Stella-Jones

May 7, 2025

MANAGEMENT PROXY CIRCULAR

Notice of Annual Meeting of Shareholders

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 on Wednesday, May 7, 2025 at 11:00 a.m. (Montréal time) as a hybrid meeting, in person at 1250 René-Lévesque Ouest, Suite 3610, Montréal, Québec, Canada, and online via live webcast at https://meetings.lumiconnect.com/400-203-666-026, for the purposes of:

1. receiving the management report and the consolidated financial statements of the Corporation for the financial year ended December 31, 2024, 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.

We will be holding the Meeting in hybrid format, allowing participation both in person or virtually, in real time. Registered shareholders and duly appointed proxyholders can attend the Meeting in person at the physical meeting location, at 1250 René-Lévesque Ouest, suite 3610, Montréal, Québec, Canada, or virtually, via live webcast online at https://meetings.lumiconnect.com/400-203-666-026. During the live webcast, registered shareholders and duly appointed proxyholders will be able to submit questions and vote in real time while the Meeting is being held. We trust that holding the Meeting in hybrid format will allow greater participation by our shareholders by allowing those who might not otherwise travel to an in person only meeting, to attend virtually. 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 in person or virtually, ask questions and vote, provided they comply with all of the requirements set out in the Corporation's management information circular dated March 14, 2025 (the "Circular"). Non-registered shareholders who have not duly appointed themselves as proxyholder will be able to attend the Meeting in person or virtually as guests, but guests, in both cases, 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 form of proxy or voting instruction form, as applicable, 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, 2025 (the "Record Date") and duly appointed proxyholders are entitled to receive notice of the Meeting and, whether in person or virtually, 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 or vote at the Meeting or any adjournment thereof.

The Corporation has opted to use the "Notice-and-Access" rules adopted by Canadian Securities Administrators for the delivery of the Circular and its annual report, which includes, among other things, its management's discussion and analysis, the consolidated financial statements of the Corporation and the auditor's report for the fiscal year ended December 31, 2024, and other related materials of the Meeting (the "Proxy-Related Materials"), to its shareholders, to reduce the volume of paper used with the Proxy-Related Materials and to reduce the costs of printing and mailing. While shareholders will still receive a form of proxy or voting instruction form by mail so that they can vote their shares, instead of receiving paper copies of the Proxy-Related Materials, shareholders will receive by mail, a notice outlining the matters to be addressed at the Meeting with instructions explaining how they can access the Proxy-Related Materials, including the Circular, electronically. The Proxy-Related Materials will be available at www.envisionreports.com/SJI2025 and under the Corporation's profile on SEDAR+ at www.sedarplus.ca.

By Order of the Board,

MARLA EICHENBAUM
Vice-President, General Counsel and Secretary

Montréal, Québec, March 14, 2025

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 5, 2025, 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.

Stella-Jones Inc.

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 7, 2025, 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, 2025.

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 hybrid format, which will be conducted simultaneously in person at 1250 René-Lévesque Ouest, suite 3610, Montréal, Québec, Canada, and online via live webcast at https://meetings.lumiconnect.com/400-203-666-026. Shareholders will have an equal opportunity to participate at the Meeting 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 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 regardless of if they are participating in person or virtually. Guests, including Non-Registered Shareholders who have not duly appointed themselves or another person as a proxyholder, can attend the Meeting in person or virtually but, in either case, cannot vote nor ask questions. To access the Meeting online, follow the instructions below, as applicable to you:

- Log in online at https://meetings.lumiconnect.com/400-203-666-026
- Click "Login" and then enter your Control Number (as defined below) and the following password: "stella2025" (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 virtually:

- 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 who are attending via live webcast, 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 "Hybrid Meeting User Guide" provided by our Transfer Agent and accompanying the " Notice of Availability of Proxy Materials".

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 5, 2025, at 5:00 p.m. (Montréal time) or, if the Meeting is adjourned, no 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 5, 2025 (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.
650 de Maisonneuve Blvd. W.
7th Floor
Montréal, Québec H3A 3T2

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 virtually 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 opted to use the "Notice-and-Access" rules adopted by Canadian Securities Administrators to deliver the Circular and its annual report, which includes, among other things, its management's discussion and analysis, the consolidated financial statements of the Corporation and the auditor's report for the fiscal year ended December 31, 2024, and other related materials of the Meeting (the "Proxy-Related Materials"), to both its Registered Shareholders and Non-Registered Shareholders. This means that the Proxy-Related Materials will be posted online rather than being mailed out. Shareholders will continue to receive, by mail, a form of proxy or a voting instruction form, as applicable, with instructions on how to vote their shares, and instead of receiving paper copies of the Proxy-Related Materials in the mail, shareholders who hold common shares of the Corporation on the Record Date, will receive a notice outlining the matters to be addressed at the Meeting, which explains how to access the Proxy-Related Materials electronically and how to request a paper copy.

Notice-and-Access gives shareholders more choice, substantially reduces the Corporation's printing and mailing costs, and is environmentally friendly as it reduces paper and energy consumption.

(iii) Availability of the Proxy-Related Materials

The Proxy-Related Materials will be available at www.envisionreports.com/SJI2025 and under the Corporation's profile on SEDAR+ at www.sedarplus.ca.

Shareholders may request paper copies of the Proxy-Related Materials by mail, free of charge. Registered Shareholders may request paper copies of the Proxy-Related Materials by calling the Transfer Agent toll-free at +1-866-962-0498 within North America or +1-514-982-8716 outside North America and by entering the 15-digit Control Number indicated on the proxy form or sent by email. Non-Registered Shareholders may request paper copies of the Proxy-Related Materials by calling toll-free at +1-877-907-7643 within North America or at 1-303-562-9305 outside North America and by entering the 16-digit Control Number on the voting instruction form. In accordance with National Instrument 54-101 – *Communication with Beneficial Owners of Securities of a Reporting Issuer*, the Corporation will not send the Proxy-Related Materials directly to Non-Registered Shareholders that are objecting beneficial owners. The Corporation has agreed to pay the Intermediaries for the delivery of paper copies of the Proxy-Related Materials to Non-Registered Shareholders.

To ensure shareholders receive the Proxy-Related Materials in advance of the voting deadline and the Meeting, all requests for paper copies must be received no later than April 23, 2025, being 10 business days before the Meeting. If you do request a paper copy of the Proxy-Related Materials, please note that you will not receive a new form of proxy or voting instruction form. Therefore, please retain the original form received with the notice of the Meeting in order to vote for your voting purposes.

If you have any questions regarding the Notice-and-Access procedures, please contact Computershare at +1-866-964-0492 (toll-free in North America) or at 1-514-982-7555 (outside North America) or online at www.computershare.com/noticeandaccess.

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, 2025, 55,652,232 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, 2025 (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") and Baillie Gifford & Company, LTD are the sole persons or companies who beneficially own or exercise control or direction over shares carrying 10% or more of the voting rights attached to the shares of the Corporation, as follows:

Name	Number of Stella-Jones Shares	% of Outstanding Stella-Jones Shares
Caisse de dépôt et placement du Québec	7,635,834	13.7%
Baillie Gifford & Company, LTD	6,955,567	12.5%

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, 2024, and the independent auditor's report thereon are contained in the annual report of the Corporation. The Annual Audited Consolidated Financial Statements were mailed with the Notice of Meeting to shareholders who requested them. Copies of the Audited Consolidated Financial Statements of the Corporation for the fiscal years ended December 31, 2024 and 2023 may be obtained from the Corporation upon request and are available at www.envisionreports.com/SJI2025 or on the Canadian Securities Administrators' website at www.sedarplus.ca.

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 eight (8) directors be elected for the current year.[1]

(1) Under an investor rights agreement entered into with the Corporation in July 2018, CDPQ has the right to recommend a nominee to the Corporation's Board of Directors so long as it beneficially owns at least 7.5% of the Corporation's outstanding common shares, the whole subject to applicable laws and regulations and the receipt of a favourable recommendation from the Corporation's Governance and Nomination Committee.

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"), (or, in the case of Mr. Vachon, restricted share units ("RSUs"), performance share units ("PSUs") and DSUs) 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 2024 Annual and Special 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, 2025. Statements contained with respect to each nominee are based upon information obtained from the person concerned.

Director Nominees

Katherine A. Lehman
Chair of the Board

New York, U.S.A.

Age: 50
Director Since: 2016
Shares Owned: 7,500
DSUs: 19,221
Market Value of Vested/Unvested Equity Holdings: $506,650 vested(1)
$1,298,186 unvested(2)
Meets Director Share Ownership Requirements: yes(3)
2024 Annual and Special Meeting Votes for: 99.87%

Independent

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

Current Public Company Directorships:
- CAE Inc. – Board Member

Other Current Directorships and Memberships:
- Southwest Strategies LLC – Board Member
- Collision Auto Parts – Board Member
- Spiral Holding LLC – Board Member

Skills and Qualifications:
Ms. Lehman is a Partner at Palladium Equity Partners, LLC, a private equity firm, where she leads the Palladium 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. She has garnered more than 20 years of experience in private equity executive roles and Board memberships, including more than 20 public and private, profit and not-for-profit entities. Included in Ms. Lehman's prior Board roles are serving on the Board of a private company in the rail services industry and serving on the Board of Navient (NASDAQ: NAVI) from 2014 to 2022, with roles as Chair of the Risk Committee and service on the Compensation and Personnel Committee and the Governance Committee. Ms. Lehman's background in capital allocation, M&A, financial analysis and business operations as well as her governance expertise and Board Committee experience on human resources/compensation, audit, governance and risk committees, 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.

Michelle Banik

Ontario, Canada

Age: 55
Director Since: 2024
Shares Owned: nil
DSUs: 997
Market Value of Vested/Unvested Equity Holdings: $Nil vested(1)
$67,337 unvested(2)
Meets Director Share Ownership Requirements: yes(4)
2024 Annual and Special Meeting Votes for: 99.96%

Independent

Stella-Jones Committees:
- Human Resources and Compensation Committee
- Governance and Nomination Committee

Current Public Company Directorships:
- Empire Company Limited (TSX: EMP.A) – Board Member and Member, Human Resources Committee

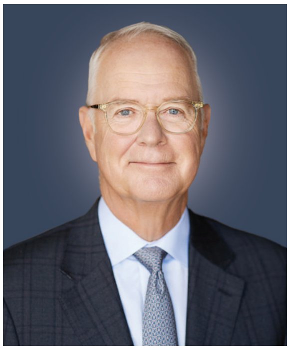
Other Current Directorships and Memberships:
- Western University – Board of Governors, Chair, Governance & By-Laws
- Western University, School for Advanced Studies in the Arts & Humanities – Board Member
- BGC Canada (formerly, Boys & Girls Clubs of Canada) – Chair, National Board of Directors

Skills and Qualifications:
Ms. Banik served as Chief People Officer and Global Head of Human Resources at OMERS between 2015 and 2019, after having held increasingly senior HR roles at OMERS, including Vice-President, Human Resources and Director, Human Resources Planning, between 2010 and 2015. Prior to her tenure at OMERS, Ms. Banik served as a senior executive in HR at TMX Group, where she was Director of Human Resources from 2002 to 2010.

Ms. Banik's expertise in performance management, Human Resources innovation, succession planning and executive compensation, combined with her exceptional understanding of talent optimization, and diversity and inclusion, bring extensive knowledge to the Stella-Jones Board.

Education:
Ms. Banik holds a Bachelor of Arts from Western University and a Chartered Director designation from the DeGroote School of Business at McMaster University.

(1) Represents the market value of common shares held at March 14, 2025. 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, 2025.
(3) Based on the market value of common shares and earned (but unvested) DSUs at March 14, 2025. For additional information see Section 8.3 "Director Share Ownership and Retention Requirements".
(4) Directors have five years to meet the share ownership requirements of 3X the sum of annual Board fees plus the dollar equivalent of annual awarded DSUs, and are deemed compliant prior to and until such deadline. For additional information, see Section 8.3 "Director Share Ownership and Retention Requirements".



Robert Coallier

Québec, Canada

Age: 64
Director Since: 2020
Shares Owned: 7,875
DSUs: 5,375
Market Value of Vested/Unvested Equity Holdings: $531,878 vested(1)
$363,028 unvested(2)
Meets Director Share Ownership Requirements: yes(3)
2024 Annual and Special Meeting Votes for: 99.97%

Independent

Stella-Jones Committees:
- Audit Committee
- Human Resources and Compensation Committee (Vice-Chair)

Current Public Company Directorships:
- Transat A.T. Inc. ("Transat") – Board Member

Other Current Directorships and Memberships:
- Sanimax Industries Inc. – Chair of the Board of Directors
- Dose Juice – 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 Transat, where he currently serves on the Audit and Human Resources and Compensation Committees, and Sanimax Industries. In the past, he also served on numerous other Boards, including Industrial Alliance Financial Services, where he was Chair of the Human Resources Committee and member of the Audit Committee, and Ivanhoé Cambridge, where he served on the Audit committee. 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 Human Resources and Compensation Committees on which he serves.

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

Anne E. Giardini

Rome, Italy

Age: 65
Director Since: 2021
Shares Owned: 2,200
DSUs: 5,021
Market Value of Vested/Unvested Equity Holdings: $148,588 vested(1)
$339,118 unvested(2)
Meets Director Share Ownership Requirements: yes(4)
2024 Annual and Special Meeting Votes for: 97.55%

Independent

Stella-Jones Committees:
- Governance and Nomination Committee (Chair)
- Environmental, Health and Safety Committee
- Executive Committee

Current Public Company Directorships:
- Capstone Copper Corp. – Chair of the Governance, Nominating and Sustainability Committee and member of the Audit Committee
- K92 Mining Inc. – Chair of the Board, Chair of the Nominating and Governance Committee and member of the Audit Committee

Other Current Directorships and Memberships:
- None

Skills and Qualifications:
Ms. Giardini previously served as President of Weyerhaeuser Company Limited ("Weyerhaeuser"), a Canadian subsidiary of Weyerhaeuser Company, an international forest products company based in Washington, U.S.A. Earlier, 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 to 2020. Along with her leadership and professional credentials, she brings a wealth of public and private Board and committee experience to Stella-Jones, having previously served on the Boards of Pembina Institute, Hydro One, including chairing its Health, Safety, Environment & Indigenous Committee; TransLink; Canada Mortgage and Housing Corporation; and Nevsun Resources Ltd., among many others. She has written and presented on sustainability, governance and ethics, was a member of the bar of British Columbia (1985-2020) 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.

(1) Represents the market value of common shares held at March 14, 2025. 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, 2025.
(3) Based on the market value of common shares and earned (unvested) DSUs at March 14, 2025. For additional information, see Section 8.3 "Director Share Ownership and Retention Requirements".
(4) Directors have five years to meet the share ownership requirements of 3X the sum of annual Board fees plus the dollar equivalent of annual awarded DSUs and are deemed compliant prior to and until such deadline. For additional information, see Section 8.3 "Director Share Ownership and Retention Requirements".

Karen Laflamme, FCPA, ASC

Québec, Canada

Age: 62
Director Since: 2018
Shares Owned: 9,000
DSUs: 5,694
Market Value of Vested/Unvested Equity Holdings: $607,860 vested(1)
$384,573 unvested(2)
Meets Director Share Ownership Requirements: yes(3)
2024 Annual and Special Meeting Votes for: 99.85%

Independent

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

Current Public Company Directorships:
- None

Other Current Directorships and Memberships:
- Collège des administrateurs de sociétés (CAS) – Board Member
- Association d'entraide Le Chaînon – 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 Cambridge 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 to 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 brings knowledge and experience from numerous public and private Boards, having previously served on the Boards of Uni Select Inc. (2022-2023), including its Audit Committee, as well as the Board of Cominar Inc. (2020-2022) and its Human Resources (Chair), Audit, and Strategic Review Process Committees. Ms. Laflamme has been a member of the Québec CPA Order since 1986. 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.

Douglas Muzyka

Pennsylvania, U.S.A.

Age: 70
Director Since: 2019
Shares Owned: 4,700
DSUs: 10,061
Market Value of Vested/Unvested Equity Holdings: $317,438 vested(1)
$679,520 unvested(2)
Meets Director Share Ownership Requirements: yes(3)
2024 Annual and Special Meeting Votes for: 97.43%

Independent

Stella-Jones Committees:
- Environmental, Health and Safety Committee (Chair)
- Governance and Nomination Committee
- Executive Committee

Current Public Company Directorships:
- Chemtrade Logistics Income Fund – Chair of the Board of Trustees

Other Current Directorships and Memberships:
- National Research Council of Canada – Chair
- Canada Biologics Manufacturing Centre – 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 role as Chair of the Corporation's Environmental, Health and Safety Committee since 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, a Ph.D. of Chemical Engineering and an honorary LLD from the University of Western Ontario.

(1) Represents the market value of common shares held at March 14, 2025. 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, 2025
(3) Based on the market value of common shares and earned (unvested) DSUs at March 14, 2025. For additional information, see Section 8.3 "Director Share Ownership and Retention Requirements".

Simon Pelletier

Georgia, U.S.A.
Age: 58
Director Since: 2012
Shares Owned: 8,000
DSUs: 6,006
Market Value of Vested/Unvested Equity Holdings: $540,320 vested(1)
$405,645 unvested(2)
Meets Director Share Ownership Requirements: yes(3)
2024 Annual and Special Meeting Votes for: 99.25%

Independent

Stella-Jones Committees:
- Human Resources and Compensation Committee
- Environmental, Health and Safety 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 add value to the Stella-Jones Board of Directors, Environmental, Health & Safety and Human Resources and Compensation Committee. Mr. Pelletier previously served as the Chair of the Corporation's Governance and Nomination Committee from September 2018 to May 2024, where he lead initiatives to better identify key competencies, skills and experience of Board members and to help develop the selection process of the Board, and ultimately to shape its fundamental composition..

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

Éric Vachon, CPA

Québec, Canada
Age: 57
Director Since: 2019
Shares Owned: 25,686
DSUs: 504(4)
RSUs: 23,584
PSUs: 27,427
TRSUs: 37,081
TPSUs: 20,044
Market Value of Vested/Unvested Equity Holdings: $1,734,832 vested(5)
$7,337,546 unvested(6)
Meets CEO Share Ownership Requirements: yes(7)
2024 Annual and Special 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 2012 to October 2019. His extensive knowledge of operations, finance, capital markets and mergers and acquisitions have added sound business insight to the CEO position, key to Stella-Jones' evolution into a leading North American provider of vital infrastructure products that support the electrical grid and continental transportation. While providing the leadership and direction necessary to drive the execution of the Corporation's strategic vision, he continues to prioritize a commitment to unparalleled customer service and operational excellence, a culture and practice of workforce health and safety, the advancement of sustainability initiatives and the implementation of innovative technologies throughout the organization. Mr. Vachon has been a member of the Québec CPA Order since 1991.

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

(1) Represents the market value of common shares held at March 14, 2025. 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, 2025.
(3) Based on the market value of common shares and earned (unvested) DSUs at March 14, 2025. For additional information, see Section 8.3 "Director Share Ownership and Retention Requirements".
(4) DSU grants were issued on March 10, 2025 for the first time to certain Executive Officers under the Corporation's SERP, as more fully set out in Section 7.1(f)(iv)
(5) Represents the market value of common shares held at March 14, 2025. RSUs, PSUs, TRSUs, TPSUs and DSUs that have been earned but remain unvested are excluded from calculated vested amounts. For information on the vesting dates of Mr. Vachon's, RSUs and PSUs, see Table 7.4 "Incentive Plan Awards – Option-Based and Share-Based Awards".
(6) Represents the market value of unvested RSUs, PSUs and DSUs on March 14, 2025.
(7) For additional information, see Section 7.1 (f)(iii) "Share Ownership and Retention Requirements – Executive Officers".

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.

PricewaterhouseCoopers LLP (“PwC”) 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.

The Audit Committee believes that PwC’s tenure as the Corporation’s independent registered public accounting firm has enabled PwC to gain significant knowledge and deep expertise of the Corporation’s business and processes. Together with its strong internal independence policies and procedures, PwC provides enhanced audit quality.

The Audit Committee is responsible for oversight of the independence, qualifications and performance of the independent registered public accounting firm that audits Stella-Jones’ annual consolidated financial statements.

In assessing whether to recommend the reappointment of PwC to the Board, the Audit Committee annually reviews PwC’s performance and independence. The annual review takes into consideration the benefits and risks of having a long-tenured auditor as well as the controls and processes in place to ensure auditor independence.

In order to satisfy itself as to the independence of the external auditor, and to prevent relationships that could impair, or be perceived to impair the independence of Stella-Jones’ external auditors, the Committee has adopted an auditor independence policy that covers, among others, (a) the identification of services that may and may not be performed by the external auditors; (b) the governance procedures to be followed prior to approving and retaining services and agreeing to fees relating to such services; (c) the reporting of services rendered to the Audit Committee; (d) mandatory rotation of the lead audit partner and prohibition of reappointment in such capacity; and (e) required cooling off periods by partners, former partners, directors or former directors of the external auditors prior to serving in financial oversight roles for the Corporation.

The Audit Committee’s recommendation is also subject to the completion of an annual auditor performance assessment focusing on the following key factors:

- the independence, objectivity and professional skepticism of the external auditors;
- the qualification, expertise and resources of the external auditors;
- the nature and quality of the services provided and their value for money, and the effectiveness of the audit process; and
- the communication and interaction between the external auditors and the Corporation.

Additional information on the Corporation’s auditors, including the Audit Committee mandate and fees paid for services rendered by PwC in 2024 and 2023, is included in the Company’s most recent Annual Information Form available on SEDAR+ at www.sedarplus.ca.

Based on the satisfactory assessment, and on recommendation of the Audit committee, the Board of Directors and management of the Corporation recommend that PricewaterhouseCoopers LLP be reappointed as auditors of the Corporation and that the directors of the Corporation be authorized to fix their remuneration.

At the Corporation’s Annual and Special Meeting of Shareholders held on May 8, 2024, 92.91% 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 2025 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 Human Resources and Compensation 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.sedarplus.ca and on the Corporation's website at www.stella-jones.com shortly after the Meeting. At the Corporation's May 8, 2024 Annual and Special Meeting of Shareholders, the advisory vote on executive compensation received 92.56% 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 Human Resources and Compensation Committee

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

Say-on-Pav Vote

At our May 2024 annual and Special Meeting of Shareholders, we asked our shareholders to vote on the Corporation's approach to executive compensation. We were pleased with the response, with 92.56% of shareholders voting in favour. Nonetheless, the Committee continues to look for ways to enhance the compensation of executives to achieve this objective. The following describes actions undertaken by the Board with respect to executive compensation:

Executive Base Salary

We approved a 3.6% overall average increase in our Executive Officer base salaries. These increases were made in accordance with general market conditions, individual factors relating to performance, strategic considerations and consultation with our independent compensation advisor, Meridian Compensation Partners.

2024 Short-Term Incentive Plan Outcomes

Aligned with our approach in 2023, the annual incentive compensation in 2024 for all Executive Officers, including the CEO, is based on the same financial ("STIP") metric of EBITDA[(1)](100%) with an ESG-based modifier. In 2024, this modifier incorporates three measurable ESG-related metrics: greenhouse gas data collection, completion of company-wide fire risk assessment, and total recordable injury rate.

We are pleased to report that Stella-Jones exceeded its EBITDA target for 2024, resulting in a performance multiplier of 122.3% of each participant's target payout.

(1) EBITDA is a non-GAAP financial measure and is equal to the operating income before depreciation of property, plant and equipment, depreciation of right-of-use assets and amortization of intangible assets (also referred to as earnings before interest, taxes, depreciation and amortization). Refer to the section entitled "Non-GAAP and Other Financial Measures" of the Corporation's management's discussion & Analysis for the year ended December 31, 2024 ("2024 MD&A") for an explanation of the non-GAAP and other financial measures used by the Corporation and a reconciliation of non-GAAP financial measures to the most directly comparable GAAP measures, which reconciliation is incorporated by reference into this Circular. The MD&A is available on SEDAR+ at www.sedarplus.ca and on the Corporation's website at www.stella-jones.com under the "Investor Relations" section.

Further, based on the ESG objectives met by management, there is an upward multiplier of +1.06%, leading to a final payout factor of 129.6% of target bonus. The above-target STIP payout aligns with strong operating and financial performance in 2024. Looking ahead to 2025, the STIP structure will continue to be primarily based on EBITDA-a clear determinant of shareholder value creation as the main performance metric and using an ESG modifier again to align on key goals for Stella-Jones.

As an additional refinement, effective in 2025, the Board adopted further amendments to the STIP applicable solely to senior operational management employees, which incorporates predetermined operational performance targets as 25% of the bonus component. This allows Management to incentivize operational goals, increase accountability and recognize individual contributions. Additional details of the 2024 and 2025 STIP structure are found in the Compensation Discussion and Analysis that follows in Section 7.1(f)(ii)

Long-Term Incentives

Our approach to long-term incentive plan ("LTIP") design in 2024 was consistent with previous years, measuring long-term performance based on ROCE[(2)] (a determinant of shareholder value creation over the long term) and relative total shareholder return ("TSR")[(3)] (a metric that aligns management compensation with shareholder experience). Our 2022-2024 PSU's paid out at 200% of target, well aligned with the shareholder experience of the previous 3 years. In 2025, our approach to LTIP design remains the

(2) ROCE (return on average capital employed) is defined as trailing 12-month operating income, divided by the average capital employed. Average capital employed is defined as the 12-month average of the capital employed balance at the beginning of the twelve-month period and the capital employed balances at the end of each quarter for the remainder of the twelve-month period. Refer to the section entitled "Non-GAAP and Other Financial Measures" of the 2024 MD&A for an explanation of the non-GAAP and other financial measures used by the Corporation and a reconciliation of non-GAAP financial measures to the most directly comparable GAAP measures, which reconciliation is incorporated by reference into this Circular. The 2024 MD&A is available on SEDAR+ at www.sedarplus.ca and on the Corporation's website at www.stella-jones.com under the "Investor Relations" section. Stella-Jones' target ROCE for 2024 was 12%, and it achieved a ROCE of 13.7%, resulting in an individual performance share unit adjustment grant of 185%.

(3) TSR is calculated by taking into consideration the stock price at the beginning and end of the performance measurement period as well as dividends declared over the period. Dividends are assumed reinvested in common shares. Specifically, the TSR represents the annualized interest rate that equates the present value of the ending stock price and dividends declared to the beginning stock price. TSR for the S&P/TSX Capped Industrials Index is calculated identically. For the purposes of the treasury share unit plan and stock unit plan, relative three-year TSR is equal to the three-year annualized total shareholder return (TSR) relative to the S&P/TSX Capped Industrials Index.

same in terms of mix of vehicles and long-term performance metrics. In addition, 2025 will be the first year that we will be granting PSU's and RSU's that will vest in the form of treasury shares, providing a settlement mechanism that enhances alignment with the shareholder experience, over the longer term.

Conclusion

Our overriding focus continues to be the link between pay and performance so as to align the interests of the senior management team with the interests of stakeholders. Our emphasis on EBITDA, ROCE and TSR in our incentive plans continues to balance profitable growth with the generation of economic returns on our invested capital, creating sustainable value for our shareholders over the long term. Looking forward, the Committee will continue to work closely with our external independent advisors to evaluate our compensation programs in relation to our peers and the best practices in the market. We will also strive to find further ways to incentivize our workforce and focus on long-term retention, sustainability and improvement of shareholder value.

James A. Manzi, Jr.
Chair, Human Resources and Compensation 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, and sound environmental, social and governance practices 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 Human Resources and Compensation Committee by the Chief People Officer and the President and Chief Executive Officer ("CEO") of the Corporation, and reviewed by the Human Resources and Compensation Committee, which then recommends approval or modification thereof to the Board of Directors. The Board of Directors considers the Human Resources and Compensation Committee's recommendations and finalizes decisions relating to the compensation of the NEOs and senior executives.

b) Human Resources and Compensation Committee:

The Human Resources and Compensation Committee meets at least three times a year and more often, if required. It is the responsibility of the Human Resources and Compensation Committee to make recommendations to assist the Board of Directors in its strategic oversight on matters regarding human resources and compensation for employees of the Corporation and its subsidiaries, including, without limiting the generality of the foregoing:

(i) establishing general policies pertaining to wages, bonuses, incentives and any other form of compensation;

(ii) evaluating, at least annually, the performance of the President and CEO and senior executives;

(iii) determining, at least annually, the remuneration of the President and CEO and senior executives;

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

(v) granting equity-based incentives including RSUs, PSUs and stock options under the Corporation's long-term incentive plans, as such may be amended from time to time;

(vi) proposing changes or additions to incentive compensation plans and equity-based plans;

(vii) establishing short, medium and long-range plans and policies for succession of senior executives;

(viii) recruiting, developing and motivating personnel;

(ix) reviewing retirement and severance policies, practices and plans proposed by management;

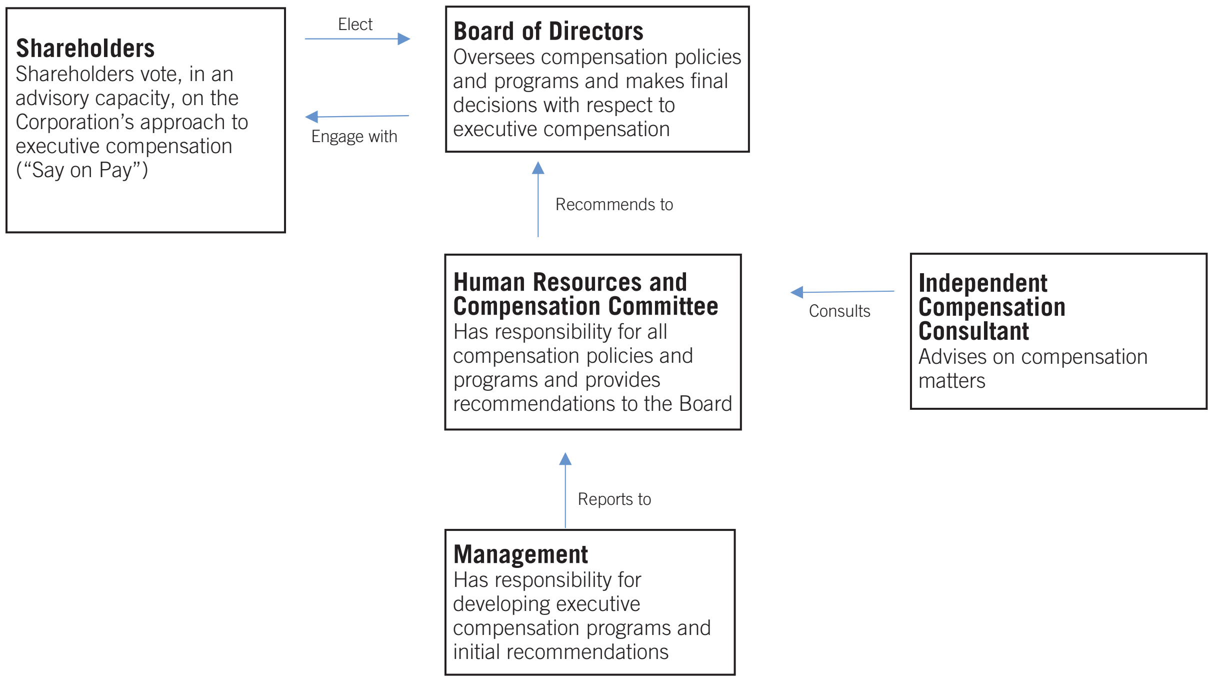
(x) monitoring the appropriateness of the Corporation's human resources and compensation practices, including practices with respect to privacy, human rights, diversity, fair practices, and compliance with applicable laws;

(xi) ensuring a proper process for employee surveys;

(xii) verifying that the Corporation has in place programs and policies to attract and retain high-calibre talent while maintaining a culture of fairness and integrity throughout the organization; and

(xiii) 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 Human Resources and Compensation 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
    - Director of the Corporation since 2015
    - Chair of the Corporation's Human Resources and Compensation Committee since 2018
    - Member of the Corporation's Governance and Nomination Committee since May 2022
    - Member of the Corporation's Environmental, Health and Safety Committee from 2019 to 2022
    - Member of the Corporation's Audit Committee from 2015 to 2019
- Robert Coallier – (Vice-Chair)- Independent:
    - Former CEO of Agropur Dairy Cooperative (one of North America's largest dairy processors)
    - Director of Transat and member of its Human Resources and Governance Committee and Audit Committee since March 2023
    - Director of Industrial Alliance Insurance and Financial Services from 2008 to 2019 and Chair of its Human Resources Committee from 2017 to 2019
    - Director of the Corporation since January 2020
    - Member of the Corporation's Audit Committee since January 2020
    - Member of the Corporation's Human Resources and Compensation Committee since January 2020
- Michelle Banik – Independent:
    - Former Chief People Officer and Global Head of Human Resources at OMERS, a global pension plan
    - Holds a Certified Human Resources Executive designation, a Chartered Director Designation and Certificate of Diversity & Inclusion
    - Director at Empire Company Ltd. (TSX EMP.A) since March 2021 and member of its Human Resources Committee
    - Director of the Corporation since 2024
    - Member of the Corporation's Human Resources and Compensation Committee since 2024
    - Member of the Corporation's Governance and Nomination Committee since 2024

- Simon Pelletier – Independent:
  - President and CEO of H-E Parts International since February 2021
  - Director of the Corporation since May of 2012
  - Chair of the Corporation's Governance and Nominations Committee from September 2018 to May 2024
  - Member of the Corporation's Environmental, Health and Safety Committee since May, 2022
  - Member of the Corporation's Audit Committee from May, 2012 to May, 2022
  - Member of the Corporation's Human Resources and Compensation Committee since May, 2024

Based on the above, the Board is confident that the combined experience and skills of the members of the Human Resources and Compensation 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 the Corporation's practices which are regularly reviewed to ensure that decisions are made in the best interests of shareholders.

Our Compensation Governance Policies and Best Practices
✓ **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. Furthermore, the restricted share units (RSUs) are granted based on trailing one-year ROCE performance. Therefore, the long-term incentive mix is effectively 100% performance contingent.
✓ **Alignment:** The compensation programs encourage collaborative company-wide performance and are aligned with the Corporation's business strategy and long-term value creation.
✓ **Independent Advice:** The Human Resources and Compensation Committee regularly retains a leading independent compensation consultant ("Advisory Firm") to conduct comprehensive reviews of the executive compensation program. In 2024, the Advisory Firm was mandated to carry out research and report to the Human Resources and Compensation Committee on matters including executive compensation trends and salary planning as well as incentive plan goal – setting and was mandated to deliver a report on Director compensation to the Corporation's Governance and Nomination Committee
✓ **Clawback:** Executive Officer Clawback policy provides the Board with a tool to recoup incentive compensation under specified circumstances (such as gross negligence, intentional misconduct or fraud), both in connection with and without financial restatement, aligned with a a market leading approach in compensation risk mitigation.
✓ **Say-on-Pay:** Sixth annual advisory vote to be held on the Corporation's approach to executive compensation at its May 2025 annual meeting of shareholders. Stella-Jones has had a strong record of Say on Pay support from investors.
✓ **Double-Trigger Change of Control:** Acceleration of long-term incentive awards vesting under change of control events require the combined occurrence of a termination of employment event.
✓ **Perquisites:** Moderate executive perquisites are provided, consistent with reasonable market practice.
✓ **Stock Ownership Requirements:** Minimum Shareholding Policy for Senior Management requires Executive Officers to hold a specified and meaningful equity stake in Stella-Jones to align their interests with those of its shareholders.
✓ **CEO Post-Employment Hold:** Our President and CEO is subject to a post-employment holding requirement of common shares (two quarters post-separation). This ensures that the CEO is actively involved and economically exposed to a successful leadership transition in the future.
✓ **Risk Management:** Compensation programs are designed not to encourage individual or collective opportunistic/inappropriate risk taking as short- and long-term incentive plans are based, in most part, on company-wide targets.
✓ **Anti-Hedging Policy:** 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.
✓ **Reasonable Contractual Severances:** Contractual severances are capped within reasonable market practices.

d) External Advisors:

Following a request for proposals on advice and guidance on executive compensation for the Corporation's Human Resources and Compensation ("HRC") Committee, followed by numerous propositions by qualified and experienced executive compensation advisors, Meridian Compensation Partners ("Meridian") was retained by the Corporation in July 2023. In 2024, Meridian provided independent consulting services with respect to the following matters:

HRC Committee

- Proxy disclosure assistance and Compensation Discussion and Analysis drafting
- Assistance related to incentive plan goal setting
- Review of HRC meeting materials and attendance at scheduled HRC meetings
- Executive Share ownership policy review
- Review of proxy advisor reports and policies
- Executive compensation trends and salary planning
- Input on President and CEO pay for the HRC
- Input on Employee Share Purchase Plan design

Governance and Nomination Committee

- Board of Director compensation benchmarking

During the year ended December 31, 2023 and prior to the engagement of Meridian, Willis Towers Watson ("WTW"), an independent compensation consultant, was retained by the Corporation and provided services up to June 2023.

The table below presents the fees paid to Meridian and WTW for the years ended December 31, 2024 and 2023:

Year	2024(1)	2023(2)
Executive compensation consulting fees	$30,748	$136,372
All other fees	$ 4,718(3)	$ –

(1) 2024 represents fees paid to Meridian
(2) 2023 represents fees paid to Meridian and WTW
(3) "All other fees" represent fees paid to Meridian for Board of Director compensation benchmarking.

The information and advice provided by WTW and Meridian, respectively, were factors considered when making decisions regarding executive compensation. However, the HRC Committee and the Board do not rely exclusively on this information and their decisions reflect a number of factors and considerations. In addition, each of WTW and Meridian have protocols in place to ensure that independent and objective advice is provided and neither currently provide any separate consulting services to the Corporation other than those listed above.

e) Comparator Group:

During 2023, the HRC Committee, with the assistance of Meridian, reviewed the compensation comparator group. No changes were made to the comparator group at the conclusion of this review. 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 United States.
- 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)

Following the acquisition of Masonite International in May 2024, the peer company was removed from the comparator group.

The following table presents the list of 17 companies composing the comparator group:

Canadian Comparators (10 companies)	U.S. Comparators (7 companies)
Canfor Corporation	Armstrong World Industries, Inc.
Cascades Inc.	Gibraltar Industries, Inc.
Doman Building Materials Group Ltd.	Koppers Holdings Inc.
Methanex Corporation	Saia, Inc.
Mullen Group Ltd.	Simpson Manufacturing Co., Inc.
Richelieu Hardware Ltd.	The Greenbrier Companies, Inc.
Russel Metals Inc.	Werner Enterprises, Inc
TFI International Inc.	
Toromont Industries Ltd.	
Winpak Ltd.	

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

Statistics	Revenue ($Millions)(1)	Total Enterprise Value ($Millions)(1)
25th Percentile	$1,989	$2,216
Median	$4,185	$3,004
75th Percentile	$4,941	$8,219
Stella-Jones Inc.	$3,469(2)	$6,598
Percentile Rank	P46	P66

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

(2) For the year ended December 31, 2024.

f) Components of Overall Executive Compensation:

Components of overall executive compensation for the year ended December 31, 2024 include the elements set out below:

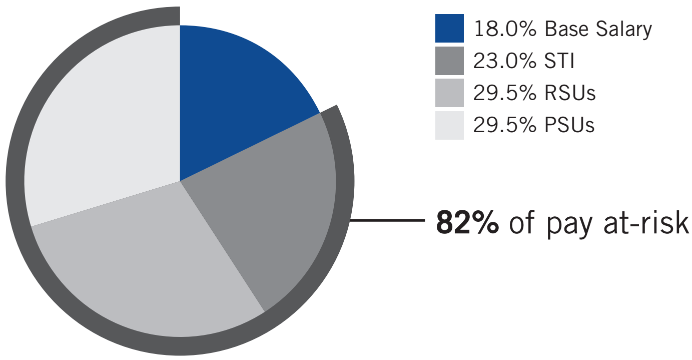
	Compensation Element	Purpose	Performance Measured	Outcome	Performance Period
Total Direct Compensation	**Base Salary**	Pay for value of role and to support attraction and retention	Individual contribution/ competencies/skills	Provide a market competitive fixed rate of cash payment	Annual
	Short-term incentive plan ("STIP")	Annual award based on the attainment of performance objectives, and corporate ESG initiatives	EBITDA – based plan targets reviewed and approved annually. No guaranteed minimum payment, payout trigger based on corporate performance (75%)(1), and operational performance objectives (25%) with a positive modifier based on ESG components	Cash payment	Annual
	Restricted Stock Units ("TRSUs") under Treasury Share Unit Plan ("TSU Plan") *(50% of LTIP grants)*	Aligns participants' interests with shareholders by encouraging share ownership. Attracts and retains quality talent	ROCE for the grant year will influence the number of TRSUs granted (from 0% to 200% target grant)	Payout in common shares at vesting May be settled for cash or shares purchased on the open market following a participant's election, subject to the Corporation's approval	3 years (time vest one-third each year).
	Performance Stock Units ("TPSUs") under TSU Plan *(50% of LTIP grants)*	Aligns participants' interests with shareholders by encouraging share ownership. Attracts and retains quality talent	3-year average ROCE (75%) and 3-year relative TSR vs. S&P/TSX Capped Industrials Index (25%) will influence number of TPSUs vested (from 0% to 200% target grant)	Payout in common shares at vesting. May be settled for cash or shares purchased on the open market following a participant 's election, subject to the Corporation's approval	Cliff vest at conclusion of 3 years, subject to performance conditions
	Restricted Stock Units ("RSUs") under the Stock Unit Plan ("SUP") *(50% of LTIP grants) For 2024, RSUs phased out under this plan as a component of executive compensation*	Pay for corporate performance	ROCE for the grant year will influence the number of RSUs granted (from 0% to 200% target grant)	Payout of RSUs at vesting	3 years(2) (time vest one-third each year). RSUs are phantom shares.
	Performance Stock Units ("PSUs") under SUP *(50% of LTIP grants) For 2024, PSUs phased out under this plan as a component of executive compensation*	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	Cliff vest at conclusion of 3 years, subject to performance conditions
Indirect Compensation	Perquisites	Group medical insurance, lease of vehicle and other reasonable perquisites aligned with duties	Individual contribution/ competencies	Annual perquisites provided	Annual
	Retirement Savings Plans and Pension Benefits	Encourages saving for retirement	Individual contribution/ competencies	Annual contributions made by the Corporation	Annual

(1) STIP remains 100% based on EBITDA for 2024.The Operational Performance Target metric, added effective January 1, 2025, applies solely to operational executive officers. Corporate Executive Officers' short-term incentive continues to be based 100% on EBITDA.

(2) Exceptionally, the SUP RSUs granted on March 11, 2024, vest over two years, one half each year.

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*



* calculated using short term incentive at target and long-term incentive at target

(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. Market-based adjustments may be made in response to comparative market compensation levels derived from comparator group benchmarking, due to a change in the executive's duties during the year, and with regard to the overall economic climate.

(ii) Short-Term Incentive Compensation:

a) SHORT-TERM INCENTIVE PLAN

The Corporation's short-term incentive plan ("STIP"), adopted in December of 2022, is designed to reward the Corporation's CEO, CFO and Executive Officers upon the attainment of a financial metric and non-financial measures. The financial metric is an annually determined budgeted EBITDA approved by the Board of Directors ("Target EBITDA").

The non-financial measures are annually set company-wide ESG initiatives which serve as a bonus modifier that ranges from 1.0 to 1.1 ("ESG Target Achievement Factor") and help drive long-term sustainable business growth. Under the terms of the STIP, each participant is provided with an individual target bonus established as a percentage of salary ("Target Bonus"). The approach adopts a payout grid with a threshold payout (50% of target bonus) at the achievement of 80% of Target EBITDA, a target payout at the achievement of 100% of Target EBITDA, and a maximum payout (200% of Target Bonus) if the Target EBITDA is exceeded by up to 120% or more. Linear interpolation is applied between the threshold and maximum percentage levels. The total annual bonus payment has the potential to reach 220% of a participant's target bonus (200% of target bonus x 1.1 ESG Target Achievement Factor) if both 120% of Target EBITDA and all ESG initiatives are attained. The STIP contemplates potential discretionary adjustments based on performance or other unusual or non-recurring items determined and agreed to by the HRC Committee.

With respect to the financial metric of the STIP, namely, the Target EBITDA, Stella-Jones does not disclose specific objectives as it considers that the publication of such information would place it at a significant business disadvantage. Disclosing the specific performance objectives that are determined as part of the Corporation's annual budget and strategic planning process would open it up to serious prejudice and negatively impact its competitive advantage, substantially impairing, among others, its ability to negotiate accretive business agreements, thereby putting additional pressure on its profit margins.

With respect to the non-financial metric of the STIP, the ESG initiatives for 2024 comprised three elements (categories) whose objectives, targets and factors are described below:

Category	Objective	Target	Factor if achieved 1.0 +	Obtained
Environment	Scope 3 Greenhouse Gas (GHG) data collection	Collect 10% of Tier 1 supplier data	+0.03	0.03
Governance	Completion of fire risk assessment at all facilities	100% of identified, facilities	+0.03	0.03
Health and Safety	TRR* Rate	Company-wide TRR rate of 5% below last 3-year rolling average	+0.04	*0.00
Maximum ESG target achievement factor			1.10	**1.06**

Note :* TRR is the Total Recordable Injury Rate and is defined as the number of work related injuries per 100 full-time workers during a one-year period. Although the TRR target was achieved in 2024, Management opted to apply a factor of zero due to a fatality at the Corporation's Alexandria, Louisiana, facility during the year.

The actual award was based on the following schedule for 2024. Specific performance levels may be modified from time to time.

Each participant's Target Bonus is determined on hire or when a review is carried out by Management. In the case of the NEOs and Senior Vice-Presidents, the Target Bonus has been assigned as per the following table:

Participant Position	Target Bonus as a Percentage of Base Salary
President & CEO	127.5%
Senior Vice-President and CFO	85%
Senior Vice-President and CPO	75%
Senior Vice-President, Railway Ties	75%
Senior Vice-President, Utility Poles and U.S. Residential Lumber	75%

Performance Level	Performance Level Definition	% of Target Bonus*
Threshold	80% of EBITDA Target	50%
Target	EBITDA Target	100%
Maximum	120% of EBITDA Target	200%

* Linear interpolation is applied between the Threshold and Maximum percentage levels.

Pursuant to the STIP, as the Corporation's EBITDA for the year ended December 31, 2024 exceeded the EBITDA Target by 4.5% and two out of three ESG Initiatives for the year were fully attained, in February 2025, the Board of Directors resolved to award the President and CEO an annual bonus of $1,404,952, representing 122.3% of his Target Bonus, multiplied by an ESG Achievement Factor of 1.06. The Corporation's Senior Vice-President and CFO received an annual bonus of $524,626, representing 122.3% of her Target Bonus, multiplied by an ESG Achievement Factor of 1.06.

b) AMENDED SHORT-TERM INCENTIVE PLAN FOR 2025

On December 10, 2024, the Corporation's Board of Directors, upon recommendation of the HRC Committee, adopted changes to the Short-Term Incentive Plan ("Amended Short-Term Incentive Plan"). While the financial performance target for Corporate senior management therein remained unchanged and continues to be based 100% on an annually determined EBITDA target, the financial performance target for senior operational management was amended to comprise two components; (i) an annually determined EBITDA target, weighted at 75% of the financial metric ("Corporate Performance Target"); and (ii) an annually determined operational performance targets such as sales, operating costs and/or inventory levels, for each of the Corporation's senior operational management, weighted at 25% of the financial metric ("Operational Performance Target"). The ESG Achievement Factor component remains unchanged, comprising annually approved sustainability Initiatives, the whole as follows:

(i) <u>Financial Metric components:</u>

(a) Corporate Performance Target

Performance Level	Performance Level Definition	% of Target Bonus*
Threshold	80% of EBITDA Target	50%
Target	EBITDA Target	100%
Maximum	120% of EBITDA Target	200%

* Linear interpolation is applied between the Threshold and Maximum percentage levels.

(b) Operational Performance Targets

Performance Level	Performance Level Definition	% of Target Bonus*
Threshold	Minimal acceptable result	50%
Target	Target	100%
Maximum	Maximum compensable result	200%

* Linear interpolation is applied between the Threshold and Maximum percentage levels.

(ii) <u>Sustainability Initiatives:</u>

For the year ended December 31, 2025, the ESG initiative under the Amended Short-Term Incentive Plan consists of three categories whose objectives and factors are described below:

Category	Objective	Target	Factor if achieved 1.0 +
Environment	Implementation of Bulk Liquid Transfer Program	Deploy Program in 100% of identified facilities	+0.03
Health and Safety	TRR* Rate	Company-wide TRR rate of 5% below last 3-year rolling average	+0.04
Governance	Cybersecurity training Programs	Company-wide 85% or better pass rate on cybersecurity awareness campaigns	+0.03
Maximum ESG target achievement factor			**1.10**

* TRR is the total Recordable Injury Rate and is defined as the number of work-related injuries per 100 full-time workers during a one-year period.

The Amended Short-Term Incentive Plan amount ("Bonus Amount") is calculated by (i) adding the Corporate Performance Target plus the Operational Performance Target, as respectively weighted, (in the case of Corporate Senior Management, the Bonus Amount is determined solely by the Corporate Performance Target), and (ii) the Bonus Amount is then multiplied by the ESG Target Achievement Factor that ranges from 1.0 to 1.1. This results in the total annual bonus payable to

With respect to the Operational Performance Targets, the Corporation does not disclose specific objectives as it considers that the publication of such information would place it at a significant business disadvantage. Disclosing the specific performance targets that are determined as part of the Corporation's annual budget and strategic planning process would open it up to serious prejudice and negatively impact its competitive advantage, substantially impairing, among others, its ability to negotiate accretive business agreements, thereby putting additional pressure on its profit margins.

each participant under the Amended Short-Term Incentive Plan.

(iii) Long-Term Incentive Plans ("LTIP"):

a) STOCK UNIT PLAN ("SUP") and TREASURY SHARE UNIT PLAN ("TSU Plan")

In December of 2019, the Board of Directors of the Corporation, following consultation with its then independent compensation consultant WTW, and upon recommendation of its HRC Committee, approved the SUP. For 2020 to 2023 performance (with the first grant made in March 2021 and the last grant to executive officers thereunder made in February 2024), RSUs and PSUs were eligible to be granted, with a target of 50% in RSUs and 50% in PSUs. The SUP was phased out for executive officers following shareholder approval of the Corporation's TSU Plan[1] at the Corporation's May 8, 2024, Annual and Special Meeting of Shareholders. Consequently, Executive Officers are eligible to receive grants of TRSUs and TPSUs, solely under the TSU Plan and no longer receive RSU and PSU grants under the SUP.

(1) For more information on the TSU Plan, see section 9, "Treasury Share unit Plan".

The objectives of the TSUP, and prior, the SUP (under which RSUs and PSUs still remain unvested) include:

- Retain key employees of the Corporation
- Provide for a market competitive compensation package
- Incentivize both annual and long-term performance, as both RSU/TRSU and PSU/TPSU elements 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 TSU Plan and SUP:

Element	RSUs and TRSUs	PSUs and TPSUs
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 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 TRSUs and TPSUs granted under the TSU Plan (and prior, 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 SUP RSUs and PSUs are full-value phantom shares payable in cash. The TSU Plan TRSUs and TPSUS are payable in common shares but may be settled for cash or shares purchased on the open market following a participant's election, subject to the Corporation's approval. Vesting occurs one-third each year over three years in the case of RSUs and TRSUs, provided the individual is still employed by the Corporation, and in the case of PSUs and TPSUs, cliff vesting occurs on the third anniversary of their issue, provided performance targets are met, and the individual is employed by the

Corporation[1]. The amount payable is determined by multiplying the number of RSUs and Earned PSUs or TRSUs and TPSUs, as the case may be, by the five-day average closing trading price of the Corporation's common shares on the TSX immediately preceding the vesting date.

TRSUs

The percentage of TRSUs to be granted under the TSU Plan is based on the previous year's ROCE, using the following ROCE performance schedule. Linear interpolation is applied between the threshold and maximum percentage levels:

ROCE Performance Schedule

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

* Linear interpolation is applied between the Threshold and Maximum percentage levels

On February 26, 2025, the Board of Directors resolved to grant TRSUs under the TSU Plan at 185% of each participant's target award as the Corporation's 2024 ROCE reached 13.7%. The effective date of the grant was March 10, 2025 ("TRSU Grant Date"), with the TRSUs granted totaling 126,650 units.

TPSUs

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

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

- 75% of TPSUs vest based on three-year average ROCE, a measure of utmost importance for the Corporation that reflects its performance as a whole.
- 25% of TPSUs vest based on three-year annualized 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, TPSU holders will receive between 0% and 200% of their granted units in treasury common shares, or they may be settled for cash or shares purchased on the open market following a participant 's election, and subject to the Corporation's approval, based on the following ROCE performance schedule and Relative TSR performance schedule. TPSU 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 TPSUs Vested*
Minimum	<10.0%	0%
Threshold	10.0%	50%
Target	12.0%	100%
Maximum	14.0%	200%

* Linear interpolation is applied between the Threshold and Maximum percentage levels

Relative TSR Performance Schedule (25% of grant)

Level	Three-Year annualized Total Shareholder Return vs. S&P/TSX Capped Industrials Index	Percentage of TPSUs Vested*
Minimum	<-10% pts	0%
Threshold	-10% pts	50%
Target	Meet Index	100%
Maximum	+10% pts	200%

* Linear interpolation is applied between the Threshold and Maximum percentage levels

On February 26, 2025, the Board of Directors resolved to grant TPSUs under the TSU Plan. The effective date of the grant was March 10, 2025 ("TPSU Grant Date") with TPSUs granted totaling 68,455 units.

(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

(1) In the case of retirees, the HRC Committee shall have the discretion, on a case-by-case basis and according to reasonable and predetermined criteria, to permit unvested RSUs/TRSUs and PSUs/ TPSUs to continue to vest beyond the retiree's last working day.

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 Corporation, for a maximum total employee contribution of up to ten percent (10.0%) of basic salary. In the case of Canadian-based employees, the maximum total employee contribution set by the government of Canada per individual is $31,560 for 2024.

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 2024, the statutory limit was US$23,000 per individual, with an additional catch-up contribution of US$7,500 permitted annually for plan participants who are or will turn 50 years of age during the calendar year (for a total of US$30,500 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.

For the year ended December 31, 2024, a supplementary executive retirement plan ("SERP") for certain designated Canadian Executive Officers was implemented. Eligible participants are those whose 6% company contribution to the DPSP is not fully applied to their base salary due to regulatory contribution limits. Six percent of the designated Executive Officer's base salary, in excess of the DPSP contribution limit, will be granted to the eligible participant in the form of a deferred share unit ("DSU"), to be granted during the year ended December 31, 2025, and to be exercised upon separation from service. The effective date of the DSU grant was March 10, 2025, with DSUs granted totalling 870 units.

(v) 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.

Cell phones, 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 HRC 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.

The Clawback policy discourages excessive risk-taking among executives and does not require a financial restatement in order to be triggered, as more fully provided below.

Under the Clawback Policy, the Board shall be entitled, on behalf of the Corporation, to require reimbursement of full or partial bonus, profit share (as applicable) and other 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:

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.

The Corporation's Code of Business Conduct and Ethics incorporates an anti-hedging policy, under which 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 – Executive Officers:

The HRC Committee recommended, and the Board of Directors approved, effective January 1, 2025 ("Effective Date"), minimum shareholder guidelines for Executive Officers, namely, the President and CEO, Senior Vice-Presidents and Vice-Presidents of the Corporation and its subsidiaries and persons performing a policy-making function in respect of the Corporation.

A Minimum Shareholding Policy for Senior Management was formally adopted by the Board of Directors in May 2024, including a new minimum share ownership requirement for the President and CEO, as set out in the table below. The Corporation's President and CEO is subject to a post-employment holding requirement of common shares (two quarters post-separation). This ensures that he is actively involved and economically exposed to a successful leadership transition in the future.

Executive officers who have not met their target ownership within 5-years of the Effective Date, may, at the discretion of the Human Resources and Compensation Committee, in consultation with the CEO, result in (i) mandatory conversion of a percentage of the net value of STIP payments to the Executive Officer into common shares of the Corporation, and/or (ii) suspension of LTIP, awards, STIP awards, or a portion thereof; and/or (iii) enforcement of a trading restriction in common shares of the Corporation until the minimum share ownership requirement is reached. Once the minimum share ownership requirement is achieved, it must be maintained as long as the employee remains an Executive Officer.(1)

(1) In the case of the President and CEO, common shares must be held a minimum of two quarters after separation.

Minimum Share Ownership Requirements

Position	Minimum Share Ownership Requirements	Inclusions	Exclusions	Term to Meet Minimum Share Ownership Requirements and Term of Maintenance of Requirement
CEO	5 x Annual Base salary(1)	• Common shares held directly or indirectly (to comprise *at least 25% of Minimum Share Ownership Requirement*) • Unvested RSUs, TRSUs and DSUs. • Vested and unexercised RSUs, TRSUs, PSUs and TPSUs	• Unvested PSUs and TPSUs • Stock Options (“Options”)	By the later of 5 years from implementation of minimum shareholder requirements or promotion to position level Requirement to be maintained as long as the employee remains an executive officer – (and two quarters post-separation under the CEO’s employment contract)
Senior Vice-Presidents	3 x Annual Base salary	• Common shares held directly or indirectly (to comprise *at least 25% of Minimum Share Ownership Requirement*) • Unvested RSUs, TRSUs and DSUs • Vested and unexercised RSUs, TRSUs, PSUs and TPSUs	• Unvested PSUs and TPSUs • Options	By the later of 5 years from implementation of minimum shareholder requirements or promotion to position level Requirement to be maintained as long as the employee remains an executive officer
Vice-Presidents	1 x Annual Base salary	• Common shares held directly or indirectly (to comprise *at least 25% of Minimum Share Ownership Requirement*) • Unvested RSUs, TRSUs and DSUs • Vested and unexercised RSUs, TRSUs, PSUs and TPSUs	• Unvested PSUs and TPSUs • Options	By the later of 5 years from implementation of minimum shareholder requirements or promotion to position level Requirement to be maintained as long as the employee remains an executive officer

At March 14, 2025, the President and CEO holds 25,686 Common Shares of the Corporation, 23,584 RSUs, 37,081 TRSUs, and 504 DSUs with a total market value of 5,866,187 and is in full compliance with his share ownership requirements, both past and those applicable beginning on the Effective Date.

(1) The President and CEO’s previous minimum share ownership requirement was set at 20,000 common shares of the Corporation. Under his employment Contract, the President and CEO is required to maintain his share requirement for as long as he remains in the employment of the Corporation as its President and Chief Executive Officer and for a minimum of two fiscal quarters following his last day of employment with the Corporation.

h) Risk Analysis:

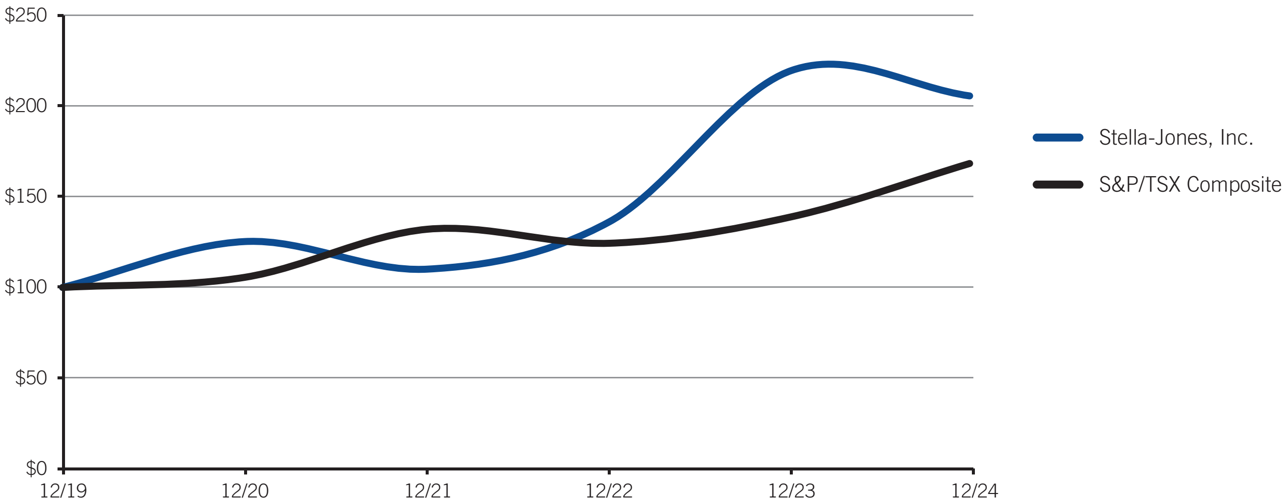
The Board and HRC Committee are satisfied that the Corporation's compensation practices and incentive plans, which provide rewards for achievement of overall company-wide objectives while recognizing individual contributions, do not encourage any Named Executive Officer or other employee to take inappropriate 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 predominantly conditional upon the attainment of stated corporate-wide thresholds that promote an environment to 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 for 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 Share Ownership Requirements require shareholdings to continue through the President and CEO's, Senior Vice-Presidents' and Vice Presidents' tenure with the Corporation (and in the case of the CEO, for a holding period of two quarters thereafter).
- The anti-hedging policy ensures alignment with shareholders.

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*
Among Stella-Jones, Inc. and the S&P/TSX Composite Index



* $100 invested on 12/31/19 in stock or index, including reinvestment of dividends.
Fiscal year ending December 31.

	2019 Dec. 31	2020 Dec. 31	2021 Dec. 31	2022 Dec. 31	2023 Dec. 31	2024 Dec. 31
Stella-Jones, Inc.	100.00	125.32	110.09	136.22	219.70	205.64
S&P/TSX Composite	100.00	105.60	132.10	124.38	138.99	169.09

The trend shown by the performance graph set forth above represents an increase in the cumulative total shareholder return from December 31, 2019, until the period ended December 31, 2024. Over the same 5-year period, the total salary, Profit Sharing Plan, STIP amounts and bonuses received by the Named Executive Officers, in the aggregate, increased by approximately 33%, compared to the 105.64% increase in cumulative shareholder return. Total compensation received by Named Executive Officers for the year ended December 31, 2024 was approximately $13.89 million, representing approximately 0.40% of the Corporation's total revenues of approximately $3,469 million.

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, 2024. 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 ($)	Non-Equity Incentive Plan Compensation ($)		Pension Value ($)	All Other Compensation ($)	Total Compensation ($)
					Annual Incentive Plans	Long-Term Incentive Plans			
Éric Vachon President and CEO	Dec. 31, 2024	850,000	4,053,701[1]		1,404,952[2]			51,000[3]	6,359,653
	Dec. 31, 2023	850,000	4,087,053[1]	–	1,974,604[2]	–	–	15,780[3]	6,927,437
	Dec. 31, 2022	740,000	1,264,903[1]	–	1,258,000[2]	–	–	15,390[3]	3,278,293
Silvana Travaglini Senior Vice-President and CFO	Dec. 31, 2024	476,100	862,577[1]		524,626[4]			28,565[3]	1,891,868
	Dec. 31, 2023	460,000	850,723[1]	–	712,407[4]	–	–	15,780[3]	2,038,910
	Dec. 31, 2022	400,000	429,008[1]	–	510,000[4]	–	–	15,390[3]	1,354,398
RIchard Cuddihy Senior Vice-President and CPO	Dec. 31, 2024	370,000	589,911[1]		359,745[5]			22,200[3]	1,341,856
	Dec. 31, 2023	335,000	545,199[1]	–	457,781[5]	–		Nil[3]	1,337,980
	Dec. 31, 2022	63,654[6]	269,483[1])	–	47,458[5][6]	–		25,000[3]	405,595
Patrick Kirkham Senior Vice-President Railway Ties, Stella Jones Corporation	Dec. 31, 2024	551,027[7]	836,501[1]		535,756[8]			8,786[3]	1,932,070
	Dec. 31, 2023	489,326[7]	800,456[1]	–	668,718[8]	–	–	13,551[3]	1,972,051
	Dec. 31, 2022	422,573[7]	335,738[1]	–	338,600[9]	–	–	12,393[3]	1,109,304
Kevin Comerford Senior Vice-President, UtilityPoles and U.S. ResidentialLumber Sales, Stella-Jones Corporation	Dec. 31, 2024	719,450[7]	982,927[1]		629,599[8]			36,692[3]	2,368,668
	Dec.31, 2023	525,072[7]	973,466[1]	–	639,336[8]	–	–	24,155[3]	2,162,029
	Dec. 31, 2022	395,265[7]	157,047[1]	–	317,404[9]	–	–	22,016[3]	891,732

(1) On February 26, 2025, February 28, 2024 and March 7, 2023, the Board of Directors resolved to grant RSUs and PSUs , TRSUs and TPSUs to these Named Executive Officers under the Treasury Share Unit Plan (for 2025 grants) and Stock Unit Plan (for 2024 and 2023 grants), with an effective grant date of March 10, 2025, March 11, 2024 and March 13, 2023, respectively, based on ROCE levels reached for the years ended December 31, 2024, December 31, 2023 and December 31, 2022, respectively. The fair value of TRSU, RSU, TPSU 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 Corporation's Short-Term Incentive Plan in February 2025 and 2024, and under the former CEO Incentive Plan in March 2023, for services rendered during the years ended December 31, 2024, 2023 and, 2022, respectively. For more information on the Short-Term Incentive Plan, consult Section 7.1 (f)(ii) (a). For more information on the former CEO Incentive Plan, consult Section 7.1 (f)(ii)(b) of the Corporation's March 14, 2023, management proxy circular available on SEDAR+ at www.sedarplus.ca.

(3) In the case of Mr. Vachon, Ms. Travaglini and Mr. Cuddihy, this amount represents the employer DPSP contributions for the years indicated and for 2024, also includes amounts used to purchase DSUs under the Corporation's SERP. In the case of Mr. Kirkham and Mr. Comerford, this amount represents the 401(k) employer contributions that were paid in U.S. dollars, which, in the case of Mr. Kirkham, amounted to US$6,186.11 in 2024, US$10,246 in 2023 and US$9,150 in 2022. In the case of Mr. Comerford, these amounts were US$25,500 in 2024, US$18,263 in 2023 and US$16,255 in 2022. 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 7 for exchange rates used to translate U.S. dollar amounts to Canadian dollar amounts for the purposes of this Summary Compensation Table.

(4) These amounts were awarded under the Corporation's Short-Term Incentive Plan in February 2025 and 2024, and the CFO Incentive Plan in March 2023, for services rendered during the years ended December 31, 2024, 2023 and 2022, respectively. For further information on the Short -Term Incentive Plan, consult Section 7.1 (f)(ii)(a). For more information on the former CFO incentive plan, consult Section 7.1 (f)(ii)(c) of the Corporation's March 14, 2023, management proxy circular.

(5) These amounts were awarded under the Corporation's Short-Term Incentive Plan during the year ended December 31, 2025, and 2024, and awarded under the Corporation's profit sharing plan during the year ended December 31, 2023, for services rendered during the years ended December 31, 2024, 2023 and 2022, respectively. Mr. Cuddihy was hired on November 14, 2022, and therefore his profit share for services rendered during the year ended December 31, 2022, was prorated.

(6) Mr. Cuddihy was hired on November 14, 2022, and therefore his salary for the year was prorated.

(7) Mr. Kirkham's and Mr. Comerford's base salaries are paid in U.S. dollars. In the case of Mr. Kirkham, it amounted to US$382,950 in 2024, US$370,000 in 2023 and US$312,000 in 2022. In the case of Mr. Comerford, it amounted to US$500,000 in 2024, US$397,000 in 2023 and US$291,838 in 2022. 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: 2024 – 1.4389; 2023 – 1.3226 and 2022 – 1.3544. The Canadian dollar amounts were determined by multiplying the U.S. dollar amounts by the Exchange Rates.

(8) This amount was awarded under the Corporation's Short-Term Incentive Plan in 2025 and 2024 for services rendered during the years ended December 31, 2024 and 2023, respectively. These amounts were paid in U.S. dollars and amounted to US$372,337 for Mr. Kirkham and 437,528 for Mr. Comerford for services rendered in 2024 and amounted to US$505,609 for Mr. Kirkham and US$483,394 for Mr. Comerford for services rendered in 2023,

(9) This amount was awarded pursuant to the Corporation's Profit-Sharing Plan during the year ended December 31, 2023, for services rendered during the year ended December 31, 2022. Amounts were paid in U.S. dollars and totaled US$250,000 for Mr. Kirkham and US$234,350 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, 2024:

	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	–	–	–	–	83,660[1]	5,916,101[2]	–
Silvana Travaglini	–	–	–	–	21,632[1]	1,529,729[2]	–
Richard Cuddihy	–	–	–	–	11,458[1]	810,264[2]	–
Patrick Kirkham	–	–	–	–	14,287[1]	1,010,319[2]	–
Kevin Comerford	–	–	–	–	12,822[1]	906,721[2]	–

(1) RSUs and PSUs granted on March 11, 2024, March 13, 2023 and March 14, 2022 under the SUP, less RSUs that vested on March 13, 14 and December 2, 2024 and March 14, 2023.

(2) Calculated by multiplying the number of outstanding SUP RSUs and PSUs by $70.71, being the five-day average trading price of the Corporation's common shares on the TSX immediately preceding December 31, 2024, assuming December 31, 2024, was the single payout date.

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, 2024:

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)	2,482,303(2)	1,404,952(3)
Silvana Travaglini	–(1)	1,002,533(2)	524,626(3)
Richard Cuddihy	–(1)	80,625(2)	359,745(3)
Patrick Kirkham	–(1)	613,189(2)(4)	535,756(3)(5)
Kevin Comerford	–(1)	442,554(2)(6)	629,599(3)(7)

(1) No option-based awards vested during the year for the Named Executive Officer and none are outstanding.
(2) Share-based awards were calculated by multiplying the number of RSUs that vested on March 13, 2024, March 14, 2024 and December 2, 2024, as well as multiplying the PSUs that vested on March 14, 2024 ("Vesting Dates") under the Corporation's SUP by $75.35, $74.85, $71.27 and $74.85, respectively, being the five-day average trading price of the Corporation's common Share on the TSX immediately preceding the Vesting Dates.
(3) Represents amounts awarded under the Corporation's STIP in 2025 in recognition of both financial performance targets and ESG initiatives attained by the Corporation during the year ended December 31, 2024.
(4) Patrick Kirkham's equity incentive plan compensation was awarded in U.S dollars and amounted to US$426,146.
(5) Patrick Kirkham's non-equity incentive plan compensation was awarded in U.S dollars and amounted to US$372,337
(6) Kevin Comerford's equity incentive plan compensation was awarded in U.S. dollars and amounted to US$307,564.
(7) Kevin Comerford's non-equity incentive plan compensation was awarded in U.S. dollars and amounted to US$437,528.

7.6 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.

7.7 Termination of Employment and Change of Control Benefits

The Corporation has entered into certain employment agreements, has an STIP and has granted RSUs and PSUs, TRSUs and TPSUs (together, "LTIs"), 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' base salary and a bonus payment based on the annual bonus and/or short term incentive 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"). Mr. Vachon will also be entitled to these amounts in the event his employment is terminated due to a change of control. 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 a Prorated Bonus. Should Mr. Vachon's employment be terminated at any time by resignation, the Corporation shall continue to provide Mr. Vachon with his base salary for the duration of his resignation notice period and no bonus or Prorated Bonus shall be payable to Mr. Vachon. In the event of termination *for cause*, Mr. Vachon would be entitled to all earned and unpaid base salary through his separation date and would lose all entitlement to any bonus or Prorated Bonus amounts or pay in lieu of notice.

Pursuant to Mr. Vachon's LTIs, in the event his employment is terminated without cause or upon a change of control, the Corporation shall provide any amounts payable under awarded LTIs, to the extent, if any, such amounts are payable, according to the terms and conditions of the Corporation's LTIPs in force at the time.

In the event of resignation, unvested LTIs shall be forfeited on Mr. Vachon's last working day. In the event of termination *for cause*, all unvested LTIs will immediately be cancelled. In the event of death or disability, the terms and conditions of the applicable LTIPs 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' base salary and Prorated Bonus, plus one (1) additional month of base salary and Prorated Bonus for each completed year of service, up to a maximum of twelve (12) months of base salary and 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 a Prorated Bonus. Should Ms. Travaglini's employment be terminated at any time by resignation, the Corporation shall continue to provide Ms. Travaglini her base salary for the duration of her resignation notice period and no bonus or Prorated Bonus shall be payable to Ms. Travaglini. 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 bonus or Prorated Bonus amounts or pay in lieu of notice.

Pursuant to Ms. Travaglini's LTIs, her employment contract stipulates that all unvested LTIs are immediately cancelled in the event her employment is terminated *for cause*. In the event of death or incapacity, the terms and conditions of the applicable LTIPs in force at the time will apply. In the event of resignation, all unvested LTIs shall be forfeited on Ms. Travaglini's last working day. In the case of termination *without cause*, or termination upon a change of control, the Corporation shall provide any amounts payable under awarded LTIs, to the extent, if any, such amounts are payable, the whole subject to the terms and conditions of the Corporation's LTIPs as such may be amended from time to time.

In the event of a termination without cause, two Named Executive Officers' employment contracts provide for a payment of 12 months base salary plus a Prorated Bonus and one Named Executive Officers' employment contract provides for a payment of eight months base salary and Prorated Bonus, plus one (1) month of base salary per year of employment, up to a maximum of twelve (12) months of base salary. In the case of termination by resignation, the Corporation shall continue to provide to these Named Executive Officers with their base salary for the duration of their resignation notice period and no bonus or Prorated Bonus shall be payable. If employment is terminated for reasons of death or permanent incapacity, they shall be entitled to their earned and unpaid base salary and Prorated Bonus. In the event of termination *for cause*, the Corporation would pay all earned and unpaid base salary, and the NEO would lose all entitlement to any bonus or Prorated Bonus amounts or pay in lieu of notice.

Pursuant to their LTIs, in the case of termination without cause, death or incapacity, the Corporation shall defer to the terms of the Corporation's LTIPs, as may be amended from time to time.

Under the Corporation's Amended STIP, if a Named Executive Officer's active employment terminates prior to the payment date due to resignation or termination *for cause*, the Named Executive Officer will not be eligible for any potential bonus or Prorated Bonus amount. If the Named Executive Officer's active employment with the Corporation terminates for reasons other than resignation or termination for cause (e.g., retirement or sick leave), then the Named Executive Officer will be eligible for a Prorated Bonus.

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 shall terminate 30 days following the last working day. If a change of control occurs contemporaneously with termination, all unvested RSUs shall be applied prorated vesting/forfeiture based on the number of days elapsed between the date of grant and the last working day.

Under the TSUP, in cases of resignation, retirement or termination *without cause*, all unvested TRSUs and TPSUs are forfeited on the last working day, and any vested TRSUs and TPSUs terminate 30 days following the last working day. In cases of termination *for cause*, all vested and unvested TRSUs and TPSUs are forfeited with immediate effect. If employment is terminated as a result of a dismissal without cause within 12 months of a change of control, all unvested TPSUs shall vest at a 100% Payout Multiplier, and the Settlement Period of all Vested TPSUs vested on or prior to the date of the participant's last working day shall terminate on the date that is 30 days following such date, and unvested TRSUs shall vest, and the settlement period of all Vested TRSUs vested on or prior to the last working day shall terminate on the date that is 30 days following such date.

Notwithstanding the foregoing, in the case of retirement, under the SUP and TSUP, the HRC Committee shall have the discretion, on a case-by-case basis and according to reasonable and predetermined criteria, to permit all unvested LTIs to continue to vest beyond the retiree's last working day.

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 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 ($)**
Éric Vachon	6,047,735
Silvana Travaglini	2,053,420
Richard Cuddihy	1,381,039
Patrick Kirkham	2,041,042
Kevin Comerford	2,036,546

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	135,000(1)	160,000(2)	–	–	–	–	295,000
Robert Coallier	95,000	80,000(2)	–	–	–	–	175,000
Anne E. Giardini	103,128(3)	80,000(2)	–	–	–	–	183,128
Rhodri J. Harries	95,000(4)	80,000(2)	–	–	–	–	175,000
Karen Laflamme	115,000(5)	80,000(2)	–	–	–	–	195,000
James A. Manzi, Jr.	107,500(6)	80,000(2)	–	–	–	–	187,500
Douglas Muzyka	107,500(7)	80,000(2)	–	–	–	–	187,500
Sara O'Brien	_((8)	_(8)	–	–	–	–	nil
Simon Pelletier	99,372(9)	80,000(2)	–	–	–	–	179,372
Éric Vachon	_(10)(11)	_(11)(12)	–	–	–	–	_(11)(12))
Michelle Banik	91,366(13))	80,000	–	–	–	–	171,366

(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 $85,000.

(2) Equals the Minimum Participation (as defined in Section 8.2 below) dollar value of DSUs awarded under the Corporation's DSU Plan to the Chair of the Board and the Directors, respectively. 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 DSU Additional Participation by each of Mr. Harries and Mr. Pelletier, respectively, referred to in footnotes 4 and 9 below. Total DSUs held under the DSU Plan is provided in Table 8.4.

(3) Of this amount, $8,128 represents prorated fees earned as Chair of the G&N Committee from May 8, 2024 to December 31, 2024.

(4) Of this amount, the director elected that the entirety of his Director fees be paid in DSUs as Additional Participation as permitted under the Corporation's DSU Plan. Therefore, total cash fees *received* were nil.

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

(6) Of this amount, $12,500 represents fees earned as Chair of the HRC Committee.

(7) Of this amount, $ 12,500 represents fees earned as Chair of the EH&S Committee.

(8) Was a director until May 8, 2024.. Did not receive Board fees nor DSU grants pursuant to CDPQ policies.

(9) Of this amount, $4,372 represents prorated fees earned as Chair of the G&N Committee between January 1, 2024 and May 8, 2024. Of this amount, the director elected that $25,000 of his Director fees be paid in DSUs as Additional Participation as permitted under the Corporation's DSU Plan. Therefore, total cash fees *received* were $74,372

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

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

(12) DSUs were not issued to executive directors in 2024. Certain Canadian executive officers will be eligible for DSUs in 2025 under the SERP. For further information on the SERP, see section 7.1 (f)(iv) "Retirement Savings Plans".

(13) Represents Board fees prorated from January 15, 2024; the date Ms. Banik became a director.

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

Directors of the Corporation receive a flat annual fee of $95,000, paid in two semi-annual payments. An additional annual fee of $20,000 is paid to the Chair of the Audit Committee in two semi-annual instalments of $10,000. An annual fee of $12,500 is paid to the Chair of each of the Environmental, Health and Safety; Governance and Nomination; and Human Resources and Compensation Committees, paid in two semi-annual instalments of $6,250. No fees are paid to the Chair of the Executive Committee. Per meeting fees are not paid to Board and committee members.

The annual Board Chair fee of $135,000 is paid in two semi-annual instalments. 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 $778,866 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 2024. The details of this amount are provided in the Director Compensation Table in Section 8.1 herein. This amount represents the annual fee of $95,000 (in one case, prorated to $91,366) paid to the Corporation's eight non-executive directors, who earned Board fees in the year, in addition to the annual fee of $135,000 paid to the Chair of the Board, the annual Audit Committee Chair fee of $20,000, the annual Committee Chair fees of $12,500, paid to the Chairs of each of the EH&S, G&N and HRC Committees, less $170,000, 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 $80,000 and $160,000, respectively ("Minimum Participation"), or such other amount as shall be determined by the Board of Directors in any given year.

Under the DSU Plan, Board members may also elect to receive all or a portion of their annual Board or Chair fees in DSUs ("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 five 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 2024, non-executive directors received DSUs, representing Deferred Remuneration totaling $970,000, resulting in 12,092 DSUs awarded.

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 five 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 the total of his or her annual Board and committee fees plus the dollar equivalent of annual awarded deferred share units. 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 as long as they are a member of the Board, and 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;

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

- deferred, share units of the Corporation granted to the Director by the Corporation, whether or not vested.

In addition, 25% of the Requirements must be comprised of the Corporation's common shares.

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

The following table sets out the share ownership requirement for each director ("Requirement"), their holdings of common shares and DSUs and whether they meet their Requirement. The market value of common shares is based on the higher of their acquisition price or the closing price of the Corporation's common shares on the TSX on December 31, 2024 ("2024 Closing Price"). The market value of DSUs are calculated based on the higher of the Corporation's share price on the DSU grant date or the Corporation's 2024 Closing Price. Mr. Vachon's shareholder requirements are not included as he is subject to senior management shareholder requirements, as set out and presented in Section 7.1 (g)(iii).

Director	2024 Total Annual retainer (Cash plus DSUs) ($)	Common Shares (#)	DSUs (#)	Market Value of Common Shares and DSUs Held ($)	Minimum Ownership requirement ($)	Meets Minimum Requirement
Katherine A. Lehman	295,000	7,500	19,221	1,925,797	885,000	Yes
Michelle Banik	171,366	Nil	997	79,933	514,098	–(1)
Robert Coallier	175,000	7,875	5,375	952,225	525,000	Yes
Anne E. Giardini	183,128	2,200	5,021	523,020	549,384	–(2)
Rhodri J. Harries	175,000	20,000	13,069	2,373,785	525,000	Yes
Karen Laflamme	195,000	9,000	5,694	1,055,023	585,000	Yes
James A. Manzi, Jr.	187,500	4,500	5,694	734,668	562,500	Yes
Douglas Muzyka	187,500	4,700	10,061	1,059,793	562,500	Yes
Simon Pelletier	179,372	8,000	6,006	1,008,847	538,116	Yes

(1) Has until January 2029 to meet Requirement.
(2) Has until January 2026 to meet Requirement.

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, 2024:

	Option-Based Awards				Share-Based Awards[1]		
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 ($)	Market or Payout Value of Vested Share-Based Awards Not Paid Out or Distributed ($)
Robert Coallier	–	–	–	–	5,375	380,120[2]	–
Anne E. Giardini	–	–	–	–	5,021	355,085[2]	–
Rhodri J. Harries	–	–	–	–	13,069	924,240[2]	–
Karen Laflamme	–	–	–	–	5,694	421,774[2]	–
Katherine A. Lehman	–	–	–	–	19,221	1,359,309[2]	–
Douglas Muzyka	–	–	–	–	10,061	711,514[2]	–
James A. Manzi, Jr.	5,000	49.01	Nov. 10, 2025	108,350[3]	5,694	421,774[2]	–
Simon Pelletier	–	–	–	–	6,006	424,744[2]	–
Éric Vachon	_[4]	_[4]	_[4]	_[4]	_[4]	_[4]	_[4]
Michelle Banik	–	–	–	–	997	70,508[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 five trading days immediately preceding December 31, 2024 ($70.72) assuming December 31, 2024, was the Settlement Date.
(3) 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 2024 ($70.68) and the option exercise price.
(4) See Section 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]	5,000[2]	$49.01	1,673,276[3]
Equity compensation plans not approved by security holders	N/A	N/A	N/A
Total	5,000	$49.01	1,673,276

(1) For specifics of the Corporation’s Stock Option Plan, Employee Share Purchase Plans and TSU Plan, see below “Stock Option Plan for Directors, Officers and Employees”, “Employee Share Purchase Plans” and “Treasury Share Unit Plan”.
(2) Representing the 5,000. options which were outstanding under the Corporation’s Stock Option Plan as at December 31, 2024.
(3) Representing the 185,000 securities (representing 0.3 % of total issued and outstanding common shares (on a non-diluted basis) as at December 31, 2024) that have not yet been granted and are therefore available for future issuance under the Corporation’s Stock Option Plan, 1,300,000 securities (representing 2.3% of total issued and outstanding common shares (on a non-diluted basis) as at December 31, 2024) that have not yet been granted and are therefore available for future issuance under the TSU Plan and 188,276 securities (representing 0.3% of total issued and outstanding common shares (on a non-diluted basis) as at December 31, 2024) that have not yet been granted and are therefore available for future issuance 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. Stock Options have not been granted under the Stock Option Plan since November 10, 2015.

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.

Assignability under the Stock Option Plan: No option or any interest therein shall be assignable by any optionee other than by will or the law of succession.

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 common shares or any part thereof shall be made to all holders of common shares, 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 common 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 common 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 number 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 amendment received required regulatory approvals.

Following shareholder approval of the TSU Plan at the annual and special meeting of shareholders held on May 8, 2024, 1,097,588 common shares which were reserved for issuance upon the exercise of options under the Stock Option Plan were transferred to the reserve of the TSU Plan ("TSU Transferred Shares").This resulted in a remaining reserve of 200,000 common shares issuable pursuant to the exercise of options under the Stock Option Plan. Consequently, the aggregate number of common shares issuable pursuant to the exercise of options under the Stock Option Plan has been reduced by the TSU Transferred Shares to a maximum fixed amount of 3,702,412 representing approximately 6.6% of the Corporation's issued and outstanding common shares as at December 31, 2024.

Financial Assistance and Transformation into a Stock Appreciation Right: The Corporation does not provide financial assistance to participants of the Stock Option Plan and TSU Plan to facilitate the purchase of common shares issuable under these plans.

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.

Issued and Issuable Securities under the Stock Option Plan: The total number of common shares issuable pursuant to the exercise of options under the Stock Option Plan as at December 31, 2024, was 3,702,412, representing approximately 6.6% of the Corporation's issued and outstanding common shares as at December 31, 2024. Of such 3,702,412 common shares issuable pursuant to the exercise of options under the Stock Option Plan as at December 31, 2024, 3,512,412 common shares had been issued as at December 31, 2024, representing approximately 6.3% of the Corporation's issued and outstanding common shares as at December 31, 2024. Consequently, as at December 31, 2024, 190,000 common shares issuable pursuant to the exercise of options were reserved under the Stock Option Plan, representing approximately 0.34% of the Corporation's outstanding common shares at that date.

A total of 15,000 options were exercised under the Stock Option Plan during the Corporation's financial year ended December 31, 2024 and no options were granted pursuant to the Stock Option Plan during the year ended December 31, 2024. Consequently, as at December 31, 2024, 5,000 common shares were issuable pursuant to the exercise of options under the Stock Option Plan, representing approximately 0.1% of the Corporation's outstanding common shares at that date.

During the period of January 1, 2025 to March 14, 2025, no additional options were exercised under the Stock Option Plan, for a total of 3,512,412 options exercised under the Stock Option Plan since its inception, representing, on an exercised basis, approximately 6.3% of the Corporation's issued and outstanding common shares as at March 14, 2025. As at March 14, 2025, 3,517,412 options have been granted under the Stock Option Plan.

The annual burn rate[1] ("Annual Burn Rate") of the Stock Option Plan for the Corporation's three most recent years was 0.0% for 2024 and 0.0% for 2023 and 2022.

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."

The Corporation's Human Resources and Compensation Committee, with consultation from its independent advisors, plays a proactive role in recommending amendments to the Corporation's equity incentive plans under which share-based awards are granted. Modifications to these incentive plans are generally proposed by the Human Resources ad Compensation Committee to the Board of Directors from time to time, to ensure continued compliance with legal requirements and alignment with Market practices.

(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.

Employee Share Purchase Plans

The Corporation has two employee share purchase plans, an employee share purchase plan for Canadian resident employees ("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 Employee Share Purchase Plans, any regular full-time employee of the Corporation or any of its subsidiaries who at the date of enrolment in the Employee Share Purchase Plans, 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 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"). 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 gross 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 receive additional common shares of the Corporation equivalent to 25.0% of the amount of their contributions made on each purchase date. These additional common shares are issued by the Corporation on behalf of eligible employees at 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 purchase 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 receive any cash dividends declared and paid on the common shares in additional common shares. The price per common share purchased with such reinvested dividends is 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 2.3% of the Corporation's issued and outstanding shares at December 31, 2024 and 2.3% of the Corporation's issued and outstanding shares at March 14, 2025.

At December 31, 2024, 188,276 shares remained issuable under the Employee Share Purchase Plans, representing approximately 0.3% of the Corporation's outstanding shares as at that date. Shares issuable under the Employee Share Purchase Plans remained unchanged at March 14, 2025.

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.

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 initially adopted by the Board of Directors of the Corporation on June 13, 1994. The U.S. ESPP was initially 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 number of common shares of the Corporation reserved for issuance under the Employee Share Purchase Plans is 1,300,000 common shares. Following Board and regulatory approvals, the Employee Share Purchase Plans were modified effective January 1, 2025 ("Effective Date"), to (i) increase the employer contribution under both Employee Share Purchase Plans from 10% to 25% of a participant's contributions; (ii) remove the 10% discount to market price applicable to treasury purchases of common shares on behalf of participants under the CDN ESPP; (iii) align the employer contribution with contributions made by participants under both Employee Share Purchase Plans for each purchase date, rather than those made in the contribution period immediately preceding the sixth previous purchase date; (iv) remove the "former participant" concept from both Employee Share Purchase Plans; (v) subject Plan common shares purchased via an employer contribution to a retention period of 12 months under both Employee Share Purchase Plans; (vi) implement certain procedures applicable to a transition period in connection with the Effective Date of the amended Employee Share Purchase Plans; (vii) clarify that enrollment forms for each Employee Share Purchase Plan may not be sent by a participant during a blackout period; (viii) remove the possibility for participants under both Employee Share Purchase Plans to elect to receive dividends on the Employee Share Purchase Plan common shares in cash; and (ix) make various other amendments under both Employee Share Purchase Plans of a general housekeeping or clerical nature.

During the Corporation's financial year ended December 31, 2024, a total of 22,369 common shares were purchased under the Employee Share Purchase Plans, for a total of 1,111,724 common shares issued under the Employee Share Purchase Plans since their inception, representing, in the aggregate, approximately 2.0% of the Corporation's issued and outstanding shares at the Corporation's financial year end. Between January 1, 2025, and March 14, 2025, no shares were purchased under the Employee Share Purchase Plans.

Treasury Share Unit Plan

On May 8, 2024, shareholders approved a treasury share unit plan for executive officers of the Corporation and its subsidiaries (the "TSU Plan"). The TSU Plan authorizes the Corporation to grant restricted share units ("TRSUs") and performance share units ("TPSUs") to executive officers of the Corporation and its subsidiaries, namely its President and CEO, Senior Vice-Presidents and Vice-Presidents in charge of principal business units, divisions or functions (collectively, "Executive Officers" or "Participants"). The purpose of the TSU Plan is to advance the interests of Stella-Jones and its shareholders by encouraging share ownership by Participants, increasing the proprietary interest of participants in the Corporation's success, encourage participants to remain with the Corporation or its subsidiaries, and attract quality talent to the organization.

The TSU Plan is under the direction of the Board, and the Human Resources and Compensation Committee makes recommendations to the Board in relation to the identification of Participants to whom TRSUs and TPSUs shall be granted and the number of TRSUs and TPSUs to be granted to such Participants.

Grant, Vesting and Other Terms and Conditions: The Board may grant TRSUs and TPSUs to Participants in its sole discretion. Each grant of TRSUs and TPSUs shall be evidenced by a grant letter setting forth the date of the grant, the number of TRSUs and/or TPSUs granted, the performance objective(s) that must be attained for any TPSUs to become eligible to vest, and with respect to the payout multiplier applicable to a given TPSU, the vesting conditions, the settlements and any other terms and conditions applicable. The performance objectives for each TPSU performance period will be determined by the Board, based on measurable performance criteria established in advance.

Dividends: When cash dividends are paid on the common shares of the Corporation, Participants shall receive, on each dividend payment date, additional dividend TPSUs in respect of outstanding TPSUs held, and additional dividend TRSUs, in respect of outstanding TRSUs held, computed as set out in the TSU Plan. Any such dividend units credited shall have the same terms and conditions, including as to vesting, payout multiplier (as applicable) and settlement, as the underlying TPSUs or TRSUs to which they relate.

Expiry/Term: The Board will determine the Expiry date for the TRSUs and TPSUs, provided that such date may not be later than the earlier of:

(i) the date which is the 10th anniversary of the date on which such TRSU or TPSU was granted, subject to an automatic extension of 10 business days following the blackout period imposed by the Corporation upon certain designated persons ("Blackout Period") and/or an automatic extension to the next business day should the Expiry Date fall on a day that is not a business day;

(ii) the latest date permitted under the applicable rules and regulations of the regulatory authorities, including the TSX (or any other stock exchange to which the Corporation's securities are listed); and

(iii) the TSU Plan Addendum, as applicable.

Acceleration of Vesting – Change of Control: The TSU Plan provides for accelerated vesting in the event of a Participant's termination without cause within twelve (12) months following a change of control of the Corporation. In the case of TRSUs, all unvested TRSUs and, in the case of TPSUs, all unvested TPSUs shall vest based on a 100% Payout Multiplier. Vested TRSUs and TPSUs must be settled within 30 days of the Participant's Last Working Day, the whole subject to the Grant letter and TSU Plan Addendum.

Common Shares Available for TSU Plan Awards: A maximum of 1,500,000 common shares are available for issuance under the TSU Plan and the Corporation's Stock option Plan, on a combined basis, representing 2.7% of the total issued and outstanding common shares (on a non-diluted basis) as of December 31, 2024 and 2.7% of the total issued and outstanding common shares (on a non-diluted basis) as of March 14, 2025. Common shares reserved for issuance pursuant to TSU Plan units which are cancelled, terminated or forfeited without having been settled or which are settled in cash or common shares purchased on the open market will again be available for issuance under the TSU Plan.

Insider Participation Limit and Maximum Issuable to One Person: The aggregate number of common shares (i) issued to insiders under the TSU Plan, the Stock Option Plan or any other security based compensation arrangement of the Corporation within any one- year period and (ii) issuable to insiders at any time under the TSU Plan or any other security based compensation arrangement of the Corporation, shall in each case not exceed ten percent (10%) of the total issued and outstanding common shares (on a non-diluted basis) from time to time. Except for the Stock Options Plan, which provides that no optionnee is able to hold options to purchase common shares exceeding 5.0% of the number of common shares outstanding from time to time, the TSU Plan and all other security based compensation arrangements of the Corporation do not provide for a maximum number of common shares which may be issued to an individual.

Settlement: The Corporation shall settle the TRSUs and TPSUs by either:

(i) issuing from treasury, such number of common shares as is equal to, in the case of TRSUs, the number of vested TRSUs elected to be settled, or, in the case of TPSUs, the number of vested TPSUs elected to be settled, multiplied by the Payout Multiplier applicable to such Vested TPSUs; or

(ii) further to the election by a Participant to settle Vested TRSUs and/or TPSUs in cash, subject to the consent of the Corporation, at its sole discretion, paying an amount computed as follows: (A) in the case of vested TRSUs, the number of vested TRSUs settled, and in the case of vested PSUs, the number of vested TPSUs settled, multiplied by the Payout Multiplier applicable to such vested TPSUs, multiplied by (B) the Fair Market Value (as hereinbelow defined) as of the Cash Settlement Date; and/or

(iii) further to the election by a Participant to settle Vested TRSUs and/or TPSUs in cash, subject to the consent of the Corporation, at its sole discretion, delivering common shares purchased in the open market on behalf of the Participant.

Any settlement shall be net of any tax withholding amount and be subject to the TSU Plan Addendum in relation thereto.

Fair Market Value: For the purposes hereof, Fair Market Value shall mean, on any date, the average closing price of the Corporation's common shares on the TSX for the five trading days immediately preceding such date. If the common shares are not trading on the TSX, such other stock exchange or over-the-counter market on which the common shares are then listed and posted for trading, and, in the event that the common shares are not listed and posted for trading on any stock exchange or over-the-counter market, the fair market value of such common shares as determined by the Board in its sole discretion.

Financial Assistance: No financial assistance will be provided by the Corporation to any Participant in connection with any TRSUs or TPSUs.

Cessation of Entitlements under the TSU Plan: Participants may cease to be eligible Participants under the TSU Plan in the event of their resignation, termination of employment, disability, retirement or death, as set out below, which in each case, are subject to the Grant letter and TSU Plan Addendum:

If a Participant ceases to be eligible due to their resignation, retirement or termination without cause, all unvested TPSUs and TRSUs shall be forfeited on the Last Working Day and all vested TPSUs and TRSUs must be settled within 30 days of the Last Working Day. Notwithstanding the foregoing, in the case of retirement, such forfeiture shall be subject to the discretion of the Human Resources and Compensation Committee, according to reasonable and predetermined criteria.

If a Participant ceases to be eligible due to termination for fraud, misappropriation or otherwise for cause, all vested and unvested TRSUs and TPSUs shall be forfeited with immediate effect.

If a Participant ceases to be an executive officer or employee of the Corporation due to their Permanent Disability, all outstanding unvested TRSUs and TPSUs shall continue to be eligible to vest for 60 days following their Last Working Day and will be forfeited thereafter, and vested RSUs and TPSUs must be settled within 60 days of the Last Working Day.

If a Participant ceases to be an executive officer or employee by reason of death, a pro rata portion of each of the unvested TRSU and TPSU shall vest based on the number of days elapsed between the date of grant and the date of the Participant's death, compared to the vesting schedule of such TRSUs and TPSUs, and all vested RSUs and PSUs must be settled within 30 days following the Participant's death.

Amendment and Termination of TSU Plan: The Board may at any time suspend or terminate the TSU Plan and may make certain amendments to the TSU Plan or any TRSU or TPSU without shareholder approval, including amending any vesting provisions, provisions for compliance with applicable laws, or the requirements of the applicable stock exchange or regulatory bodies provisions in respect of conditional settlements, provisions in respect of administration of the TSU Plan as well as amendments of a "housekeeping" nature, amendment to adopt separate or additional provisions and any other amendments that do not require Shareholder approval pursuant to the TSU Plan. Shareholder approval will be required to increase the fixed maximum number of common shares or percentage of common shares reserved for issuance under the TSU Plan, to remove or increase the insider participation limit, extend the term of any TPSU or TRSU (except due to a Blackout period), and any amendments requiring shareholder approval under applicable law (including the rules, regulations and policies of the TSX).

Assignability: TRSUs and TPSUs are neither transferable nor assignable, other than by will or under the laws of succession.

Plan Administration: The Board, in its sole discretion, has full and complete authority to administer and interpret the TSU Plan and to prescribe such rules and regulations and make such other determinations as it deems necessary or useful for the administration of the TSU Plan.

During the Corporation's financial year ended December 31, 2024, no TRSUs and no TPSUs were granted under the TSU Plan. Between January 1, 2025 and March 14, 2025, 126,650 TRSUs and 68,455 TPSUs were granted under the TSU Plan, for a total of 126,650 TRSUs and 68,455 TPSUs granted under the TSU Plan since inception. Therefore, awards representing 195,105 common shares are outstanding under the TSU Plan. As of December 31, 2024, no common shares had been issued under the TSU Plan and, as all grants under the TSU Plan remain unvested, no common shares were issued under the TSU Plan between January 1, 2025 and March 14, 2025, nor since its inception, representing 0.0% of the Corporation's issued and outstanding shares at March 14,2025.

Burn rate: The Annual Burn Rate of TSU Plan for the Corporation's most recent (2024) year was 0.0%. The Burn rate is not provided for prior years as the TSU Plan was not in force during the Corporation's fiscal years 2023 and 2022.

10. Corporate Governance

The following table highlights Stella-Jones' alignment with key corporate governance practices as at March 14, 2025[1]:

Corporate Governance Practice	Does Stella-Jones Align?	Comments
1. Majority of Independent Directors	Yes	9 of 10 Board members (approximately 91%) 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, Audit Committee and Human Resources and Compensation Committee meetings, Governance and Nomination Committee meetings and Environmental, Health and Safety Committee meetings.
4. Written Board Mandate	Yes	Sets out the Board's key responsibilities, including the adoption of a strategic plan, identification and oversight 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 Chairs have been approved by the Board and are reviewed annually.
6. Code of Business Conduct and Ethics ("Code")	Yes	Applies to all directors, officers and employees. Requires annual review, acknowledgment and confirmation of understanding by all salaried employees annually pursuant to the Corporation's mandatory digital policy acknowledgment process. Additionally, the Code is 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 and since 2023, compulsory insider disclosure of related-party transactions with the Corporation. In 2024 the Corporation added robust anti-fraud provisions and reinforced the Corporations' commitment to respecting human rights and fair labour practices while adding personal and private information protections. Provides an anonymous, company-wide whistleblowing mechanism to report illegal, improper and unethical behaviour.
7. Audit Committee Formally Mandated with Reviewing Related-Party Transactions	Yes	In 2023, the Audit Committee Mandate was extended to oversee the Corporation's policies and procedures in place to identify, assess and monitor related-party transactions and approve all related-party transactions as required under the terms of the Corporation's related-party transaction policy.
8. 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. Gender diverse target of 30% added in 2021. Four of 10 Board members (40%) are women. One Board member self-identifies as a visible minority.
9. Board Refreshment via Director Tenure Limit and Mandatory Retirement Age. Committee Refreshment via Chair rotation.	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. Committee Chair rotation may be recommended by the Board, at its discretion every five years.
10. Issuance of Environmental, Social and Governance ("ESG") Reports	Yes	The Corporation's latest ESG Report was published in August 2024, showing progress on actionable goals in renewable energy consumption, reduction in recordable injuries, land remediation, water and waste management, employee engagement and talent development, ethical and responsible sourcing, and resiliency

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

Corporate Governance Practice	Does Stella-Jones Align?	Comments
		strategies in the face of climate change, as well as developing a framework for meaningful relationship agreements with Indigenous Peoples. It can be found on the Corporation's website at https://www.stella-jones.com/en/investor-relations/environmental-social-governance.
11. Dedicated Board EH&S Committee Charged with Oversight of Environmental, Health and Safety ("EH&S"), ESG and Climate Change	Yes	Oversees environmental compliance and cooperation with regulatory authorities. as well as prioritization of the health and safety of employees and neighbouring communities. It is tasked with the oversight of ESG matters, in particular climate policy and climate change risk management strategy, and reports to the Board on the Corporation's execution thereof. It examines and evaluates the environmental due diligence carried out with respect to acquisition opportunities and makes recommendations to the Board with respect thereto.
12. 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 initiates pertinent director education events.
13. Human Resources and Compensation Committee ("HRC") Composed Entirely of Independent Directors	Yes	In 2024, the HRC Committee focused on employee engagement, and the development of organizational focus areas, succession planning and developmental initiatives for middle management and front-line leaders, a minimum shareholding policy for senior management and an amendment of the short-term incentive plan to include a personal performance objective component for designated operational leaders.
14. Annual Board and Committee Self-Assessments	Yes	Carried out formally on an annual basis through the use of detailed anonymous online questionnaire, augmented by open and confidential one-on-one meetings between the Chair and Board members.
15. Workplace Discrimination, Harassment and Violence Prevention Policy	Yes	Sets out the Corporations' prohibition of discrimination, harassment and violence in the workplace and the Corporation's commitment to workers' physical and psychological health and safety. Defines prohibited behaviours, sets out complaint, investigation, settlement and sanction procedures, outlines a commitment to implement related training and includes a policy of no reprisal, no retaliation to complainants.

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 9 of the 10 current directors are independent.

The Board members who are independent are Ms. Michelle Banik, 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, and Mr. Simon Pelletier. 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 at CAE Inc. (NYSE: CAE; TSX: CAE) Ms. Michelle Banik, director at Empire Company Limited (TSX: EMP.A), Mr. Robert Coallier, director of Transat A.T. Inc. (TSX: TRZ); Mr. Douglas Muzyka, who is on the Board of Chemtrade Logistics Income Fund (TSX: CHE.UN); and Ms. Anne E. Giardini, Board member of Capstone Copper Corp. (TSX: CS) and Chair of the Board of 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. In 2024, the Board Mandate was expanded to add Board's responsibility to receive timely reporting from the EH&S Committee on the Corporation's progress with respect to the integration of climate change risk management initiatives The Board Mandate can be found at Schedule "A" of this 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 regularly updated skill matrix and overall components of diversity and creates a candidate profile that it believes would meet identified needs and strengthen the collective competencies and experiences of the sitting Board, while cultivating innovative thinking and robust discussion ("Profile"). Next, the G&N Committee engages an independent third-party consultant ("Consultant") to conduct an extensive search for appropriate candidates who meet the requirements of the Profile. The initial list of Director candidates and their resumés are presented to the G&N Committee for consideration by the Consultant and the G&N Committee meets to carry out an initial candidate review and narrow the list down to a select preferred group who they agree best fits the Profile. Considerations such as citizenship, residency and number of current boards factor into the suitability of each individual during this stage of the assessment. The select group is then communicated to the Consultant, who reaches out and invites those 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. A smaller group of candidates is then identified by the G&N Committee, and the Consultant seeks further third-party feedback on those individuals. If satisfactory, the lead candidates are asked to meet with the Board Chair and CEO. Once the Chair and CEO provide the go-ahead, the top candidate or candidates then meet with the remaining Board members. Together, the Board as a whole evaluates the strongest candidates' suitability, obtains third-party references, conducts background checks, assesses conflicts and independence and votes on their choice.

Skills and Competencies Matrix

Since 2021, the Board composition review has extended to the examination of a more defined group of skill sets and the assessment of proficiency levels to ensure that key skills are accounted for among current directors and actively addressed for future candidates. This has resulted in the development of an annual competency matrix (“Matrix”), well positioned to assess the Board’s overall strength and diversity of expertise.

The Matrix provided below 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. In 2024, climate change and carbon management were added as stand-alone key skills, highlighting the Corporation’s regard for Board members understanding the relevant compliance requirements and holding pertinent experience managing de-carbonization and climate change risks, as well as developing plans for the integration of sustainable strategies into overall business strategies. In addition, experience in artificial intelligence oversight has now been added to fully round out the Information technology and Cybersecurity category to better oversee cybersecurity and privacy risks.

Experience and expertise rankings are determined by director self-assessments carried out each year, 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	Industry Knowledge or Experience/ Supply Chain	Financial Literacy/ Audit	Legal/Risk Management	Manufacturing	Business Development/ M&A/ Capital Allocation	Human Resources/ Compensation/ Diversity and Inclusion	Environmental/ ESG	Health and Safety/ Social	Corporate Governance/ Public Company	Climate Change Carbon Management/	Information Technology/ / Cyber Security/ Artificiel Intelligence
Katherine A. Lehman	2	2	3	3	3	3	3	2	2	3	1	2
Michelle Banik	3	1	2	2	1	2	3	1	3	3	1	1
Robert Coallier	3	2	3	2	3	3	3	2	2	3	2	2
Anne E. Giardini	3	3	2	3	1	2	2	3	2	3	1	1
Karen Laflamme	3	2	3	3	1	3	3	2	1	3	1	2
Douglas Muzyka	3	2	1	1	3	2	3	3	3	2	3	1
Simon Pelletier	3	2	2	2	3	3	2	2	3	3	1	1
Éric Vachon	3	3	3	2	3	3	3	3	3	3	1	3

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. Prior substantive hands-on management or oversight, or certification or university degree in the specific 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.

Industry Knowledge or Experience/Supply Chain: Senior operating, management or marketing experience in any of the following industries: (industrial) pressure treated wood/forestry/chemical/infrastructure, combined with knowledge of key participants and core customer markets, or experience sourcing, designing, developing or managing logistics and supply chain.

Financial Literacy/Audit: CPA, CFA, 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: Former or current executive role in, or significant experience with, the manufacturing sector.

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/ESG: Current or former executive role with direct control and responsibility for environmental compliance practices or proven understanding and ability to assess environmental regulatory requirements in the manufacturing context. Experience in managing or overseeing environmental, social and governance (ESG) and sustainability risks and opportunities and plans for integration of sustainable strategies into overall business strategies. Experience in understanding and assessing compliance obligations in relation thereto.

Climate Change/Carbon Management: Experience in managing or overseeing de-carbonization and climate change risks and opportunities and plans for integration of sustainable strategies into overall business strategies. Experience in understanding and assessing compliance obligations in relation thereto.

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. Understanding of and experience in social responsibility, community engagement and their relevance to strategic decisions and corporate success.

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, stakeholder issues and strong grasp of the highest standards of Corporate Governance practices.

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

Board Diversity, Term Limits and Mechanisms of Board Renewal, Board Refreshment and Number of Directorships

The Corporation's Board of Directors has adopted a written Board Diversity and Composition Policy ("D&C 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 suitable candidates and recommending director nominees to the Board 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 regard 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 (current and retired) 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 D&C 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, the Chair of the Executive Committee, the Chair of the Audit Committee and the Chair of the Governance and Nomination Committee. The Corporation does not have a written policy relating to the identification and nomination of directors from designated groups such as Indigenous Peoples, persons with disabilities or members of visible minorities. There is, at present, one member of the Board of Directors who self-identifies as a visible minority, and no Indigenous Peoples nor persons with disabilities sit on the Board of Directors.

To date, the Corporation has not adopted a specific target regarding the representation of women, Indigenous Peoples, persons with disabilities or members of visible minorities in executive or senior management positions. In all instances, all qualified candidates receive 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 of the 25 executive officers, 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 eight percent (8%) of total executive officers. At present, there are no Indigenous Peoples, persons with disabilities or members of visible minorities who serve in executive officer positions.

The current diversity representation on the Board and among executive officers is set out in the table below.

As at March 14, 2025

	Current Directors	Directors Nominees	Executive Officers
Women	4 of 10 (40)%	4 of 8 (50)%	2 of 25 (8)%
Visible Minorities	1 of 10 (10)%	1 of 8 (12.5)%	–
Indigenous Peoples	–	–	–
Persons with Disabilities	–	–	–

Acknowledging the benefit of fresh ideas and ongoing renewal, the Board's D&C Policy has established a 15-year term limit for service and mandatory retirement at 75 years of age. To this end, in 2024, the Board added a committee rotation element to the D&C Policy, encouraging Committee Chair rotation every 5 years at the Board's discretion. Exceptions to the Board member 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 D&C Policy annually, and if advisable, proposes modifications in order to maximize its effectiveness towards reaching overall objectives. The D&C Policy is available at https://www.stella-jones.com/en-CA/investor-relations/corporate-governance.

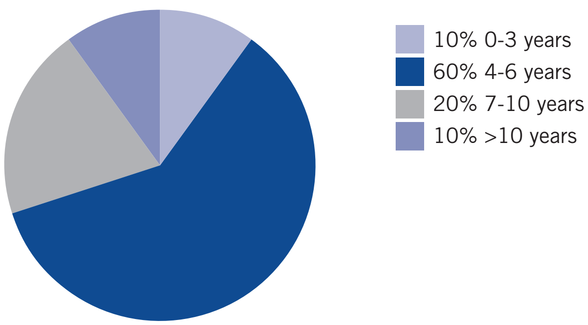
The current term limits for directors are set out in the table below as at March 14, 2025:

Age Limit	Tenure Limit	Exception
75 years old	15 years of service	When 2 + directors are due to retire in a 12-month period, one director may be asked to delay retirement and/or serve an additional year.

To ensure the ability of each Board candidate to devote the time required to serve as a director of the Corporation, the Board D&C Policy sets out the following Board membership limitation for the number of directorships for Board nominees and those currently serving:

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

Board Tenure
(as at March 14, 2025)



The average tenure of non-executive directors is approximately six years and three directors have joined the board within the past five years.

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 https://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 rules, in addition to policies supporting strong corporate governance, such as Board diversity and minimum shareholding requirements, along with Board and committee mandates to fully understand the role of the Board, its committees and the scope of their responsibilities, as well as expected contributions and time commitments from the newly onboarded directors. The Corporation's most current Circular, Annual Information Form, annual report, ESG report and other continuous disclosure documentation are also provided for review. Arrangements are made for new Board members to meet one-on-one with the Corporation's President and CEO, Senior Vice-President and Chief Financial Officer, Chief People Officer and other senior members of management to discuss the nature and operation of its business, the Corporation's organizational structure and its financial statements and financial procedures. New directors also attend site visits to gain further understanding of the Company's manufacturing process.

Annually, a comprehensive manufacturing facility tour is arranged to allow Board members to better ascertain the challenges and resource requirements of each of the Corporation's major product categories as well as the overall production network. In June 2024, the members of the Board participated in a plant visit to the Corporation's Russellville, Arkansas, facility. There, they met the local leadership team and staff, and following a thorough safety briefing, partook in a comprehensive site visit of the production and administrative installations, which specialize in the treatment of railway ties with oil-borne preservatives. The Board viewed firsthand the critical stages of the railway tie manufacturing process, from reducing excessive moisture in the wood, to insertion of the wood into the treatment cylinder, where penetration of the preservative occurs and lastly, the site's inspection facility.

Specialized events are also arranged for the full Board, featuring focused training sessions to reinforce progressive Board learning. During the year, a dedicated training conference was customized for the Board by independent cybersecurity advisors, covering the overall governance of cybersecurity, including an analysis of the cyber threat landscape, the Board's role in building cyber resiliency and cyber crisis management, supply chain risks, disruptive technologies, and required disclosure of disruptive events. Later in 2024, a Board event was dedicated to crisis management and response, where partners of a legal firm in Montréal instructed on the Board's role in a crisis and key response planning. At the same event, leaders within the organization responsible for risk management explained their preparedness for fraud and cyber incidents, among others. In early 2025, the Board attended the first of two dedicated educational sessions on climate change, presented by two expert independent consultants. Topics covered included GHG emissions and the science behind climate change, the regulatory landscape of climate-related disclosure and climate trends in forest products and infrastructure.

The Board also receives continuing education in the form of reports and educational materials submitted with Board materials summarizing the latest market and industry trends, analyst reports as well as detailed developments in the areas of legal and/or accounting principles, corporate governance, ESG considerations, executive compensation practices and other significant developments affecting their responsibilities, In 2024, noteworthy attention was paid to transmission and distribution and track infrastructure market assessments and adjacency attractiveness. These reports may come from senior executives within the organization who provide first-hand industry knowledge and 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. This past year, educational programs offered to the entire Board during their regularly scheduled meetings have included presentations by key management on a rotating basis to enhance directors' understanding of key aspects of the Corporation's business, which included a presentation by the Vice-President, railway ties on the division's environmental health and safety record, key goals, opportunities and risks as well as capital investment overall strategy and specific projects to fuel operating efficiencies. In addition, the Board received a presentation from the Vice-President, Utility Poles and U.S. Residential Lumber Sales on safety initiatives, volume growth trends, customer data, and opportunities and strategies for 2025. Also delivered were two detailed reports by the enterprise risk management team on priority global, industry and company risks as well as key risk management initiatives. 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.

Strategic Oversight and Risk Oversight

Strategic Oversight is a fundamental area of Board responsibility and the Board reviews and approves the Corporation's strategic plan and capital plan on an annual basis. The Board meets with the Corporation's senior management at its scheduled meetings on a rotating basis throughout the year and assembles on numerous occasions to focus solely on strategy. These dedicated strategy sessions include in-depth discussions with product category leaders on significant growth, sustainability, and health and safety initiatives and monitoring the execution thereof. Discussions also address industry developments, changing customer profiles and priorities and demand drivers, among others. The ESG strategic plan and progress as well as the human resources strategic plan and key metrics including global compensation, learning and development, talent acquisition, employee experience and retention are also the focus of these dedicated gatherings.

The Board as a whole ensures that management, through its enterprise risk management ("ERM") team, carries out and presents a risk analysis of company operations in the context of global risks, industry risk, company- specific risks, climate change risks, supply chain work force and social risk, which will allow it to evaluate how management views potential impacts, and is responding, in particular, to those with environmental and social implications, allowing it to monitor management's establishment and roll out of key management risk initiatives and response plans in relation to priority emerging risks.

On a semi-annual basis, time is dedicated at designated Board meetings to receiving presentations from the Corporation's ERM team on principal risk identification, assessment and mitigation measures. Accompanying reports are delivered to enhance the Board's understanding and oversight of the efficiency and quality of the Corporations' risk management program. Management's risk working group meets throughout the year to support the ERM group in identifying and categorizing risk exposures throughout the Corporation and discuss mitigation strategies and action plans.

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 and reviews a succession plan report ("Report") from the Corporation's Chief People Officer. The Report reviews various time horizons, identifies a successor pool through the presentation of high-performing and high potential talent within the organization and their qualifications in relation to applicable future vacancies. Developmental programs including individual development plans for key successors combining external coaching, formal training in specified areas and practical work assignments help prepare the identified individuals for future key roles. Upcoming changes to corporate functions and the evolution of the roles of each operational division's key executive are detailed in the Reports as are anticipated new roles, and risks associated with fulfilling, retaining and replacing key persons carrying out such functions along with plans developed to address such scenarios. Hiring from outside the organization may be recommended to strengthen the organization's competencies and expertise where suitable, furthering the creation of diverse perspectives and fresh thinking.

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. In recent years, the code has been modified to include anti-hedging and anti-bribery provisions and a required insider disclosure for any related-party transactions they may be party to with the Corporation. In 2024, a robust fraud and dishonest acts section was added, as were enhancements to the duty of personal and private information protection, all part of continued initiatives to mitigate conflicts of interest, solidify an internal culture of honest and fair business practices, personal accountability, and to heighten the security of all operations where personal information is processed. 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. The Code requires annual review, acknowledgment, and confirmation of understanding by all salaried employees pursuant to the Corporation's mandatory digital policy acknowledgment process.

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 https://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.

In all instances, the Chair of the Audit Committee receives notices in real time of each complaint sent through the Anonymous Reporting System to ensure that each matter is presented and followed by management in a quarterly report provided to the Audit Committee at their scheduled meetings.

With respect to transactions and agreements in respect of which a director or executive officer has an interest, the Corporation's Policy on Related-Party Transactions sets out the process by which disclosure is made to and assessed by either a senior management evaluation committee or the Audit Committee for the review, approval, ratification or rejection, depending on certain predetermined criteria.

Environmental, Social and Governance

In addition to sound governance practices, ESG responsibility is a key priority throughout the organization. Accordingly, the Board has supported the development of a sound structure to ensure that Stella-Jones is positioned to set, meet and grow its ESG strategy. The Environmental Health and Safety Committee is tasked with advising and assisting the Board on matters relating to ESG, including management plans and long-term objectives for improved ESG performance and the impact of ESG on the Corporation's medium and long-term business strategies. It also provides the Board with advice and assistance through its oversight of climate change risk management strategy. Through the publication of five annual ESG reports, Stella-Jones has communicated the advances that it has made in its commitment to continuous improvement across its ESG pillars. Its Senior Director, Sustainability, has spearheaded the development of a formal ESG strategic plan throughout the Corporation's network and in 2023, the Corporation's ESG strategy, titled "Connecting our Sustainable Future", was formalized in measurable targets across six key topics of (i) Climate Change & Greenhouse Gas ("GHG") Emissions, (ii) Health and Safety, (iii) Our People, (iv) Indigenous Peoples, (v) Responsible Supply Chain and (vi) ESG Risk Governance.

The Corporation's STIP for Executive Officers incorporates an ESG metric or "ESG Target Achievement Factor" to incentivize management to attain annually defined ESG initiatives by linking compensation to the achievement and progress towards strategic priorities and further align the interests of the leadership team with the ESG direction being driven by the Corporation. Recent strategic priorities have covered (i) Environmental initiatives, such as Scope 3 Greenhouse Gas (GHG) data collection, as well as energy consumption reporting across all our treatment plants, pole peeling facilities, offices, trucking operations and coal tar distillery; (ii) Governance initiatives, such as fire risk assessments across identified facilities and formalized Environmental Justice Training and/or Indigenous Cultural Awareness Training; and (iii) Health and safety initiatives, such as assigned company-wide TRR Goals and DART rate[(1)](Days Away, Restricted or Transferred) targets for all operational sites.

(1) DART is defined as and is calculated by dividing the number of workplace injuries that are severe enough to warrant days away from work, restricted work activities and/or job transfers encountered throughout the year by the total number of hours worked for all employees in that year.

The Corporation's latest ESG Report was published in August of 2024, showing progress on actionable goals in (i) renewable energy consumption, reduction in total recordable injuries through effective training, implementation of process improvements and a communication campaign supporting a culture of active safety ownership , (ii) land remediation, water and waste management and (iii) enhancement of employee engagement and human resources capabilities through dedicated recruitment, talent development and total rewards. Furthermore, a human rights risk assessment of our tier 1 suppliers advanced our ongoing commitment to ethical and responsible sourcing and our climate change transition scenario analysis was carried out to further refine resiliency strategies. The Corporation also took important steps this past year to develop its enterprise risk management and cultivate a framework for meaningful relationship agreements with Indigenous Peoples.

For a more comprehensive disclosure on the Corporation's ESG practices, formalized goals and latest ESG report, consult our website at https://www.stella-jones.com/en-CA/investor-relations/environmental-social-governance.

Board of Directors and Committee Meetings Held and Attendance Record

The Board of Directors and Committee meetings held during the financial year ended December 31, 2024 were as follows:

Type of Meeting	# of Meetings Held(1)
Board of Directors	10
Audit Committee	5
Environmental, Health and Safety Committee(2)	4
Human Resources and Compensation Committee(3)	5
Governance and Nomination Committee(4)	5
Executive Committee(5)	0

(1) Does not include resolutions signed in lieu of meetings.
(2) Hereinafter may also be referred to as the "EH&S Committee".
(3) Hereinafter may also be referred to as the "HRC Committee".
(4) Hereinafter may also be referred to as the "G&N Committee".
(5) This Committee was constituted in December 2024 and meets only when specified conditions are met.

The following summarizes each director's attendance at Board and Committee meetings (where they serve on the Committee or Board) during the year ended December 31, 2024:

Directors	Board of Directors Meetings Attended	Audit Committee Meetings Attended	EH&S Committee Meetings Attended	HRC Committee Meetings Attended	G&N Committee Meetings Attended
Katherine A. Lehman	10 of 10	3 of 5(5)	N/A(1)	2 of 5(2)	N/A(1)
Michelle Banik	8 of 10(3)	N/A(1)	N/A(1)	4 of 5(3)	4 of 5(3)
Robert Coallier	10 of 10	5 of 5	N/A(1)	5 of 5	N/A(1)
Anne E. Giardini	10 of 10	N/A(1)	4 of 4	2 of 5(2)	3 of 5(5)
Rhodri J. Harries	10 of 10	5 of 5	4 of 4	N/A(1)	N/A(1)
Karen Laflamme	10 of 10	5 of 5	N/A(1)	N/A(1)	5 of 5
James A. Manzi, Jr.	10 of 10	N/A(1)	N/A(1)	5 of 5	5 of 5
Douglas Muzyka	10 of 10	N/A(1)	4 of 4	N/A(1)	5 of 5
Sara O'Brien	4 of 10(4)	2 of 5(4)	N/A(1)	2 of 5(4)	N/A(1)
Simon Pelletier	10 of 10	N/A(1)	4 of 4	3 of 5(5)	2 of 5(2)
Éric Vachon	10 of 10	N/A(1)	N/A(1)	N/A(1)	N/A(1)

(1) Not applicable as not a member of this Committee.
(2) Left this Committee on May 8, 2024. Was present for all meetings while a member of this Committee.
(3) Joined the Board on January 15, 2024. Was not yet a Board member for one of two Board meetings missed and was not a committee member for the committee meetings missed.
(4) Was a Board member until May 8, 2024. Attended all Board and applicable committee meetings in 2024 while a Board member.
(5) Joined this Committee on May 8, 2024. Was present for all meetings once he/ she became a member of this Committee

The Committees of the Board

The Board of Directors has five committees: the Audit Committee, the Human Resources and Compensation Committee, the Environmental, Health and Safety Committee, the Governance and Nomination Committee and the Executive Committee. All five committees are composed exclusively of independent directors. The committees, their respective memberships and mandates are outlined below.

Membership of Board Committees (as of March 14, 2025)

Committee	Membership
Audit Committee	Karen Laflamme (Chair) Robert Coallier Rhodri J. Harries Katherine A. Lehman
Human Resources and Compensation ("HRC") Committee	James A. Manzi, Jr. (Chair) Robert Coallier (Vice-Chair) Michelle Banik Simon Pelletier
Environmental, Health and Safety ("EH&S") Committee	Douglas Muzyka (Chair) Anne E. Giardini Rhodri J. Harries Simon Pelletier
Governance and Nomination ("G&N") Committee	Anne E. Giardini (Chair) Michelle Banik Karen Laflamme James A. Manzi, Jr. Douglas Muzyka
Executive Committee	Katherine A. Lehman (Chair) Anne E. Giardini Karen Laflamme James A. Manzi, Jr. Douglas Muzyka

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 there are any scope or other limitations. The Audit Committee also receives quarterly reports on whistleblower complaints and the corresponding implementation of corrective action. In addition, the Audit Committee is tasked with reviewing the Corporation's tax compliance and overseeing the Corporation's information technology, cybersecurity, artificial intelligence and privacy risk exposures and controls. The Audit Committee receives comprehensive detailed reports from the Vice-President, Information Technology regarding the status of IT security initiatives at each quarterly committee meeting to ensure that the Committee is updated on technology and other means and most recent enhancements implemented by the Corporation to mitigate cyber risk. The Audit Committee is tasked with summarizing these status reports to the full Board at their quarterly meetings. These reports include details of planned and completed security initiatives and supporting policies including incident response plans, penetration test outcomes and resulting remediation strategies, monthly phishing campaigns, security awareness programs, privacy initiatives and other action plans launched throughout the organization. In addition,, the Audit Committee oversees the Corporation's policies and procedures in place to identify, assess and monitor related-party transactions and approves all related-party transactions as required under the terms of the Corporation's related-party transaction policy.

The Audit Committee is composed exclusively of independent directors, all of whom have demonstrable audit experience. The Committee believes there is the requisite number of directors who meet the threshold of "audit financial expert", meaning meeting at least any of the following: (i) a certified public accountant; (ii) a former or current CFO of a public company or corporate controller of similar experience;

(iii) a current or former partner of an audit company; or (iv) having similar demonstrably meaningful audit experience.

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. She holds the designation of certified corporate director and was named fellow of the Québec Order of Chartered Professional Accountants (FCPA) 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 Cambridge 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 (BA) in economics from McGill University. From 2012 to 2019, he served as Chief Executive Officer of Agropur Dairy Cooperative. He was 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 Administrative Officer of Gildan Activewear, a publicly listed (TSX/NYSE: GIL) producer of basic apparel and was formally its Chief Financial and Administrative Officer. 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, where she leads the Palladium Heritage strategy, which is focused on companies in industrial and business services. From 2016 to February 2022, she was Co-Founder and Managing Partner at Hilltop Private Capital LLC. Ms. Lehman's background in capital allocation and financial analysis has positioned her well to serve on more than a dozen public and private Boards and she has been or is an active member of several audit committees including prior service from 2016 to 2018 and 2020 to 2022 on Stella-Jones' Audit Committee.

Environmental, Health and Safety Committee

The EH&S Committee monitors issues related to the environment, health and safety, 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 maintaining a meaningful level of oversight of and accountability for social impacts by regularly reviewing management's plans to achieve objectives for improved environmental health and safety, occupational health and safety performance, and overall ESG, including the organization's approach towards the development and attainment of measurable goals in its selected priority areas of climate change & GHG emissions, health and safety, our people, Indigenous Peoples, responsible supply chain and ESG risk governance. The EH&S Committee's mandate was specifically expanded in 2023 to advise and assist the Board of Directors on matters relating to climate policy oversight and climate change risk management strategy.

The EH&S Committee engages in a formal review and commentary process of the Corporation's annual ESG report ("ESG Report") and recommends the ESG Report's approval to the Board of Directors prior to its publication. The members of the EH&S Committee meet on a regular basis with the President and CEO, and a dedicated management team including 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 ("EHS Dedicated Management Team"). There it receives thorough and transparent reporting from the EHS Dedicated Management Team, enabling it to oversee and carefully monitor environmental health and safety risks to the organization and assure that they are judiciously mitigated through innovative strategies, remediating programs and pre-emptive initiatives. The Corporation's Vice-President Environment, Health and Safety leads a team of environmental, health and safety professionals throughout North America, who, with the support of corporate operations management, local plant managers, and dedicated on site environmental, health and safety supervisors, manage environmental and health and safety matters throughout the organization to ensure that a culture of safety is prioritized throughout the organization, 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 qualified new director nominees to the Board. 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 forming an effectively functioning Board by monitoring the size of the Board to favour effective and timely decision-making, optimal composition to provide a sufficient range of skills, as well as diversity of experience and views, appropriate compensation of the Board and establishing the competencies, skills and experience sought by the Board- (most recently recommending knowledge of and experience required in relation to de-carbonization and climate change risks, artificial intelligence and privacy risks), 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.

Human Resources and Compensation Committee

The HRC Committee advises and assists the Board regarding policies on compensation and benefits, salaries of senior management, profit-sharing amounts, short-term incentives, the allocation of long-term incentives to senior management and any ESG considerations incorporated into such compensation and incentive plans. The HRC Committee also oversees management's progress with respect to employee engagement and executive development plans. The HRC 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 HRC Committee's mandate is provided at Section 7.1(b) of this Circular.

Executive Committee

The purpose of the Executive Committee is to act on behalf of the full Board within the limited scope of its authority, which shall satisfy all of the following three conditions, namely, where (i) the circumstances are urgent ("Urgent Circumstances"); (ii) the Board is unable to meet and constitute a quorum to address the Urgent Circumstances in a timely manner and the full Board is unable to be convened for a consent resolution in a timely manner; and (iii) the Executive Committee reasonably believes that action with respect to the Urgent Circumstances should not be delayed.

The Executive Committee has no authority with respect to numerous matters, including:

(i) the approval of any action which is expressly prohibited to be delegated to committees by the Canada Business Corporations Act, or requires action by the full Board under the Corporation's certificate of incorporation, bylaws or Board resolution;

(ii) the adoption, amendment or repeal of the bylaws of the Corporation;

(iii) the amendment or repeal of any resolution of the Board;

(iv) the appointment or dismissal of the president and chief executive officer;

(v) the removal of Board members and the filling of vacancies on the Board or any of its committees;

(vi) the appointment of other committees of the Board or the members thereof;

(vii) the fixing of compensation of Board members for serving on the Board or any of its committees;

(viii) the approval of or change to the Corporation's annual budget; or

(ix) the approval of any matter with material financial consequences, a material change in governance; or in respect of any material transaction

The Executive Committee Chair shall report to the Board following meetings of the Executive Committee.

Assessment of the Board's Performance

The Chair of the Board is responsible for assessing the effectiveness of the Board and performance of its committees in relation to their mandates, and the contribution of individual directors relative to the skills and expertise they were envisaged to bring as a member of the Board. The Chair, with agreement from the Board, also determines the process by which assessments will be carried out. 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 is distributed to Board members for review. This is augmented by scheduled open and confidential one-on-one meetings between the Chair of the Board and each Board member to discuss their thoughts on Board effectiveness, priorities and other topics. At these meetings, each committee Chair provides 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 of the Board at these meetings. In carrying out her annual formal Board performance assessment to the full Board, the Chair of the Board presents the results of the questionnaires and a summary of one-on-one meetings via a verbal report, 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 of the Board privately. In addition, the Chair of the Board 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 thath would materially affect the financial position of the Corporation and changes in senior management. Nevertheless, the Corporation continues to operate in a manner that 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, investor presentations, dedicated investor day, comprehensive annual reports, its ESG Reports and a regularly updated website. In 2024, increased outreach to shareholders was carried out through dedicated meetings held between the Chair of the Board and certain committee chairs, and several major shareholders to understand their perspectives on the organization and to discuss, among others, executive short and long-term compensation and its alignment with shareholder interests, governance, climate change and Board composition and continued renewal. The hybrid format of the May 7, 2025, annual meeting of shareholders will provide the opportunity for in-person dialogue between shareholders and the Corporation's leadership.

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 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 November 6, 2023, the TSX accepted the Corporation's notice of intention to carry out a normal course issuer bid ("2023 NCIB") during the 12-month period commencing November 14, 2023, and ending November 13, 2024 (the "2023 12-month Period"). Under the 2023 NCIB, the Corporation was authorized to purchase for cancellation, up to 2,500,000 Common Shares, representing approximately 5.0% of the public float of its Common Shares as at October 31, 2023. The Company repurchased 1,192,595 common shares for cancellation under the 2023 NCIB, in consideration of $100 million.

On November 5, 2024, the TSX accepted the Corporation's notice of intention to carry out a normal course issuer bid ("2024 NCIB") during the 12-month period commencing November 14, 2024, and ending November 13, 2025. Under the 2024 NCIB, the Corporation may purchase for cancellation, up to 2,500,000 common shares, representing approximately 4.5% of the common shares outstanding on October 31, 2024.

In 2024, the Corporation purchased a total of 1,078,577 common shares for cancellation under its 2023 NCIB and 2024 NCIB then in effect, in total consideration of $90 million. From January 1, 2025, to February 28, 2025, an additional 142,102 common shares were purchased under the 2024 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 2023 NCIB and the 2024 NCIB were cancelled at the time of settlement of all transactions. Purchases under the 2023 NCIB and the 2024 NCIB were made on behalf of Stella-Jones by a registered broker through the facilities of the TSX. The Security holders may obtain a copy of the notice, without charge, by contacting the Secretary of the Corporation.

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.sedarplus.ca. 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, between December 8, 2025, and February 6, 2026.

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, 2025

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 that takes into account among other things, the opportunities and risks of the business.

6. Reviewing the content of and approving all regulatory filings and public disclosure, such as the quarterly financial statements, the interim and annual Management’s Discussion and Analysis, the interim and annual CEO and CFO certifications, the annual audited consolidated financial statements, the Annual Report, Proxy Circular, Annual Information Form and reporting requirements of Canada’s Fighting Against Forced Labour and Child Labour in Supply Chains Act.

7. Selecting the Corporation’s Chief Executive Officer (“CEO”), monitoring his/her individual performance, and reviewing and ratifying the Human Resources and Compensation 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. Reviewing 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 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 and climate change risk management initiatives 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, Human Resources and Compensation, 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 10, 2024.

Stella-JoneS Inc.
stella-jones.com