above the median of the Combined Group
Kai Bockmann President and Chief Operating Officer, Saputo Inc. and International Sector	Above the median of the Combined Group
Carl Colizza President and Chief Operating Officer (North America) and Dairy Division (USA)	Above the median of the Combined Group
Terry Brockman Chief Business Officer, Dairy Division (USA)	At the third quartile of the US Comparative Group

The target total direct compensation of Mr. Brockman is at the third quartile of the US Comparative Group. The current target total direct compensation of Mr. Therrien, Mr. Colizza and Mr. Bockmann is reflective of their more recent appointments in their respective roles and, as these NEOs continue to develop in their roles, they will progress towards our objective of paying NEOs at the third quartile of the applicable comparative group. The target total direct compensation of Mr. Saputo is below the first quartile of the Combined Group since he does not receive any long-term incentives.

GROUP INSURANCE BENEFITS

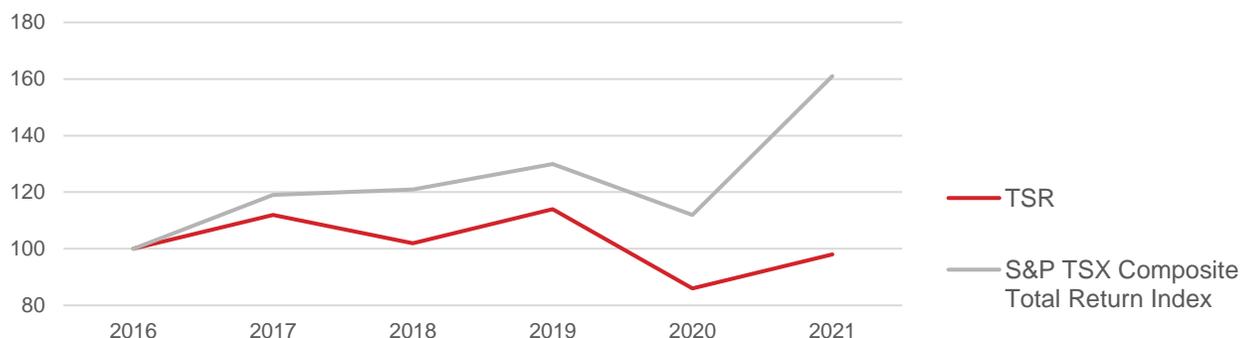
Our intention is to protect our employees and their families against adverse effects resulting from health-related complications. Consequently, as part of their total compensation, the NEOs participate in our group health, medical, accidental death and dismemberment, short-term and long-term disability, and life insurance plans generally available to all of our employees.

PERFORMANCE GRAPH

The following graph compares the yearly total shareholder return ("TSR") on a \$100 investment in Common Shares during the last five fiscal years, assuming reinvestment of dividends, with the cumulative return on the S&P/TSX Composite Total Return Index.

TSR on a \$100 investment

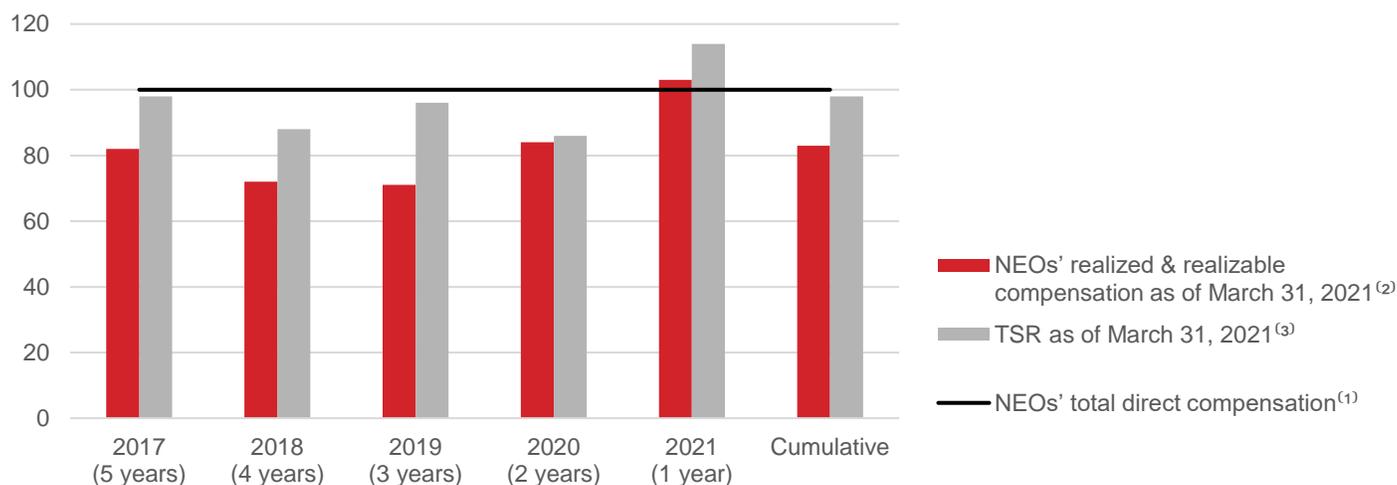
March 31, 2016, to March 31, 2021



We do not establish a direct relationship between the NEOs' compensation over the last five fiscal years and the evolution of the price of Common Shares over that period, which is affected by external factors beyond their control.

NEO REALIZED/REALIZABLE COMPENSATION

The following graph compares the total direct compensation awarded to our NEOs over the past five fiscal years, as reflected in the NEO Summary Compensation Table, to the yearly TSR on a \$100 investment in Common Shares made on the first day of the period indicated, assuming reinvestment of dividends. The table also presents the total compensation awarded to NEOs as a percentage of earnings before income taxes. The TSR has been superior to the current value of the compensation awarded to our NEOs relative to their total direct compensation for the periods indicated below.



	2017 (5 years)	2018 (4 years)	2019 (3 years)	2020 (2 year)	2021 (1 year)	Cumulative ⁽⁴⁾
A NEOs' total direct compensation ⁽¹⁾	100	100	100	100	100	100
B NEOs' realized & realizable compensation as of March 31, 2021 ^{(2) (5)}	82	72	71	84	103	83
C TSR as of March 31, 2021 ⁽³⁾	98	88	96	86	114	98
D Difference (C-B = D)	16	16	25	2	11	15
E NEOs' total direct compensation as a % of earnings before income taxes ⁽⁶⁾	1.9%	1.5%	1.6%	2.2%	2.3%	1.9%

- (1) Represents the sum of the base salary, the annual incentive (bonus) and long-term incentives awarded during the fiscal year as shown in the NEO's Summary Compensation Table. The value of long-term incentive awards included in the NEOs' total direct compensation for a fiscal year represents the grant date value of options-based awards and of the Common Shares underlying the PSU and RSU awards. This value may never be fully realized.
- (2) Represents the total of the sum of base salary, annual incentive paid, and, with respect to all NEOs other than Mr. Saputo, the payout value of PSUs granted during the reference year, the gain made on options exercised that were awarded during the reference year, the current value of unvested PSUs and RSUs adjusted based on Management's estimates and the in-the-money value of vested and unvested options awarded for the referenced year that are still outstanding at the end of the period for each \$100 awarded in total direct compensation for the fiscal year indicated, as at the end of the period.
- (3) Represents the value at the last day of the period of a \$100 investment in Common Shares made on the first day of the period indicated, assuming reinvestment of dividends.
- (4) Represents the sum of realized compensation from fiscal 2017 to 2021 and realizable compensation at the end of fiscal 2021 for NEOs compared with the sum of total direct compensation awarded from April 1, 2016, to March 31, 2021 and the TSR for the same period.
- (5) The NEOs' total direct compensation includes: (i) compensation of Mr. Carrière, in his capacity as Chief Financial Officer and Secretary until August 1, 2017, but excludes his compensation in his capacity as senior advisor for the period starting on August 1, 2017 and ending on April 3, 2021, and (ii) compensation of Mr. Therrien in his capacity as Chief Financial Officer and Secretary since August 1, 2017, but excludes his compensation in his capacity as Executive Vice President, Finance and Administration until July 31, 2017.
- (6) For additional information about earnings before income taxes, please refer to the Consolidated Financial Statements of the Company and the notes thereto as at and for the relevant period.

NEO SUMMARY COMPENSATION TABLE

The following table provides a summary of compensation earned by the NEOs during the three most recently completed fiscal years. Certain aspects of this compensation are dealt with in greater detail in the following tables.

Name and Principal Position	Year	Salary (\$)	Share-Based Awards ⁽¹⁾ (\$)	Option-Based Awards ⁽²⁾ (\$)	Non-Equity Incentive Plan Compensation (\$)		Pension Value ⁽⁴⁾ (\$)	All Other Compensation ⁽⁵⁾ (\$)	Total Compensation (\$)
					Annual Incentive Plans ⁽³⁾	Long-Term Incentive Plans			
Lino A. Saputo Chief Executive Officer ⁽⁶⁾	2021	1,389,427	–	–	2,954,863	–	–	–	4,344,290
	2020	1,300,000	–	–	2,704,000	–	–	–	4,004,000
	2019	1,300,000	–	–	2,348,840	–	–	–	3,648,840
Maxime Therrien Chief Financial Officer and Secretary	2021	660,000	1,319,993	398,966	594,000	–	848,400 ⁽¹⁰⁾	–	3,821,359
	2020	620,000	1,239,997	419,902	602,640	–	517,000	–	3,399,539
	2019	575,000	862,487	648,732	386,659	–	362,800	–	2,835,678
Kai Bockmann President and Chief Operating Officer Saputo Inc. and International Sector ⁽⁶⁾	2021	1,042,786	1,719,993	519,866	1,088,942	–	848,100 ⁽¹⁰⁾	884,695 ⁽⁷⁾	6,104,382
	2020	825,000	1,650,007	558,744	891,000	–	557,900	685,505 ⁽⁷⁾	5,168,156
	2019	750,000	1,125,015	846,169	616,950	–	1,121,200	858,945 ⁽⁷⁾	5,318,279
Carl Colizza President and Chief Operating Officer (North America) and Dairy Division (USA) ⁽⁶⁾	2021	915,115	1,549,975	468,488	1,034,155 ⁽¹¹⁾	–	1,493,400 ⁽¹⁰⁾	225,172 ⁽⁸⁾	5,686,305
	2020	720,000	1,439,996	487,628	646,226	–	472,400	–	3,766,250
	2019	660,000	990,018	744,631	530,556	–	525,100	–	4,018,806
Terry Brockman Chief Business Officer Dairy Division (USA) ⁽⁹⁾	2021	1,024,473	1,356,244	439,206	768,354	–	391,400	–	3,979,677
	2020	1,020,604	1,330,008	482,550	492,294	–	248,000	–	3,573,456
	2019	960,603	1,117,508	840,530	575,065	–	525,100	–	4,018,806

(1) This amount corresponds to the fair value of the PSU and RSU awards on the grant date. For purposes of calculating the fair value of the PSU and RSU awards 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 aggregate number of PSUs and RSUs granted on April 1, 2020, 2019 and 2018, 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 (\$33.35, \$45.30 and \$41.02 respectively).

(2) This amount corresponds to the fair value of the option awards on the grant date (\$5.04 per option granted on April 1, 2020, \$7.67 per option granted on April 1, 2019 and \$7.12 per option granted on April 1, 2018). We determine the fair value of the option awards using the Black-Scholes option pricing model, consistent with the valuation method used for accounting purposes and use the weighted average assumptions as shown right.

	April 1, 2020	April 1, 2019	April 1, 2018
Risk-free interest rate:	0.53%	1.61%	1.95%
Expected life of options:	6.3 years	5.8 years	5.6 years
Volatility:	21.17%	18.41%	18.42%
Dividend rate:	2.08%	1.45%	1.54%

(3) See section "Annual Incentive (Bonus)". Bonuses are paid quarterly by the Company in cash, based on the annual and interim financial statements of the Company approved by the Board.

(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. 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 10% of the total annual salary of the NEO for the fiscal year.

(6) During fiscal 2021, Mr. Saputo, Mr. Bockmann and Mr. Colizza became paid in US dollars. See "Fiscal 2021 Executive Compensation" above. The portion of their base salary which they received in US dollars during fiscal 2021 was converted in Canadian dollars at an indicative rate of 1.3219 which corresponds to the annual average exchange rate of the Bank of Canada for US\$1 for the year ended March 31, 2021.

(7) Mr. Bockmann received, for part of fiscal 2021, a transition allowance comprised of a foreign exchange adjustment of \$172,000 and a tax gross up of \$183,000 in connection with his past relocation from the United States to Canada. Mr. Bockmann also received in fiscal 2021, the reimbursement of relocation costs and a relocation allowance totaling \$359,913 along with a tax gross up in connection with his relocation from Canada to the United States of \$113,919 as well as a business allowance and repayment of other expenses totaling \$55,863. Among the relocation costs covered are travel expenses for Mr. Bockmann and his dependents, shipment of personal goods, assistance with sale of principal residence, as well as phase-out costs.

(8) Includes, for fiscal 2021, the reimbursement of relocation costs and a relocation allowance totaling \$150,361 along with a tax gross up in connection with his relocation from Canada to the United States of \$36,911, as well as a business allowance and repayment of other expenses totaling \$37,900. Among the relocation costs covered are travel expenses for Mr. Colizza and his dependents, shipment of personal goods, assistance with sale of principal residence, as well as phase-out costs.

(9) Mr. Brockman's compensation is paid in US dollars and was converted in Canadian dollars at an indicative rate of 1.3219 for fiscal 2021, which corresponds to the annual average exchange rate of the Bank of Canada for US\$1 for the year ended March 31, 2021, and at a rate of 1.3429 for fiscal 2020 and, 1.2894 for fiscal 2019, which corresponds to the daily average exchange rate of the Bank of Canada for US\$1 on March 28, 2019 and March 29, 2018.

(10) Includes an adjustment for past service for Mr. Therrien, Mr. Bockmann and Mr. Colizza of \$394,500, \$546,200 and \$835,600 respectively. See section "Defined Benefit Pension Plan" below.

(11) Mr. Carl Colizza is the President and Chief Operating Officer (North America) since April 1, 2019. In connection with his additional appointment on April 1, 2020, as the President and Chief Operating Officer of the Dairy Foods Division (USA), which was subsequently merged into the unified Dairy Division (USA), on an interim basis, Mr. Colizza was awarded a special bonus in fiscal 2021 representing up to 22.5% (15% if the target is achieved) of his base salary based on the Budgeted EBITDA of the Dairy Division (USA), in addition to his bonus applicable under the annual incentive plan.

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 2021.

Outstanding Share-Based Awards and Option-Based Awards

Name	Award Date	Option-Based Awards				Share-Based Awards		
		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	–	–	–	–	–	–	–	–
Maxime Therrien	04/01/2012	30,260	21.48	04/01/2022	1,593,320	–	3,324,726	–
	04/01/2013	28,376	25.55	04/01/2023		–		
	04/01/2014	31,290	27.74	04/01/2024		–		
	04/01/2015	31,927	35.08	04/01/2025		–		
	04/01/2016	45,290	41.40	04/01/2026		–		
	04/01/2017	45,906	46.29	04/01/2027		–		
	04/01/2018	91,114	41.02	04/01/2028		21,026		
	04/01/2019	54,746	45.30	04/01/2029		27,373		
	04/01/2020	79,160	33.35	04/01/2030		39,580		
Kai Bockmann	04/01/2012	4,644	21.48	04/01/2022	2,022,716	–	4,361,873	–
	04/01/2013	58,708	25.55	04/01/2023		–		
	04/01/2014	61,284	27.74	04/01/2024		–		
	04/01/2015	57,013	35.08	04/01/2025		–		
	04/01/2016	80,857	41.40	04/01/2026		–		
	04/01/2017	91,272	46.29	04/01/2027		–		
	04/01/2018	118,844	41.02	04/01/2028		27,426		
	04/01/2019	72,848	45.30	04/01/2029		36,424		
	04/01/2020	103,148	33.35	04/01/2030		51,574		
Carl Colizza	04/01/2013	28,864	25.55	04/01/2023	1,204,139	–	3,869,658	–
	04/01/2014	31,296	27.74	04/01/2024		–		
	04/01/2015	45,610	35.08	04/01/2025		–		
	04/01/2016	78,502	41.40	04/01/2026		–		
	04/01/2017	80,741	46.29	04/01/2027		–		
	04/01/2018	104,583	41.02	04/01/2028		24,135		
	04/01/2019	63,576	45.30	04/01/2029		31,788		
	04/01/2020	92,954	33.35	04/01/2030		46,476		
	Terry Brockman	04/01/2011	61,484	21.61		04/01/2021 ⁽³⁾		
04/01/2012		93,936	21.48	04/01/2022	–			
04/01/2013		93,870	25.55	04/01/2023	–			
04/01/2014		93,006	27.74	04/01/2024	–			
04/01/2015		77,537	35.08	04/01/2025	–			
04/01/2016		109,903	41.40	04/01/2026	–			
04/01/2017		101,804	46.29	04/01/2027	–			
04/01/2018		118,052	41.02	04/01/2028	27,243			
04/01/2019		62,914	45.30	04/01/2029	29,360			
04/01/2020		87,144	33.35	04/01/2030	40,667			

(1) This value corresponds to the difference between the closing price of the Common Shares on the TSX on March 31, 2021 (\$37.79), and the exercise price. This value has not been, and may never be, realized. The actual gain, if any, will depend on the value of the Common Shares on the dates the options are exercised relative to the exercise price (see "Long-Term Incentive Plans").

(2) This value corresponds to a 100% payout, being 100% of the aggregate number of PSUs and RSUs granted on the award date multiplied by the closing price of the Common Shares on the TSX on March 31, 2021 (\$37.79). 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 PSU Vesting Criteria or RSU Vesting Criteria, as the case may be, and the value of the Common Shares on the date on which the vested PSUs and RSUs are paid out (see "Long-Term Incentive Plans").

(3) The expiration date of these options was extended as per the Stock Option Plan.

The following table presents, for each NEO, the value of incentive plan awards that have become vested during fiscal 2021 and the amount of annual incentive (bonus) earned with respect to the performance achieved during fiscal 2021:

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	–	–	2,600,000
Maxime Therrien	–	120,254	594,000
Kai Bockmann	–	689,603	1,043,139
Carl Colizza	–	610,044	990,060
Terry Brockman	–	769,161	818,226

- (1) The options automatically vest at a rate of 20% per year, on each of the first five anniversaries of their date of grant. This value corresponds to the difference between the closing price of the Common Shares on the TSX on April 2, 2020 (\$34.12), which is the first business day following the vesting date of April 1, 2020, and the exercise price of in-the-money options. This value has not been, and may never be, realized. The actual gain, if any, will depend on the value of the Common Shares on the dates the options are exercised (see "Long-Term Incentive Plans").
- (2) Pursuant to the PSU Plan, PSUs vest at the end of a Performance Cycle. The grant under the PSU Plan made on April 1, 2017, vested and was paid out in June 2020, based on the level of achievement of the PSU Vesting Criteria. See "Payout of Fiscal 2017 PSU Grant". The grant under the PSU Plan made on April 1, 2018, will vest on June 3, 2021, subject to achieving the PSU Vesting Criteria. The grants under the PSU Plan made on April 1, 2019, and 2020, will vest after the end of the Performance Cycle ending March 31, 2022 and 2023, respectively, subject to achieving the PSU Vesting Criteria. The grants under the RSU Plan made on April 1, 2019, 2020 will vest after the end of the Restriction Period ending March 31, 2022, and 2023, respectively subject to achieving the RSU Vesting Criteria. See "Long-Term Incentive Plans".
- (3) Corresponds to the amount disclosed in the "NEO Summary Compensation Table".

The following table presents, for each NEO, the aggregate number of options exercised, the average exercise price and the gains realized on exercise during fiscal 2021:

Name	Number of Common Shares Acquired on Exercise (#)	Average Exercise Price per Common Share (\$)	Gain Realized ⁽¹⁾ (\$)
Lino A. Saputo	–	–	–
Maxime Therrien	13,384	21.61	167,166
Kai Bockmann	–	–	–
Carl Colizza	33,170	21.48	531,383
Terry Brockman	19,958	20.83	258,058

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

DEFINED BENEFIT PENSION PLAN

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

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

The Pension Plans' NRA is 65 or can be 60 if the sum of the participant's age and their credited years of service in the relevant supplementary retirement plan is at least 70. However, members retiring from age 55 will have their pension benefits calculation reduced by 0.25% for each month the actual retirement date precedes the NRA date.

The maximum annual pension benefits payable is capped at 60% of the participant's final base salary.

The following table illustrates, for each NEO, the eligible years of service and estimated annual pension benefits payable at age 65 accrued as of March 31, 2021, under the registered retirement plan and supplementary retirement plan combined. The annual pension benefits will accrue if the participant remains employed by the Company until age 65. The table also presents the changes in the accrued obligation from March 31, 2020, to March 31, 2021, including the annual cost attributable to compensatory items for fiscal 2021. These amounts were calculated using the same actuarial assumptions used for determining the accrued pension obligation at year-end presented in our financial statements for fiscal 2021, in accordance with accounting principles used by the Company. For more information, see the note on employee pension and other benefit plans in our financial statements for fiscal 2021. See "Additional Information".

Defined Benefit Plans Table

Name	Number of Years Credited Service (#)	Annual Benefits Payable (\$)		Opening Present Value of Defined Benefit Obligation (\$)	Compensatory Change (\$)	Non-Compensatory Change ⁽¹⁾ (\$)	Closing Present Value of Defined Benefit Obligation (\$)
		At Year End	At Age 65				
Lino A. Saputo	—	—	—	—	—	—	—
Maxime Therrien	3.67 ⁽²⁾	79,600	396,000	1,037,700	848,400	361,500	2,247,600
Kai Bockmann	3.58 ⁽³⁾	138,900	138,900	2,465,900	(806,100)	307,700	1,967,500
	4.42 ⁽⁴⁾	184,200	509,300	3,139,900	1,654,200	(452,800)	4,341,300
Carl Colizza	5.42 ⁽⁵⁾	132,500	132,500	1,761,300	(620,700)	245,900	1,386,500
	0.58 ⁽⁶⁾	37,800	451,600	0	2,114,100	(170,100)	1,944,000
Terry Brockman	15.00	505,800	584,100	7,315,700	391,400	(680,600)	7,026,500

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

(2) Mr. Therrien participates in the supplementary retirement plan as of August 1, 2017, and in the Non-Contributory Canadian Registered Defined Benefit Pension Plan as of January 1, 2018. Prior to August 1, 2017, Mr. Therrien participated in and received an employer contribution in connection with a registered and supplemental non-contributory defined contribution plan. The value accumulated by Mr. Therrien under this plan was \$545,210 as at March 31, 2020 and \$643,256 as at March 31, 2021.

(3) This number corresponds to the years of credited service for Mr. Bockmann under the supplementary retirement plan and the Non-Contributory Canadian Registered Defined Benefit Pension Plan, in which Mr. Bockmann participated.

(4) This number corresponds to the years of credited service for Mr. Bockmann under the US non-registered Executive Supplementary Retirement Pension Plan, in which Mr. Bockmann participates.

(5) This number corresponds to the years of credited service for Mr. Colizza under the supplementary retirement plan and the Non-Contributory Canadian Registered Defined Benefit Pension Plan, in which Mr. Colizza participated. Mr. Colizza also participated in a registered and supplemental non-contributory defined contribution plan and received an employer contribution in connection therewith. The value accumulated in such plan was \$376,645 as at March 31, 2020 and \$51,009 as at March 31, 2021.

(6) This number corresponds to the years of credited service for Mr. Colizza under the US non-registered Executive Supplementary Retirement Pension Plan, in which Mr. Colizza participates.

In fiscal 2021, the compensatory change for Mr. Therrien, Mr. Bockmann and Mr. Colizza includes a non-recurring adjustment for past service of \$394,500, \$546,200 and \$835,600 respectively. This adjustment for past service results from a revision of their compensation in connection with our decision to pay these NEOs in US dollars. See section "Changes to the Currency of Compensation" above.

Pension benefits earned under the Pension Plans are first payable from the Non-Contributory Canadian Registered Defined Benefit Pension Plans or the Contributory 401(K) pension plan, as per their respective terms and conditions, as applicable. Any incremental benefits are payable from the Executive Supplementary Retirement Pension Plan. The obligations accumulated in the Non Contributory Canadian Registered Defined Benefit Pension Plans and the Contributory 401(K) pension plan are being funded. However, our obligations under the Executive Supplementary Retirement Pension Plan will be paid as they become due. Our 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 our NEOs, except as discussed under the sections entitled "Elements of Executive Compensation – Long-Term Incentive Plan – PSU Plan and RSU Plan" "Elements of Executive Compensation – Defined Benefit Pension Plan" and "Securities Authorized For Issuance Under Stock Option 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 Stock Option Plan

The following table sets out the securities authorized for issuance under the Stock Option Plan as of March 31, 2021, which is the only compensation plan of the Company under which equity securities of the Company are authorized for issuance:

Stock Option 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 Stock Option Plan (Excluding Securities Reflected in Column (a))
Stock Option Plan approved by security holders	23,339,321	\$38.05	14,595,623

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

We have a Stock Option Plan for full-time employees and officers of the Company and our subsidiaries. Directors do not participate in the Stock Option Plan. The terms, the exercise price, the number of underlying Common Shares and the vesting periods of the options are determined by the CGHR Committee at the time of grant. Under the Stock Option Plan, 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 Stock Option Plan may not be assigned or transferred, and expire ten years from the date of grant. If the expiration date for an option falls within a blackout period or within nine business days following the expiration of a blackout period, the expiration date is automatically extended to the tenth business day after the end of the blackout period. Options granted under the Stock Option 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. Upon exercise, the reserve of Common Shares is deducted in full accordingly. The maximum number of Common Shares 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.

The following table summarizes the provisions of the Stock Option Plan related to termination of employment or death.

Nature of Termination	Applicable Termination Provisions of the Stock Option Plan
For cause or for a serious reason	Vested and unvested options are cancelled at the date of termination
Death, injury or disability	Vested options may be exercised within 180 days from the date of termination of employment or before the expiration of the original term of the option, whichever occurs first
Retirement if the optionee's age and years of service total 70 years or more, taking into account only whole years	Vested options and options scheduled to vest in the two years following the date of termination of employment may be exercised within 90 days from the expiration of this two-year period or before the expiration of the original term of the option, whichever occurs first.
All other circumstances	Vested options may be exercised within 90 days from the date of termination of employment or before the expiration of the original term of the option, whichever occurs first

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

- | | |
|--|---|
| <ul style="list-style-type: none"> (i) any limitations of conditions on participation in the Stock Option Plan (other than to the eligibility for participation); (ii) any amendment to any terms upon which options may be granted and exercised, including but not limited to, the terms relating to the amount and payment of the option price, vesting, expiry and adjustment of options, or the addition or amendment of any cashless exercise features; (iii) any amendment to the Stock Option Plan to permit the granting of deferred or restricted share units under the Stock Option 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; | <ul style="list-style-type: none"> (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 Stock Option Plan or in any option; (vi) any amendment to the definitions contained in the Stock Option Plan and any other amendments of a clerical nature; and (vii) any amendment to the terms relating to the administration of the Stock Option Plan. |
|--|---|

The approval of our shareholders is required if the amendment to the Stock Option Plan relates to the following:

- | | |
|--|---|
| <ul style="list-style-type: none">(i) increasing the maximum number of Common Shares issuable under the Stock Option Plan, except for the purpose of maintaining option value in connection with a conversion, change, reclassification, redivision, redesignation, subdivision or consolidation of Common Shares or a reorganization, amalgamation, consolidation, merger, takeover bid or similar transaction involving the Company;(ii) reducing the exercise price or purchase price of any option;(iii) extending the term of any option; | <ul style="list-style-type: none">(iv) removing or exceeding the insider participation limit;(v) changing the class of persons eligible to participate under the Stock Option Plan;(vi) permitting any option granted under the Stock Option Plan to be transferable or assignable, other than by will or under succession laws (estate settlement); and(vii) amending the amendment provision of the Stock Option Plan. |
|--|---|
-

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

<p>The Stock Option Plan provides that in the event of:</p> <ul style="list-style-type: none">(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,	<p>the Board may:</p> <ul style="list-style-type: none">(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 Stock Option Plan consists of

- (i) a sale of all or substantially all of the assets of the Company and our subsidiaries; or
 - (ii) a sale, directly or indirectly, resulting in more than 50% of the Common Shares being held, directly or indirectly, by another person (other than a wholly-owned subsidiary of the Company).
-

The following table provides information regarding the Stock Option Plan as at March 31, 2021.

	Number of Common Shares/options (#)	As a % of Common Shares outstanding
Common Shares authorized for issuance under the Stock Option Plan	45,698,394	11.08%
Options granted in fiscal 2021 ⁽¹⁾	4,637,830	1.12%
Options outstanding	23,339,321 ⁽²⁾	5.66%
Options remaining available for future grants	14,595,623	3.54%

(1) Options granted on April 1, 2020, at an exercise price of \$33.35 per share.

(2) 12,252,508 options were exercisable as of March 31, 2021, and 11,086,813 will vest at a rate of 20% per year, on each of the first five anniversaries of their date of grant.

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

	March 31, 2021	March 31, 2020	March 31, 2019
Burn rate ⁽¹⁾	1.13%	0.83%	1.17%

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

On April 1, 2021, the CGHR Committee granted an aggregate of 1,984,038 options to participants under the Stock Option Plan at an exercise price of \$37.52 per share, which represents 0.48% of the outstanding Common Shares on March 31, 2021.

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

The Board of Directors recommends that KPMG LLP be appointed as the auditor of the Company to hold office until the next annual meeting of the shareholders of the Company or until their successors are appointed. Deloitte LLP have been the auditors of the Company since 1992 and audited our financial statements for the fiscal year ended March 31, 2021.

In fiscal 2021, the Audit Committee initiated a review of external audit services as part of its continued commitment to good governance. As part of this review, we sought proposals to provide audit services for the fiscal year ending March 31, 2022.

After careful review of the proposals received and due consideration of all relevant factors, the Audit Committee recommended to the Board of Directors that KPMG LLP, and not Deloitte LLP, be nominated at the Meeting for appointment as auditor of the Company for the fiscal year ending March 31, 2022. The recommendation to appoint a new auditor is in line with governance best practices to periodically rotate this function.

Except where the authority to vote in favour of the appointment of KPMG LLP is withheld, the persons whose names are printed on the enclosed form of proxy intend to vote FOR the appointment of KPMG LLP, chartered accountants, as auditors of the Company and to vote FOR authorizing the Board to determine their remuneration.

Attached as Schedule C to this Circular are copies of documents relating to the change of auditor required to be included herein by securities regulators, including the notice of change of auditor and the confirmation letters received from Deloitte LLP and KPMG LLP. As indicated in the notice of change of auditor, there are no reportable events as such term is defined in paragraph 4.11(1) of National Instrument 51-102 – *Continuous Disclosure Obligations*.

Interest of Management and Others in Transactions

The Audit Committee reviews the Company's related party transactions and the Company's procedures to monitor its related party transactions. Any transaction by the Company on the one hand and a related party, such as (i) companies subject to control or significant influence through ownership by its principal shareholder, or (ii) key management personnel, being all the executive officers who have responsibility and authority for controlling, overseeing and planning the activities of the Company, as well as the Company's directors, on the other hand, is subject to the Company's procedure on related party transaction. In the normal course of business, we may enter into related party transactions at fair value, consistent with market values for similar transactions. In fiscal 2021, these transactions were of an immaterial amount. Reference is made to the note of the Consolidated Financial Statements of the Company that describes related party transactions. See "Additional Information".

Shareholder Proposals

The shareholder proposals submitted to the Company in connection with the Meeting are attached as Schedule A. Following discussions with the Company, the shareholders making these proposals have agreed that their proposals should not be put to a vote. We have, however, committed to including each shareholder proposal in the Circular for information purposes only. The shareholder proposals are not on the formal agenda of the Meeting.

Subject to the *Canada Business Corporations Act*, certain shareholders of the Company may submit to the Company proposals to be considered at the next annual meeting of the shareholders of the Company. All shareholder proposals must be received by the Company no later than March 5, 2022.

Additional Information

Our 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 fiscal 2021. Additional information relating to the Company, including financial information and our Annual Information Form, is available at www.saputo.com or on SEDAR at www.sedar.com. Copies of these documents may also be obtained by written request to the Secretary of the Company by mail at 6869 Métropolitain Boulevard East, Montréal, Québec H1P 1X8, or via our Corporate Communications' department at investors@saputo.com.

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

General

Except as otherwise specifically indicated, the information contained herein is given as of May 25, 2021. Management of the Company presently knows of no matters to come before the Meeting other than matters identified in the Notice. If any matter should properly come before the Meeting, the persons named in the form of proxy will vote on such matters according to their best judgment.

Approval of the Directors

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

Montréal, Québec, June 3, 2021.

(signed) Lino A. Saputo

Lino A. Saputo
Chair of the Board and Chief Executive Officer

Schedule A - Shareholder Proposals

The following proposal was submitted by Mr. Anthony J. Pullman, a holder of Common Shares, for consideration at the Meeting. Following discussions with the Company, Mr. Pullman has agreed not to hold a vote on this proposal at the Meeting.

Shareholder Proposal #1 – Palm oil

It is proposed that Saputo adopt an enterprise-wide policy on the sustainable and responsible use of palm oil that goes beyond RSPO certification and provides for (i) explicit protections for all forest types and (ii) human rights impacts assessments.

Palm oil appears in thousands of food products Canadians eat and use every day. While incredibly versatile, this product has attracted controversy over its environmental (deforestation) and human rights impacts, including slavery, sexual abuse and child labour. Currently 193 animal and plant species connected to palm oil production are considered critically endangered, threatened and vulnerable.

As Canada's largest dairy producer, Saputo's exposure to palm oil has historically been low, but lower sales of fluid milk are driving new product offerings, including more plant-based items in which palm oil may be used.

In February 2021, dairy producers faced criticism over concerns that palm oil was being added to animal feed for dairy production. The scandal made international headlines and has promoted provincial and national investigations.

Saputo does not appear to have an enterprise-wide palm oil policy. Saputo's 2020 Environmental Report introduced enterprise climate, water and waste goals, but the policy does not specifically address palm oil. Similarly, its Responsible Sourcing policy specifically refers to dairy, and no other products.

Saputo Dairy UK are working members of the Roundtable on Sustainable Palm Oil (RSPO), supporting the production and uptake of sustainable palm and committed to sourcing 100% of the 10,000 tonnes of palm oil it uses from Certified Sustainable Palm Oil (CSPO) by 2022.

Purchasing from RSPO-certified mills alone does not ensure that Saputo's palm oil does not contribute to deforestation or human rights abuses. The RSPO principles and criteria do not mandate protection of High Carbon Stock (HCS) forests or peatlands, two carbon-rich forest ecosystems that are commonly cleared for palm oil cultivation. Academics and environmental organizations have both indicated that it is not possible for users of palm oil to ensure that they are acting responsibly simply by producing or using Certified Sustainable Palm Oil (CSPO).

Some of Saputo's competitors and peers including Sysco have recognized the shortcomings of the RSPO and committed to adopt policies that go beyond RSPO certification alone, with explicit protections for all forest types and assurance of human rights protections.

Failure to keep pace with shifting market expectations for sustainable production may pose significant risks to Saputo including reputational damage.

OUR RESPONSE:

In January 2021, Saputo became a member of the Roundtable on Sustainable Palm Oil (RSPO), and we are committed to sourcing 100% RSPO-certified palm oil globally in 2021 and beyond.

The RSPO, which has more than 4,000 members worldwide representing stakeholders throughout the palm oil supply chain, has developed a set of environmental and social criteria designed to help minimize the negative impact of palm oil cultivation on the environment and communities in palm oil-producing regions.

In 2018, the RSPO introduced new criteria forbidding any new planting on peatlands and requiring drainability assessments for existing oil palm planted on peatlands. Furthermore, the RSPO is one of the few standards to incorporate the Global Living Wage Coalition's calculation for establishing payment of a Decent Living Wage for palm oil workers.

Our adherence to RSPO and commitment to sourcing 100% RSPO-certified palm oil are consistent with the guidance from the World Wildlife Fund (WWF) for responsible companies. Given our relatively low exposure to palm oil, we think that it is more efficient to advance our sustainable sourcing and environmental goals, which are set out in the Saputo Promise, our Environmental Policy and our Supplier Code of Conduct, through the RSPO rather than on our own. Further, our stance on labour and human rights issues is addressed in our Code of Ethics and Supplier Code of Conduct.

We will continue to monitor industry trends and best practices regarding the responsible sourcing of palm oil and will consider any alternative approach or measure we think is appropriate and meaningful to further advance our sustainable sourcing, environmental and human rights goals and principles.

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

Following discussions with the Company, the MÉDAC has agreed not to hold a vote on these proposals at the Meeting.

Shareholder Proposal #2 – Purpose and commitment

It is proposed that the Board of Directors and Management clearly state the purpose of Saputo Inc. as an organization and that one of the committees of the Board be tasked with monitoring the deployment of the policies, commitments and initiatives put in place to give effect to this new strategic direction, particularly as it relates to health, the environment, human resources and stakeholder relations.

In August 2019, the Business Roundtable, an association comprised of executives of major U.S. companies, issued a statement that a company's purpose cannot be limited to the pursuit of profit alone and should take into account all stakeholders that may be affected by its operations: customers, employees, suppliers, communities and shareholders. Without social utility, companies lose their reason to exist.

A company's purpose refers to the role it intends to play in society beyond its mere economic activity. According to Jean-Dominique Senard, Chairman of Renault, "The purpose makes it possible to link the past to the present; it is the company's DNA. It has no economic significance, but rather it falls into the realm of vision and meaning." Essentially, it is "the contribution the company seeks to make to the main social, societal, environmental and economic issues in its field of activity by involving its key stakeholders."

Although several companies have taken several good initiatives in this regard over the years, by reading the various institutional reports, we are unable to identify a purpose that meets the above definition. Moreover, there is no Board committee tasked with coordinating all actions in support of the chosen purpose. More specifically, such a committee should be responsible for:

- preparing and informing the work of the Board with respect to the deployment of the policies, commitments and initiatives put in place by Saputo Inc. as part of its strategic direction, particularly as it relates to health, the environment and human resources;
- engaging with the various stakeholders regarding the progress made towards these goals and reporting to the Board on its meetings;
- reviewing the extra-financial control and reporting systems as well as the key results of the extra-financial information published by Saputo Inc; and
- informing shareholders about the various issues raised by its work.

For this concept of purpose to become a tangible reality and not to remain a mere marketing slogan, it must find tangible expression in an institution's governance practices.

In conclusion, it should be borne in mind that a growing number of investors believe that organizations without social utility lose their reason to exist.

OUR RESPONSE:

The Board of Directors and Management have formalized Saputo's commitment to living up to the values on which the business was founded in 1954 in the Saputo Promise. The Saputo Promise consists of seven pillars that form the backbone of our approach to social, environmental and economic performance. The Saputo Promise describes the commitment to advance Saputo's ESG practices, including in the areas covered by your proposal, such as health, the environment, human resources and stakeholder relations.

The governance structure of the Saputo Promise is solid and sound and is described starting on page 26 of the Circular.

According to its mandate, which is set out in Schedule B of this Circular, the Board of Directors oversees our practices, guidelines and policies related to the Saputo Promise. As the Saputo Promise is deeply rooted in Saputo's governance and operations, the committees of the Board of Directors help monitor the deployment of the policies, commitments and initiatives put in place to deliver on the Saputo Promise. For this reason, the mandate of each committee now specifies that each committee oversees the aspects of the Saputo Promise delegated to it by the Board of Directors. The mandates of each of the Board's committees are available on our website at www.saputo.com.

We believe that with the Saputo Promise and the related governance structure, Saputo is achieving the objectives underlying the proposal. The Saputo Promise and the policies that flow from it are clear and already enjoy a high level of adherence.

Shareholder Proposal #3 – Virtual meetings and shareholder rights

It is proposed that the Board of Directors adopt a policy setting out the rules for holding virtual annual meetings.

Over the past year, owing to the pandemic, banks and several other organizations have made use of new teleconferencing technologies to hold their annual general meetings. While MÉDAC understands organizations were often using these new technologies for the first time, like other individuals or organizations submitting shareholder proposals or wishing to make comments or suggestions during these virtual meetings, MÉDAC unfortunately experienced problems that limited its participation. More specifically, our perception of the 2020 virtual annual meetings was that [TRANSLATION] “unfortunately, we were not allowed to speak at these meetings. In fact, it was impossible for shareholders to take the microphone at these virtual meetings. The only individuals who spoke at these meetings were the [corporate] representatives, i.e., the Chair (of the Board, and thus of the meeting), the CEOs, etc.” For small shareholders, this limited presence at annual meetings can have an impact on the success of their proposals in the long term, as they cannot defend them in person and thus build additional support in the event their proposals are submitted again in the future.

These issues are of concern for shareholder participation, as shareholders resort to submitting shareholder proposals in management information circulars and at annual meetings if dialogue with the issuer breaks down or for any other reason.

Experience with shareholder participation and proposals over the last twenty years has shown their added value in matters of governance, for example, the separation of the functions of the President and CEO from those of the Chair of the Board of Directors, advisory votes on executive compensation, the disclosure of the compensation of auditors and compensation advisors, the representation of women on boards of directors and in senior management positions, access to proxies for the nomination of directors, etc.

We recommend that the Board of Directors adopt a policy setting out the rules for shareholder participation at virtual annual meetings:

- oral presentation of shareholder proposals by the individuals or organizations submitting them for a period at least equal to the time required to read them;
- virtual view of the shareholders during their responses and of the members of senior management;
- opportunity to ask spontaneous questions following Management's presentations;
- real-time interaction between shareholders and with the meeting chair;
- if issues raised by shareholders cannot be addressed at the annual meeting, posting of Management's responses on the company's website and on SEDAR within ten days of the meeting.

OUR RESPONSE:

We recognize the importance of shareholder participation at annual general meetings. This year, we are trying to maximize shareholder participation while considering the health requirements owing to the pandemic and the technological tools available. We will allow registered shareholders and their proxies to participate both online (chat) and live by phone. As in previous years, the question period will be held at the end of the meeting and will be open to all shareholders who wish to ask a question. Shareholders will be able to ask questions online, in writing, or by phone.

Also, shareholders who have submitted a proposal to the Corporation will have the opportunity to present their proposal by phone. They will have the same speaking time as at in-person meetings, i.e., a period not exceeding the time required to read their proposal and the text accompanying the proposal.

The details of how the meeting will be conducted are described starting on page 6 of the Circular. Subject to the technological solutions available, we intend to conduct the virtual shareholder meeting in a manner as similar as possible to an in-person meeting.

Shareholder Proposal #4 – Discretion of the Board of Directors and the compensation committee

It is proposed that the Management Information Circular explicitly set out the criteria used by each of these bodies to review senior executive performance and compensation targets.

Over the past year, the health and economic crisis has certainly had an impact on the key performance measures and related targets that senior executives were expected to meet during 2020. Have the Board of Directors and the Human Resources Committee adjusted the targets, if necessary, or have they exercised special discretion to review the compensation policy, given that performance in relation to pre-determined targets does not fully reflect the overall quality of the performance of these executives?

The purpose of this proposal is to require the company to precisely disclose any adjustments made to the key performance measures, targets and associated compensation awards for all its senior executives, if such is the case.

OUR RESPONSE:

The Corporate Governance and Human Resources Committee has discretion to award compensation even if performance objectives have not been met and to decrease or increase payments, as it deems appropriate. This discretionary power is similar to that of the Boards or committees of other large companies and allows for adjustments to compensation packages, the objectives for which are established at the beginning of the fiscal year, particularly in light of any unforeseen situation that arises during the year.

As disclosed starting on page 52 of the Circular, the Corporate Governance and Human Resources Committee reviewed the results in light of the events during the year. This review was necessary considering the major impact on our operations and results of the COVID-19 pandemic, the magnitude of which was still unknown and unpredictable at the beginning of our 2021 fiscal year.

All adjustments to compensation under our compensation policy for fiscal 2021 are described in detail in the Circular, as are the underlying reasons for the adjustments in relation to our compensation policies and overall corporate objectives. It should be noted that, for fiscal years in which no discretion is exercised, Saputo's practice is to indicate this fact in the Circular for the relevant fiscal year. We believe that our current practices, including the disclosure made in this Circular, meet the objectives of the proposal.

Shareholder Proposal #5 – Reporting on climate, water and waste targets by 2025

It is proposed that the Board of Directors report on clear targets and its formal commitment to make significant and sustainable progress by 2025. Such reporting could take the form of a sustainability report that meets industry best practices and omits confidential information.

On February 10, 2020, Saputo Inc. pledged to accelerate its global climate, water and waste performance. It was proud to announce clear targets and a formal commitment to make significant and sustainable progress by 2025 in areas such as renewable electricity, resource conservation and sustainable packaging. These targets were as follows:

Climate

- Reduce CO₂ intensity of our operations by 20%.
- Reduce the energy intensity of our operations by 10%.

Water

- Reduce water intensity of our operations by 10%.
- Improve our wastewater quality year-over-year.

Waste

- **Operational waste**
 - Reduce our total waste by 25%.
 - Increase our diversion rate to 75%.
- **Food waste**
 - Reduce our food waste by 50%.
- **Packaging**
 - Reduce our material use by 15%.
 - Ensure 100% of our packaging is reusable, recyclable or compostable.
 - Ensure our packaging includes at least 15% of recycled or renewable content.²

The proposed reporting would allow Saputo Inc. to explain to its stakeholders the different measures in place to achieve the various targets and to report on progress in achieving the targets, while considering its business and regulatory environment.

OUR RESPONSE:

In 2020, we made commitments to improve our environmental performance with specific targets to be met by 2025. More specifically, we have committed to:

- reducing our CO₂ emissions intensity by 20%;
- reducing our water consumption by 10%; and
- reducing our food waste by 50%.

Since 2017, we have published an annual Saputo Promise Factsheet that contains quantitative performance indicators to track our progress under each of our pillars. We therefore plan to report quantitatively on our climate, water and waste performance targets in future annual reports on the Saputo Promise. The report for the fiscal year ended March 31, 2021, is scheduled to be published in August 2021. Thus, we are already meeting the objective of the proposal.

² <https://www.saputo.com/en/our-promise/environment>

Schedule B - Board Mandate

The Board of Directors (the "**Board**") is responsible for the stewardship of the business and affairs of Saputo Inc. (the "**Company**"). As such, the Board establishes all Company policies, oversees and assesses management's strategic decisions, and has full power for duties that are not specifically delegated to its committees or to management. The Board is also responsible for overseeing the management of the Company's business so as to enhance the creation of long-term shareholder value while considering the interests of the Company's various stakeholders, including shareholders, employees, customers, suppliers, business partners and the communities where the Company operates. Management's role is to conduct the Company's day-to-day operations so as to ensure that this objective is met.

BOARD ORGANIZATION

- The directors are elected annually by the Company's shareholders. These directors, together with those appointed between annual meetings to fill vacancies or as additional directors, make up the Board of the Company.
- The composition and organization of the Board, including the number and qualifications of directors, the number of Board meetings, Canadian residency requirements, quorum requirements, meeting procedures and notices of meetings, shall comply with applicable requirements of the *Canada Business Corporations Act*, laws and regulations and the articles and by-laws of the Company.
- The Board must be composed of a majority of independent directors as defined by applicable laws and regulations.
- The Chair of the Board must be appointed by a resolution of the Board, and a Lead Director must be appointed if the Chair of the Board is not an independent director. The Lead Director must be appointed by a resolution of the independent members of the Board.
- The Board meets at least five times per year and may call special meetings as required. The Chair of the Board, the Lead Director, any member of the Board, the Chief Executive Officer or the Chief Financial Officer and Secretary may call special meetings as needed. The Board determines the place, date and time of its meetings. The meetings may be held by telephone or by any other means allowing the members of the Board to communicate with each other. Unless waived by the independent members of the Board, the independent directors meet, *in camera*, without management and non-independent directors in attendance, following each meeting of the Board. The Chair of the Board, or Lead Director if the Chair is not an independent director, chairs the *in camera* meetings.
- The Chair of the Board and the Lead Director approve meeting agendas and ensure that documents referred to in the agenda are forwarded to directors sufficiently in advance for their perusal. Any member of the Board may propose the inclusion of additional items on the agenda, or at any Board meeting raise subjects that are not on the agenda for that meeting.
- Minutes of Board meetings must accurately reflect the significant discussions and the decisions of the Board and must be circulated to the members of the Board for their approval. The secretary of the Company, their designate or any other person the Board requests, shall act as secretary of the Board meetings. Minutes of the Board meetings shall be recorded and maintained by the secretary of the Company, or any other person acting in such capacity.
- The Board may invite any person deemed appropriate to a Board meeting. However, such person may not at any time vote at the Board's meeting.
- The Board has full access to members of senior management and other personnel, as well as to documents of the Company and its subsidiaries. The Board has the authority to retain, at the cost of the Company, independent legal counsel, consultants or other advisors it considers necessary to carry out its mandate and fulfill its responsibilities, and to fix the compensation of such advisors.

COMMITTEES OF THE BOARD

- The Board has established the Audit Committee and the Corporate Governance and Human Resources Committee. Subject to applicable laws and regulations, the Board may establish other Board committees or merge or dispose of any Board committees.
- The Board has approved mandates for each existing Board committee and shall approve mandates for each new Board committee.
- The Board has delegated to the applicable committee those duties and responsibilities set out in each committee's mandate. The Board may request the assistance of Board committees in performing its duties and delegate additional responsibilities to them if it deems appropriate.
- To facilitate communication between the Board and each of the Board committees, each committee chair shall provide a report to the Board on material matters considered by the committee at the first Board meeting following the committee's meeting.

RESPONSIBILITIES

The Board takes on the following responsibilities outlined below:

A. Strategic Planning

- 1) reviewing and approving the Company's strategic orientation: identification of short, medium and long-term qualitative and quantitative objectives, annual approval of the strategies for achieving them, which strategies take into account opportunities and risks, and monitor the achievements of management;
- 2) reviewing and approving the Company's annual budget;
- 3) periodically reviewing 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 Company's strategy regarding distributions to shareholders generally, including strategy with respect to dividends and the repurchase of shares of the Company;
- 5) approving significant acquisitions and dispositions of businesses, any major contract or project, including financing agreements and agreements under which guarantees are given or substantial assets are given as security, as well as any other important matter concerning the Company;

B. Management Oversight

- 6) 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;
- 7) reviewing and approving the appointment, indemnification, succession and education plans, and overseeing compensation for the executive officers;
- 8) developing and approving written position descriptions for the Chief Executive Officer;
- 9) reviewing the performance of the Chief Executive Officer in light of his position description and objectives to be met;

C. Risk Management

- 10) identifying the main risks associated with the Company's business and ensuring the deployment of appropriate risk management measures;
- 11) overseeing the integrity of the Company's internal control over financial reporting and disclosure controls and procedures;
- 12) monitoring compliance of the Company with laws, regulations and norms applicable to it and its activities;

D. Communications and Shareholder Engagement

- 13) establishing and overseeing the implementation of the corporate disclosure policy, and reviewing and approving the continuous disclosure documents, such as the financial statements, management's discussion and analysis, management information circular, annual information form and annual report;
- 14) establishing and overseeing the implementation of a shareholder communication and engagement policy, meeting with the Company's shareholders and stakeholders, in conjunction with management, at the annual meeting of shareholders and be available to respond to questions at that time or in accordance with the Company's shareholder communication and engagement policy;

E. Environmental, Social and Governance (ESG) Matters

- 15) overseeing the ESG factors and risks material to the Company's business and the deployment of appropriate measures to manage them;
- 16) overseeing the Company's practices, guidelines and policies related to the Saputo Promise, including:
 - the environmental policy;
 - the food quality and safety policy;
 - the health and safety policy;
 - the Code of Ethics with the purpose of encouraging and promoting integrity and a culture of ethical business conduct; and
- 17) approving the Company's approach to corporate governance, in particular, adopting corporate governance principles and guidelines that apply specifically to the Company;

F. Board Matters

- 18) developing and approving written position descriptions for the Chair of the Board, the Lead Director and the chair of each Board committee;
- 19) implementing and supervising a process for assessing the performance of the Board, its committees and the directors, as well as periodically evaluating their performance;
- 20) implementing and supervising the process to select and recruit candidates for the Board;
- 21) determining the independence, or lack thereof, of each director;
- 22) implementing and supervising the orientation and continuing professional development programs of directors;
- 23) implementing and supervising a policy with regards to the diversity of its board of directors;
- 24) reviewing and approving the compensation and indemnification of directors;
- 25) 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;
- 26) annually reviewing the Board's mandate; and
- 27) reviewing any other matter or issue that may be referred to the Board by one of the Board committees or that it 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.

Schedule C - Change of Auditor

NOTICE OF CHANGE OF AUDITOR

TO: British Columbia Securities Commission
Alberta Securities Commission
Financial and Consumer Affairs Authority of Saskatchewan
The Manitoba Securities Commission
Ontario Securities Commission
Autorité des marchés financiers (Québec)
Financial and Consumer Services Commission (New Brunswick)
Nova Scotia Securities Commission
Office of the Superintendent of Securities (Prince Edward Island)
Office of the Superintendent of Securities, Service Newfoundland and Labrador
Office of the Yukon Superintendent of Securities
Office of the Superintendent of Securities (Northwest Territories)
Nunavut Securities Office

AND TO: Deloitte LLP
KPMG LLP

Saputo Inc. (the Company) hereby gives notice of the following in accordance with the requirements of Section 4.11 of *Regulation 51-102 respecting Continuous Disclosure Obligations* (Regulation 51-102):

1. The audit committee of the Company's board of directors (the Audit Committee) conducted a review of external audit services as part of its continued commitment to good governance. As part of this review, the Company sought proposals to provide audit services for the fiscal year ending March 31, 2022.
2. After careful review of the proposals received and due consideration of all relevant factors, the Audit Committee recommended to the board of directors of the Company that KPMG LLP, and not Deloitte LLP, be nominated for appointment as auditor of the Company by the shareholders of the Company for the fiscal year ending March 31, 2022.
3. On April 21, 2021, the board of directors approved the recommendation of the Audit Committee and decided not to propose Deloitte LLP for reappointment as auditor of the Company for the fiscal year ending March 31, 2022 and to propose KPMG LLP for appointment as auditor of the Company by the shareholders of the Company for the fiscal year ending March 31, 2022. The vote will take place at the Company's annual general meeting of shareholders scheduled on August 5, 2021.

-
4. The auditor's reports of Deloitte LLP on the annual audited consolidated financial statements of the Company for the two most recent fiscal years preceding the date of this notice, being reports for the fiscal years ended March 31, 2020 and March 31, 2019, did not express any modified opinion.
 5. In the opinion of the Company, there are no reportable events as such term is defined in paragraph 4.11(1) of Regulation 51-102.

Date: April 23, 2021.

SAPUTO INC.

(signed) Maxime Therrien

By: Maxime Therrien, CPA, CA
Chief Financial Officer and Secretary



Deloitte LLP
La Tour Deloitte
1190 Avenue des Canadiens-de-Montréal
Suite 500
Montreal, QC
H3B 0M7
Canada

April 28, 2021

Tel: 514-393-7115
Fax: 514-390-4100
www.deloitte.ca

To:

British Columbia Securities Commission
Alberta Securities Commission
Financial and Consumer Affairs Authority of Saskatchewan
The Manitoba Securities Commission
Ontario Securities Commission
Autorité des marchés financiers (Québec)
Financial and Consumer Services Commission (New Brunswick)
Nova Scotia Securities Commission
Office of the Superintendent of Securities (Prince Edward Island)
Office of the Superintendent of Securities, Service Newfoundland and
Labrador
Office of the Yukon Superintendent of Securities
Office of the Superintendent of Securities (Northwest Territories)
Nunavut Securities Office

Dear Sirs/Mesdames:

As required by subparagraph (5)(a)(ii) of section 4.11 of National Instrument 51-102, we have reviewed the notice of change of auditor of Saputo Inc. dated April 23, 2021 (the "Notice") and, based on our knowledge of such information at this time, we agree with the statement 4 and we have no basis to agree or disagree with statements 1, 2, 3, and 5 contained in the Notice. Deloitte LLP has been engaged and will complete the audit of Saputo Inc.'s fiscal 2021 financial statements.

Yours very truly,

/s/ Deloitte LLP¹

¹ CPA auditor, CA, public accountancy permit No. A125494



KPMG LLP
600 de Maisonneuve Blvd West
Suite 1500, Tour KPMG
Montréal (Québec) H3A 0A3
Tel. 514-840-2100
Fax. 514-840-2187
www.kpmg.ca

To British Columbia Securities Commission
Alberta Securities Commission
Financial and Consumer Affairs Authority of Saskatchewan
The Manitoba Securities Commission
Ontario Securities Commission
Autorité des marchés financiers (Québec)
Financial and Consumer Services Commission (New Brunswick)
Nova Scotia Securities Commission
Office of the Superintendent of Securities (Prince Edward Island)
Office of the Superintendent of Securities, Service Newfoundland and Labrador
Office of the Yukon Superintendent of Securities
Office of the Superintendent of Securities (Northwest Territories)
Nunavut Securities Office

April 26, 2021

Dear Sir/Madam,

Re: Notice of Change of Auditors of Saputo Inc.

As required by section 4.11 of National Instrument 51-102 – *Continuous Disclosure Obligations*, we have read the change of auditor notice of Saputo Inc. dated April 23, 2021 (the "Notice") and confirm our agreement with the statements contained in the Notice pertaining to our firm, except that we are not in a position to agree or disagree with item 5 of such Notice.

Yours very truly,

KPMG LLP

© 2021 KPMG LLP, an Ontario limited liability partnership and a member firm of the KPMG global organization of independent member firms affiliated with KPMG International Limited, a private English company limited by guarantee. All rights reserved.

saputo.com



Saputo