

**STELLA-JONES INC.**  
(the “Corporation”)

**BOARD DIVERSITY POLICY**

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**Policy Statement**

Stella-Jones Inc. recognises the importance of having a Board of Directors comprised of highly talented and experienced individuals as well as the benefits of having a diverse Board. A truly diverse Board will include differences in skills, professional, regional and industry experience, ethnicity, gender and other attributes that are essential to its successful operation and achievement of the Corporation’s objectives. These differences will be considered in determining the optimum composition of the Board. All Board nominations are made on merit, in the context of the skills and competency matrix which the Board’s Governance and Nomination Committee shall determine from time to time (“Skills Matrix”), reflecting its assessment of the Board’s current and long-term needs, among others.

In support of this goal, the Governance and Nomination Committee will, when identifying candidates to recommend for election to the Board:

- a. consider individuals who are highly qualified, based on their talents, experience, and personal skills, character and qualities, having regard to the Corporation’s Skills Matrix;
- b. consider criteria that promotes diversity, including with regard to gender, ethnicity, age, national origin and other dimensions;
- c. consider the level of diversity on the Board, including women, when making recommendations for nominees to the Board and with regard to succession planning for the Board; and
- d. as and when required, engage qualified independent external advisors to assist the Board in conducting its search for candidates that meet the Board’s criteria regarding skills and diversity.

Additionally, as part of the annual performance evaluation of the effectiveness of the Board, its Committees and individual Directors, the Board will consider the balance of skills, experience, independence and knowledge of the Corporation’ Board, as well as the diversity representation of the Board, including gender, how the Board works together as a unit, and other factors relevant to its effectiveness.

**Term Limits and Mandatory Retirement Age**

The Board acknowledges that term limits help create a balance between the benefit of fresh ideas and viewpoints of new directors and the experience of seasoned Board members, who have been able to develop, over a period of time, increasing insight into the Corporation and its operations, thereby, providing valuable contributions to the Board as a whole. In furtherance of the foregoing, the Director tenure limitations established, set out that a non-executive Director shall not be eligible for service for the year subsequent to serving the earlier of 15 years on the Board or attaining 75 years of age. However, when two or more directors are due to retire within the same 12-month period, the Board may allow for certain exemptions to ensure orderly director transitions. For instance, the Board may request that a Director who has reached a tenure or age limit, delay his/her Board retirement and serve an additional year, or such time as the Board determines reasonable in the circumstances.

### **Board Membership Limitations**

Non-executive Directors serving on four (4) or more public company Boards, including Stella-Jones, will not be considered for nomination or renewal.

### **Monitoring and Reporting**

The Corporation will report annually, in the Corporate Governance section of the Corporation Management Proxy Circular, on the process that the Board has used in relation to Board nominations. Such report will include a summary of this Policy, the measurable objectives set for implementing the Policy (if any) and progress made towards achieving those objectives.

### **Review of the Policy**

The Board of Directors will review this Policy annually, which will include an assessment of the effectiveness of the Policy. The Board will discuss any revisions that may be required and recommend any such revisions to the Board for approval.

Reviewed and approved by the Board of Directors on December 11, 2019.