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**Mandate of the Risk and Compliance Committee**

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Approved by the Board of Directors  
on May 6, 2019

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## **GEORGE WESTON LIMITED**

### **Mandate of the Risk and Compliance Committee**

#### **1. RESPONSIBILITY**

The Risk and Compliance Committee (the “Committee”) is responsible for assisting the Board of Directors of the Company (the “Board”) in fulfilling its oversight responsibilities in relation to:

- the Company’s enterprise risk management program;
- the Company’s policies, management systems and performance with respect to environmental, occupational health and safety, and wellness matters;
- the Company’s policies and compliance with food safety and product safety matters, including safe preparation and handling standards;
- the Company’s legal and regulatory compliance program; and
- such other duties as may be delegated to the Committee by the Board.

#### **2. MEMBERS**

The Board shall appoint a minimum of three (3) directors to be members of the Committee. No more than one member of the Committee shall be a management director.

#### **3. CHAIR**

Each year, the Board shall appoint one member from amongst the non-management directors to be Chair of the Committee. If, in any year, the Board does not appoint a Chair, the incumbent Chair shall continue in office until a successor is appointed. The Board has adopted and approved a position description for the Chair which sets out his or her role and responsibilities.

#### **4. TENURE**

Each member shall hold office until his or her term as a member of the Committee expires or is terminated, or a successor is duly appointed.

#### **5. QUORUM, REMOVAL AND VACANCIES**

A majority of the Committee’s members shall constitute a quorum. Any member may be removed and replaced at any time by the Board. The Board may fill vacancies in the Committee by appointment from among the members of the Board. If a vacancy

exists on the Committee, the remaining members shall exercise all powers so long as a quorum remains in office.

## **6. DUTIES**

The Committee shall have the duties set out below as well as any other duties that are specifically delegated to the Committee by the Board:

### **(a) Oversight of Legal and Regulatory Compliance Program**

The Committee shall be responsible for overseeing the Company's legal and regulatory compliance program. This responsibility includes recommending to the Board an executive to be appointed by the Board as Vice President, Compliance of the Company and reviewing and approving, on an annual basis, a position description for this role. The Committee shall monitor the Company's legal and regulatory compliance program and shall receive regular reporting from the Vice President, Compliance and from the compliance function leads in the Company's business. The Committee shall bring material information and developments relating to compliance to the attention of the Board. The Committee shall review, on an annual basis, the performance of the compliance program and the Vice President, Compliance, and if satisfied, recommend the re-appointment of the Vice President, Compliance to the Board.

Specifically, in overseeing the Company's compliance functions, the Committee shall, by way of example:

- i. review the actions taken by management in order for management to ensure that the Company has high quality systems for implementing the Company's policies with respect to legal and regulatory compliance, such systems to involve appropriate standards, education, supervision and inspection;
- ii. review the actions taken by management in order for management to ensure that employees are: (a) aware of the Company's policies with respect to legal and regulatory compliance, and (b) expected to deal with legal and regulatory compliance problems expeditiously or to bring such problems to the attention of the most appropriate management personnel;
- iii. review the actions taken by management in order for management to ensure that the Company effectively communicates standards and policies with respect to legal and regulatory compliance matters to independent contractors, as appropriate, recognizing their arm's length relationship;
- iv. receive and review periodic reports from management and such independent consultants, if any, as the Committee shall consider appropriate, on legal and regulatory compliance matters, such reports to note in particular any significant government requests for action and the manner of dealing with the same. The Committee shall also receive and review periodic reports from management on claims management matters; and

- v. receive and review periodic reports from management on current and emerging issues and proposed legislation in respect of applicable legal and regulatory compliance matters as they may affect the Company's operations or its independent contractors and shall bring to the attention of the Board such issues as it shall think appropriate.

**(b) Food Safety**

The Committee shall review the actions taken by management in order for management to ensure that food safety programs address safe manufacturing, handling and preparation standards, that suppliers of food products, both domestic and offshore, adhere to high safety standards, and that best practices are in place for storage, handling, distribution and packaging of food products, along with the necessary control systems to monitor compliance with such standards and practices.

**(c) Enterprise Risk Management**

Except to the extent that responsibility is reserved by the Board for overarching governance of the Company's risk portfolio, the Committee shall review the design and structure of the Company's enterprise risk management program and shall monitor and assess its effectiveness. The Committee shall review and recommend to the Board for approval the Company's enterprise risk management policy and risk appetite statement. The Committee shall oversee those principal risks delegated to it by the Board and shall satisfy itself that management has taken appropriate actions to ensure the effective management of such risks and is following best practices with respect to risk management. The Committee shall receive periodic reports from management responsible for enterprise risk management in order to perform its oversight role. The Chair of the Committee shall periodically report to the Board on its responsibilities with respect to ensuring that risk management oversight is carried out across the Board's Committees.

**(d) Information Technology Systems and Information Technology**

The Committee shall review management's oversight of matters relating to information technology affecting the Company and the Company's information technology systems. The Committee shall receive regular reports from the Company's Cyber-Security Committee with respect to the Company's systems, policies, controls and procedures that management has implemented to identify, manage and mitigate risks related to information technology and the Company's information technology systems, including cyber-security.

**(e) Corporate Social Responsibility**

The Committee shall receive and review periodic reports from management on any elements of the Weston Foods corporate social responsibility program that relate to the Committee's mandate.

**(f) Incident Reporting**

- i. The Committee shall bring to the attention of the Board any serious problems or deviations that management cannot deal with expeditiously or

within reasonable economic bounds, and shall submit to the Board periodic reports as to the Committee's activities;

- ii. The Committee shall receive timely reports on any serious incidents, including any involving a breach or violation of the Company's policies and any food safety crises. The Committee will ensure that the proper action is taken by management to promptly rectify the situation and to proactively minimize any risks of such incident occurring at other locations or facilities; and
- iii. The Committee shall undertake such additional activities within the scope of its responsibilities as it shall deem appropriate in its discretion to ensure best practices with respect to the reporting of such incidents are followed.

## **7. REPORTING**

The Committee shall report to the Board on:

- the Company's legal and regulatory compliance program, the performance of the Vice President, Compliance and the performance of each of the other compliance function leads in the Company's business;
- the Company's performance of its obligations and objectives relating to legal and regulatory matters, including in respect of environmental, food safety and food production, occupational health and safety and wellness matters;
- the adequacy of the Company's internal control and monitoring systems with respect to legal and regulatory compliance matters, including in respect of environmental, food safety and food production, occupational health and safety and wellness matters;
- the enterprise risk management program for which oversight has been delegated by the Board to the Committee; and
- all other material matters dealt with by the Committee.

## **8. REVIEW AND DISCLOSURE**

This Mandate should be reviewed by the Committee at least annually and be submitted to the Board for approval with such amendments as the Committee proposes.

## **9. FREQUENCY OF MEETINGS AND *IN CAMERA* SESSIONS**

The Committee shall meet at least quarterly at the call of the Chair. Meetings may also be called by any member of the Committee or by the Secretary of the Committee. Following each regularly-scheduled meeting of the Committee, the Committee members shall meet in private session.

## **10. RETENTION OF EXPERTS**

The Committee may engage such special legal, accounting or other experts, without Board approval and at the expense of the Company, as it considers necessary to perform its duties.