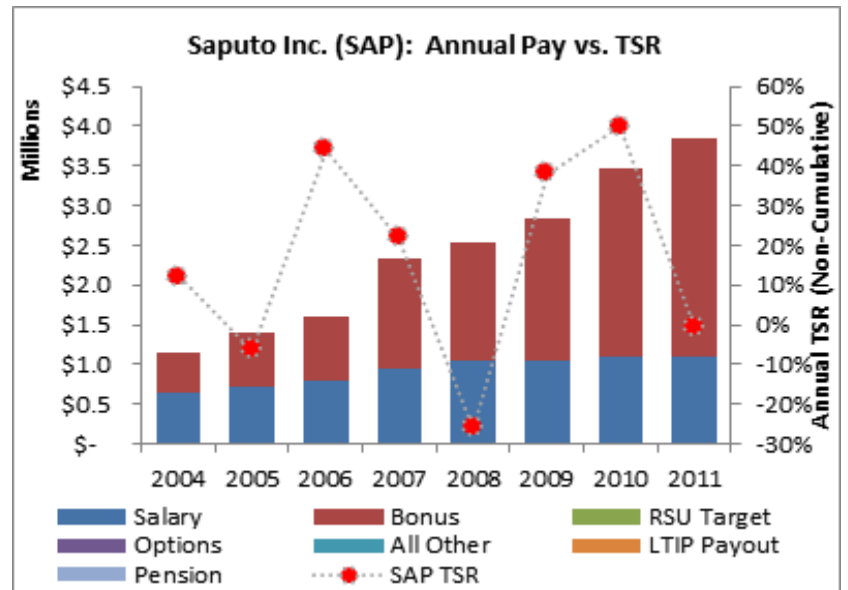
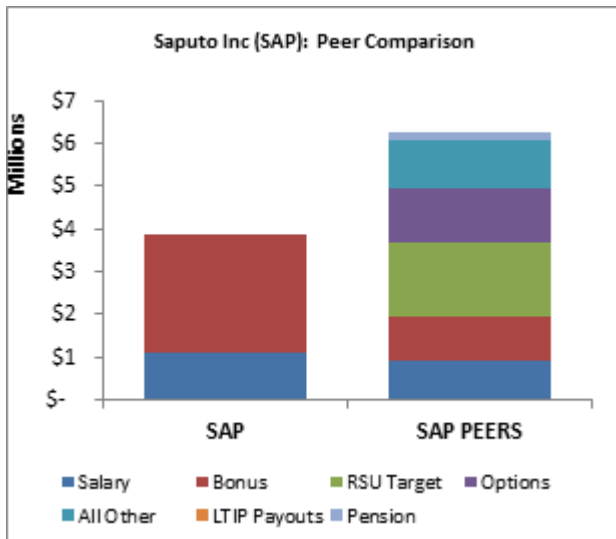


Saputo Inc (SAP): 2004-2011 Pay for Performance

| PAY FOR PERFORMANCE SCORE | | | | |
|---------------------------|------------|------------|------------|--------------|
| 1 YEAR = 0 | 4 YEAR = 3 | 6 YEAR = 5 | 8 YEAR = 8 | TOTAL: 16/24 |

SAP's CEO pay approach is unusual among its TSX 60 peers in that it includes no equity. CEO, Lino Saputo Jr.'s family owns nearly 40% of the common shares of SAP, reducing the incentive that equity pay would usually provide. As a result, Mr. Saputo's pay comprises only salary and bonus, with bonus based entirely on EBITDA results. SAP's CEO pay has increased steadily every year since 2004, starting at around \$1.5m in 2004 and reaching approximately \$4.5m in 2011. As a result, **CEO pay has increased in each of our observations. Similarly TSR steadily increases as our observation length increases. The outcome is that SAP's longer-term pay/performance is quite well-aligned**, leading to a Pay for Performance Score of 16/24.

Due to the absence of equity pay, SAP's total CEO pay in 2011 ranked 7th out of 11 peers. In 2011, SAP ranked in the top 5 in TSR, ROE and ROA.



| COMPANY'S DISCLOSED PEER FIRMS | |
|--------------------------------|--------------------------|
| TICKER | NAME |
| TSE:MFI | Maple Leaf Foods Inc. |
| TSE:VT | Viterra Inc. |
| TSE:THI | Tim Hortons Inc. |
| TSE:MRU.A | Metro Inc. |
| TSE:AGU | Agrium Inc. |
| TSE:CAS | Cascades Inc. |
| TSE:BCB | Cott Corporation |
| TSE:UFS | Domtar Corp |
| TSE:RON | RONA Inc. |
| TSE:CBY | Canada Bread Company Ltd |

| FY 2011 FINANCIAL PERFORMANCE RANKINGS | | | | | | |
|--|----------------|--------------|----------------|--------------|----------------|--------------|
| # | PEER | TSR | PEER | ROE | PEER | ROA |
| 1 | TSE:THI | 21.9% | TSE:THI | 33.2% | TSE:THI | 17.5% |
| 2 | TSE:UFS | 11.1% | TSE:AGU | 20.6% | TSE:SAP | 10.6% |
| 3 | TSE:VT | 5.3% | TSE:SAP | 18.1% | TSE:AGU | 10.1% |
| 4 | TSE:MRU | 0.7% | TSE:MRU | 15.0% | TSE:MRU | 7.8% |
| 5 | TSE:SAP | -0.5% | TSE:UFS | 12.3% | TSE:UFS | 6.2% |
| 6 | TSE:MFI | -3.6% | TSE:MFI | 9.5% | TSE:CBY | 5.5% |
| 7 | TSE:CBY | -3.7% | TSE:CBY | 7.8% | TSE:VT | 3.8% |
| 8 | TSE:AGU | -25.0% | TSE:VT | 6.6% | TSE:MFI | 2.9% |
| 9 | TSE:BCB | -28.5% | TSE:BCB | 6.5% | TSE:BCB | 2.4% |
| 10 | TSE:CAS | -29.8% | TSE:CAS | -1.1% | TSE:CAS | -0.3% |
| 11 | TSE:RON | -31.0% | TSE:RON | -4.9% | TSE:RON | -3.2% |

| CEO COMPENSATION RANKINGS AGAINST COMPANY'S DISCLOSED PEER FIRMS | | | | | | | | | | |
|--|----------------|--------------------|----------------|--------------------|----------------|--------------------|----------------|--------------------|----------------|--------------|
| | PEER | TOTAL PAY | PEER | SALARY | PEER | BONUS | PEER | TOTAL CASH | PEER | TOTAL EQUITY |
| 1 | TSE:THI | \$10,300,889 | TSE:AGU | \$1,395,066 | TSE:SAP | \$2,750,000 | TSE:SAP | \$3,850,000 | TSE:AGU | \$5,342,841 |
| 2 | TSE:AGU | \$9,940,850 | TSE:UFS | \$1,137,786 | TSE:UFS | \$2,328,039 | TSE:AGU | \$3,713,492 | TSE:MFI | \$4,122,789 |
| 3 | TSE:MFI | \$6,735,655 | TSE:SAP | \$1,100,000 | TSE:AGU | \$2,318,426 | TSE:UFS | \$3,465,825 | TSE:THI | \$2,814,346 |
| 4 | TSE:UFS | \$6,645,526 | TSE:MFI | \$1,005,000 | TSE:MFI | \$1,524,253 | TSE:MFI | \$2,529,253 | TSE:VT | \$2,749,997 |
| 5 | TSE:VT | \$5,209,477 | TSE:VT | \$1,000,000 | TSE:VT | \$1,350,000 | TSE:VT | \$2,350,000 | TSE:CBY | \$2,668,450 |
| 6 | TSE:CBY | \$4,103,145 | TSE:RON | \$876,413 | TSE:MRU.A | \$744,000 | TSE:MRU.A | \$1,511,789 | TSE:UFS | \$2,416,649 |
| 7 | TSE:SAP | \$3,850,000 | TSE:CBY | \$840,709 | TSE:THI | \$645,107 | TSE:THI | \$1,463,147 | TSE:MRU.A | \$1,720,763 |
| 8 | TSE:MRU.A | \$3,403,947 | TSE:THI | \$818,040 | TSE:CBY | \$584,293 | TSE:CBY | \$1,425,002 | TSE:BCB | \$1,138,740 |
| 9 | TSE:BCB | \$2,391,687 | TSE:MRU.A | \$767,789 | TSE:BCB | \$510,558 | TSE:BCB | \$1,214,497 | TSE:RON | \$952,857 |
| 10 | TSE:RON | \$1,827,911 | TSE:BCB | \$703,939 | TSE:CAS | \$468,295 | TSE:CAS | \$1,033,295 | TSE:CAS | \$483,202 |
| 11 | TSE:CAS | \$1,538,947 | TSE:CAS | \$565,000 | TSE:RON | \$87,641 | TSE:RON | \$964,054 | TSE:SAP | \$0 |

PAY FOR PERFORMANCE SCORING

For 2012, the Clarkson Centre for Board Effectiveness (CCBE), prepared a Pay for Performance report for each firm currently listed on the TSX 60 Index that has at least 8 years of historical compensation or share price data available. The CCBE's Performance Score measures how closely CEO pay and TSR are aligned over four different time horizons. Compensation data is gathered from the firm's public filings, and valued at the time of grant. Options are valued using the binomial tree fair value method, and PSUs are valued at the grant date value of the target payout. TSR is calculated using a 30-day average start and end date share price, and assumes the reinvestment of dividends.

CCBE collected pay and performance data for up to ten peer companies for each TSX 60 constituent. Peer companies were selected from each TSX 60 constituent's performance benchmarking peer group, as disclosed in its most recent Management Information Circular. If a performance peer group was not disclosed, the CCBE collected information on the disclosed constituents of the total pay benchmarking peer group. If a peer group had more than 10 constituents, we randomly selected ten from among the disclosed list.

Our Pay for Performance Score takes into account alignment between change in CEO pay and TSR in 1-, 4-, 6- and 8-year observations. CEO pay change is 'smoothed' to account for outlying years. For example, in our 8-year observation we calculate CEO pay change as the percent change of the sum of total CEO pay from 2004-2007 against the sum of total CEO pay from 2008-2011. This helps to normalize our longer observations for unusual events like CEO turnover and large one-time payouts. The Pay for Performance Score gives significantly more weight to longer-term observations than shorter ones.

| 1-YEAR SCORE | 4-YEAR SCORE | 6-YEAR SCORE | 8-YEAR SCORE |
|--------------|--------------|--------------|--------------|
| A = 3 | A = 4 | A = 7 | A = 10 |
| B = 3 | B = 3 | B = 5 | B = 8 |
| C = 2 | C = 2 | C = 3 | C = 5 |
| D = 1 | D = 1 | D = 1 | D = 3 |
| E = 0 | E = 0 | E = 0 | E = 0 |

