May 11, 2022

MANAGEMENT PROXY CIRCULAR

Notice of Annual Meeting of Shareholders

Stella-Jones Inc.

Contents

Notice of Annual Meeting of Shareholders

NOTICE IS HEREBY GIVEN that the annual meeting of shareholders (the "Meeting") of Stella-Jones Inc. (the "Corporation") will be held online through a live audio webcast at https://web.lumiagm.com/457484504 on Wednesday, May 11, 2022 at 10:00 a.m. (Montréal time), for the purposes of:

1. receiving the management report and the consolidated financial statements of the Corporation for the financial year ended December 31, 2021, as well as the independent auditor's report thereon;
2. electing directors;
3. appointing auditors and authorizing the directors to fix their remuneration;
4. holding an advisory vote on the Corporation's approach to executive compensation; and
5. transacting such other business as may properly be brought before the meeting.

Shareholders will have an equal opportunity to participate at the Meeting online regardless of their geographic location. As the vast majority of shareholders generally vote by proxy in advance of the Meeting, shareholders continue to be encouraged to do so.

Registered shareholders and duly appointed proxyholders, including non-registered shareholders who have duly appointed themselves as proxyholder, will be able to participate at the Meeting, ask questions and vote, provided they are connected to the internet and comply with all of the requirements set out in the accompanying management information circular (the "Circular"). Non-registered shareholders who have not duly appointed themselves as proxyholder will be able to attend the Meeting as guests, but guests will not be able to vote nor ask questions at the Meeting.

Registered shareholders who are unable to participate at the Meeting are kindly requested to specify on the accompanying form of proxy the manner in which the common shares of the Corporation represented thereby are to be voted, and to sign, date, and return same in accordance with the instructions set out in the form of proxy and the Circular. Shareholders who wish to appoint a person other than the management nominees identified on the form of proxy or voting instruction form (including non-registered shareholders who wish to appoint themselves to participate) must carefully follow the instructions set forth in the Circular and on their form of proxy or voting instruction form. These instructions include the additional step of registering such proxyholder with our transfer agent, Computershare Investor Services Inc. (the "Transfer Agent"), after submitting their form of proxy or voting instruction form. Failure to register the proxyholder with our Transfer Agent will result in the proxyholder not receiving a control number to participate at the Meeting and only being able to attend as a guest.

All persons registered as shareholders on the records of the Corporation on March 14, 2022 (the "Record Date") and duly appointed proxyholders are entitled to receive notice of the Meeting and attend, participate and vote at the Meeting. No person who becomes a shareholder of record after the Record Date will be entitled to receive notice of, and vote at the Meeting or any adjournment thereof.

By Order of the Board,

MARLA EICHENBAUM
Vice-President, General Counsel and Secretary

Montréal, Québec, March 14, 2022

Shareholders are urged to complete, date and sign the enclosed form of proxy and return it in the postage-paid envelope provided for that purpose.

To be valid, proxies must be received by our Transfer Agent via the internet at http://www.investorvote.com or by mail at 100 University Avenue, 8th Floor, Toronto, Ontario M5J 2Y1, no later than May 9, 2022, at 5:00 p.m. (Montréal time) or, if the Meeting is adjourned, not later than 48 hours, excluding Saturdays, Sundays and holidays, prior to any such adjourned Meeting.

Management Proxy Circular

1. Solicitation of Proxies

This circular is furnished in connection with the solicitation by the management of Stella-Jones Inc. (the “Corporation”) of proxies for use at the annual meeting of shareholders of the Corporation (the “Meeting”) to be held on Wednesday, May 11, 2022, at the time and place and for the purposes mentioned in the notice of meeting and at any and all adjournments thereof.

Except as otherwise indicated, the information contained herein is given as at March 14, 2022.

The solicitation is made primarily by mail; however, officers and employees of the Corporation may solicit proxies directly, but without additional compensation. The Corporation may also reimburse brokers and other persons who hold common shares in their names, or in the names of nominees, for the costs they incur in forwarding the proxy documents to principals and obtaining their proxies. The cost of the solicitation is borne by the Corporation. This cost is expected to be nominal.

2. Participation at the Meeting

The Corporation will hold its Meeting in a virtual only format, which will be conducted via live audio webcast at https://web.lumiagm.com/457484504. Shareholders will have an equal opportunity to participate at the Meeting online regardless of their geographic location. As the vast majority of shareholders generally vote by proxy in advance of the Meeting, shareholders continue to be encouraged to do so.

Participating at the Meeting online allows registered Shareholders (the “Registered Shareholders”) and duly appointed proxyholders, including non-Registered Shareholders (the “Non-Registered Shareholders”) who beneficially own their common shares through a depositary or nominee such as a trustee, financial institution or securities broker (the “Intermediaries”) and who have appointed themselves or another person as a proxyholder, to participate at the Meeting, ask questions and vote. Registered Shareholders and duly appointed proxyholders can vote at the appropriate time during the Meeting. Guests, including Non-Registered Shareholders who have not duly appointed themselves or another person as a proxyholder, can log in to the Meeting as set out below. Guests will be able to attend the Meeting but cannot vote nor ask questions. To access the Meeting, follow the instructions below, as applicable to you:

- Log in online at https://web.lumiagm.com/457484504
- Click “Login” and then enter your Control Number (as defined below) and Password “stella2022” (note the password is case sensitive); OR
- Click “Guest” and then complete the online form.

In order to find the Control Number to access the Meeting:

- Registered Shareholders: The control number located on the form of proxy or in the email notification you received is your Control Number (the “Control Number”).
- Proxyholders: Duly appointed proxyholders, including Non-Registered Shareholders who have appointed themselves or another person as a proxyholder, will receive the Control Number from the Transfer Agent by email after the proxy voting deadline has passed.

Shareholders and duly appointed proxyholders, including Non-Registered Shareholders who have appointed themselves or another person as a proxyholder, should log in at least 15 minutes before the start time of the Meeting and ensure they remain connected to the internet at all times during the Meeting in order to vote when balloting commences.

For additional details and instructions on accessing the Meeting online from your tablet, smartphone or computer, see the Virtual AGM User Guide provided by our Transfer Agent and accompanying this Circular.

3. Appointment of Proxyholders

The persons named as proxyholders in the accompanying form of proxy are directors or officers of the Corporation. A shareholder has the right to appoint as proxyholder a person other than the persons whose names are printed as proxyholders in the accompanying form of proxy by inserting the name of his/her chosen proxyholder in the blank space provided for that purpose in the form of proxy. In either case, the completed proxy shall be sent to Computershare Investor Services Inc. (the "Transfer Agent") via the internet at http://www.investorvote.com or delivered at the office of the Transfer Agent, 100 University Avenue, 8th Floor, Toronto, Ontario M5J 2Y1, no later than May 9, 2022, at 5:00 p.m. (Montréal time) or, if the Meeting is adjourned, not later than 48 hours, excluding Saturdays, Sundays and holidays, prior to any such adjourned Meeting. A person acting as proxyholder need not be a shareholder of the Corporation.

Any shareholder wishing to appoint a person (who need not be a shareholder) to represent such shareholder at the Meeting other than the persons designated in the accompanying form of proxy MUST submit their form of proxy or voting instruction form, as applicable, appointing that person as proxyholder AND register that proxyholder online, as described below. Registering your proxyholder is an additional step to be completed AFTER you have submitted your form of proxy or voting instruction form. Failure to register the proxyholder will result in the proxyholder not receiving a Control Number that is required to vote at the Meeting.

To register a third-party proxyholder, shareholders must visit https://www.computershare.com/Stella-Jones by 5:00 p.m. on May 9, 2022 (Montréal time) and provide the Transfer Agent with the required proxyholder contact information so that it may provide the proxyholder with a Control Number via email. **Without a Control Number, proxyholders will not be able to vote at the Meeting but will be able to participate as a guest.**

If you are a Non-Registered Shareholder and wish to attend, participate or vote at the Meeting, you have to insert your own name in the space provided on the voting instruction form sent to you by your Intermediary, follow all of the applicable instructions provided by your Intermediary AND register yourself as your proxyholder, as described above. By doing so, you are instructing your Intermediary to appoint you as proxyholder. It is important that you comply with the signature and return instructions provided by your Intermediary. Please also see further instructions above under the heading "Participation at the Meeting".

Shareholders or duly appointed proxyholders requiring assistance should contact the Transfer Agent, toll-free at 1-800-564-6253, or by email at service@computershare.com, or by mail at:

Computershare Investor Services Inc.
1500 Robert-Bourassa Boulevard
Montréal, Québec H3A 3S8

4.(i) Revocation of Proxies

A shareholder giving a proxy may revoke the proxy by depositing an instrument in writing executed by the shareholder or by his/her attorney authorized in writing or, if the shareholder is a corporation, by an instrument in writing executed by an officer or attorney thereof duly authorized, at the Secretary's office of the Corporation, 3100 de la Côte-Vertu Blvd., Suite 300, Saint-Laurent, Québec H4R 2J8, at any time up to and including the last business day preceding the day of the Meeting, or any adjournment thereof, at which the proxy is to be used, or with the Chair of such Meeting, on the day of the Meeting or any adjournment thereof; or in any other manner permitted by law.

If as a Registered Shareholder you are using your Control Number to log in to the Meeting and you accept the terms and conditions, you will be revoking any and all previously submitted proxies and will be provided the opportunity to vote by online ballot on the matters put forth at the Meeting. If you do not wish to revoke a previously submitted proxy, do not accept the terms and conditions, in which case you can only enter the Meeting as a guest and you will not be able to vote nor ask questions at the Meeting. If you are a Non-Registered Shareholder and wish to revoke previously provided voting instructions, you should follow carefully the instructions provided by your Intermediary.

(ii) Notice-and-Access

The Corporation has elected not to send proxy-related materials to registered holders or beneficial holders using notice-and-access procedures.

(iii) Proxy-Related Materials – Non-Objecting Beneficial Owners

The Corporation is sending proxy-related materials directly to non-objecting beneficial owners under Regulation 54-101 respecting Communication with Beneficial Owners of Securities of a Reporting Issuer.

(iv) Payment to Deliver Materials to Objecting Beneficial Owners

The Corporation has agreed to pay for intermediaries to deliver to objecting beneficial owners under Regulation 54-101 respecting Communication with Beneficial Owners of Securities of a Reporting Issuer, the proxy-related materials and Form 54-101F7 – Request for Voting Instructions Made by Intermediary.

5. Voting Securities and Principal Holders of Voting Securities

The shares of the Corporation giving the right to vote at the Meeting are the common shares. Each common share carries the right to one vote. As at March 14, 2022, 62,914,796 common shares were outstanding.

The holders of common shares whose names appear on the list of shareholders prepared at the close of business, Montréal time, on March 14, 2022 (the "Record Date") will be entitled to vote at the Meeting and any adjournment thereof, if present or represented by proxy thereat.

To the knowledge of the directors and officers of the Corporation, Caisse de dépôt et placement du Québec ("CDPQ") is the sole person or company who beneficially owns or exercises control or direction over shares carrying 10% or more of the voting rights attached to the shares of the Corporation. CDPQ holds 7,587,180 common shares, representing approximately 12.1% of the common shares outstanding of the Corporation.

6. Business of the Meeting

Presentation of the Audited Consolidated Financial Statements and the Independent Auditor's Report

The audited consolidated financial statements of the Corporation for the fiscal year ended December 31, 2021 and the independent auditor's report thereon are contained in the annual report of the Corporation, copies of which are being mailed to shareholders of the Corporation.

Election of Directors

The articles of the Corporation provide that the Board of Directors shall consist of no fewer than 3 and no more than 12 directors. The directors are elected annually. All directors hold office until the earlier of their resignation or the close of the Corporation's next annual general meeting of shareholders at which directors are elected, unless a director ceases to hold office or his or her office is vacated due to death, removal or other cause. It is proposed that 10 directors be elected for the current year.

Except where authority to vote on the election of directors is withheld, the persons named in the accompanying form of proxy will vote for the election of the nominees whose names are hereinafter set forth.

The management of the Corporation does not contemplate that any of the nominees will be unable, or for any reason refuse, to serve as a director but, if that should occur for any reason prior to the election, the persons named in the accompanying form of proxy will have the right to vote for another nominee in their discretion unless the shareholder has specified otherwise. The following sets forth, for each person nominated for election as director, his or her name, place of residence, age, the year in which he or she first became a director, the number of common shares of the Corporation beneficially owned or subject to his or her control or direction, the number of deferred share units ("DSUs"), [in the case of Mr. Vachon, restricted share units ("RSUs") and performance share units ("PSUs")] of the Corporation held, the market value of vested and unvested equity holdings, compliance with share ownership requirements, the number of votes "for" at the 2021 Annual Meeting of Shareholders, independence with respect to the

Corporation, his or her presence on committees of the Board, current public company directorships, other current directorships and memberships and his or her skills, qualifications and education, the whole as at March 14, 2022. Statements contained with respect to each nominee are based upon information obtained from the person concerned. Note that the Board of Directors does not have an executive committee.

Director Nominees

Katherine A. Lehman
Chair of the Board

New York, U.S.A.

Age: 47
Director Since: 2016
Shares Owned: 7,500
DSUs: 5,296
Market Value of Vested/Unvested Equity Holdings: $285,975 vested(1)
$201,936 unvested(2)
Compliance with Director Share Ownership Requirements: yes(3)
2021 Annual Meeting Votes for: 99.81%

Stella-Jones Committees: **Independent**

- Audit Committee
- Remuneration Committee

Current Public Company Directorships:
- Navient Corporation (NASDAQ: NAVI) – Chair of the Risk Committee, Member of the Nominations and Governance Committee, Member of the Executive Committee

Other Current Directorships and Memberships:
- Spiral Holding LLC – Board Member
- National Association of Corporate Directors – Board Leadership Fellow

Skills and Qualifications:
Ms. Lehman is employed at Palladium Equity Partners, LLC, a private equity firm, as Partner, Palladium Heritage, where she leads Palladium's Heritage strategy, which is focused on companies in industrial and business services industries. Prior, she was Co-Founder and Managing Partner at Hilltop Private Capital, LLC and had previously served on the board of a private company in the rail services industry. She has garnered more than 20 years of experience in private equity executive roles and Board memberships, including more than 15 public and private, profit and not-for-profit entities. Her background in capital allocation, financial analysis and business operations as well as her governance expertise positions her well to lead Stella-Jones' Board.

Education:
Ms. Lehman holds an MBA from Columbia Business School and a B.S. in Economics from The Wharton School, University of Pennsylvania.

Robert Coallier

Québec, Canada

Age: 61
Director Since: 2020
Shares Owned: 7,875
DSUs: 1,441
Market Value of Vested/Unvested Equity Holdings: $300,274 vested(1)
$54,945 unvested(2)
Compliance with Director Share Ownership Requirements: yes(3)
2021 Annual Meeting Votes for: 99.99%

Stella-Jones Committees: **Independent**

- Audit Committee
- Remuneration Committee

Current Public Company Directorships:
- None

Other Current Directorships and Memberships:
- Sanimax Industries Inc. – Chair of the Board of Directors
- Heritage Georgeville Inc. – Chair of the Board of Directors

Skills and Qualifications:
Mr. Coallier served as Chief Executive Officer of Agropur Dairy Cooperative from 2012 to 2019 and was Vice-President and Chief Financial Officer of Dollarama L.P. from 2005 to 2010. He held various senior positions at Molson Inc./Molson Coors Brewing Company between 2000 and 2005, including Global Chief Business Development Officer, Executive Vice-President, Corporate Strategy and International Operations and Chief Financial Officer. Earlier roles included Chief Financial Officer of C-Mac Industries and Vice-President, Venture Capital of Caisse de dépôt et placement du Québec.

Mr. Coallier brings knowledge and experience from numerous public and private Boards, including Industrial Alliance Financial Services, Sanimax Industries and Ivanhoé Cambridge, where he served on the Audit, Human Resources and Governance committees. His depth of executive and financial experience across industries as well as his exceptional appreciation of governance matters bring valued experience to the Stella-Jones Board and to both the Audit and Remuneration Committees on which he serves.

Education:
Mr. Coallier holds an MBA from Concordia University and a B.A. in Economics from McGill University.

(1) Represents the market value of shares held at March 14, 2022. All DSUs have been earned but remain unvested and are therefore excluded from calculated vested amounts. DSUs vest when the individual ceases to be a director.
(2) Represents the market value of earned (unvested) DSUs at March 14, 2022.
(3) Based on the market value of shares and earned (unvested) DSUs at March 14, 2022. For additional information see Section 8.3 "Director Share Ownership and Retention Requirements".

Anne E. Giardini

Rome, Italy

Age: 62
Director Since: 2021
Shares Owned: 2,000
DSUs: 1,087
Market Value of Vested/Unvested Equity Holdings: $76,260 vested(1)
$41,447 unvested(2)
Compliance with Director Share Ownership Requirements: yes(3)
2021 Annual Meeting Votes for: 99.98%

Stella-Jones Committees: **Independent**
- Environmental, Health and Safety Committee
- Remuneration Committee

Current Public Company Directorships:
- Capstone Mining Corp. – Chair of the Corporate Governance and Nominating Committee, member of the Audit Committee and the Technical, Health, Environmental, Safety and Sustainability Committee
- K92 Mining Inc. – Chair of the Nominating and Governance Committee and member of the Audit Committee

Other Current Directorships and Memberships:
- Pembina Institute – Board Member
- Canada Mortgage and Housing Corporation – Chair of the Corporate Governance and Nominating Committee, Chair of the Pension Fund Trustees and member of the Audit Committee
- BC Achievement Foundation – Chair

Skills and Qualifications:
Ms. Giardini served as President from 2008-2014, of Weyerhaeuser Company Limited ("Weyerhaeuser"), a Canadian subsidiary of Weyerhaeuser Company, an international forest products company based in Washington U.S.A. From 1994 to 2008, she was Canadian Vice-President, General Counsel and Assistant General Counsel for Weyerhaeuser, where she provided strategic advice in areas including environmental, sustainability, transparency and other aspects of sound corporate governance and advised in areas of corporate public reporting, employment, labour, as well as acquisitions and divestitures. Ms. Giardini served as Chancellor of Simon Fraser University from 2014-2020 and along with her leadership and professional credentials, brings a wealth of public and private Board and committee experience to Stella-Jones, having previously served on the Boards of Hydro One, including its Health, Safety, Environment & Indigenous Committee (2018-2020) as well as the Board, Governance and Compensation Committees of Nevsun Resources Ltd. (2017-2019), among many others. She has written and presented on sustainability, governance and ethics and is an officer of the Order of Canada (2016) and Order of British Columbia (2018).

Education:
Ms. Giardini holds a Master of Laws from University of Cambridge, a Bachelor of Laws from University of British Columbia and a Bachelor of Arts (Economics) from Simon Fraser University.

Rhodri J. Harries

Québec, Canada

Age: 58
Director Since: 2020
Shares Owned: 10,000
DSUs: 3,627
Market Value of Vested/Unvested Equity Holdings: $381,300 vested(1)
$138,298 unvested(2)
Compliance with Director Share Ownership Requirements: yes(4)
2021 Annual Meeting Votes for: 99.99%

Stella-Jones Committees: **Independent**
- Audit Committee
- Environmental, Health and Safety Committee

Current Public Company Directorships:
- None

Other Current Directorships and Memberships:
- None

Skills and Qualifications:
Mr. Harries has served, since 2015, as Executive Vice-President, Chief Financial and Administration Officer of Gildan Activewear, a publicly listed (TSX and NYSE: GIL) producer of basic apparel, with manufacturing facilities in North and Central America, the Caribbean and Southeast Asia. Between 2004 and 2015, he held various senior positions at Rio Tinto Alcan, a leading global integrated aluminium business, including Chief Financial Officer and Chief Commercial Officer. Prior to joining Rio Tinto Alcan, Mr. Harries spent 15 years with General Motors in North America, Asia and Europe. His strong background in financial management and business development, as well as his global manufacturing experience, bring exceptional skills to the Stella-Jones Board and to both the Audit and Environmental, Health and Safety Committees on which he serves.

Education:
Mr. Harries holds a Master of Business Administration from McMaster University and a Bachelor of Chemical Engineering from Queen's University.

---

(1) Represents the market value of shares held at March 14, 2022. All DSUs have been earned but remain unvested and are therefore excluded from calculated vested amounts. DSUs vest when the individual ceases to be a director.

(2) Represents the market value of earned (unvested) DSUs at March 14, 2022.

(3) Directors have five years to meet the share ownership requirements of 3X annual Board fees and are deemed compliant prior to and until such deadline. For additional information, see Section 8.3 "Director Share Ownership and Retention Requirements".

(4) Based on the market value of shares and earned (unvested) DSUs at March 14, 2022. For additional information see Section 8.3 "Director Share Ownership and Retention Requirements".

Karen Laflamme, FCPA, FCA, ASC

Québec, Canada

Age: 59
Director Since: 2018
Shares Owned: 7,500
DSUs: 1,760
Market Value of Vested/Unvested Equity Holdings: $285,975 vested(1)
$67,109 unvested(2)
Compliance with Director Share Ownership Requirements: yes(3)
2021 Annual Meeting Votes for: 99.90%

Independent

Stella-Jones Committees:
- Audit Committee (Chair)
- Remuneration Committee

Current Public Company Directorships:
- None

Other Current Directorships and Memberships:
- Collège des administrateurs de sociétés (CAS) – Board Member

Skills and Qualifications:
Ms. Laflamme served as Executive Vice-President and Chief Financial Officer, Retail, of Ivanhoé Cambridge, an investor and developer of superior quality real estate properties, projects and companies from 2016 to early 2020. She joined Ivanhoé in 2012, where she served in various roles, including Executive Vice-President, Corporate Management & Institutional Affairs, where she was responsible for investor relations, internal audit and integrated risk management. From 2003-2012, she held various senior positions at Caisse de dépôt et placement du Québec, including Senior Vice-President, Real Estate, Vice-President, Real Estate Portfolio and Vice-President, Internal Audit. Ms. Laflamme has been a member of the Québec CPA Order since 1986 (CA). She holds the designation of Certified Corporate Director and was named Fellow of the Québec Order of Chartered Professional Accountants (FCPA) in 2012.

Education:
Ms. Laflamme holds a Bachelor of Business Administration (BBA) from HEC Montréal.

James A. Manzi, Jr.

Florida, U.S.A.

Age: 72
Director Since: 2015
Shares Owned: 5,000
DSUs: 1,760
Market Value of Vested/Unvested Equity Holdings: $190,650 vested(1)
$67,109 unvested(2)
Compliance with Director Share Ownership Requirements: yes(3)
2021 Annual Meeting Votes for: 99.86%

Independent

Stella-Jones Committees:
- Remuneration Committee (Chair)
- Environmental, Health and Safety Committee

Current Public Company Directorships:
- None

Other Current Directorships and Memberships:
- Willoughby Golf Club, Inc. (Stuart, FL) – Member – Board of Governors

Skills and Qualifications:
Prior to his retirement in 2015, Mr. Manzi had 40 years' experience as an attorney assisting a broad spectrum of clients with complex corporate, financing and real estate transactions, multi-state acquisitions and regulatory zoning and permitting. He possesses the requisite understanding of the multi-faceted responsibilities and challenges facing the Board and the Remuneration and Environmental, Health and Safety Committees that are fundamental to their oversight obligations.

Education:
Mr. Manzi holds a Bachelor of Science from the Georgetown University School of Foreign Service and a Juris Doctor from the Georgetown University Law Center.

(1) Represents the market value of shares held at March 14, 2022. All DSUs have been earned but remain unvested and are therefore excluded from calculated vested amounts. DSUs vest when the individual ceases to be a director.
(2) Represents the market value of earned (unvested) DSUs at March 14, 2022.
(3) Based on the market value of shares and earned (unvested) DSUs at March 14, 2022. For additional information see Section 8.3 "Director Share Ownership and Retention Requirements".

Douglas Muzyka

Pennsylvania, U.S.A.

Age: 67
Director Since: 2019
Shares Owned: 4,700
DSUs: 2,567
Market Value of Vested/Unvested Equity Holdings: $179,211 vested[(1)]
$97,880 unvested[(2)]
Compliance with Director Share Ownership Requirements: yes[(3)]
2021 Annual Meeting Votes for: 98.76%

Stella-Jones Committees: **Independent**

- Environmental, Health and Safety Committee (Chair)
- Governance and Nomination Committee

Current Public Company Directorships:

- CCL Industries Inc. – Chair of Human Resources and Compensation Committee and member of the Safety, Health and Environmental Committee
- Chemtrade Logistics Income Fund – Board Member

Other Current Directorships and Memberships:

- National Research Council of Canada – Chair
- Canada Biologics Manufacturing Facility Advisory Board – Chair
- Modern Meadow Inc. – Board member

Skills and Qualifications:

Having held the positions of Senior Vice-President and Chief Science and Technology Officer of E.I. DuPont de Nemours & Company (2010-2017), President, DuPont Greater China (2006-2010) and President and Chief Executive Officer of DuPont Canada, Inc. (2003-2006), Mr. Muzyka brings a broad management background to Stella-Jones and an in-depth understanding of environmental health and safety management systems.

His service on the Boards of CCL Industries and Chemtrade and role as Chair of the National Research Council of Canada add valued experience to his exceptional technical skill set that has brought numerous beneficial contributions to the Stella-Jones Board and committees. His appointment to Chair of the Corporation's Environmental, Health and Safety Committee in January of 2021 has served to strengthen the governance of environmental and sustainability matters throughout the organization.

Education:

Mr. Muzyka holds a B.S. of Chemical Engineering, an M.S. of Chemical Engineering and a Ph.D. of Chemical Engineering from the University of Western Ontario.

Sara O'Brien

Québec, Canada

Age: 52
Director Since: 2022
Shares Owned: Nil
DSUs: N/A[(5)]
Market Value of Vested/Unvested Equity Holdings: $Nil vested
$Nil unvested
Compliance with Director Share Ownership Requirements: N/A[(6)]
2021 Annual Meeting Votes for: N/A[(7)]

Stella-Jones Committees: **Independent**

- N/A[(4)]

Current Public Company Directorships:

- None

Other Current Directorships and Memberships:

- École le Sommet /Summit School and Foundation (school serving neurodiverse students) – Member, Board of Directors

Skills and Qualifications:

Since 2017, Ms. O'Brien has served as Portfolio Manager, Canadian equities, at the Caisse de dépôt et placement du Québec (CDPQ). Her career spans more than 20 years in capital markets, both on buy-side and sell-side, including as Analyst at RBC Capital Markets for 15 years covering a variety of sectors including Industrial Services, Consumer Products and Québec-based special situations. Ms. O'Brien began her career with PricewaterhouseCoopers LLC in Montréal in 1991 where she held roles in Audit and Assurance and in Financial Advisory Services from 1995-2000. Ms. O'Brien has been active in several non-profit boards in both a professional and personal capacity throughout her career. She is a member of the Québec CPA Order (CPA, CA) and holds the designation of Chartered Financial Analyst (CFA). Her experience in equity analysis , risk analysis, strategic review and perspective as an institutional investor will benefit Stella-Jones' Board.

Education:

Ms. O'Brien holds a Bachelor of Business Administration (BBA) from HEC Montréal.

---

(1) Represents the market value of shares held at March 14, 2022. All DSUs have been earned but remain unvested and are therefore excluded from calculated vested amounts. DSUs vest when the individual ceases to be a director.
(2) Represents the market value of earned (unvested) DSUs at March 14, 2022.
(3) Based on the market value of shares and earned (unvested) DSUs at March 14, 2022. For additional information see Section 8.3 "Director Share Ownership and Retention Requirements".
(4) Ms. O'Brien is a Board nominee and therefore does not yet sit on any Board Committees.
(5) Was not a member of the Board at the time of the DSU grants and will not be entitled to DSU grants pursuant to CDPQ policies.
(6) As Ms. O'Brien will not receive any Board compensation pursuant to CDPQ policies, she will not be subject to Director Share Ownership Requirements.
(7) Was not a Board nominee at the 2021 annual meeting.

Simon Pelletier

GA, U.S.A.

Age: 55
Director Since: 2012
Shares Owned: 6,000
DSUs: 1,760
Market Value of Vested/Unvested Equity Holdings: $228,780 vested(1)
$67,109 unvested(2)
Compliance with Director Share Ownership Requirements: yes(3)
2021 Annual Meeting Votes for: 93.30%

Independent

Stella-Jones Committees:
- Governance and Nomination Committee (Chair)
- Audit Committee

Current Public Company Directorships:
- None

Other Current Directorships and Memberships:
- H-E Parts International – Board member

Skills and Qualifications:
Mr. Pelletier serves as President and CEO of H-E Parts International, which offers service and repair solutions in support of surface mining equipment fleets, crushing and material processing equipment. He brings over 30 years of extensive senior level international managerial and operational experience, providing a seasoned perspective to contribute valuably to the Stella-Jones Board of Directors and Audit Committee. His independence positions him well as Chair of the Corporation's Governance and Nomination Committee, where he ensures that committee members have regular opportunities to meet and engage in discussions regarding the composition of the Board and the competencies, skills and experiences required by its members, their appropriate compensation as well as the Corporation's adherence to corporate governance guidelines.

Education:
Mr. Pelletier holds a Bachelor of Materials Engineering from the University of Windsor.

Éric Vachon, CPA, CA

Québec, Canada

Age: 54
Director Since: 2019
Shares Owned: 20,633
DSUs: N/A(4)
RSUs: 10,173 **PSUs:** 6,074
Market Value of Vested/Unvested Equity Holdings: $786,736 vested(5)
$619,498 unvested(6)
Compliance with CEO Share Ownership Requirements: yes(7)
2021 Annual Meeting Votes for: 99.98%

Non-Independent

Stella-Jones Committees:
- None

Current Public Company Directorships:
- None

Other Current Directorships and Memberships:
- None

Skills and Qualifications:
Mr. Vachon has served as President and CEO of Stella-Jones since October of 2019. Since joining the Corporation in 2007, he has held a variety of positions, including Director, Treasury and Financial Reporting, Vice-President Finance, U.S. Operations, Vice-President and Treasurer, and Senior Vice-President and Chief Financial Officer from August of 2012 until October of 2019. His extensive knowledge of operations, finance, capital markets and mergers and acquisitions have added sound business insight to the CEO position. While providing the leadership and direction necessary to drive the execution of the Corporation's strategic vision, he continues to prioritize a culture and practice of workforce health and safety and the advancement of environmental, social and governance throughout the organization. Mr. Vachon is a member of the Québec Order of Chartered Professional Accountants (1991).

Education:
Mr. Vachon holds a Bachelor in accounting from HEC Montréal.

---

(1) Represents the market value of shares held at March 14, 2022. All DSUs have been earned but remain unvested and are therefore excluded from calculated vested amounts. DSUs vest when the individual ceases to be a director.
(2) Represents the market value of earned (unvested) DSUs at March 14, 2022.
(3) Based on the market value of shares and earned (unvested) DSUs at March 14, 2022. For additional information see Section 8.3 "Director Share Ownership and Retention Requirements".
(4) Executive directors are not entitled to DSU grants.
(5) Represents the market value of shares held at March 14, 2022. Legacy RSUs, RSUs and PSUs (as defined in section 7.1 (f)(iii)(a)) have been earned but remain unvested and are therefore excluded from calculated vested amounts. For information on the vesting dates of Mr. Vachon's Legacy RSUs, RSUs and PSUs, see Table 7.4 "Incentive Plan Awards – Option-Based and Share-Based Awards".
(6) Represents the market value of unvested Legacy RSUs, RSUs and PSUs on March 14, 2022.
(7) Based on the market value of shares plus earned (unvested) Legacy RSUs, RSUs and PSUs at March 14, 2022. For additional information see Section 7.1 (g)(iii) "Share Ownership and Retention Requirements".

Appointment of Auditors

At the Meeting, shareholders will be called upon to appoint the auditors to serve until the close of the next annual meeting of the Corporation and to authorize the directors to establish the remuneration of the auditors so appointed.

It is proposed by management of the Corporation that PricewaterhouseCoopers LLP be reappointed as auditors of the Corporation and that the directors of the Corporation be authorized to fix their remuneration. PricewaterhouseCoopers LLP have acted as auditors of the Corporation since May 7, 2008. They also served as the Corporation's auditors from the time of the Corporation's incorporation until May 4, 2005.

At the Corporation's annual meeting of shareholders held on May 3, 2021, 99.63% of shareholder votes cast voted for PricewaterhouseCoopers LLP as the Corporation's auditors.

Except where authority to vote on the election of auditors is withheld, the persons named in the accompanying form of proxy will vote for the appointment of PricewaterhouseCoopers LLP as the Corporation's auditors.

Advisory Vote on the Corporation's Approach to Executive Compensation

Shareholders may cast an advisory vote on the approach to executive compensation disclosed in the Compensation Discussion and Analysis ("CD&A") section of this circular. The section describes the Corporation's executive compensation principles and the key design features of compensation plans for executives.

Unless otherwise instructed, the persons designated in the enclosed form of proxy or voting instruction form intend to vote FOR the following advisory resolution:

> *"BE IT RESOLVED, on an advisory basis and not to diminish the role and responsibilities of the Board of Directors, that the shareholders accept the approach to executive compensation disclosed in the management proxy circular delivered in advance of the 2022 annual meeting of shareholders of the Corporation."*

As this is an advisory vote, the results will not be binding upon the Board of Directors. However, the Remuneration Committee and the Board of Directors will review and analyze the voting results and, as they consider appropriate, take into account such results when reviewing and establishing executive compensation policies and programs in the future. Results of the vote will be disclosed in the report of voting results and related press release to be posted on SEDAR at www.sedar.com and on the Corporation's website at www.stella-jones.com shortly after the Meeting. At the Corporation's May 3, 2021 Annual Meeting of Shareholders, the advisory vote on executive compensation received 98.84% approval.

Unless a proxy specifies that the common shares it represents should be voted against the advisory resolution, the persons named in the form of proxy or voting instruction form, as applicable, intend to vote FOR the approval of the advisory resolution on executive compensation.

7. Statement of Executive Compensation

Letter from the Chair of the Remuneration Committee

Dear fellow shareholders,

On behalf of the Remuneration Committee and the Board of Directors of Stella-Jones, I am pleased to present our Statement of Executive Compensation.

Executive Pay Decisions

Two years ago, our message to shareholders focused on the comprehensive analysis that the Remuneration Committee carried out of our executive compensation programs with the assistance of an independent compensation advisor. This comprehensive review led to the adoption of numerous measures to bring the Corporation's programs in line with market practices. Adding a non-binding "Say on Pay" vote to our Annual Meeting was also an important improvement that was achieved and furthermore we obtained a 98.84% approval rate.

In 2021 we made our first awards of long-term incentives for our executives under our new Stock Unit Plan where RSUs and PSUs were granted to our executives. Feedback from our management team with respect to our compensation program has been very positive and it further aligns management incentives with company growth and shareholder interests.

Looking Ahead

In 2021 we continued to explore ways in which our executive compensation programs could be strengthened and improved. One of our goals in this regard is to explore ways in which we might incorporate environmental, social and governance ("ESG") incentives more directly into compensation programs for our senior team. These efforts will continue to evolve, and we aim to make more progress in 2022 in reaching this goal.

Conclusion

Our overriding focus continues to be the link between pay and performance so as to align the interests of the senior management team to the interests of all the stakeholders which will enhance shareholder value on a sustainable basis.

James A. Manzi, Jr.
Chair, Remuneration Committee

7.1 Compensation Discussion and Analysis

a) Role of Executive Compensation:

The Corporation's compensation policies are designed to recognize and reward individual performance as well as offer a competitive level of compensation. The overall compensation awarded to the Corporation's executive officers is designed to attract, motivate and retain those individuals who are key to maximizing the overall performance of the Corporation while enhancing shareholder value. It is designed to reward and encourage teamwork among senior executives and promote the common goal of overall financial and operating performance, both short and long term.

The compensation of the Named Executive Officers (as defined in Section 7.3 hereunder or "NEOs") and of the other senior executives of the Corporation is proposed to the Remuneration Committee by the President and Chief Executive Officer ("CEO") of the Corporation[(1)], and reviewed by the Remuneration Committee, which then recommends approval or modification thereof to the Board of Directors. The Board of Directors considers the Remuneration Committee's recommendations and finalizes decisions relating to the compensation of the NEOs and senior executives.

b) Remuneration Committee:

The Remuneration Committee was formed in March 1994 and meets at least three times a year and more often, if required. It is the responsibility of the Remuneration Committee to make recommendations to assist the Board of Directors on any matter regarding remuneration, including, without limiting the generality of the foregoing:

(i) establishing general compensation policies pertaining to wages, profit sharing, bonuses

(1) The CEO does not include a compensation proposal for himself. This is proposed and reviewed solely by the Remuneration Committee at this stage.

and any other form of compensation for all employees of the Corporation and its subsidiaries;

(ii) evaluating the performance of the President and CEO and senior executives of the Corporation and its subsidiaries;

(iii) recommending the remuneration of the President and CEO and senior executives of the Corporation and its subsidiaries;

(iv) recommending to the Board, bonus and Profit Sharing Plan amounts (as hereinafter defined under "Short-Term Incentive Compensation") to employees of the Corporation and its subsidiaries;

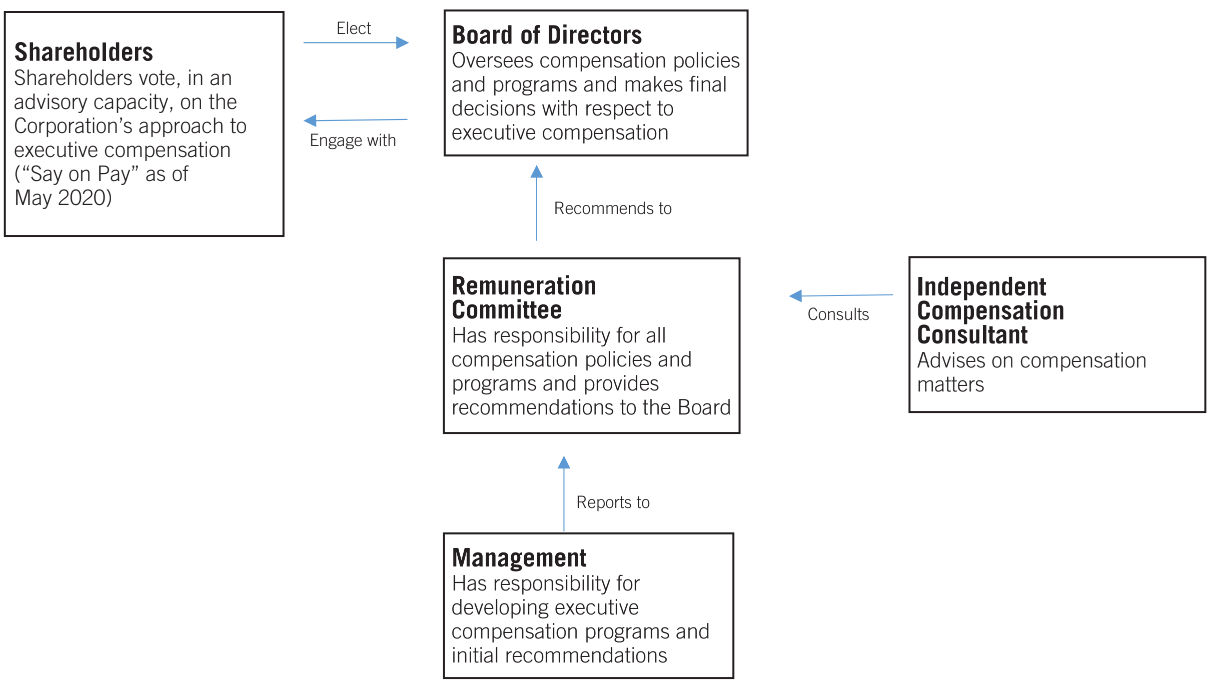
(v) granting RSUs and PSUs under the Corporation's Stock Unit Plan, as such may be amended from time to time;

(vi) recommending incentive compensation plans and equity-based plans and confirming they include no undue risk;

(vii) developing long-range plans and policies for management succession, retention, recruiting, developing and motivating personnel; and

(viii) reviewing the executive compensation disclosure in the Corporation's management proxy circular and any offering document before their public release.

Executive compensation decisions are based on a process as outlined below:



The members of the Remuneration Committee, their experience relevant to their responsibilities in executive compensation and their status as independent or non-independent are provided below:

- James A. Manzi, Jr. (Chair) – Independent:
  - Over 40 years' experience as an attorney leading complex corporate, finance and securities transactions
  - Former Partner in an international law firm with experience dealing with compensation structures and incentive retention policies
  - Chair of the Corporation's Remuneration Committee since 2018
  - Member of the Corporation's Environmental, Health and Safety Committee since May 2019
  - Member of the Corporation's Audit Committee from 2015-2019
  - Director of the Corporation since 2015

- Robert Coallier – Independent:

  - Director of Industrial Alliance Insurance and Financial Services from 2008-2019 and Chair of its Human Resources Committee from 2017-2019
  - Former CEO of Agropur Dairy Cooperative (one of North America's largest dairy processors)
  - Director of the Corporation since January 2020
  - Member of the Corporation's Audit Committee since January 2020
  - Member of the Corporation's Remuneration Committee since January 2020

- Anne Giardini – Independent:

  - Former President (2008-2014) of Weyerhaeuser Canada Ltd., a Canadian subsidiary of a U.S.A.- headquartered parent company in the forestry sector
  - Prior experience on numerous company Boards and Compensation and Human Resources committees (Translink, 2017-2020, Nevsun Resources Ltd., 2017-2019)
  - Director of the Corporation since January 2021
  - Member of the Corporation's Environmental, Health and Safety Committee since January 2021
  - Member of the Corporation's Remuneration Committee since January 2021

- Karen Laflamme – Independent:

  - Former Director of Cominar Real Estate Investment Trust (2020 - Feb. 2022)
  - Former Executive Vice-President and CFO, Retail, of Ivanhoé Cambridge, an investor developer of superior quality real estate properties, projects and companies (2016-2020)
  - Director of the Corporation since 2018
  - Member of the Corporation's Audit Committee since 2018 and the Committee's Chair since December 2019
  - Member of the Corporation's Remuneration Committee since 2019

- Katherine A. Lehman – Independent

  - Senior roles at private equity firms, including Palladium Equity Partners, LLC, Hilltop Private Capital LLC and Lincolnshire Management, where she was focused on investing in and managing companies in industrial and business services industries
  - Director at Navient (NASDAQ: NAVI) from 2014 to present, where she served on the Compensation and Personnel Committee from 2014 to 2021. Additional experience on numerous private company board compensation committees
  - Director of the Corporation since 2016
  - Chair of the Board since 2018
  - Member of the Corporation's Audit Committee since January 2020 (and prior service on the Committee from 2016-2018)
  - Member of the Corporation's Remuneration Committee since January 2020

Based on the above, the Board is confident that the combined experience and skills of the members of the Remuneration Committee enables the Committee to make appropriate decisions regarding the suitability of compensation policies, programs and practices.

c) Compensation Design and Practices:

The Corporation believes that sound compensation policies and practices are key to driving performance and mitigating factors that could result in inappropriate or excessive risk. The following table presents our practices which are regularly reviewed to ensure that decisions are made in the best interests of shareholders.

What We Do	What We Don't Do
✓ **Pay-For-Performance:** The majority of the executive compensation package is variable and at risk. The performance share units (PSUs) are performance vesting incentives, which further align executive interests with the achievement of long-term corporate objectives.	**X Hedging:** Anti-hedging policy prohibits insiders from entering into transactions that could hedge or offset their holdings in the event of a decrease in the Corporation's share price.
✓ **Disciplined Use of Equity:** Equity is used in a measured manner to ensure dilution remains low for shareholders.	**X Grant Stock Options:** Stock options, a dilutive long-term incentive plan, have not been granted to employees since 2009.
✓ **Alignment:** The compensation programs encourage collaborative company-wide performance and are aligned with the Corporation's business strategy and long-term value creation.	**X Excessive Contractual Severances:** Contractual severances are capped within reasonable market practices.
✓ **Independent Advice:** Remuneration Committee regularly retains a leading independent compensation consultant ("Advisory Firm") to conduct comprehensive reviews of the executive compensation program. In 2021, the Advisory Firm was mandated to carry out a total direct compensation benchmarking for the Corporation's named executive officers based on an updated comparator group.	**X Special Arrangements for Departing Executives:** Unvested RSUs have been forfeited without exception in the event of voluntary resignation or retirement of senior management.
✓ **Clawback:** Executive Officer Clawback policy permits the recoup of incentive compensation under specified circumstances (i.e. gross negligence, intentional misconduct or fraud causing restatement).	**X Promote Risk Taking:** Compensation programs are designed not to encourage individual or collective opportunistic/inappropriate risk taking as short- and long-term incentive plans are based on company-wide targets.
✓ **Say-On-Pay:** Third annual advisory vote to be held on the Corporation's approach to executive compensation at its May 2022 annual shareholder meeting.	**X Guaranteed Increases and Other Payments:** Employment contracts with guaranteed salary increases or guaranteed (non-performance-based) bonuses are not provided.
✓ **Double-Trigger Change of Control:** Acceleration of long-term incentive awards vesting under change of control events require the contemporaneous occurrence of termination of employment.	**X Loans:** Interest-free/low interest loans are not granted to exercise options or acquire the Corporation's shares as compensation or to meet holding requirements.
✓ **Perquisites:** Moderate executive perquisites are provided, consistent with reasonable market practice.	**X Option Grant Practices:** Options have never been backdated, spring-loaded or cancelled and subsequently re-granted.
✓ **Stock Ownership Requirements:** Minimum stock ownership requirements are applicable to the CEO and Board as well as a minimum holding period.	

d) External Advisors:

Willis Towers Watson ("WTW"), an independent compensation consultant, was retained by the Corporation during the year ended December 31, 2021, to provide independent consulting services with respect to the following matters:

- Carry out a high-level comparator group review with a view to identifying potential removals and additions and creating a revised comparator group
- Conduct a total direct executive compensation benchmarking of base salary, target bonus and long-term incentives using the revised comparator group for the Named Executive Officers
- Complete a market analysis of short-term incentive plan performance metrics, including providing market feedback on the use of ESG metrics.

The table below presents the fees paid to WTW for the years ended December 31, 2021 and 2020:

Year	2021	2020
Executive compensation consulting fees	$52,547	$71,385
All other fees	$37,065	$12,307

The information and advice provided by WTW were factors considered when making decisions regarding executive and director compensation. However, the Remuneration Committee and the Board do not rely exclusively on this information and their decisions reflect a number of factors and considerations. Additionally, WTW has protocols in place to ensure that independent and objective advice is provided and WTW does not currently provide any separate consulting services to the Corporation other than those listed above.

e) Comparator Group:

During 2021, the Remuneration Committee, with the assistance of WTW, reviewed the comparator group developed in 2019 to ensure it was still reflecting the Corporation's recruitment market. Following the review, the majority of companies from the previous comparator group were kept, and a few new comparators were added to the group. The updated comparator group was used to benchmark the compensation of the Named Executive Officers along with a review of market practices for short-term incentive plans in 2021. The comparator group is one of several important components of input that the Committee utilizes to make informed pay decisions and was developed based on the following selection criteria, reflecting the market for executive talent:

- A mix of Canadian and U.S publicly traded companies to recognize the Corporation's significant revenues and assets across both Canada and the U.S.
- Companies within the material and industrial sectors
- Companies that are generally comparable in size and complexity to the Corporation in terms of revenue and total enterprise value (i.e. around 1/3rd to 3 times the size of the Corporation)

The following table presents the list of 20 companies composing the comparator group:

Canadian Comparators (11 companies)	U.S. Comparators (9 companies)
Canfor Corporation	Armstrong World Industries, Inc.
Cascades Inc.	Gibraltar Industries, Inc.
Doman Building Materials Group Ltd.	Koppers Holdings Inc.
Intertape Polymer Group Inc.	Masonite International Corporation
Methanex Corporation	Saia, Inc.
Mullen Group Ltd.	Simpson Manufacturing Co., Inc.
Richelieu Hardware Ltd.	The Greenbrier Companies, Inc.
Russel Metals Inc.	U.S. Concrete, Inc.(1)
TFI International Inc.	Werner Enterprises, Inc.
Toromont Industries Ltd.	
Winpak Ltd.	

(1) As of August 26, 2021, U.S. Concrete, Inc. operates as a private subsidiary of Vulcan Materials Company

As presented in the table below, the Corporation is generally aligned with the 50th percentile of the comparator group's revenue and total enterprise value, indicating that the group is representative of the Corporation's size and complexity:

Statistics[(1)]	**Revenue ($Millions)**	**Total Enterprise Value ($Millions)**
25th Percentile	$1,467	$2,203
50th Percentile	$2,168	$3,009
75th Percentile	$3,365	$6,888
Stella-Jones Inc.	$2,551[(2)]	$3,440[(3)]
Percentile Rank	P60	P57

(1) All values are in Canadian dollars; U.S. dollars are converted to CAD using the historical conversion rate at the filing date.

(2) As of the latest fiscal year.

(3) Average Total Enterprise Value over a three-month period ending December 31, 2021.

f) Components of Overall Executive Compensation:

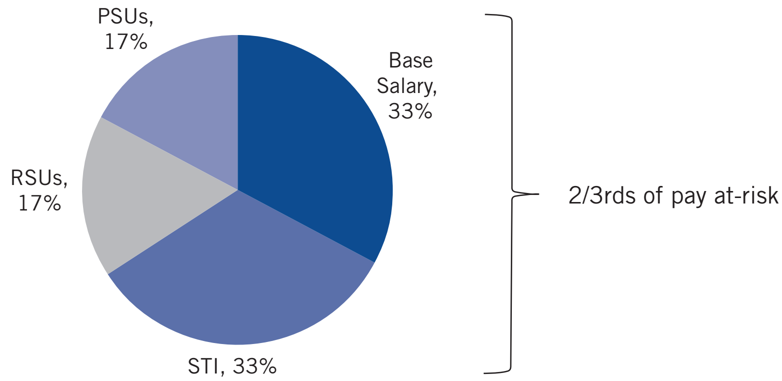
Components of overall Executive Compensation for the year ended December 31, 2021 comprise the elements set out below.

	Compensation Element	Purpose	Performance Measured	Outcome	Performance Period
Total Direct Compensation	**Base Salary**	Pay for value of role and to support attraction and retention	Individual contribution/ competencies/ skills	Base salary positioned appropriately relative to market	Annual
	Short-Term Incentive ("STI") Compensation – Profit Sharing Plan and CEO/CFO Incentive Plans	Pay for annual financial performance and individual performance	EBIT and Net Income results and individual performance and ROCE for CEO/CFO Incentive Plans	Cash payment	Annual
	Stock Options *(not granted to NEOs since 2009)*	Pay for future increase in share price with goal of creating value for shareholders	Share price appreciation	Payout of options at exercise	Up to 7 years
	Restricted Stock Units* *(50% of LTIP grants)*	Pay for corporate performance	ROCE for the grant year will influence number of RSUs granted (from 0% to 200% target grant)	Payout of RSUs at vesting	3 years (Legacy RSUs cliff vest and SUP RSUs vest one-third each year). RSUs and Legacy RSUs are phantom shares.
	Performance Stock Units *(50% of LTIP grants)*	Pay for corporate performance and performance vs. industrial index	3-year average ROCE (75%) and 3-year relative TSR vs. S&P/ TSX Capped Industrials Index (25%) will influence number of PSUs vested (from 0% to 200% target grant)	Payout of PSUs at vesting	3 years
Indirect Compensation	Perquisites	Reasonable perquisites aligned with the NEOS' duties	Individual contribution/ competencies	Annual perquisites provided	Annual
	Retirement Savings Plans and Pension Benefits	Encourage NEOs to save for retirement	Individual contribution/ competencies	Annual contributions made by the Corporation	Annual

* Certain Legacy RSUs from the Corporation's Legacy LTIP are outstanding and are scheduled to vest on March 18, 2022.

As illustrated below, the total direct compensation target for the President & CEO provides a significant weighting on pay at risk and pay that is long-term oriented in order to more closely align with shareholder interests over time:

CEO Target Pay Mix



(i) Base Salary:

Base salary takes into account sustained performance, the level of responsibility, the complexity of the duties and experience, and correspondingly, positioning the salary within the salary range for that position within the organization.

(ii) Short-Term Incentive Compensation:

The Corporation has two Short-Term Incentive Compensation approaches.

- The profit sharing plan ("Profit Sharing Plan") is designed to reward Named Executive Officers (with the exception of the President and CEO and Senior Vice-President and CFO) when the Corporation's financial performance targets are attained and provide recognition to those individuals whose performance objectives are met or exceeded.
- The President and CEO incentive plan ("CEO Incentive Plan") and the Senior Vice-President and CFO Incentive plan ("CFO Incentive Plan") are designed to reward the President and CEO and the Senior Vice-President and CFO for the achievement of specific ROCE targets. ROCE is defined as earnings before interest and taxes divided by the difference between total assets less current liabilities. In February of 2022, following recommendation by the Remuneration Committee, the Board of Directors approved the following definition for the 2022 ROCE and onward: Last 12 months earnings before interest and taxes divided by the average capital employed. Average capital employed is defined as the average of total assets less current non-interest bearing liabilities, calculated quarterly.

a) PROFIT SHARING PLAN

Under the Profit Sharing Plan, the Corporation distributes to employees a percentage of earnings before interest and taxes ("EBIT") so long as the Corporation attains a positive net income ("Positive Net Income Threshold"), which is calculated at the Corporation's year end and determined according to the Corporation's annual audited consolidated financial statements ("Financial Statements"). The maximum amount available for distribution to employees ("Profit Sharing Pool") is 4.5% of the Corporation's EBIT. A total of $14,668,810 was approved for allocation to employees under the Profit Sharing Plan following the approval of the Corporation's 2021 Financial Statements on March 8, 2022.

The potential profit sharing amount allocated to each employee ("Potential Profit Sharing Amount") is calculated by multiplying the portion of the Profit Sharing Pool available to the employee's designated group ("Group"), by the employee's base salary, divided by the total salaries for the Group. The Potential Profit Sharing Amount may be increased in the circumstances set out in paragraph (c) below.

The actual award for each employee is calculated as follows:

a) The first half of the Potential Profit Sharing Amount is allocated on condition that the Positive Net Income Threshold is attained;

b) The second half of the Potential Profit Sharing Amount, or a portion thereof, is allocated following consultation with each employee's supervisor, and is based on each employee's performance over the course of the preceding year, taking into account each individual's contribution towards the overall execution of the Corporation's business strategy and the goals within each person's defined role. No specific weight is assigned to any quantitative criteria;

c) If only a portion of the Potential Profit Sharing Amount is allocated to one or more employees of a Group, then such unallocated amount(s) will be added to the Profit Sharing Pool of the Group, which may result in an increase to the Potential Profit Sharing Amount for the Group's remaining employees.

b) CEO INCENTIVE PLAN

Under the CEO Incentive Plan, the President and CEO is eligible for an annual bonus based on the financial performance of the Corporation. It is a simple and transparent approach reflecting the Corporation's ROCE which is critically important to long-term value creation, financial viability and the Corporation's underlying business strategies. The ROCE targets are based on enduring standards in order to achieve a long-term return above the Corporation's weighted average cost of capital (WACC). This approach allows for payout levels to align with an appropriate level of return for shareholders, regardless of shorter-term economic conditions. The target award is currently 100% of base salary and the actual award will vary between 0% and 200% of base salary based on the achievement of ROCE within the fiscal year. The actual award is based on the following schedule. Specific performance levels may be modified from time to time.

Level	2021 ROCE	Percentage of Base Salary(1)
Minimum*	<10.0%	0%
Threshold	10.0%	75%
Target	12.0%	100%
Maximum	14.0%	200%

* Subject to the discretion of the Board of Directors to award a full or partial bonus based on market or other factors

(1) The Board has approved the application of linear interpolation between the threshold and maximum percentage ranges for the years ending December 31, 2021 and thereafter.

In March of 2022, the Board of Directors resolved to award the President and CEO an annual bonus of $1,400,000, representing 200% of base salary, as the Corporation's 2021 ROCE had reached the maximum level of 14.0%[2].

c) CFO INCENTIVE PLAN

Under the CFO Incentive Plan, the Corporation's Senior Vice-President and Chief Financial Officer is eligible for an annual bonus based on the financial performance of the Corporation. In line with the approach taken for the CEO, it is transparent and based on the Corporation's ROCE, which focuses on long-term value creation and financial sustainability. For the year ended December 31, 2021, the Corporation has harmonized the payout ranges under the CFO incentive plan with that of the CEO incentive plan, and the target award is 75% of base salary and the actual award is set to vary between 0% and 150% of base salary based on the achievement of ROCE within the fiscal year. The specific performance and target award levels may also be modified from time to time.

Level	2021 ROCE	Percentage of Base Salary(1)
Minimum*	<10.0%	0%
Threshold	10.0%	56%
Target	12.0%	75%
Maximum	14.0%	150%

* Subject to the discretion of the Board of Directors to award a full or partial bonus based on market or other factors

(1) The Board has approved the application of linear interpolation between the threshold and maximum percentage ranges for the years ending December 31, 2021 and thereafter.

In March of 2022, the Board of Directors resolved to award the Senior Vice-President and CFO an annual bonus of $525,000, representing 150% of her base salary, as the Corporation's 2021 ROCE reached the maximum level of 14.0%.

(2) Excluding the acquisitions of Cahaba Pressure Treated Forest Products, Inc. ("Cahaba Pressure") and Cahaba Timber, Inc. (Cahaba Timber"), which were completed in November of 2021.

(iii) Long-Term Incentive Plans:

a) STOCK UNIT PLAN ("SUP")

In 2019, the Corporation initiated steps to move away from its then current long-term incentive plan ("Legacy LTIP") with a view to replacing the Corporation's Legacy LTIP RSUs, which were time-based ("Legacy RSUs"). In December of 2019, the Board of Directors of the Corporation, following consultation with its independent compensation consultant WTW, and upon recommendation of its Remuneration Committee, approved the SUP. For 2020 performance and after (with the first grant made in March 2021), RSUs and PSUs were eligible to be granted solely under the SUP, with a target of 50% in RSUs and 50% in PSUs. The objectives of the SUP include:

- Retain key employees of the Corporation
- Provide for a market competitive compensation package
- Incentivize both annual and long-term performance, as both RSU and PSU elements plans have performance indicators in order to be granted/vested
- Align with ROCE, a measure of utmost importance for the Corporation's success and a key indicator for shareholder value creation
- Align performance-based payouts based on the Corporation's performance relative to other Canadian industrial companies in which the Corporation's shareholders could decide to allocate capital

The following provides an overview of the key design elements of the SUP:

Element	RSUs	PSUs
Grant determination	• 50% of grant value adjusted up/down based on prior year ROCE relative to predetermined performance scale	• 50% of grant value
Vesting period	• Three years (one-third vesting each year)	• Three-year cliff vesting
Vesting criteria	• Time-vested	• Performance-vesting based on 3-year average ROCE (75%) and relative total shareholder return ("TSR") (25%) based on a predetermined performance scale
Payout range	• 0 to 200% of grant value	• 0 to 200% of vested units ("Earned PSUs")

The number of RSUs and PSUs granted under the SUP is based on a percentage of the employee's salary, divided by the average trading price of the Corporation's common shares on the Toronto Stock Exchange ("TSX") for the five days immediately preceding the grant date.

The RSUs and PSUs are full-value phantom shares payable in cash which vest one-third each year over three years in the case of RSUs, provided the individual is still employed by the Corporation, and in the case of PSUs, vest on the third anniversary of their issue, provided performance targets are met and the individual is employed by the Corporation. The amount to be paid is determined by multiplying the number of RSUs and Earned PSUs by the five-day average closing trading price of the Corporation's common shares on the TSX immediately preceding the vesting date.

RSUs

The percentage of RSUs granted under the SUP is based on the previous year's ROCE using the following ROCE performance schedule:

ROCE Performance Schedule

Level	Prior-year ROCE	Percentage of RSUs granted(1)
Minimum	<10.0%	0%
Threshold	10.0%	50%
Target	12.0%	100%
Maximum	>=14.0%	200%

(1) Linear interpolation is to be applied between the threshold and maximum percentage range.

The ROCE goals are expected to be set annually and will include consideration of the Corporation's goals, budget and relevant factors.

On March 8, 2022, the Board of Directors resolved to grant RSUs under the SUP based on the maximum level performance, as the Corporation's 2021 ROCE reached 14.0%[1]. The effective date of the grant was March 14, 2022 ("RSU Grant Date"), with the RSUs granted totaling 88,763 units.

(1) Excluding the acquisitions of Cahaba Pressure and Cahaba Timber, which were completed in November of 2021.

PSUs

The PSUs introduced under the Corporation's SUP are to complement the RSUs, which act as a retention vehicle, with a new performance-based award that aligns with both the Corporation's business strategy and long-term shareholder value creation.

PSUs are a performance-based long-term incentive vehicle and payout is not guaranteed. PSUs vest and are paid out after three years, based on two performance indicators:

- 75% of PSUs vest based on three-year average ROCE, a measure of utmost importance for the Corporation that reflects its performance as a whole.
- 25% of PSUs vest based on annualized three-year total shareholder return relative to the S&P/TSX Capped Industrials Index, a market index composed of important industrial companies that reflect the market for investor capital.

At the end of the three year-performance, PSU participants will receive between 0% and 200% of their granted units based on the following ROCE performance schedule and relative TSR performance. PSU vesting will be interpolated on a straight-line basis between the threshold and maximum levels:

ROCE Performance Schedule (75% of grant)

Level	Three-year average ROCE	Percentage of PSUs vested[2]
Minimum	<10.0%	0%
Threshold	10.0%	50%
Target	12.0	100%
Maximum	14.0%	200%

(2) Linear interpolation is to be applied between the threshold and maximum percentage range.

Relative TSR Performance Schedule (25% of grant)

Level	Three-year Total Shareholder Return vs. S&P/TSX Capped Industrials Index (annualized)	Percentage of PSUs vested[3]
Minimum	<-10% pts	0%
Threshold	-10% pts	50%
Target	Meet Index	100%
Maximum	+10% pts	200%

(3) Linear interpolation is to be applied between the threshold and maximum percentage range.

On March 8, 2022, the Board of Directors resolved to grant a total of 44,382 PSUs under the SUP, with an effective grant date of March 14, 2022.

b) LEGACY LTIP

As indicated above, as of the year ended December 31, 2020, RSUs and PSUs were being granted solely under the Corporation's SUP, and Legacy RSUs were no longer being granted under the Legacy LTIP. As Legacy RSUs granted in March 2019 remain outstanding with a vesting date of March 18, 2022, details of the Legacy LTIP are provided below.

On December 10, 2009, with the objectives of retaining senior and key management (together, "Management"), and encouraging the pursuit of value-creating opportunities that reward operational performance and to allow the participation in the appreciation of share value over an extended period, the Corporation's Board of Directors, upon recommendation of the Remuneration Committee, adopted the Legacy LTIP for the Corporation.

Composed of a combination of stock options ("Legacy Options") and Legacy RSUs, the grant date of the initial Legacy Options and Legacy RSUs was December 18, 2009.

Legacy Options (historically) and Legacy RSUs were approved by the Board of Directors based on the recommendation of the Remuneration Committee after considering the report submitted by the President and CEO. When determining whether and how many Legacy Options were to be granted, consideration was given to total Legacy Options outstanding under the Corporation's Stock Option Plan.

Stock Options

Legacy Options vest at 20% per annum and had a term of seven years. Their exercise price was determined pursuant to the provisions of the Corporation's stock option plan for directors, officers and employees, as more fully set out in Section 9 herein. Legacy Options are no longer granted as the Legacy LTIP was replaced by the SUP effective the year ended December 31, 2020. Legacy Options have not been granted to employees since December 18, 2009.

Legacy RSUs

Legacy RSUs were granted conditional upon the Corporation attaining a minimum 12.5% return on capital employed ("ROCE Threshold"). The number of Legacy RSUs granted annually to eligible employees under the Legacy LTIP was based on a percentage of the employee's salary, divided by the average trading price of the Corporation's common shares on the Toronto Stock Exchange ("TSX") for the five days immediately preceding the grant date ("Executive RSU Calculation").

Legacy RSUs grants were not considered by the Corporation's Remuneration Committee and Board nor granted in March 2022. RSUs were granted solely under the SUP, starting the year ending December 31, 2020.

The Legacy RSUs are full-value phantom shares payable in cash on the third anniversary ("Anniversary Date") of their issue provided the individual is still employed by the Corporation. The amount to be paid is determined by multiplying the number of Legacy RSUs by the six-month average trading price of the Corporation's common shares on the TSX immediately preceding the Anniversary Date.

(iv) Retirement Savings Plans:

The purpose of the Corporation's retirement savings plans (both defined contribution plans) for its U.S.-based and Canadian-based employees (together, the "Retirement Savings Plan") is to encourage Named Executive Officers and other eligible employees to save for retirement. Eligible participation occurs following three (3) months of continuous service with the Corporation. The Retirement Savings Plan is comprised of an employee contribution component and a Corporation contribution component. In the case of Named Executive Officers and other salaried employees, employee contributions are up to four percent (4.0%) of basic salary ("Basic Contribution"). A supplementary contribution of up to six percent (6.0%) of basic salary is added by the Company, for a maximum total employee contribution of up to ten percent (10.0%) of basic salary. In the case of U.S.-based employees, the maximum total employee contribution ("U.S. Basic Contribution") is set yearly by the government of the United States. For 2021, the statutory limit was US$19,500 per individual, with an additional catch-up contribution of US$6,500 permitted annually for plan participants who are or will turn 50 years of age during the calendar year (for a total of US$26,000 for such individuals).

The employee component is placed into the Corporation's group registered retirement savings plan ("RRSP") in the case of Canadian employees and into a safe harbor 401(k) plan in the case of U.S.-based employees. The Corporation's matching contribution is placed, in the case of Canadian-based employees, into a deferred profit sharing plan ("DPSP"), and in the case of U.S.-based employees, into a safe harbor 401(k) plan, which, in both cases, are held in trust by a trustee appointed by the Corporation. The Corporation's matching contribution vests over a period of two years.

(v) Pension Benefits:

The Corporation provides retirement benefits in the form of pensions for certain of the Corporation's salaried employees. In the case of the Corporation's executive officers, these pension benefits are provided to a former employee of Bell Pole Company, the assets of which were purchased by a wholly owned subsidiary of the Corporation in July 2006 and are through pension plans registered under the Income Tax Act of Canada and Regulations (the "Income Tax Act"). One Named Executive Officer accrues benefits under defined benefit arrangements in which total retirement income is equal to the formula under the salaried employees registered plan without regard to the maximum annual retirement income prescribed under the Income Tax Act. The Corporation provides such pensions through a pension plan registered under the Income Tax Act and an unregistered pension promise for such Named Executive Officer.

(vi) Perquisites:

Vehicles are provided by the Corporation to the Named Executive Officers as their primary means of transportation in conjunction with their duties. Each individual is fully responsible for the tax liabilities associated with their personal use of these vehicles.

Relocation assistance is provided for Named Executive Officer transfers. Among the expenses covered are travel expenses for the Named Executive Officer and family, moving costs and temporary hotel accommodation for the Named Executive Officer and family, as required during the home-hunting phase prior to final relocation. Transaction fees associated with the sale of the former and purchase of the new primary residence may also be reimbursed.

Cellphones, smartphones, laptop computers and tablets are provided in a manner appropriate to and consistent with the duties and responsibilities of Named Executive Officers. These items are and remain the property of the Corporation.

The Remuneration Committee believes that these components collectively provide a fair and competitive structure and an appropriate relationship between executive compensation levels, the Corporation's financial performance and shareholder value.

g) Other Governance Features:

(i) Clawback Policy:

The Executive Officer Clawback Compensation Policy ("Clawback Policy") was implemented in 2019 to ensure that the Board of Directors is able to take direct and appropriate action to require reimbursement of all or a portion of compensation received by an Executive Officer pursuant to awards made under short-term and long-term incentive plans in certain situations. The Clawback Policy defines Executive Officers as all individuals at the Vice-President level or above, currently or previously employed by the Corporation or one or more of its wholly owned direct or indirect subsidiaries.

Under the Clawback Policy, the Board shall be entitled to, on behalf of the Corporation, reimbursement of full or partial bonus, profit share and incentive compensation, including cash and equity-based awards (together, "Awards") from an Executive Officer or former Executive Officer in situations where:

(i) the Executive Officer has engaged in gross negligence, intentional misconduct or fraud (any of the foregoing, "Misconduct"); or

(ii) the amount of a bonus, profit share or other incentive compensation was calculated based upon, or contingent on, the achievement of certain financial results of the Corporation that were subsequently the subject of or affected by a restatement of all or a portion of the Corporation's financial statements where:

   a. the Executive Officer has engaged in Misconduct that caused or substantially caused the need for the restatement; and

   b. the amount of the bonus, profit share or other incentive compensation that would have been awarded to or the profit realized by the Executive Officer had the financial results been properly reported would have been lower than the amount actually awarded or received.

The Clawback Policy applies to all Awards made after August 6, 2019.

(ii) Anti-hedging Policy:

In 2019, the Corporation amended its Code of Business Conduct and Ethics to incorporate an anti-hedging policy.

Hedging transactions may permit an insider to continue to own the Corporation's securities obtained through employee benefit plans or otherwise, but without the full risks and rewards of ownership. When that occurs, the insider may no longer have the same objectives as the Corporation's other shareholders.

Under the anti-hedging policy, insiders are prohibited from engaging in any hedging or monetization activities including, without limitation:

- Any use of financial instruments (such as options, puts, calls, forward contracts, futures, swaps, collars or units of exchange funds) or any other transactions that are designed to hedge or offset a decrease in the market value of any of the Corporation's securities beneficially owned by the insider, directly or indirectly, or in the value of any equity-based compensation awards of the insider (such as stock options, deferred share units, restricted share units and performance share units).
- Similarly, insiders are prohibited from short selling any of the Corporation's securities as such transactions may allow insiders to offset, or benefit from, a decrease in the market value of such securities.

(iii) Share Ownership and Retention Requirements:

In 2019, the Corporation introduced share ownership requirements ("Ownership Requirements") applicable to members of the Board of Directors[(1)] including directors who are executive officers, to further align the interests of the Corporation's most senior executives with that of shareholders and to further solidify their commitment to the Corporation and its future success.

Under the Ownership Requirements, any director who is an executive officer is required to hold common shares in the Corporation equal in value to at least one time his or her annual base salary. The Ownership Requirements are to be satisfied within five years of becoming a director and the holding period continues for two fiscal quarters following the last date of employment or cessation of Board duties. In the case of Mr. Vachon, the Corporation's President and CEO, his employment agreement sets out that he shall hold a minimum of 20,000 shares of the Corporation by December 31, 2024 and that he shall maintain his ownership requirements for two fiscal quarters following his last day of employment. At March 14, 2022, the President and CEO holds 20,633 common Shares of the Corporation with a market value of $786,736 and is in compliance with his ownership requirements.

h) Risk Analysis:

The Board and Remuneration Committee are satisfied that the Corporation's compensation practices and incentive plans, which provide rewards for achievement of overall company-wide objectives while recognizing individual contributions, do not encourage any Named Executive Officer or other employee to take inappropriate or excessive risks. There have been no risks identified from the Corporation's compensation policies or plans that are reasonably likely to have a material adverse effect on the Corporation. The Corporation's compensation policies and plans include a number of risk mitigating features:

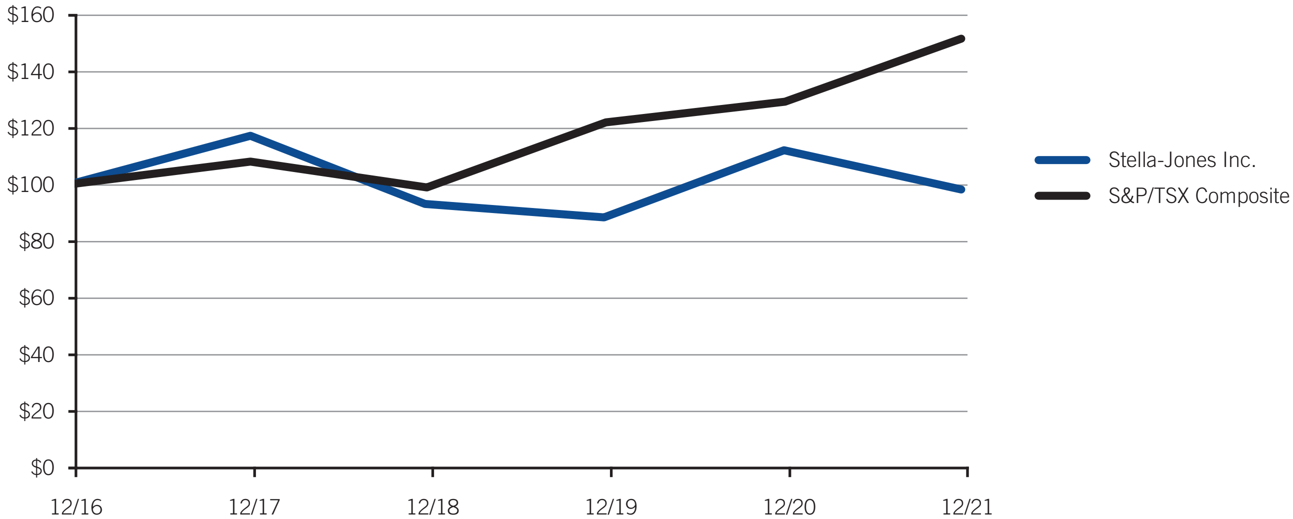
- The incentive programs are conditional upon the attainment of stated corporate-wide thresholds which promote an environment that encourages employees to work together for the overall success of the Corporation.
- The compensation programs are balanced between fixed and variable pay, and between short- and long-term incentive plans.
- Overall, the compensation expense to executive officers does not represent a significant portion of the Corporation's revenue.
- The Clawback Policy provides the Corporation with the ability to recoup awards that were earned under specified circumstances.
- The Ownership Requirements require shareholdings through the President and CEO's tenure with the Corporation and for a holding period thereafter and the anti-hedging policy ensures alignment with shareholders.

(1) See Section 8.3 "Director Share Ownership and Retention Requirements" for share ownership requirements applicable to non-executive directors.

7.2 Performance Graph

The following graph illustrates the comparison between the cumulative total shareholder return over a five-year period on a $100 investment in the Corporation's common shares and the cumulative total return of the S&P/TSX Composite Index of the TSX for the same period.

Comparison of 5-Year Cumulative Total Return*
Between Stella-Jones Inc. and the S&P/TSX Composite Index



* $100 invested on 12/31/16 in stock or index, including reinvestment of dividends.
Fiscal year ending December 31

	2016 Dec. 31	2017 Dec. 31	2018 Dec. 31	2019 Dec. 31	2020 Dec. 31	2021 Dec. 31
Stella-Jones Inc.	$100.00	$117.01	$92.79	$ 89.08	$111.64	$ 98.07
S&P/TSX Composite	$100.00	$109.10	$99.40	$122.14	$128.98	$151.53

The trend shown by the performance graph set forth above represents a decrease in the cumulative total shareholder return from December 31, 2016 until the period ended December 31, 2021. Over the same 5-year period, the total salary, Profit Sharing Plan amounts and bonuses received by the Named Executive Officers, in the aggregate, increased by approximately 13.3%, compared to the 1.9% decrease in cumulative shareholder return. Total compensation received by Named Executive Officers for the year ended December 31, 2021 was approximately $7.6 million, representing approximately 0.3% of the Corporation's total revenues of approximately $2.75 billion.

7.3 Summary Compensation Table

Compensation of Named Executive Officers – Summary Compensation Table

The Summary Compensation Table sets forth compensation information for the CEO, the Chief Financial Officer as well as the three next most highly compensated executive officers of the Corporation (the "Named Executive Officers") whose total compensation exceeded $150,000 during the year ended December 31, 2021. Information is provided for the three most recently completed financial years.

Summary Compensation Table

Name and Principal Position	Year	Salary ($)	Share-Based Awards ($)	Option-Based Awards ($)	Non-Equity Incentive Plan Compensation ($) Annual Incentive Plans	Non-Equity Incentive Plan Compensation ($) Long-Term Incentive Plans	Pension Value ($)	All Other Compensation ($)	Total Compensation ($)
Éric Vachon	Dec. 31, 2021	703,302	987,403[1]	–	1,400,000[2]			14,605[3]	3,105,310
President and CEO	Dec. 31, 2020	600,000	881,550[1]	–	1,200,000[2]	–	–	13,915[3]	2,695,465
	Dec. 31, 2019	399,658[4]	–[1]	–	450,000[2]	–	–	13,615[3]	863,273
Silvana Travaglini	Dec. 31, 2021	350,000	394,954[1]	–	525,000[5]	–	–	14,605[3]	1,284,559
Senior Vice-President	Dec. 31, 2020	407,693[6]	376,141[1]	–	300,000[7]	–	–	13,915[3]	1,097,749
and CFO	Dec. 31, 2019	–	–	–	–	–	–	–	–
Ian Jones	Dec. 31, 2021	550,000	465,493[1]	–	462,882[8]		178,000[9]	–[10]	1,656,375
Senior Vice-President,	Dec. 31, 2020	500,097	440,872[1]	–	432,000[11]	–	325,000[9]	–[10]	1,697,969
Utility Poles and Residential Lumber Stella-Jones Corporation	Dec. 31, 2019	399,123	–[1]	–	340,000[12]	–	709,000[9]	–[10]	1,448,123
Michael Sylvester	Dec. 31, 2021	409,597[13][14]	–	–	316,950[8][13][15]	–	–	19,894[3]	746,441
fmr. Senior Vice-	Dec. 31, 2020	481,387[14]	414,643[1]	–	378,450[16]	–	–	19,996[3]	1,294,476
President, Railway Ties, Stella-Jones Corporation	Dec. 31, 2019	476,800[14]	–[1]	–	324,700[17]	–	–	17,604[3]	819,104
Kevin Comerford	Dec. 31, 2021	355,761[14]	150,918[1]	–	272,577[8][15]	–	–	2,637[3]	781,893
Vice-President, Utility	Dec. 31, 2020	346,871[14]	149,368[1]	–	254,640[16]	–	–	20,957[3]	771,836
Poles and Residential Lumber Sales, Stella-Jones Corporation	Dec. 31, 2019	330,929[14]	–[1]	–	233,784[17]	–	–	18,083[3]	582,785

(1) On March 8, 2022 (with the exception of Mr. Sylvester, who was then retired from the Corporation) and March 9, 2021, the Board of Directors resolved to grant RSUs and PSUs to these Named Executive Officers under the Stock Unit Plan with an effective grant date of March 14, 2022 and March 13, 2021, respectively, based on ROCE levels reached for the years ended December 31, 2021 (excluding the Cahaba Pressure and Cahaba Timber acquisitions) and 2020, respectively. Legacy RSUs were not granted by the Board of Directors in March of 2020 as the Corporation did not meet its ROCE Threshold for the year ended December 31, 2019. The fair value of RSU and PSU amounts presented are determined in accordance with an option pricing model on their grant date. For further information on RSUs and PSUs under the SUP, consult Section 7.1 (f)(iii) Long-Term Incentive Plans.

(2) These amounts were awarded under the CEO Incentive Plan in March 2022, March 2021 and March 2020 for services rendered during the years ended December 31, 2021, 2020 and 2019. For more information on the CEO Incentive Plan, consult Section 7.1 (f)(ii)(b).

(3) In the case of Mr. Vachon and Ms. Travaglini, this amount represents the employer DPSP contributions for the years indicated. In the case of Mr. Sylvester and Mr. Comerford, this amount represents the 401(k) employer contributions which were paid in U.S. dollars which, in the case of Mr. Sylvester, amounted to US$15,692 in 2021, US$15,705 in 2020 and US$13,554 in 2019. In the case of Mr. Comerford, these amounts were US$2,080 in 2021, US$16,460 in 2020 and US$13,923 in 2019. The value of all other perquisites, property and other personal benefits for the Named Executive Officer is not equal or greater than $50,000, nor equal or greater than 10.0% of the Named Executive Officer's total salary for the year. Refer to footnote 14 for exchange rates used to translate U.S. dollar amounts to Canadian dollar amounts for the purposes of this Summary Compensation Table.

(4) Mr. Vachon served as Senior Vice-President and CFO until October 11, 2019, when he was appointed President and CEO. Represents salary paid to Mr. Vachon for approximately 9.5 months as Senior Vice-President and CFO, where his annual salary was $345,907, and approximately 2.5 months as President and CEO, where his annual salary was $600,000.

(5) This amount was awarded under the CFO Incentive Plan in March of 2022 for services rendered during the year ended December 31, 2021. For further information on the CFO Incentive Plan, consult Section 7.1 (f)(ii)(c).

(6) Ms. Travaglini joined the Corporation as Senior Vice-President and Chief Financial Officer on January 13, 2020. Consequently, no prior year information is provided. This amount represents approximately 50 weeks of salary for the year ended December 31, 2020 plus a signing bonus of $100,000.

(7) This amount was awarded under the former CFO Incentive Plan (which has since been updated) in March of 2021 for services rendered during the year ended December 31, 2020. $240,000 of this amount was based on the Corporation having reached a 2020 ROCE of 14.0%, and $60,000 of Ms. Travaglini's bonus was discretionary, and based on the successful fulfillment of duties. For further information on the former CFO Incentive Plan, consult Section 6.1 (f)(ii)(c) of the Corporation's 2020 Management Proxy Circular.
(8) This amount was awarded pursuant to the Corporation's Profit Sharing Plan during the year ended December 31, 2022 for services rendered during the year ended December 31, 2021.
(9) The Pension value reported is the annual Compensation Change in Accrued Obligation as outlined in Section 7.6 under "Pension Plan Benefits – Defined Benefit Plan".
(10) The value of perquisites, property and other personal benefits of the Named Executive Officer is not equal or greater than $50,000 nor equal or greater than 10.0% of the Named Executive Officer's total salary for the year.
(11) This amount was awarded pursuant to the Corporation's Profit Sharing Plan during the year ended December 31, 2021 for services rendered during the year ended December 31, 2020.
(12) This amount was paid pursuant to the Corporation's Profit Sharing Plan during the year ended December 31, 2020 for services rendered during the year ended December 31, 2019.
(13) In the case of Mr. Sylvester, salary covers 40 weeks served in 2021 as he retired from the Corporation effective October 11, 2021 and amounts awarded under the Corporation's Profit Sharing Plan were prorated for 40 weeks as well.
(14) Mr. Sylvester's and Mr. Comerford's base salaries are paid in U.S. dollars. In the case of Mr. Sylvester, it amounted to US$323,077 in 2021 for 40 weeks served, US$378,092 in 2020 and US$367,080 in 2019. In the case of Mr. Comerford, it amounted to US$280,613 in 2021, US$272,440 in 2020 and US$254,796 in 2019. The Bank of Canada closing exchange rates at year-end ("Exchange Rates") were used to translate U.S. dollars to Canadian dollars for the purposes of the Summary Compensation Table. These Exchange Rates were as follows: 2021 – 1.2678, 2020 – 1.2732 and 2019 – 1.2988. The Canadian dollar amounts were determined by multiplying the U.S. dollar amounts by the Exchange Rates.
(15) This amount was paid in U.S. dollars and amounted to US$250,000 for Mr. Sylvester and US$215,000 for Mr. Comerford.
(16) This amount was awarded pursuant to the Corporation's Profit Sharing Plan during the year ended December 31, 2021 for services rendered during the year ended December 31, 2020. This amount was paid in U.S. dollars and amounted to US$297,243 for Mr. Sylvester and US$200,000 for Mr. Comerford.
(17) This amount was awarded pursuant to the Corporation's Profit Sharing Plan during the year ended December 31, 2020 for services rendered during the year ended December 31, 2019. This amount was paid in U.S. dollars and amounted to US$250,000 for Mr. Sylvester and US$180,000 for Mr. Comerford.

7.4 Incentive Plan Awards – Option-Based and Share-Based Awards

The table below sets forth information relating to option-based and share-based awards outstanding at the end of the financial year ended December 31, 2021:

	Option-Based Awards				Share-Based Awards		
Name	**Number of Securities Underlying Unexercised Options (#)**	**Option Exercise Price ($)**	**Option Expiration Date**	**Value of Unexercised in-the-Money Options ($)**	**Number of Shares or Units of Shares that Have Not Vested (#)**	**Market or Payout Value of Share-Based Awards that Have Not Vested ($)**	**Market or Payout Value of Vested Share-Based Awards Not Paid Out or Distributed ($)**
Éric Vachon	– –	– –	– –	– –	2,074(1) 14,173(3)	88,746(2) 568,054(4)	– –
Silvana Travaglini	– –	– –	– –	– –	– 6,048(3)	– 242,404(4)	– –
Ian Jones	– –	– –	– –	– –	2,393(1) 7,088(3)	102,396(2) 284,087(4)	– –
Michael Sylvester	– –	– –	– –	– –	– (5) – (5)	– –	– –
Kevin Comerford	– –	– –	– –	– –	1,638(1) 1,931(3)	70,090(2) 77,394(4)	– –

(1) Legacy RSUs granted on March 18, 2019. Vesting date is March 18, 2022.
(2) Calculated by multiplying the number of Legacy RSUs by $42.79, being the six-month average trading price of the Corporation's common shares on the TSX immediately preceding December 31, 2021, assuming December 31, 2021 was the single payout date.
(3) RSUs and PSUs granted on March 13, 2021 under the SUP, less RSUs that vested on March 13, 2022.
(4) Calculated by multiplying the number of SUP RSUs and PSUs by $40.08, being the five-day average trading price of the Corporation's common shares on the TSX immediately preceding December 31, 2021, assuming December 31, 2021 was the single payout date.
(5) All share-based awards granted to Mr. Sylvester were forfeited upon retirement in October of 2021.

7.5 Incentive Plan Awards – Value Vested or Earned During the Year

The following table sets out the value of incentive plan awards vested or earned during the year ended December 31, 2021:

Name	Option-Based Awards – Value Vested During the Year ($)	Share-Based Awards – Value Vested During the Year ($)	Non-Equity Incentive Plan Compensation – Value Earned During the Year ($)
Éric Vachon	–(1)	1,102,560(2)	1,400,000(3)
Silvana Travaglini	–(1)	–(4)	525,000(3)
Ian Jones	–(1)	1,102,560(2)	462,882(3)
Michael Sylvester	–(1)	1,102,560(2)	316,950(3)(5)
Kevin Comerford	–(1)	551,280(2)	272,577(3)(6)

(1) No option-based awards vested during the year for the Named Executive Officer.

(2) Share-based awards were calculated by multiplying the number of Legacy RSUs that vested on March 19, 2021 ("Vesting Date"), by $45.94, being the six-month average trading price of the Corporation's common shares on the TSX, immediately preceding the Vesting Date.

(3) Represents amounts awarded under the Corporation's Profit Sharing Plan in 2022 in recognition of both financial performance targets attained by the Corporation and performance rendered by the individual during the year ended December 31, 2021. In the case of Mr. Vachon, his amount was calculated pursuant to the CEO Incentive Plan. In the case of Ms. Travaglini, her amount was calculated pursuant to the CFO Incentive Plan.

(4) No share-based awards vested during the year for the Named Executive Officer.

(5) Michael Sylvester's non-equity incentive plan compensation was awarded in U.S dollars and amounted to US$250,000. His award was prorated for weeks worked in 2021 prior to retirement.

(6) Kevin Comerford's non-equity incentive plan compensation was awarded in U.S. dollars and amounted to US$215,000.

7.6 Pension Plan Benefits – Defined Benefit Plan

The Corporation provides retirement benefits in the form of pensions for certain of the Corporation's salaried employees through pension plans registered under the Income Tax Act. One Named Executive Officer accrues benefits under a defined benefit arrangement in which total retirement income is equal to the formula under the salaried employees registered plan without regard to the maximum annual retirement income prescribed under the Income Tax Act. The Named Executive Officer who participates in this arrangement is Mr. Ian Jones. The Corporation provides such pensions through a pension plan registered under the Income Tax Act and an unregistered pension promise for the Named Executive Officer. Together, these arrangements are to provide the annual retirement income that commences at retirement age for Mr. Jones.

The plans are non-contributory. Mr. Jones' annual retirement income is equal to 1.20% of final average earnings up to the average Yearly Maximum Pensionable Earnings, plus 1.90% of final average earnings in excess of the average Yearly Maximum Pensionable Earnings for each year of service. Final average earnings are the annual average of the highest five calendar years out of the last 10 years immediately preceding the date of determination.

Mr. Jones will receive, to the extent permitted, a portion of his annual retirement income payable from the registered plan that will be limited to the maximum under the Income Tax Act. This maximum is currently $3,420.00 multiplied by the number of years of credited service for employees retiring in 2022.

Mr. Jones will also receive a promised supplemental pension, to the extent required, which provides for the payment of a supplementary retirement income such that the total retirement income is equal to the formula described above without limitation to the maximum annual retirement income prescribed under the Income Tax Act. Mr. Jones is currently the only employee who is promised this supplemental pension.

The value of this pension arrangement is funded to the extent allowed for the plan as registered under the Income Tax Act.

Under this pension arrangement, employees can retire as early as age 55. The annual retirement income is reduced by one quarter of one percent (0.25%) for each month by which the retirement date precedes the normal retirement date. As such, for an employee who retires early and prior to his normal retirement date, his annual pension would be equal to the accrued pension discussed above at the date of such retirement date, multiplied by the percentage factor determined in accordance with the following table:

Age at Pension Commencement Date	Percentage of Accrued Pension
65	100%
64	97%
63	94%
62	91%
61	88%
60	85%
59	82%
58	79%
57	76%
56	73%
55	70%

The following table sets out information for the plans for the Named Executive Officer in regards to his annual pension benefit, including his supplemental pension promise:

Name	Number of Years of Credited Service at Year-End (#)	Annual Benefits Payable(1) at Year-End ($)	Annual Benefits Payable(1) at Age 65 ($)	Opening Present Value of Defined Benefit Obligation(2) ($)	Compensatory Change(3) ($)	Non-Compensatory Change(4) ($)	Closing Present Value of Defined Benefit Obligation(2) ($)
Ian Jones	37.5	299,000	370,000	5,763,000	178,000	(259,000)	5,682,000

(1) Annual benefits at year-end are based on final average earnings at December 31, 2021 whereas final average earnings includes 2022 salary rate for annual benefits at age 65.
(2) The present value of defined benefit obligation is the value of the projected pension benefit, for service earned to that date, based on the same actuarial methods and assumptions used to determine the year-end pension liabilities and pension plan expense as disclosed in the Corporation's Annual Report. These methods and assumptions are in accordance with generally accepted accounting principles and are not identical to those used by other companies and, as a result, may not be directly comparable across companies. These amounts may change over time due to factors such as changes in assumptions and salary levels.
(3) Includes current year service cost net of employee contributions and changes due to actual earnings differing from assumed levels.
(4) Includes actual employee contributions, interest on the opening present value of defined obligation, and impact of any changes in actuarial assumptions.

7.7 Pension Plan Benefits – Defined Contribution Plans

The Corporation's contribution for each of the Named Executive Officers who participate in the defined contribution plans is set out in the "All other compensation" column of the Summary Compensation Table provided in Section 7.3. For further information on the Corporation's defined contribution plans, please refer to Section 7.1 paragraph (f)(iv) "Retirement Savings Plans", of the Compensation Discussion and Analysis.

7.8 Termination of Employment and Change of Control Benefits

The Corporation has entered into certain employment agreements, has a profit sharing plan, a CEO Incentive Plan, a CFO Incentive Plan and has granted Legacy RSUs, RSUs and PSUs, certain of which provide termination and change of control benefits to Named Executive Officers.

Mr. Vachon's employment contract stipulates that upon termination of his employment by the Corporation for reasons *other* than cause, illness, permanent incapacity, death or resignation, he is entitled to receive an amount equal to 12 months' salary and a bonus payment based on the annual bonus paid for the immediately preceding financial year, prorated in accordance with the number of months of service completed during the financial year in which his employment is terminated ("Prorated Bonus"). If Mr. Vachon's employment is terminated for reasons of death or permanent incapacity, he (or his estate in the case of death) shall be entitled to his earned and unpaid base salary and Prorated Bonus. If Mr. Vachon's employment is terminated due to a change of control, Mr. Vachon will be entitled to receive an amount equal to 12 months' salary plus a Prorated Bonus. In the event of termination *for cause*, Mr. Vachon would be entitled to all earned and unpaid base salary and would lose all entitlement to any Prorated Bonus amounts or pay in lieu of notice.

Pursuant to Mr. Vachon's long-term incentives, in the event his employment is terminated *without cause* or concurrently with a change of control of the Corporation, unvested Legacy RSUs, RSUs and PSUs awards shall vest on a prorated basis on the final day of employment as follows: vesting shall be based on the number of days elapsed between the date of grant and the effective date of termination (final day of employment) compared to the original vesting schedule of the particular award. In the event of termination *for cause*, all unvested long-term incentives will immediately be cancelled. In the event of death or disability, the terms and conditions of the applicable long-term incentive plans in force at the time will apply.

Ms. Travaglini's employment contract stipulates that upon termination of her employment by the Corporation for reasons *other* than cause, illness, permanent incapacity, death or resignation, she is entitled to receive an amount equal to six months' salary plus one month of salary per year of employment, up to a maximum of 12 months of base salary as well as earned but unpaid bonuses prorated in accordance with the number of months of service completed during the financial year in which her employment is terminated ("Prorated Bonus"). If Ms. Travaglini's employment is terminated for reasons of death or permanent incapacity, she (or her estate in the case of death) shall be entitled to her earned and unpaid base salary and Prorated Bonus. In the event of termination *for cause*, Ms. Travaglini would be entitled to all earned and unpaid base salary and would lose all entitlement to any Prorated Bonus amounts or pay in lieu of notice.

Pursuant to Ms. Travaglini's long-term incentives, her employment contract stipulates that all unvested RSUs and PSUs or other forms of unvested long-term incentives are immediately cancelled in the event her employment is terminated *for cause* or in the event of death or incapacity. In the event of resignation, RSUs and PSUs are cancelled upon receipt by the Corporation of the notice of resignation. In the case of termination *without cause*, unvested RSU and PSU awards shall vest on a prorated basis on the final day of employment as follows: vesting shall be based on the number of days elapsed between the date of grant and the effective date of termination (final day of employment) compared to the original vesting schedule of the particular award.

Under the Corporation's Profit Sharing Plan, if a Named Executive Officer's active employment terminates prior to the payment date due to resignation or termination, the Named Executive Officer will not be eligible for any potential profit sharing amount. If the Named Executive Officer's active employment with the Corporation terminates for reasons other than resignation or termination (e.g. retirement or sick leave), then the Named Executive Officer will be eligible for the potential profit sharing amount, prorated for the portion of the year during which he or she actively worked for the Corporation.

The Corporation's retirement savings program for Canadian-based employees provides for distribution of group registered retirement savings plan benefits to all employees at the earlier of termination of employment or the latest date permitted under the Income Tax Act for maturity retirement savings plans. Distribution of deferred profit sharing plan benefits occur no later than the earlier of the end of the year in which the participant attains the age of sixty-nine (69), and ninety (90) days after the earliest of retirement, onset of disability, termination of service or death.

The Corporation's 401(k) plan for U.S. employees provides for distribution of all account balances upon termination of service with the Corporation (vested amounts only if prior to Normal Retirement Age), or upon the normal retirement age of sixty-five (65) ("Normal Retirement Age"). However, employees who reach the Normal Retirement Age and who continue to work are not required to take distributions until they terminate employment, and no later than 70.5 years of age. Distribution of amounts attributable to the employee contribution portion are permitted before termination of employment in the following circumstances: (i) the attainment of the age of 59.5; (ii) upon becoming disabled under the terms of the plan; (iii) in the event of a financial hardship as such term is defined in the plan; or (iv) by a qualified member of the reserves further to a "Qualified Reservist Distribution", as such term is defined in the plan.

None of the Corporation's retirement plans provide Named Executive Officers with additional enhancements, early vesting or other benefits in the event of a change of control.

The Corporation's Stock Option Plan (and therefore, all Legacy Options) provides that if the Corporation proposes to amalgamate, merge or consolidate with or into any other company (other than with a wholly owned subsidiary of the Corporation) or to liquidate, dissolve or wind-up, or if an offer to purchase the shares of the Corporation or any part thereof shall be made to all holders of shares of the Corporation, the Corporation shall have the right, upon written notice thereof to each Optionee holding options under this Plan, to permit the exercise of all such options within the 20-day period next following the date of such notice. Additionally, under the Corporation's Legacy LTIP, unvested Legacy RSUs vest and are payable immediately upon a change of control or a going private transaction if coupled with the Named Executive Officer's termination of employment.

Under the Corporation's SUP, in cases of resignation, retirement or termination *with or without cause*, all unvested RSUs and PSUs are forfeited on the last working day. Vested but unsettled RSUs and PSUs are unaffected. In the case of termination for fraud, all unvested RSUs and PSUs granted are immediately cancelled and any vested but unsettled RSUs and PSUs are forfeited with immediate effect.

The following table provides a reasonable estimate of the potential payments upon termination of employment or a change of control of the Corporation coupled with termination for the Named Executive Officers, in accordance with the narrative description of "Termination of Employment and Change of Control Benefits" provided above:

Name	**Termination Value**[(1)(2)(3)(4)(5)(6)] **($)**
Éric Vachon	$2,596,800
Silvana Travaglini	$ 809,071
Ian Jones	$ 818,483
Michael Sylvester	–[(7)]
Kevin Comerford	$ 402,124

(1) The termination value assumes that the applicable triggering event took place on the last business day of the Corporation's completed financial year.
(2) The triggering event under the Profit Sharing Plan is assumed to be an event other than resignation or termination (e.g., retirement or sick leave).
(3) The severances calculated on the basis of salary for Mr. Vachon assumes that the triggering event is a change of control coupled with a termination of employment.
(4) The severances calculated for other Named Executive Officers assume that the triggering event is termination without cause.
(5) The triggering event for the RSUs and PSUs is assumed to be termination without cause or change of control coupled with termination of employment in the year RSUs and PSUs are scheduled to vest. The triggering event under Legacy RSUs is assumed to be a change of control coupled with a termination of employment.
(6) This table does not include payments under the Retirement Savings Plan and pension plan.
(7) Not applicable as retired from the Corporation in October of 2021.

8. Director Compensation

8.1 Director Compensation Table

The Director Compensation table below sets forth all amounts of compensation provided to the directors of the Corporation for services carried out during its most recently completed financial year:

Name	Fees Earned ($)	Share-Based Awards ($)	Option-Based Awards ($)	Non-Equity Incentive Plan Compensation ($)	Pension Value ($)	All Other Compensation ($)	Total ($)
Katherine A. Lehman	125,000[(1)]	95,000[(2)]	–	–	–	–	220,000
Robert Coallier	92,500	55,000[(2)]	–	–	–	–	147,500
Anne E. Giardini[(4)]	92,500	55,000[(2)]	–	–	–	–	147,500
Rhodri J. Harries	92,500[(3)]	55,000[(2)]	–	–	–	–	147,500
Karen Laflamme	112,500[(5)]	55,000[(2)]	–	–	–	–	167,500
James A. Manzi, Jr.	92,500	55,000[(2)]	–	–	–	–	147,500
Douglas Muzyka	92,500[(4)]	55,000[(2)]	–	–	–	–	147,500
Simon Pelletier	92,500	55,000[(2)]	–	–	–	–	147,500
Éric Vachon	–[(6)(7)]	–[(6)(8)]	–	–	–	–	–[(6)(7)]
Mary Webster	92,500	55,000[(2)]	–	–	–	–	147,500

(1) Represents annual fees earned as Chair of the Board. Of this amount, the Chair elected that $50,000 be paid in DSUs as Additional Participation (as defined in Section 8.2 below) as permitted under the Corporation's Deferred Share Unit Plan for Non-Executive Directors ("DSU Plan"). Therefore, total cash fees *received* were $75,000.

(2) Equals the Minimum Participation (as defined in Section 8.2 below) dollar value of DSUs awarded under the Corporation's DSU Plan. In the case of Ms. Lehman, this does not include the $50,000 Additional Participation referred to in footnote 1 above, nor does it include the $92,500 and $50,000 DSU Additional Participation by Mr. Harries and Mr. Muzyka respectively, referred to in footnotes 3 and 4 below. Total DSUs held under the DSU Plan is provided in Table 8.4.

(3) Of this amount, the director elected that the entire $92,500 be paid in DSUs as Additional Participation as permitted under the Corporation's DSU Plan. Therefore, total cash fees *received* were nil.

(4) Of this amount, the director elected that $50,000 be paid in DSUs as Additional Participation as permitted under the Corporation's DSU Plan. Therefore, total cash fees *received* were $42,500.

(5) Of this amount, $20,000 represents fees earned as Chair of the Audit Committee.

(6) See Section 7.3, Summary Compensation Table of Named Executive Officers.

(7) Fees are not paid to directors who are employees of the Corporation.

(8) DSUs are not issued to executive directors.

8.2 Compensation of Directors – Board Fees and Deferred Share Unit Plan

Directors of the Corporation receive a flat annual fee of $92,500, paid in two semi-annual payments of $46,250. An additional annual fee of $20,000 is paid to the Chair of the Audit Committee in two instalments of $10,000. Additional annual fees are not paid to the Chairs of the Environmental, Health and Safety, Governance and Nomination and Remuneration Committees. Per meeting fees are not paid to Board and committee members.

The annual Board Chair fee of $125,000 is paid in two semi-annual instalments of $62,500. The Chair of the Board does not receive director fees. Directors who are employees of the Corporation do not collect director fees.

An amount of $692,500 was paid in cash fees by the Corporation to the members of the Board and committees of the Board for all services carried out during 2021. The details of this amount are provided in the Director Compensation Table in Section 8.1 herein. This amount represents the annual fee of $92,500 paid to each of the Corporation's eight non-executive directors, the annual fee of $125,000 paid to the Chair of the Board, the annual Audit Committee Chair fee of $20,000 less $192,500, representing amounts allocated as Additional Participation (as herein below defined) into the DSU Plan as requested by three directors of the Corporation.

The Corporation's Deferred Share Unit Plan for non-executive directors of Stella-Jones ("DSU Plan") serves to provide non-executive Board members with a supplemental form of compensation while promoting greater alignment of the interests of the participants and the shareholders of the Corporation in creating long-term shareholder value.

Under the DSU Plan, on or about May 15, of each year ("DSU Award Date"), participants who are non-executive Board members as well as the Chair of the Board, receive a minimum participation amount of $55,000 and $95,000, respectively ("Minimum Participation"), or such other amount as shall be determined by the Board of Directors in any given year, to which they may add all or a portion of their annual Board or Chair fees ("Additional Participation") (together "Deferred Remuneration"), which is then divided by the average closing price of the Corporation's common shares on the Toronto Stock Exchange during the 5 trading days immediately preceding the DSU Award Date ("DSU Value"). Each participant receives such number of DSUs as is obtained by dividing the Deferred Remuneration by the DSU Value on the DSU Award Date. For services carried out in 2021, non-executive directors received DSUs totaling $727,500, resulting in 15,002 DSUs awarded. This total includes DSUs representing Additional Participation for Board Fees payable on January 1, 2022 for services rendered in 2021.

All DSUs vest and are settled for cash on the Settlement Date, which is triggered when a participant ceases to be a Board member. On the Settlement Date, total vested DSUs are multiplied by the average closing price of the Corporation's common shares on the Toronto Stock Exchange during the 5 trading days immediately preceding the Settlement Date.

8.3 Director Share Ownership and Retention Requirements

To further align the interests of Stella-Jones' directors with the Corporation's shareholders and demonstrate their commitment to the long-term success of the Corporation, the Board of Directors has adopted director share ownership and retention requirements ("Requirements").

Pursuant to these Requirements, each non-executive director[1] is required to own common shares of Stella-Jones equal in value to at least three times his or her annual Board fees ("Non-Executive Requirements"). Directors are required to meet the Requirements within the later of (i) five years after the Requirements come into effect or (ii) five years after becoming a director, and the Requirements shall be maintained for a minimum of two fiscal quarters following cessation of Board duties.

For the purposes of determining whether the above Requirements are satisfied, the following sources of share ownership will be included:

- common shares of the Corporation purchased by the Director on the open market or acquired from treasury upon exercise of stock options or otherwise;
- deferred, restricted or performance share units or restricted shares of the Corporation granted to the Director by the Corporation, whether or not vested.

Shares underlying any unexercised outstanding stock option, whether or not vested, are not included for the purposes of determining whether the Requirements are satisfied.

(1) For details on the shareholding requirements applicable to the President and CEO, see Section 7.1(g)(iii) "Share Ownership and Retention Requirements".

8.4 Outstanding Option-Based Awards and Share-Based Awards

The following table shows all option-based and share-based awards held by each Director at December 31, 2021:

Name	Option-Based Awards				Share-Based Awards[1]		
	Number of Securities Underlying Unexercised Options (#)	Option Exercise Price ($)	Option Expiration Date	Value of Unexercised in-the Money Options ($)	Number of Shares or Units of Shares that Have not Vested (#)	Market or Payout Value of Share-Based Awards that Have Not Vested ($)	Market or Payout Value of Vested Share-Based Awards Not Paid Out or Distributed ($)
Robert Coallier	–	–	–	–	1,441	57,755[2]	–
Anne E. Giardini	–	–	–	–	1,087	43,567[2]	–
Rhodri J. Harries	–	–	–	–	3,627[3]	145,370[2]	–
Karen Laflamme	–	–	–	–	1,760	70,541[2]	–
Katherine A. Lehman	–	–	–	–	5,296	212,264[2]	–
Douglas Muzyka	–	–	–	–	2,567[3]	102,885[2]	–
James A. Manzi, Jr.	30,000	49.01	Nov. 10, 2025	nil[4]	1,760	70,541[2]	–
Simon Pelletier	–	–	–	–	1,760	70,541[2]	–
Éric Vachon	–[5]	–[5]	–[5]	–[5]	–[5]	–[5]	–[5]
Mary Webster	–	–	–	–	1,760	70,541[2]	–

(1) The share-based awards are DSUs. See Section 8.2 "Compensation of Directors – Board Fees and Deferred Share Unit Plan" for additional information.
(2) Calculated by multiplying the number of DSUs by the average closing price of the Corporation's Common shares on the TSX on the 5 trading days immediately preceding December 31, 2021 ($40.08), assuming December 31, 2021 was the Settlement Date.
(3) In the case of Mr. Harries and Mr. Muzyka, also includes Additional Participation in the DSU Plan for Board fees earned in 2021 where DSUs were issued on January 1, 2022.
(4) Calculated by multiplying the number of options by the difference between the closing price of the Corporation's Common Shares on the TSX on the last day of trading in 2021 ($40.01) and the option exercise price.
(5) See Table 7.4 "Incentive Plan Awards—Option-Based and Share-Based Awards" for information pertaining to this director.

9. Securities Authorized for Issuance Under Equity Compensation Plans

Equity Compensation Plan Information

The following table sets out information regarding compensation plans under which securities of the Corporation are authorized for issuance, as of the Corporation's most recently completed financial year end:

Equity Compensation Plan Information

Plan Category	Number of Securities to Be Issued Upon Exercise of Outstanding Options, Warrants and Rights (a)	Weighted-Average Exercise Price of Outstanding Options, Warrants and Rights (b)	Number of Securities Remaining Available for Future Issuance Under Equity Compensation Plans "Excluding Securities Reflected in Column (a)" (c)
Equity compensation plans approved by security holders(1)	30,000(2)	$49.01	1,559,489(3)
Equity compensation plans not approved by security holders	N/A	N/A	N/A
Total	30,000	$49.01	1,559,489

(1) For specifics of the Corporation's Stock Option Plan and the Employee Share Purchase Plans, see below "Stock Option Plan for Directors, Officers and Employees" and "Employee Share Purchase Plans".
(2) Represents the 30,000 options which were outstanding under the Corporation's Stock Option Plan at year end.
(3) This comprises the 1,282,588 securities that are not yet granted and therefore available for future issuance under the Stock Option Plan for Directors, Officers and Employees and the remaining 276,901 shares remaining issuable under the Employee Share Purchase Plans.

Stock Option Plan for Directors, Officers and Employees

The Corporation has a stock option plan for directors, officers and employees (the "Stock Option Plan") under which the Board of Directors or a committee appointed for such purpose may from time-to-time grant to directors, officers or employees of the Corporation and its subsidiaries, options to acquire common shares, in such numbers, for such terms and at such exercise prices as are determined by the Board or such committee. The purpose of the Stock Option Plan is to secure for the Corporation and its shareholders the benefits of incentives inherent in share ownership by directors, officers and employees of the Corporation and its subsidiaries.

Under the Stock Option Plan, the exercise price of an option shall not be lower than the closing price of the common shares of the Corporation on the TSX on the last trading day preceding the granting of the option and the term of the option may not exceed 10 years. Historically, the exercise frequency established by the Corporation's Board has been in accordance with the following vesting schedule: up to 20.0% of options granted may be exercised within the first year of the date of the grant of options ("Grant Date") and an additional 20.0% of the total options granted become exercisable beginning on each anniversary of the Grant Date thereafter.

Termination of Options under the Stock Option Plan: Options terminate no later than 10 years ("Option Period") following the date of their grant, and in certain instances, terminate earlier as provided below ("Early Expiry Date"):

(a) thirty (30) days following the date on which (i) the optionee resigns or voluntarily leaves his employment with the Corporation, or (ii) an optionee's employment with the Corporation is terminated for cause, or (iii) in the case where the optionee is a director of the Corporation, but is not employed by the latter, thirty (30) days following the date on which such optionee ceases to be a member of the Board for any reason other than death;

(b) one hundred and eighty (180) days following the date on which the optionee's employment with the Corporation is terminated by reason of death or, in the case where the optionee is a director of the Corporation, but is not employed by the latter, one hundred and eighty (180) days following the date on which such optionee ceases to be a member of the Board by reason of death; or

(c) thirty (30) days following the date on which the optionee's employment with the Corporation is terminated for any cause or reason other than those mentioned in paragraphs (a) and (b) above, including without limiting the scope of the foregoing, disability, illness, retirement or pre-retirement.

Notwithstanding the foregoing, the Option Period and Early Expiry Date shall automatically be extended if either shall fall within the Corporation's self-imposed trading blackout period. In such cases, the Option Period or the Early Expiry Date, as the case may be, shall extend for 10 business days following the termination of the Corporation's trading blackout period.

Acceleration of Vesting under the Stock Option Plan: The Stock Option Plan provides that if the Corporation proposes to amalgamate, merge or consolidate with or into any other company (other than with a wholly owned subsidiary of the Corporation) or to liquidate, dissolve or wind-up, or if an offer to purchase the shares of the Corporation or any part thereof shall be made to all holders of shares of the Corporation, the Corporation shall have the right, upon written notice thereof to each holder of options ("Optionee") under the plan, to permit the exercise of all such options within the 20-day period next following the date of such notice and to determine that upon the expiration of such 20-day period, all rights of Optionees to such options or to exercise same (to the extent not theretofore exercised) shall terminate and cease to have further force or effect whatsoever.

Amendment and Termination of the Stock Option Plan: The Board of Directors has the general power, subject to requisite regulatory approval, to make amendments without shareholder approval, including but not limited to:

(a) amendments of a general "housekeeping" or clerical nature to clarify, correct or rectify any ambiguity, defective provision, error or omission in the Stock Option Plan;

(b) amendments necessary to comply with applicable laws or the requirements of any regulatory authority;

(c) amendments to the Early Expiry Date provisions of the Stock Option Plan;

(d) amendments with respect to any vesting period or with respect to circumstances that would accelerate the vesting of options;

(e) amendments required or advisable as a result of a stock split, a consolidation, a reclassification, a share dividend declaration or any other amendment pertaining to the shares; and

(f) suspending or terminating the Stock Option Plan.

Amendments to the Stock Option Plan requiring shareholder approval are, subject to regulatory requirements, limited to:

(a) any increase to the number of shares issuable under the Stock Option Plan;

(b) the reduction of the subscription price of options held by an insider;

(c) the extension of the Option Period of options held by an insider; and

(d) the extension of the Blackout Expiration Date.

On October 21, 2013, the Board of Directors approved an amendment to the Stock Option Plan whereby the maximum fixed amount of options that may be granted under the Stock Option Plan was modified from 1,200,000 options to 4,800,000 options. This modification was required to harmonize the Stock Option Plan with the October 25, 2013 4-for-1 stock split by way of dividend. This change received required regulatory approvals.

Financial Assistance and Transformation into a Stock Appreciation Right: The Corporation does not provide financial assistance to participants of the Stock Option Plan to facilitate the purchase of shares issuable under the plan. The Corporation is not entitled to transform a stock option into a stock appreciation right involving the issuance of securities from treasury.

The aggregate number of common shares in respect of which options may be granted under the Stock Option Plan is a maximum fixed amount of 4,800,000 representing approximately 7.5% of the Corporation's issued and outstanding shares as at December 31, 2021. No Optionee is able to hold options to purchase common shares exceeding 5.0% of the number of common shares outstanding from time to time. The number of shares issuable to insiders of the Corporation under all security-based compensation arrangements may not, at any time, exceed 10.0% of the issued and outstanding shares of the Corporation. The number of shares issued to insiders under all security-based compensation arrangements within any one-year period may not exceed 10.0% of the shares outstanding. As at December 31, 2021, 1,282,588 options permitting the subscription to an equivalent number of common shares of the Corporation were not yet granted and therefore remained available for future issuance under the Stock Option Plan.

Issued and Issuable Securities under the Stock Option Plan: The total number of securities issued and issuable under the Stock Option Plan as of December 31, 2021 was 4,800,000 shares, representing approximately 7.5% of the Corporation's outstanding capital. Of the 4,800,000 shares, 3,487,412 common shares had been issued as of December 31, 2021, representing approximately 5.4% of the Corporation's outstanding share capital at that date. As of December 31, 2021, 1,312,588 common shares remained issuable (the maximum fixed amount of 4,800,000 minus the total shares issued) under the Stock Option Plan, representing approximately 2.1% of the Corporation's outstanding shares at that date. The total number of securities issuable under actual grants under the Stock Option Plan (total options granted minus total options exercised) stood at 30,000 as of December 31, 2021, representing approximately 0.0% of the Corporation's outstanding share capital at that date. No options were exercised under the Stock Option Plan during the Corporation's financial year ended December 31, 2021. No stock options were granted pursuant to the Stock Option Plan during the year ended December 31, 2021.

During the period of January 1, 2022 to March 14, 2022, no additional options were exercised under the Stock Option Plan, for a total of 3,487,412 options exercised under the Stock Option Plan since its inception, representing approximately 5.5% of the Corporation's issued and outstanding shares at March 14, 2022. As at March 14, 2022, options for an aggregate of 3,517,412 common shares have been granted under the Stock Option Plan.

The annual burn rate[(1)] of the Stock Option Plan for the Corporation's three most recent years was 0.0% for 2021, 2020 and 2019.

Employer's Remittance Obligations in respect of the Income Tax Act: With regard to employer's remittance obligations in respect of stock option benefits, the Stock Option Plan provides that:

"7.3 The Corporation shall cause all exercises of options to comply with all applicable laws, rules and regulations, including, among others, the requirements of the Income Tax Act in relation to withholding obligations of the Corporation as an employer. Consequently, the Corporation may, among other things, satisfy its obligation to remit the appropriate withholding amounts to the Canada Revenue Agency by:

7.3.1 Permitting the Optionee to pay to the Corporation, in addition to and concurrently with the Subscription Price, the applicable withholding amount upon exercise of the option; or

7.3.2 Selling, in the open market, a portion of the Shares issued in order to realize the cash proceeds to be used to satisfy the required withholding; or

7.3.3 Withholding the necessary amount from the Optionee's cash remuneration payment following the exercise of the Option, if the circumstances permit and if sufficient."

Neither of the Corporation's Remuneration Committee nor its Named Executive Officers have played a proactive role in amending the Corporation's equity incentive plans under which option-based awards are granted. Modifications to these incentive plans have generally been proposed to the Board of Directors by

(1) The annual burn rate is expressed as a percentage and calculated by dividing the number of securities granted during the fiscal year by the weighted average number of securities outstanding for the applicable year.

the Vice-President, General Counsel and Secretary of the Corporation, if required, to ensure continued compliance with legal requirements.

Employee Share Purchase Plans

The Corporation has two employee share purchase plans, an employee share purchase plan for Canadian residents ("CDN ESPP") and an employee share purchase plan for U.S. employees ("U.S. ESPP") (together, the "Employee Share Purchase Plans"). Unless otherwise specified herein, the Employee Share Purchase Plans are identical. Under the CDN ESPP, any regular full-time employee of the Corporation or any of its subsidiaries who is a Canadian resident, and at the date of enrolment in the CDN ESPP, has six months of service with the Corporation or any of its subsidiaries, may purchase common shares of the Corporation at a price equal to 90.0% of the average closing price per common share of a board lot of the Corporation's common shares on the TSX on the last five trading days immediately preceding the applicable purchase date ("Market Price"). Under the U.S. ESPP, any regular full-time employee of the Corporation or any of its subsidiaries who is a resident of the United States of America, and at the date of enrolment in the U.S. ESPP, has six months of service with the Corporation or any of its subsidiaries, may purchase common shares of the Corporation at 100.0% of the Market Price. An eligible employee who wishes to participate in an Employee Share Purchase Plan must contribute a minimum of $200 on a yearly basis, up to a maximum of 5.0% of his or her base salary. Contributions are deducted from the employee's periodic pay and common shares are purchased on quarterly investment dates. While no financial assistance is provided by the Corporation to facilitate the purchase of common shares under the Employee Share Purchase Plans, employees who hold common shares in their respective Employee Share Purchase Plans for 18 months following the date of acquisition of such shares ("Acquisition Date") receive additional common shares of the Corporation equivalent to 10.0% of the amount of their contributions made on the Acquisition Date. These additional common shares are issued by the Corporation on behalf of eligible employees at 100.0% of the Market Price. All participants of the Employee Share Purchase Plans must hold their shares in their Employee Share Purchase Plan for a minimum of 12 months following the Acquisition Date of such shares except in the event of death, termination of employment, or if an offer is made to all holders of shares. Participants may elect to receive any cash dividends declared and paid on the common shares in cash or to reinvest such cash dividends to purchase additional common shares. The price per common share purchased with such reinvested dividends is 100.0% of the Market Price.

The rights of a participant pursuant to the provisions of the Employee Share Purchase Plans are non-assignable.

The aggregate number of common shares reserved for issuance under the Employee Share Purchase Plans is 1,300,000, representing approximately 2.0% of the Corporation's issued and outstanding shares at December 31, 2021 and 2.0% of the Corporation's issued and outstanding shares at March 14, 2022.

As of December 31, 2021, 276,901 shares remained issuable under the Employee Share Purchase Plans, representing approximately 0.43% of the Corporation's outstanding shares as at that date. Shares issuable under the Employee Share Purchase Plans remained unchanged at March 14, 2022.

Termination of Employee Participation in the Employee Share Purchase Plans: The purpose of the Employee Share Purchase Plans is to provide an opportunity for eligible employees to participate in the ownership of the Corporation through the purchase of common shares. In the event of the death of the participant or termination of employment (whether or not for cause) of a participant and in the event a participant ceases to be a Canadian resident (or in the case of the U.S. ESPP, a resident of the United States), or becomes a retiree of the Corporation, participation in the Employee Share Purchase Plan will automatically terminate.

Amendment and Termination of the Employee Share Purchase Plans: The Board of Directors may, at any time and from time-to-time, with the approval of the TSX, suspend or terminate the Employee Share Purchase Plans or participation therein, in whole or in part, or in regard to any or all participants or former participants.

The Board of Directors has the general authority, subject to requisite regulatory approval, to make amendments to the Employee Share Purchase Plans without shareholder approval, including and not limited to:

(a) amendments of a general "housekeeping" or clerical nature to clarify, correct or rectify any ambiguity, defective provision, error or omissions in the Employee Share Purchase Plans;

(b) amendments necessary to comply with applicable laws or the requirements of any regulatory authority;

(c) amendments required or advisable as a result of a split, a consolidation, a reclassification, a share dividend declaration or any other amendment pertaining to the shares; and

(d) suspending or terminating the Employee Share Purchase Plans.

Amendments to the Employee Share Purchase Plans requiring shareholder approval are, subject to regulatory requirements:

(a) amendments to increase the number of common shares issuable under the Employee Share Purchase Plans;

(b) amendments to reduce the Market Price of a common share; and

(c) amendments relating to financial assistance to a participant provided by the Corporation.

The Employee Share Purchase Plans stipulate that the number of shares issuable to insiders of the Corporation under all security-based compensation arrangements may not, at any time, exceed 10.0% of the issued and outstanding shares of the Corporation and the number of shares issued to insiders under all security-based compensation arrangements within any one-year period, may not exceed 10.0% of the shares outstanding.

Offer for Shares of the Corporation: if, at any time, an offer to purchase is made to all holders of common shares, notice of such offer shall be given by the trustee of the Employee Share Purchase Plans to each participant or former participant and the applicable 12-month retention period will be deemed to be waived with respect to each participant's or former participant's common shares held in their respective Employee Share Purchase Plan ("Plan Shares") to the extent necessary to enable a participant or former participant to tender his or her Plan Shares should he or she so desire. A participant or former participant who tenders Plan Shares which have not been held for 18 months following the Acquisition Date shall forfeit the Corporation's contribution with respect to such tendered Plan Shares, provided such tendered shares are taken up and paid for pursuant to such offer to purchase.

The Employee Share Purchase Plans are under the direction of the Board of Directors or a committee appointed for such purpose. The CDN ESPP was adopted by the Board of Directors of the Corporation on June 13, 1994. The U.S. ESPP was adopted by the Board of Directors of the Corporation on March 15, 2006 and was adopted by the shareholders of the Corporation at its annual meeting held on May 4, 2006. The aggregate number of common shares reserved for issuance under the CDN ESPP and any other employee share purchase plans of the Corporation was increased from 120,000 to 180,000 on May 6, 2004 following approval by a majority of shareholders. The Employee Share Purchase Plans were modified by ordinary resolutions passed by a majority of shareholders at the annual and special meeting of shareholders held on May 3, 2007 which modifications were in response to changes made by the TSX in 2007 regarding security-based compensation arrangements. On May 6, 2009, following approval by a majority of shareholders, the Employee Share Purchase Plans were modified to increase the aggregate number of common shares reserved for issuance thereunder from 180,000 to 200,000, and on June 2, 2011, following approval by a majority of shareholders, the Employee Share Purchase Plans were modified to increase the aggregate number of common shares reserved for issuance thereunder from 200,000 to 250,000. On October 21, 2013, following Board and regulatory approvals, the Share Purchase Plans were modified to amend the number of common shares reserved for issuance thereunder from 250,000 to 1,000,000 shares in order to harmonize the Share Purchase Plans with the Corporation's

October 25, 2013 4-for-1 stock split by way of share dividend. On May 7, 2020, following approval by a majority of shareholders entitled to vote, the Employee Share Purchase Plans were amended to increase the number of common shares of the Corporation reserved for issuance thereunder from 1,000,000 to 1,300,000 common shares.

During the Corporation's financial year ended December 31, 2021, a total of 33,267 common shares were purchased under the Employee Share Purchase Plans, for a total of 1,023,099 common shares issued under the Employee Share Purchase Plans since their inception, representing, in the aggregate, approximately 1.6% of the Corporation's issued and outstanding shares at the Corporation's financial year end. Between January 1, 2022 and March 14, 2022, no shares were purchased under the Employee Share Purchase Plans.

10. Corporate Governance

The following table highlights Stella-Jones' alignment with key corporate governance practices as at March 14, 2022[1]:

Corporate Governance Practice	Does Stella-Jones Align?	Comments
1. Majority of Independent Directors	Yes	Nine of 10 Board members (90%) are independent.
2. Independent Chair of the Board	Yes	Katherine A. Lehman, Chair of the Board since September 2018, is an independent director.
3. Regularly Scheduled Independent Director Meetings	Yes	*In-camera* meetings are held following all Board meetings.
4. Written Board Mandate	Yes	Sets out the Board's key responsibilities, including the adoption of a strategic plan, identification of principal risks, succession planning, internal controls, development of a communication policy and assuring the integrity of the CEO. Reviewed and approved by the Board annually.
5. Position descriptions of the Chair of the Board, CEO and Committee Chairs	Yes	Written position descriptions of the Chair of the Board, the CEO and all Committee Chairs have been approved by the Board and are reviewed annually.
6. Code of Business Conduct and Ethics	Yes	Applies to all directors, officers and employees. Circulated to all staff quarterly and reviewed by the Board annually. Addresses conflicts of interest, proper use and protection of corporate assets, confidentiality, fair dealing, anti-hedging, anti-bribery, political involvement and legal compliance. Provides an anonymous, company-wide whistleblowing mechanism to report illegal, improper and unethical behaviour.
7. Formal Written Diversity and Composition Policy, including a Gender Diverse Target	Yes	Recognizes the value that diversity, including, age, gender, ethnicity, language and national origin bring to the boardroom in gathering varied perspectives and making the best decisions for the Corporation and its stakeholders. Four of 10 Board members (40%) are women. Gender diverse target of 30% added in 2021.
8. Board Refreshment via Director Tenure Limit and Mandatory Retirement Age	Yes	Term limit is 15 years of service or 75 years of age, whichever occurs first, with an exception permitted if two or more directors transition in a given year.
9. Issuance of Environmental, Social and Governance ("ESG") Reports	Yes	The Corporation's third ESG Report was published in November of 2021, covering four priority indicators: (i) our environmental commitment, (ii) our product stewardship, (iii) our people and (iv) our governance principles. It can be found on the Corporation's website at www.stella-jones.com/en/investor-relations/environmental-social-governance.
10. Dedicated Board Committee Charged with Oversight of Environmental, Health and Safety ("EH&S") and Matters Pertaining to ESG	Yes	EH&S Committee oversees compliance, cooperation with regulatory authorities and the prioritization of the health and safety of employees and neighbouring communities. Since 2020, the EH&S Committee mandate has been expanded to include oversight of ESG matters.
11. Governance and Nomination Committee Composed Exclusively of Independent Directors	Yes	Determines the competencies and skills that individual directors and the Board as a whole shall have. Applies selective criteria to the recruitment, assessment and appointment of candidates. Oversees governance procedures and director education opportunities.
12. Remuneration Committee Composed Entirely of Independent Directors	Yes	In 2021, the Remuneration Committee focused on named executive officer comparator compensation studies, short-term incentive plan analysis and the possible implementation of additional relevant metrics thereto.
13. Workplace Discrimination, Harassment and Violence Prevention Policy	Yes	Sets out the Corporation's commitment to workers physical and psychological health and safety. Defines prohibited behaviours, sets out complaint, investigation, settlement and sanction procedures as well as policy of no reprisal, no retaliation to complainants.

(1) All policies, mandates, committees and position descriptions referred to herein may be found on the Corporation's website at www.stella-jones.com/en-CA/investor-relations/corporate-governance.

The following summarizes the Corporation's approach to corporate governance in the context of National Policy 58-201 *Corporate Governance Guidelines* and National Instrument 58-101 *Disclosure of Corporate Governance Practices* ("NI 58-101").

Board of Directors

The Board of Directors currently consists of 10 members. The Board of Directors has reviewed all of the relationships of each of the directors with the Corporation and has determined that nine of the 10 current directors are independent.

The Board members who are independent are Mr. Robert Coallier, Ms. Anne E. Giardini, Mr. Rhodri J. Harries, Mr. James A. Manzi, Jr., Ms. Karen Laflamme, Ms. Katherine A. Lehman (Chair of the Board), Mr. Douglas Muzyka, Mr. Simon Pelletier and Ms. Mary Webster. Nine of the 10 directors do not have interests in or material relationships with either the Corporation or the significant shareholders. A majority of the Board is therefore independent.

Mr. Éric Vachon is a non-independent director as he is a member of the Corporation's management team, serving as the Corporation's President and CEO.

Independent directors hold *in-camera* meetings following all Board meetings. This provides ample opportunity to discuss matters pertaining to the Corporation without the presence of management and non-independent directors. The Board is satisfied that this exercise enables the Board to conduct open and candid discussions which present a diversity of views and opinions.

Directors on the Corporation's Board who serve on Boards of other reporting issuers are Ms. Katherine A. Lehman, director of Navient Corp (NASDAQ: NAVI), Mr. Douglas Muzyka, who is on the Board of CCL Industries Inc. (TSX: CCL.B: CA) and Chemtrade Logistics Income Fund (TSX: CHE.UN) and Ms. Anne E. Giardini, who is on the Board of Capstone Mining Corp. (TSX: CS) and K92 Mining Inc. (TSX: KNT; OTCQX: KNTNF).

Board Mandate

The Board of Directors has adopted a written mandate ("Board Mandate"), which details its specific responsibilities. The Board Mandate is reviewed on an annual basis and revised at that time, if deemed necessary by the Board. The Board Mandate can be found at Schedule "A" of this Management Proxy Circular.

Nomination of Directors and Board Recruitment Process

The Board of Directors established a Governance and Nomination Committee composed entirely of independent directors on September 19, 2018. The Committee's key responsibilities are provided herein under the heading "Governance and Nomination Committee".

For nominations to the Board, the Governance and Nomination (G&N) Committee reviews the Board's current composition in light of its skill matrix and creates a candidate profile by outlining the desired skill sets that would meet identified needs and strengthen the collective competencies and experiences of the sitting Board ("Profile"). The G&N Committee engages an independent third-party consultant ("Consultant") to conduct an extensive search for appropriate candidates including a diverse slate of individuals. A select group of diverse individuals who fit the Profile are identified by the Consultant and following an in-depth review of resumés against the Profile, several are selected to meet with members of the G&N Committee, who carry out thorough interviews for suitability, while evaluating each candidate's ability to devote the time and commitment required for the Board position. The lead candidates meet with the Board Chair and remaining Board members as part of the process. Together, the Board as a whole evaluate the strongest candidates' suitability, obtain third-party references, assess conflicts and independence and vote on their choices.

In the case of Ms. O'Brien, the most recent nomination to the Board, CDPQ exercised its rights pursuant to an investor rights agreement ("IRA") entered into with the Corporation in July of 2018. Under the IRA, as long as CDPQ beneficially owns at least 7.5% of the outstanding Common Shares of the Corporation, CDPQ has the right to recommend to the Corporation a nominee to be included in the list of nominees in its Management Proxy Circular for the election of directors of the Corporation, the whole subject to applicable laws and regulations, and following a favourable recommendation from the G&N Committee. In the case of Ms. O'Brien, her resumé was submitted to the G&N Committee for review and she completed the requisite questionnaires, including those for determination of independence and skills and competencies, which were then submitted for the G&N Committee's review.

Ms. O'Brien met with the members of the G&N Committee, followed by the Board Chair and remaining Board members and it was then determined that she would be a suitable nominee.

Skills and Competencies Matrix

In 2021, the Board composition review extended to the examination of a more defined group of skill sets and the assessment of proficiency levels to ensure that key skills were accounted for among current directors and actively addressed for future candidates. This resulted in the development of a competency matrix well positioned to assess the Board's overall strength and diversity of expertise, the product of which is provided in the following matrix.

The matrix identifies the competencies, skills and respective level of experience and expertise of each nominee for election to the Board of Directors. Each competency is defined below. Experience and expertise rankings were determined by director self-assessments using the "Levels of Experience and Expertise by Skill/ Competency" 1, 2 or 3 provided directly beneath the matrix.

Skills and Competencies

Name of Director Nominee	Senior Executive	Core Industry Knowledge or Experience	Financial Literacy/ Audit	Legal/Risk Management	Manufacturing/ Supply Chain	Business Development/ M&A/Capital Allocation	Human Resources/ Compensation/ Diversity and (Inclusion)	Environmental	Health and Safety/ Social	Corporate Governance/ Public Company	Information Technology/ Cybersecurity
Katherine A. Lehman	2	2	3	3	3	3	3	2	2	3	2
Robert Coallier	3	2	3	2	3	3	3	2	2	3	2
Anne E. Giardini	3	3	2	3	1	3	3	2	3	3	1
Rhodri J. Harries	3	1	3	2	2	3	2	2	2	3	2
Karen Laflamme	3	1	3	3	1	3	3	1	1	3	2
James A. Manzi, Jr.	2	1	3	3	2	3	3	2	1	2	1
Douglas Muzyka	3	3	1	1	2	2	3	3	3	2	1
Sara O'Brien	2	3	3	1	1	3	2	1	1	2	1
Simon Pelletier	3	2	2	1	3	3	2	1	3	3	1
Éric Vachon	3	3	3	2	3	3	2	2	2	2	1

Level of Experience by Skill / Competency:

1. Limited experience or exposure to the specific area – **"Limited Proficiency"**;
2. General expertise or experience in the specific area. Current on relevant developments or university degree in area – **"Experienced"**; or
3. Highly experienced or mature expertise in the specific area with ability to advise – **"Expert"**.

Description of Skill / Competency:

Senior Executive: Experience as chief executive officer or senior executive of publicly listed company or large private multinational.

Core Industry knowledge or Experience: Senior operating, management or marketing experience in the (industrial) pressure treated wood/forestry/chemical industry combined with knowledge of key participants and core customer markets.

Financial Literacy/Audit: CA, CFA, CPA, current or former CFO role (financial expert), current or former senior role in auditing or accounting, corporate finance, overseeing complex financial transactions, or relevant experience overseeing financial functions, audits, or serving on audit committees.

Legal/Risk Management: Current or former senior attorney in private practice or legal department of a publicly listed company. Current or former management role with responsibility for the identification, assessment and mitigation of risk and oversight of risk management programs and practices. Experience serving on risk committees of the board.

Manufacturing/Supply Chain: Former or current executive role in, or significant experience with, the manufacturing sector or expertise in sourcing, manufacturing, supply chain, infrastructure, logistics, product development or distribution.

Business Development/M&A/Capital Allocation: Executive or management experience with responsibility to identify value creation opportunities and/or manage the integration of significant mergers. Oversight of or experience in making capital allocation, M&A and investment decisions.

Human Resources/Compensation/Diversity and Inclusion: Executive or board compensation committee experience in executive compensation and incentive planning, talent recruitment/management/development/retention, as well as workplace culture, diversity, inclusion and succession planning.

Environmental: Current or former executive role with direct control and responsibility for environmental compliance and/or sustainability practices or proven understanding and ability to assess environmental regulatory requirements in the manufacturing context and the Company's overall approach to Environmental, Social and Governance (ESG).

Health and Safety/Social: Current or former executive role with direct oversight, control and responsibility for health and safety of the workplace. Former or current executive role in Human Resources, Health and Safety or deep understanding of the regulatory environment surrounding workplace health and safety and societal implications of compliance.

Corporate Governance/Public Company: Experience as an executive or board member of a publicly traded company with a solid understanding of public reporting requirements, investor relations and strong grasp of the highest standards of Corporate Governance practices.

Information Technology/Cybersecurity: Current, former executive role, or oversight in information technology and systems, or expertise in digital technology, data management, management of cybersecurity risks.

Majority Voting Policy

The Board of Directors has adopted a Majority Voting Policy whereby in an uncontested election of directors, any nominee for whom the number of votes "withheld" exceeds the number of votes "for" his or her election, must tender his or her resignation to the Board of Directors immediately after the annual meeting of shareholders. The Majority Voting Policy requires the Board to accept the resignation absent exceptional circumstances.

Within 90 days of the annual meeting of shareholders, the Board shall announce by way of news release whether it has accepted or rejected the director's resignation and the reasons for its decision, which must be fully stated in the event the Board determines not to accept the resignation. A director who tenders his or her resignation pursuant to the Majority Voting Policy shall not participate in any meetings of the Board of Directors or Committees at which his or her resignation is being deliberated.

The Majority Voting Policy further provides that the Corporation shall issue a news release disclosing voting results in a manner that provides the reader with insight into the level of support received by each director.

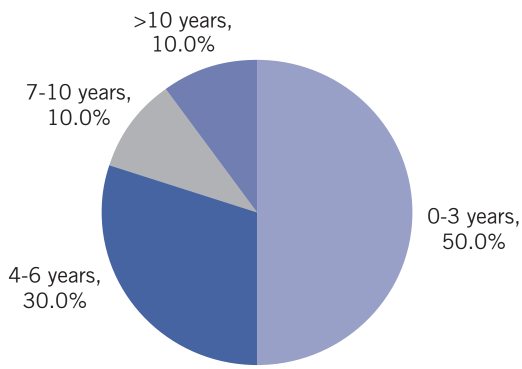
Board Diversity, Term Limits and Mechanisms of Board Renewal

The Corporation's Board of Directors has adopted a written Board Diversity and Composition Policy, as it recognizes the importance of having a Board composed of highly skilled and experienced individuals, combined with the benefits that diversity can bring in providing a wide range of perspectives and ideas, thereby improving the Board's oversight and the quality of its decisions. When identifying candidates and carrying out the annual performance evaluation of the effectiveness of the Board, the Board has committed itself to consider, among others, talent, experience, personal skills and qualities with regards to the Corporation's skills and competency matrix and the promotion of diversity along gender, race, ethnicity, age and other dimensions. Consideration of the level of representation of designated groups plays a part of the process when identifying and nominating candidates for the Board. Currently, the Board's membership, comprising American and Canadian nationals, executives, entrepreneurs and professionals, has numerous markers of diversity, while allowing Board members to work together as a strong and effective unit. In 2021, Stella-Jones enhanced its Board Diversity and Composition Policy with the adoption of a written diversity target, setting out that at least 30% of its Board of Directors be gender diverse. Currently, women comprise four of the Board's 10 directors, representing 40% of Board members. This includes the Chair of the Board and the Chair of the Audit Committee. The Corporation does not have a written policy relating to the identification and nomination of directors from designated groups such as Aboriginal peoples, persons with disabilities or members of visible minorities. There are, at present, no Aboriginal peoples, persons with disabilities or members of visible minorities on the Board of Directors.

To date, the Corporation has not adopted a target regarding the representation of women, Aboriginal peoples, persons with disabilities or members of visible minorities in executive or senior management positions. Nonetheless, in all instances, all qualified candidates received consideration for employment and advancement without regard to race, colour, sex, national origin, ancestry, age and physical disability, among other qualities, and Stella-Jones makes all such decisions on the basis of the necessary experience, skills and qualifications sought by management for the role at the time. However, the level of representation of designated groups has historically not been central to identifying and nominating candidates for senior management. Currently, two positions, that of Senior Vice-President and Chief Financial Officer and Vice-President, General Counsel and Secretary of the Corporation are held by women, representing approximately 10% of total executive officers. Additionally, three of the Corporation's pressure treated wood plant managers, or approximately 7%, are women. The plant manager position represents the most senior level of authority at each of Stella-Jones' 42 manufacturing facilities across North America. At present, there are no Aboriginal peoples, persons with disabilities or members of visible minorities who serve in executive officer positions.

Acknowledging the benefit of fresh ideas and ongoing renewal, the Board's Diversity and Composition Policy has established a 15-year term limit for service and mandatory retirement at 75 years of age. Exceptions to the term limit or retirement age may be made when two or more directors are scheduled to reach their retirement age or term limit within the same 12-month period. The Board reviews its Diversity and Composition Policy annually, and if advisable, proposes modifications in order to maximize its effectiveness towards reaching overall objectives.

Board Tenure (as at March 14, 2022)



Position Descriptions

The Board of Directors has adopted written position descriptions for its Chair, Chair of each Board committee and CEO. All position descriptions are reviewed on an annual basis and revised at that time, if deemed necessary by the Board. All position descriptions are available in the Corporate Governance portion of the Investor Relations section of the Corporation's website at www.stella-jones.com/en-CA/investor-relations/corporate-governance.

Orientation and Continuing Education

The Governance and Nomination Committee is tasked with ensuring that new Board members are provided an appropriate orientation period and that ongoing education is given to all members of the Corporation's Board of Directors.

Orientation materials typically include the Corporation's policies with respect to disclosure and communications, Code of Business Conduct and Ethics, whistleblowing procedures, trading blackout periods and insider reporting, in addition to policies supporting strong corporate governance, such as Board diversity and shareholding requirements, along with Board and committee mandates to fully understand the scope of their responsibilities. The Corporation's most current management information circular, annual information form, annual report and other continuous disclosure documentation are also provided for review. New Board members meet with the Corporation's President and CEO, Senior Vice-President and Chief Financial Officer and other senior managers to discuss financial statements and financial procedures, the Corporation's organizational structure and the nature and operation of its business. New directors may also attend site visits to gain further understanding of the pressure treated wood manufacturing process.

The Board of Directors provides continuing education to its directors in the form of reports and educational materials submitted with Board materials summarizing the latest market and industry trends as well as detailed developments in the areas of legal and accounting principles, corporate governance rules, ESG considerations compensation practices and other significant changes affecting their responsibilities. These reports may come from senior executives within the organization who provide first-hand industry expertise or from external independent consultants, many of whom support their reports with formal presentations given at regularly scheduled or specially designated Board or Committee meetings. Recent educational programs offered to the entire Board have included presentations by key management to enhance directors' understanding of key aspects of the Corporation's business, which included strategic railway tie margin analysis and capital expenditure project highlights, key performance targets, utility pole preservative supply and management, a detailed report by the enterprise risk management team in addition to presentations by external advisors on growth strategy frameworks as well as emerging and best practices in executive compensation and governance. To further facilitate ongoing education, the Corporation maintains a paid subscription for all directors in a third-party resource dedicated to providing director education opportunities, governance materials and director professional development programs.

Executive Succession Planning

The Board of Directors oversees the succession planning and appointment of the President and CEO as well as the Named Executive Officers and senior management team. It annually receives a succession plan report ("Report") from the Corporation's Vice-President, Human Resources. The Report identifies high-performing talent within the organization as well as their qualifications in relation to applicable future vacancies. Developmental programs are proposed to help ready the identified individuals for future key roles.

Ethical Business Conduct

The Board of Directors has adopted a Code of Business Conduct and Ethics (the "Code"). It sets out basic principles to govern the manner in which all employees of the Corporation and its subsidiaries shall conduct business and maintain relationships with their fellow employees, customers, competitors, business partners and regulatory authorities in all regions in which it operates. The Code was further enhanced in 2020 to include anti-hedging and anti-bribery provisions. The terms of the Code also apply to the Corporation's Board of Directors in their supervision of the Corporation's business and affairs. The Code is distributed to employees quarterly and to Board members on an annual basis for their review and continued information.

To promote and monitor compliance, individuals who note violations of the Code are encouraged to notify immediate supervisors or the Vice-President, General Counsel and Secretary, who will report such violations to the Corporation's President and CEO and Board of Directors. Alternatively, violations of the Code may be reported through an independent third-party managed anonymous reporting system, which was implemented throughout the organization in 2015 ("Anonymous Reporting System").

Any interested party may obtain a printed copy of the Code following a written request to the Corporation's Vice-President, General Counsel and Secretary c/o Stella-Jones Inc., 3100 de la Côte-Vertu Blvd., Suite 300, Saint- Laurent, Québec H4R 2J8. The Code is also posted in the Governance section of the Corporation's website at www.stella-jones.com/en-CA/investor-relations/corporate-governance.

To monitor compliance regarding, among others, complaints relating to accounting, internal accounting controls or auditing matters, the Corporation's whistleblowing procedures provide that these matters be reported by email to the Chair of the Corporation's Audit Committee, or through the Anonymous Reporting System.

With respect to transactions and agreements in respect of which a director or executive officer has a material interest, the Board examines and discusses the terms and conditions of such agreements, evaluates the potential effects and consequences of such transactions and votes on them without the presence of those materially interested Board members.

Board of Directors and Committee Meetings Held and Attendance Record

Board of Directors and Committee meetings held during the financial year ended December 31, 2021 were as follows:

Type of Meeting	# of Meetings Held(1)
Board of Directors – Regularly Scheduled	5
Board of Directors – Special	7
Audit Committee	5
Environmental, Health and Safety Committee(2)	3
Remuneration Committee	7
Governance and Nomination Committee(3)	5

(1) Does not include resolutions signed in lieu of meetings.
(2) Hereinafter referred to as the "EH&S Committee".
(3) Hereinafter referred to as the "G&N Committee".

The following summarizes each director's attendance at Board and Committee meetings during the year ended December 31, 2021:

Directors	Board of Directors-Regular Meetings Attended	Board of Directors-Special Meetings Attended	Audit Committee Meetings Attended	EH&S Committee Meetings Attended	Remuneration Committee Meetings Attended	G&N Committee Meetings Attended
Katherine A. Lehman	5 of 5	7 of 7	5 of 5	N/A(1)	7 of 7	N/A(1)
Anne E. Giardini	5 of 5	7 of 7	N/A(1)	3 of 3	6 of 7	N/A(1)
Rhodri J. Harries	5 of 5	7 of 7	5 of 5	3 of 3	N/A(1)	N/A(1)
Karen Laflamme	5 of 5	7 of 7	5 of 5	N/A(1)	7 of 7	N/A(1)
James A. Manzi, Jr.	5 of 5	7 of 7	N/A(1)	2 of 3	7 of 7	N/A(1)
Douglas Muzyka	5 of 5	7 of 7	N/A(1)	3 of 3	N/A(1)	5 of 5
Simon Pelletier	4 of 5	7 of 7	4 of 5	N/A(1)	N/A(1)	4 of 5
Robert Coallier	5 of 5	7 of 7	5 of 5	N/A(1)	7 of 7	N/A(1)
Éric Vachon	5 of 5	7 of 7	N/A(1)	N/A(1)	N/A(1)	N/A(1)
Mary Webster	5 of 5	6 of 7	N/A(1)	3 of 3	N/A(1)	4 of 5

(1) Not applicable as not a member of this Committee.

The Committees of the Board

The Board of Directors has four committees: the Audit Committee, the Remuneration Committee, the EH&S Committee and the G&N Committee. All four committees are composed exclusively of independent directors. The committees, their respective memberships and mandates are outlined below.

Membership of Board Committees

Committee	Membership
Audit Committee	Karen Laflamme (Chair) Robert Coallier Rhodri J. Harries Katherine A. Lehman Simon Pelletier
Environmental, Health and Safety Committee	Douglas Muzyka (Chair) Anne E. Giardini Rhodri J. Harries James A. Manzi, Jr. Mary Webster(1)
Governance and Nomination Committee	Simon Pelletier (Chair) Douglas Muzyka Mary Webster(1)
Remuneration Committee	James A. Manzi, Jr. (Chair) Robert Coallier Anne E. Giardini Karen Laflamme Katherine A. Lehman

(1) Not standing for nomination at the May 11, 2022 shareholder meeting due to director tenure limitations

Audit Committee

The Audit Committee meets quarterly with the Corporation's senior management, with the Senior Director, Corporate Internal Audit, Risk & Compliance and with the Corporation's external auditors to review financial statements prior to their approval by the Board and to address other financial matters as they may arise. The Committee receives reports from the Corporation's auditors and monitors compliance with appropriate internal control procedures. The Committee's role and responsibilities are set out in its mandate, which is reviewed by the Board of Directors on an annual basis.

The Audit Committee discusses accounting principles with the external auditors and has the opportunity to meet at least quarterly with the external auditors without the presence of management. The Committee is responsible for recommending to the Board of Directors, the nomination of the external auditors, external auditors' compensation and for hiring and evaluating the external auditors.

The Audit Committee is responsible to meet regularly with the Senior Director, Corporate Internal Audit, Risk & Compliance and provide internal audit stewardship, review and approve the internal audit charter on an annual basis, review and approve the internal audit budget and resource plan annually, and review and approve the risk-based internal audit plan each year and make appropriate inquiries of management and the Senior Director, Corporate Internal Audit, Risk & Compliance to determine whether they are any scope or other limitations. The Audit Committee also receives quarterly reports on whistleblower complaints and the corresponding implementation of corrective action. Additionally, the Audit Committee is tasked with overseeing cyber risks and data security risks, and regularly receives comprehensive detailed reports from the Vice-President, Information Technology regarding the status of IT security initiatives, including reports from independent third parties on matters including cybersecurity maturity assessments.

The Audit Committee is composed exclusively of independent directors, all who have the requisite financial literacy.

Ms. Karen Laflamme holds a Bachelor's degree in Business Administration (BBA) from HEC Montréal and has been a member of the Québec CPA order since 1986 (CA). She holds the designation of certified corporate director and was named fellow of the Québec Order of Chartered Professional Accountants (CPA) in 2012. From 2016 to early 2020, she served as Executive Vice-President and Chief Financial Officer, Retail, of Ivanhoé Cambridge, an investor and developer of superior quality real estate properties, projects and companies around the world. She joined Ivanhoé in 2012, where she served in various roles, including Executive Vice-President, Corporate Management & Institutional Affairs, where she was responsible for investor relations, internal audit and integrated risk management. Prior thereto, Ms. Laflamme worked at the CDPQ from 1993 to 2012, where she held various senior positions in real estate.

Mr. Robert Coallier holds a Master's degree in Business Administration ("MBA") from Concordia University and a bachelor's degree (B.A.) in economics from McGill University. From 2012 to 2019, he served as Chief Executive Officer of Agropur Dairy Cooperative. He was Senior Vice President and Chief Financial Officer of Dollarama L.P. from 2005 to 2010 and held various senior positions at Molson Coors Brewing between 2000 and 2005, including Global Chief Development Officer, Executive Vice President, Corporate Strategy and International Operations, President and Chief Executive Officer, Brazilian Operations and Executive Vice-President and Chief Financial Officer. From 1996 to 2000, Mr. Coallier Served as Vice President and Chief Financial Officer of C-MAC Industries Inc.

Mr. Rhodri J. Harries holds an MBA from McMaster University and a Bachelor of Science degree in Chemical Engineering from Queen's University. He currently serves as Chief Financial Officer and Chief Administrative Officer of Gildan Activewear, a publicly listed (TSX/NYSE: GIL) producer of basic apparel with approximately US$3 billion in sales and 48,000 employees. Previously, he served as Chief Financial Officer of Rio Tinto Alcan, a leading global integrated aluminium business where he was responsible for all finance activities including business analysis, capital approval processes, risk management, financial planning and reporting, control and compliance and Information technology.

Ms. Katherine A. Lehman holds an MBA from Columbia Business School and a B.S. in Economics from The Wharton School, University of Pennsylvania. She is currently Partner, Palladium Heritage at Palladium Equity Partners, LLC, a private equity firm, and from 2016 to February 2022, was Co-Founder and Managing Partner at Hilltop Private Capital LLC. Her investment focus is middle market industrial and business services companies. Ms. Lehman has served on more than a dozen boards and she has been or is an active member of several audit committees including prior service from 2016-2018 on Stella-Jones' Audit Committee. She is also currently an Independent Board member of Navient Corp (NASDAQ:NAVI), an asset management and business processing company.

Mr. Simon Pelletier holds a Bachelor of Materials Engineering from the University of Windsor and is President and CEO of H-E Parts International, which offers service and repair solutions in support of surface mining equipment fleets, crushing and material processing equipment. He has over 30 years of extensive senior level executive and managerial experience in mining, mineral processing and aggregate industries.

Environmental, Health and Safety Committee

The EH&S Committee monitors issues related to the environment, health and safety, Environmental, Social and Governance ("ESG") and the Corporation's undertakings and responsibilities in connection therewith. It advises and assists the Board of Directors to evaluate environmental risks and strategies associated with business acquisitions as well as management's plans to achieve objectives for improved environmental health and safety, occupational health and safety performance, and overall ESG. The members of the EH&S Committee meet on a regular basis with the President and CEO, the Vice-President, Environment, Health and Safety, the Vice-President, Research and Development and the Vice-President, Risk Management and General Counsel, U.S. Operations. The Corporation's Vice-President Environment, Health and Safety leads a team of environmental, health and safety professionals, who, with the support of regional general managers, local plant managers, and dedicated health and safety supervisors, manage environmental and health and safety matters throughout the organization to ensure that critical incident response plans are in place for optimal emergency preparedness, that training initiatives are developed, rolled out and evaluated, and that the Corporation's environmental and health and safety programs, management system, objectives and policies are carried out efficiently and in compliance with applicable legislation to reduce overall risk and protect the environment, employees the public and all stakeholders.

Governance and Nomination Committee

The G&N Committee's key responsibilities include overseeing the Corporation's compliance with corporate governance guidelines and recommending modifications as applicable. The committee recommends and updates policies for the Board to ensure timely adherence to matters such as minimum shareholding requirements and share retention periods, clawback guidelines, diversity and other priority issues. The committee is responsible for monitoring the size of the Board to favour effective and timely decision-making, optimal composition, appropriate compensation of the Board and establishing the competencies, skills and experience sought by the Board, taking into consideration the Corporation's current composition as well as the need for continuous refreshment and future skill requirements and developing a process for recruiting and selecting suitable Board candidates who meet the established criteria.

Remuneration Committee

The Remuneration Committee advises and assists the Board regarding policies on compensation and benefits, salaries of senior management as well as profit sharing amounts, bonuses and the allocation of long-term incentive to senior management. It also assists in determining the compensation for the Corporation's Board members and Chair. The Remuneration Committee may engage and compensate such independent compensation advisors as it deems necessary to assist it in carrying out its duties. Further information on the Remuneration Committee's mandate is provided at Section 7.1(b) of this Management Proxy Circular.

Assessment of the Board's Performance

The Chair of the Board is responsible for assessing the effectiveness of the Board, the performance of its committees and the contribution of individual directors. This assessment is carried out formally on an annual basis through the use of detailed anonymous online questionnaires completed by all members of the Board, providing ample opportunity to provide comments and suggestions regarding the Board as a whole and each committee, with a particular focus on areas of improvement. The questionnaire covers a wide range of topics, including requesting evaluations on the sufficiency of expertise of Board and Committee members, quality of materials provided, effectiveness of the Chair to manage the business of the meetings, satisfaction with degree of Board and Committee interaction and peer preparedness and whether sufficient time is allocated for key topics and the expression of diverse viewpoints. Board members are asked to provide quantitative ratings and subjective comments on each area as well as suggestions for future agenda items and presentations pertaining to industry matters and continuing education. The responses are compiled and a full report ("Report") is distributed to Board members for review. This is followed by scheduled one-on-one meetings between the Chair and each Board member to discuss the Report results and matters of importance raised by each Board member. At these meetings, the Chairs of each committee also provide a verbal evaluation of his or her committee members and the committee's overall performance over the past year. Individual director performance evaluations may also be carried out by the Chair at these meetings. In carrying out her annual formal assessment, the Chair presents the results of the questionnaires via a verbal report to the entire Board as well, wherein she also reviews the overall performance of the Board and the committees, evaluating their performances against their respective mandates. All Board members are then invited to contribute their individual comments either to the whole Board or to the Chair privately. Additionally, the Chair carries out ongoing informal assessments throughout the year through regular dealings with the members of the Board.

Decisions Requiring Board Approval

In addition to those matters which must by law be approved by the Board of Directors, management must seek Board approval for major decisions, including those transactions which would materially affect the financial position of the Corporation and changes in senior management. Nevertheless, the Corporation continues to operate in a manner which enables it to respond quickly to changes and to take advantage of opportunities as they arise.

Shareholder Engagement, Communications Policy and Contact with Independent Directors

Stella-Jones keeps shareholders informed of its activities and progress through news releases, quarterly reports, earnings conference calls, comprehensive annual reports, its environmental social and governance reports and a regularly updated website.

The Board of Directors reviews all material written communications and the Corporation's President and CEO, along with the Senior Vice-President and CFO, are primarily responsible to speak for the Corporation in its communication with the investment community, and are in charge of responding to individual queries made directly to the Corporation by shareholders, investors, analysts and the media. Both regularly meet with investment analysts and financial advisors to ensure that accurate information is available.

The Corporation's Disclosure/Communications policy ("D&C Policy") is designed to ensure the continued transparency in the communication of information to all shareholders, clients and the general public, and to ensure that all disclosure of information shall continue to be complete, accurate and timely. The D&C Policy sets out that shareholders wishing to contact the Corporation's independent directors may do so by sending an email to the Chair of the Board at boardchair@stella-jones.com. The D&C Policy is reviewed on an annual basis by the Board of Directors and revised at that time, if deemed necessary.

The Board's Expectations of Management

In general, the Board of Directors expects management to utilize its resources in an efficient way in order to attain the objectives in light of the strategy agreed upon with the Board of Directors. In this regard, management must be involved in the planning, organization, implementation and control of the strategic plans and operations. Management must act within the law and respect ethical business principles as well as act as a model to be followed by the employees of the Corporation.

11. Normal Course Issuer Bid

On August 5, 2020, the Corporation announced a normal course issuer bid ("NCIB") to purchase, for cancellation, up to 2,500,000 common shares during the 12-month period commencing August 10, 2020 and ending August 9, 2021 ("12-Month Period"), representing 3.7% of its issued and outstanding shares as at July 31, 2020 (the "Reference Date"). On March 9, 2021, the Corporation received approval from the Toronto Stock Exchange ("TSX") to amend its NCIB to increase the maximum number of common shares that may be repurchased for cancellation during the 12-Month Period from 2,500,000 to 3,500,000 common shares, representing approximately 6.8% of the public float of its common shares as at the Reference Date. The amendment of the NCIB was effective March 15, 2021 and continued until August 9, 2021. All other terms and conditions of the NCIB remained unchanged.

On November 8, 2021, the TSX accepted the Corporation's notice of intention to carry out a normal course issuer bid ("2021 NCIB") during the 12-month period commencing November 12, 2021 and ending November 11, 2022 (the "2021 12-month Period"). Under the 2021 NCIB, the Corporation may purchase for cancellation, up to 4,000,000 Common Shares representing approximately 8% of the public float of its Common Shares as at October 31, 2021 ("2021 Reference Date"). On March 8, 2022, the Corporation received approval from the TSX to amend its 2021 NCIB in order to increase the maximum number of common shares that may be purchased for cancellation under its 2021 12-month Period from 4,000,000 to 5,000,000 common shares, representing approximately 10% of the public float at its 2021 Reference Date. The amendment to the 2021 NCIB is effective on March 14, 2022 and until November 11, 2022, or such earlier date as the Corporation has acquired the maximum number of common shares permitted under its 2021 NCIB.

In 2021, the Corporation repurchased a total of 2,447,419 common shares for cancellation under its NCIB and 2021 NCIB then in effect in consideration of $108 million. From January 1, 2022 to March 14, 2022, an additional 907,285 common shares were purchased under the 2021 NCIB on the open market through the facilities of the TSX. The price paid for common shares was the market price on the TSX at the time of acquisition. All common shares purchased under the NCIB and the 2021 NCIB were cancelled at the time of settlement of all transactions. Purchases under the NCIB and the 2021 NCIB were made on behalf of Stella-Jones by a registered broker through the facilities of the TSX.

12. Voting of Shares Represented by Management Proxy

The accompanying form of proxy, subject to any specific directions given therein by any shareholder, confers discretionary voting authority upon those persons designated therein. If a direction is given in the accompanying form of proxy with respect to any matter for which a choice is provided therein, the shares represented thereby will, on any ballot that may be called for, be voted or withheld from voting in accordance with such direction; if no direction is given, the said shares will be voted in favour of the said matters.

The management of the Corporation knows of no other matter to come before the Meeting. If, however, any other matters properly come before the Meeting, the persons designated in the accompanying form of proxy shall vote on such matters in accordance with their best judgment pursuant to the discretionary authority conferred thereon by the proxy with respect to such matters.

13. Additional Information

Additional information regarding the Corporation is available on SEDAR at www.sedar.com. The Corporation's financial information is provided in the Company's consolidated financial statements and management's discussion and analysis for its most recently completed financial year and may be viewed on SEDAR as noted above.

Shareholders of the Corporation may request copies of the Corporation's consolidated financial statements and management's discussion and analysis by contacting Ms. Marla Eichenbaum, Vice-President, General Counsel and Secretary c/o Stella-Jones Inc. at 3100 de la Côte-Vertu Blvd., Suite 300, Saint-Laurent, Québec H4R 2J8. Tel. (514) 940-3889.

14. Submission of Proposals

Any shareholder wishing to submit a proposal at the Corporation's next annual shareholders meeting must deliver the proposal to the Secretary's office of the Corporation, 3100 de la Côte-Vertu Blvd., Suite 300, Saint-Laurent, Québec H4R 2J8, by December 14, 2022.

15. Approval of Directors

The directors of the Corporation have approved in substance the contents of this management proxy circular and have authorized the sending thereof.

MARLA EICHENBAUM
Vice-President, General Counsel and Secretary

Montréal, Québec, March 14, 2022

Schedule "A"

Mandate of the Board of Directors of Stella-Jones Inc.

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.

Stella-JoneS Inc.®