

STELLA-JONES INC.
(the “Corporation”)

MAJORITY VOTING POLICY

The Board of Directors of Stella-Jones Inc. believes that each of its members should carry the confidence and support of its shareholders. To this end, the Directors have unanimously adopted this statement of policy providing for majority voting in director elections at any meeting of the Corporation’s shareholders where an uncontested election of directors is held. Each of the Directors has agreed to abide by the provisions of this policy and any subsequent Director nominee recommended by the Board of Directors will, as a condition to such nomination, be required to abide by this policy.

For the purposes of this policy, an “uncontested election of directors” means an election of Directors, where the number of Director nominees for election is equal to the number of positions on the Board to be filled through the election to be conducted at such meeting.

Pursuant to this policy, the forms of proxy circulated in connection with a meeting of the Corporation’s shareholders at which an election of directors is to be conducted shall provide the Corporation’s shareholders with the ability to vote in favour of, or to withhold from voting for, each Director nominee *separately*. Each director must be elected by a majority (50% + 1 vote) of votes cast with respect to his or her election other than in a contested meeting. If a Director nominee is not elected by at least a majority of the votes cast with respect to his or her election, the Director nominee must immediately tender his or her resignation to the Board of Directors, to be effective on acceptance by the Board of Directors. If the vote is conducted at a meeting by a show of hands, the number of votes for the purpose of this policy will correspond to the number of votes received by proxy.

Following receipt of a resignation tendered pursuant to this policy, the Board of Directors shall meet to consider whether or not to accept the offer of resignation. The Board must accept the resignation absent exceptional circumstances. The Director who tenders his or her resignation pursuant to this majority voting policy shall not be permitted to participate in any meeting of the Board of Directors at which his or her resignation is considered.

In considering whether or not to accept the resignation, the Board will consider all factors deemed relevant by members of the Board, including, without limitation, any stated reasons why shareholders “withheld” votes from the election of that nominee, the length of service and the qualifications of the Director whose resignation has been tendered, such Director’s contributions to the Corporation and the Corporation’s corporate governance policies.

Within 90 days following the date of the relevant shareholders’ meeting, the Board of Directors shall make its decision and promptly disclose, via press release (with a copy provided to the Toronto Stock Exchange), its decision whether to accept the Director’s resignation offer, and fully state the reasons for its decision in the event that the Board determines not to accept the resignation. If a resignation is accepted, the Board of Directors may in its discretion, in accordance with the provisions of Directors resolutions of the Corporation, as may be amended and/or supplemented from time to time, and subject to any restrictions imposed by applicable corporate and securities law, appoint a new Director to fill any vacancy created by the resignation, call a special shareholders’ meeting to consider the election of a Director nominee to fill the vacant position(s) or leave the vacancy unfilled until the next annual general meeting.

Following the election of directors at an uncontested meeting, the Corporation shall issue a news release disclosing the voting results in a manner that provides the reader with insight into the level of support received for each director, namely at least one of the following: (i) the percentage of votes received “for” and “withheld” for each director; (ii) the total votes cast by ballot with the number that each director received “for”; or (iii) the percentages and total number of votes received for each director.

In the event that any Director refuses to tender his or her resignation in accordance with this policy, he or she will not be re-nominated for election by the Board of Directors.

The foregoing majority voting policy shall be described in each management proxy circular issued by the Corporation relating to the election of Directors.

Reviewed and approved by the Board of Directors on December 9, 2020.