STELLA-JONES INC.
(the "Corporation")

MANDATE OF THE BOARD OF DIRECTORS

Mandate

The Board of Directors of Stella-Jones establishes the overall policies for Stella-Jones Inc. and its subsidiaries, monitors and evaluates the Corporation's strategic direction, and retains plenary power for those functions not specifically delegated by it to its Committees or to management. Accordingly, in addition to the duties of directors of a Canadian corporation as prescribed by statute, the mandate of the Board is to supervise the management of the business and affairs of the Corporation with a view to evaluate, on an ongoing basis, whether the Corporation's resources are being managed in a manner consistent with enhancing short-term and long-term shareholder value, ethical considerations and Environmental, Social and Governance ("ESG"). In order to better fulfill its mandate, the Board is responsible for, among other matters:

1. Reviewing and approving, prior to the beginning of each fiscal year, the business plan, capital budget and financial goals of the Corporation, as well as longer term strategic plans (taking into account the opportunities and risks of the business) prepared and elaborated by management and, throughout the year, monitoring the achievement of the objectives set.
2. Reviewing and approving all significant decisions relating to the business, among others, acquisitions, dispositions, senior management changes, budgets, capital expenditures and major financing.
3. Identifying, with management, the principal risks of the Corporation's business and ensuring the implementation of appropriate systems to manage these risks as well as monitoring, on a regular basis, the adequacy of such systems.
4. Ensuring the adequacy, efficiency and integrity of the Corporation's internal financial and/or disclosure control and management of information systems.
5. Adopting a strategic planning process and approving, on at least an annual basis, a strategic plan which takes into account among other things, the opportunities and risks of the business.
6. Reviewing the content of and approving all regulatory filings such as the quarterly financial statements, the interim and annual Management's Discussion and Analysis, the interim and annual CEO and CFO certifications, and the annual audited consolidated financial statements, the Annual Report, Proxy Circular and Annual Information Form.
7. Selecting the Corporation's Chief Executive Officer ("CEO"), monitoring his/her individual performance, and reviewing and ratifying the Remuneration Committee's assessment of the performance of the CEO on an annual basis.
8. Developing a position description for the CEO and developing and approving the corporate goals and objectives that the CEO must meet.
9. Appointing the Corporation's officers.
10. Creating and approving compensation mechanisms for senior management.
11. To the extent feasible, satisfying itself as to the integrity of the CEO and other senior officers and that the CEO and other senior officers create a culture of integrity throughout the organization.
12. Adopting, enforcing and monitoring good corporate governance practices, processes and disclosure.

13. Adopting a communications policy to ensure effective, timely and non-selective communications between the Corporation, its shareholders and the public.
14. Adopting a Code of Business Conduct and Ethics and monitoring its compliance from time to time.
15. Nominating or appointing directors, as appropriate, considering the size of the Board and the competencies and skills of directors and proposed directors.
16. Ensuring the new directors receive comprehensive orientation to the Board and that an appropriate continuing education program is made available to all directors.
17. Ensuring that the compensation of directors realistically reflects the time spent, responsibilities and risks involved in being an effective director.
18. Assessing annually the performance of the Board, its Committees and each of its directors.
19. Recommending to shareholders, pursuant to the recommendation of the Audit Committee, the appointment of auditors and approving auditor compensation.
20. Approving the submission to the shareholders of the Corporation, any amendment to the articles of the Corporation or the approval of any adoption, amendment or repeal of any by-laws of the Corporation.
21. Declaring dividends on the shares of the Corporation.
22. Receiving timely reporting from the Environmental, Health and Safety (“EH&S”) Committee on the Corporation’s execution of its EH&S policies and management of environmental risk and health and safety measures.
23. Receiving timely reporting from the EH&S Committee on the Corporation’s progress with respect to the integration of ESG throughout the organization.
24. Receiving timely reporting from the Governance and Nomination Committee on the adoption and application of governance guidelines.

The Board of Directors discharges its duties both directly and through its Audit, Remuneration, Governance and Nomination and Environmental, Health and Safety Committees.

In discharging its duties and responsibilities, and when the complexity of the situation dictates, members of the Board of Directors may conduct such examinations, investigations or inquiries, and engage such special legal, accounting or other advisors, at the expense of the Corporation, at such time or times and on such terms and conditions, including fees, as the Board of Directors considers appropriate.

The Board of Directors shall review and assess the adequacy of the mandate of the Board of Directors annually.

Reviewed and approved by the Board of Directors on December 6, 2021.