

May 8, 2024

MANAGEMENT PROXY CIRCULAR

Notice of Annual and Special
Meeting of Shareholders

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Notice of Annual and Special Meeting of Shareholders

NOTICE IS HEREBY GIVEN that the annual and special meeting of shareholders (the “Meeting”) of Stella-Jones Inc. (the “Corporation”) will be held on Wednesday, May 8, 2024 at 10:00 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://web.lumiagm.com/499511552>, for the purposes of:

1. receiving the management report and the consolidated financial statements of the Corporation for the financial year ended December 31, 2023, as well as the independent auditor’s report thereon;
2. electing directors;
3. appointing auditors and authorizing the directors to fix their remuneration;
4. consider and, if deemed advisable, approve, by ordinary resolution, a treasury share unit plan for the executive officers of the Corporation (the “Treasury Share Unit Plan”);
5. holding an advisory vote on the Corporation’s approach to executive compensation; and
6. 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://web.lumiagm.com/499511552>. 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 accompanying management information circular (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 accompanying 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, 2024 (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 and 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, 2023, 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/SJ12024 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, 2024

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 6, 2024, at 5:00 p.m. (Montréal time) or, if the Meeting is adjourned, not later than 48 hours, excluding Saturdays, Sundays and holidays, prior to any such adjourned Meeting.



Management Proxy Circular

1. Solicitation of Proxies

This circular is furnished in connection with the solicitation by the management of Stella-Jones Inc. (the “Corporation”) of proxies for use at the annual and special meeting of shareholders of the Corporation (the “Meeting”) to be held on Wednesday, May 8, 2024, 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, 2024.

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://web.lumiagm.com/499511552>. 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://web.lumiagm.com/499511552>
- Click “Login” and then enter your Control Number (as defined below) and the following password: “stella2024” (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 6, 2024, at 5:00 p.m. (Montréal time) or, if the Meeting is adjourned, not later than 48 hours, excluding Saturdays, Sundays and holidays, prior to any such adjourned Meeting. A person acting as proxyholder need not be a shareholder of the Corporation.

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

To register a third-party proxyholder, shareholders must visit <https://www.computershare.com/Stella-Jones> by 5:00 p.m. on May 6, 2024 (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

This year, 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, 2023, 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/SJI2024 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 +1514-982-8716 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 24, 2024, 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, 2024, 56,735,004 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, 2024 (the “Record Date”) will be entitled to vote at the Meeting and any adjournment thereof, if present or represented by proxy thereat.

To the knowledge of the directors and officers of the Corporation, Caisse de dépôt et placement du Québec (“CDPQ”) is the sole person or company who beneficially owns or exercises control or direction over shares carrying 10% or more of the voting rights attached to the shares of the Corporation. CDPQ holds 7,635,834 common shares, representing

approximately 13.5% of the common shares outstanding of the Corporation.

6. Business of the Meeting

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

The audited consolidated financial statements of the Corporation for the fiscal year ended December 31, 2023, 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, 2023 and 2022 may be obtained from the Corporation upon request and are available at www.envisionreports.com/SJI2024 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 10 directors be elected for the current year.

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

The management of the Corporation does not contemplate that any of the nominees will be unable, or for any reason refuse, to serve as a director but, if that should occur for any reason prior to the election, the persons named in the accompanying form of proxy will have the right to vote for another nominee in their discretion unless the shareholder has specified otherwise. The following sets forth, for each person nominated for election as director, his or her name, place of residence, age, the year in which he or she first became a director, the number of common shares of the Corporation beneficially owned or subject to his or her control or direction, the number of deferred share units ("DSUs"), (in the case of Mr. Vachon, restricted share units ("RSUs") and performance share units ("PSUs")) of the Corporation held, the market value of vested and unvested equity holdings, compliance with share ownership requirements, the number of votes "for" at the 2023 Annual Meeting of Shareholders, independence with respect to the Corporation, his or her presence on committees of the Board, current public company directorships, other current directorships and memberships and his or her skills, qualifications and education, the whole as at March 14, 2024. Statements contained with respect to each nominee are based upon information obtained from the person concerned. Note that the Board of Directors does not have an executive committee.

Director Nominees⁽¹⁾



Katherine A. Lehman Chair of the Board

New York, U.S.A.

Age: 49

Director Since: 2016

Shares Owned: 7,500

DSUs: 16,602

Market Value of Vested/Unvested Equity

Holdings: \$542,400 vested⁽²⁾

\$1,200,657 unvested⁽³⁾

Meets Director Share Ownership

Requirements: yes⁽⁴⁾

2023 Annual Meeting Votes

for: 97.37%

Stella-Jones Committees:

- Human Resources and Compensation Committee

Current Public Company Directorships:

- None

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 15 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. Her background in capital allocation, financial analysis and business operations as well as her governance expertise, positions her well to lead Stella-Jones' Board.

Education:

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

Independent



Michelle A. Banik

Ontario, Canada

Age: 54

Director Since: 2024

Shares Owned: nil

DSUs: nil

Market Value of Vested/Unvested Equity

Holdings: \$Nil vested⁽²⁾,

\$Nil unvested⁽³⁾

Meets Director Share Ownership

Requirements: yes⁽⁵⁾

2023 Annual Meeting Votes

for: N/A⁽⁶⁾

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
- Western University, School for Advanced Studies in the Arts & Humanities – Board Member
- BGC Canada (formerly, Boys & Girls Clubs of Canada) – Board Member, National Board of Directors and Chair, Human Resources & Compensation Committee

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, will 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.

Independent

⁽¹⁾ CDPQ will not exercise its right to nominate a Stella-Jones board member for the year 2024-2025. As such, Sara O'Brien is not standing for re-election to the board in May 2024. The Corporation thanks Sara for her significant contribution to the board and its committees over the past two years.

⁽²⁾ Represents the market value of shares held at March 14, 2024. 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.

⁽³⁾ Represents the market value of earned (unvested) DSUs at March 14, 2024.

⁽⁴⁾ Based on the market value of shares and earned (unvested) DSUs at March 14, 2024. For additional information see Section 8.3 "Director Share Ownership and Retention Requirements".

⁽⁵⁾ Directors have five years to meet the share ownership requirements of 3X annual Board fees and are deemed compliant prior to and until such deadline. For additional information, see Section 8.3 "Director Share Ownership and Retention Requirements".

⁽⁶⁾ Was not a director in 2023.



Robert Coallier

Québec, Canada

Age: 63

Director Since: 2020

Shares Owned: 7,875

DSUs: 4,378

Market Value of Vested/Unvested Equity

Holdings: \$569,520 vested⁽¹⁾

\$316,617 unvested⁽²⁾

Meets Director Share Ownership

Requirements: yes⁽³⁾

2023 Annual Meeting Votes

for: 96.55%

Stella-Jones Committees:

- Audit Committee
- Human Resources and Compensation Committee

Independent

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

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, Industrial Alliance Financial Services, Sanimax Industries and Ivanhoé Cambridge, where he served on the Audit, Human Resources and Governance committees. His depth of executive and financial experience across industries as well as his exceptional appreciation of governance matters bring valued experience to the Stella-Jones Board and to both the Audit and Human Resources and Compensation Committees on which he serves.

Education:

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



Anne E. Giardini

Rome, Italy

Age: 64

Director Since: 2021

Shares Owned: 2,000

DSUs: 4,024

Market Value of Vested/Unvested

Equity Holdings: \$144,640 vested⁽¹⁾

\$291,016 unvested⁽²⁾

Meets Director Share Ownership

Requirements: yes⁽⁴⁾

2023 Annual Meeting Votes

for: 96.55%

Stella-Jones Committees:

- Environmental, Health and Safety Committee
- Human Resources and Compensation Committee

Independent

Current Public Company Directorships:

- Capstone Copper Corp. – Chair of the Governance, Nominating and Sustainability Committee, member of the Audit Committee and the Technical, Health, Environmental, Safety and Sustainability 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:

- BC Achievement Foundation – Board Member and past Chair

Skills and Qualifications:

Ms. Giardini served as President from 2008-2014, of Weyerhaeuser Company Limited (“Weyerhaeuser”), a Canadian subsidiary of Weyerhaeuser Company, an international forest products company based in Washington, U.S.A. From 1994 to 2008, she was Canadian Vice-President, General Counsel and Assistant General Counsel for Weyerhaeuser, where she provided strategic advice in areas including environmental, sustainability, transparency and other aspects of sound corporate governance and advised in areas of corporate public reporting, employment, labour, as well as acquisitions and divestitures. Ms. Giardini served as Chancellor of Simon Fraser University from 2014-2020 and along with her leadership and professional credentials, brings a wealth of public and private Board and committee experience to Stella-Jones, having previously served on the Boards of Pembina Institute (2020-2023), Hydro One, including chairing its Health, Safety, Environment & Indigenous Committee (2018-2020) as well as the Board, Governance and Compensation Committees of Nevsun Resources Ltd. (2017-2019), among many others. She has written and presented on sustainability, governance and ethics, 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 shares held at March 14, 2024. 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, 2024.

⁽³⁾ Based on the market value of shares and earned (unvested) DSUs at March 14, 2024. 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 annual Board fees and are deemed compliant prior to and until such deadline. For additional information, see Section 8.3 “Director Share Ownership and Retention Requirements”.



Rhodri J. Harries

Québec, Canada

Age: 60

Director Since: 2020

Shares Owned: 10,000

DSUs: 10,887

Market Value of Vested/Unvested Equity

Holdings: \$723,200 vested⁽¹⁾

\$787,348 unvested⁽²⁾

Meets Director Share Ownership

Requirements: yes⁽³⁾

2023 Annual Meeting Votes

for: 99.70%

Stella-Jones Committees:

- Audit Committee
- Environmental, Health and Safety Committee

Current Public Company Directorships:

- None

Other Current Directorships and Memberships:

- The CSL Group Inc. – Board Member

Skills and Qualifications:

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

Education:

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

Independent



Karen Laflamme, FCPA, ASC

Québec, Canada

Age: 61

Director Since: 2018

Shares Owned: 9,000

DSUs: 4,697

Market Value of Vested/Unvested Equity

Holdings: \$650,880 vested⁽¹⁾

\$339,687 unvested⁽²⁾

Meets Director Share Ownership

Requirements: yes⁽³⁾

2023 Annual Meeting Votes

for: 98.16%

Stella-Jones Committees:

- Audit Committee (Chair)
- Governance and Nomination 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 Ivanhoe Cambridge, an investor and developer of superior quality real estate properties, projects and companies from 2016 to early 2020. She joined Ivanhoe 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 2003-2012, 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.

Independent

⁽¹⁾ Represents the market value of shares held at March 14, 2024. 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, 2024.

⁽³⁾ Based on the market value of shares and earned (unvested) DSUs at March 14, 2024. For additional information see Section 8.3 "Director Share Ownership and Retention Requirements".



James A. Manzi, Jr.

Florida, U.S.A.

Age: 74

Director Since: 2015

Shares Owned: 9,500

DSUs: 4,697

Market Value of Vested/Unvested Equity

Holdings: \$687,040 vested⁽¹⁾

\$339,687 unvested⁽²⁾

Meets Director Share Ownership

Requirements: yes⁽³⁾

2023 Annual Meeting Votes

for: 98.07%

Stella-Jones Committees:

- Human Resources and Compensation Committee (Chair)
- Governance and Nomination Committee

Independent

Current Public Company Directorships:

- None

Other Current Directorships and Memberships:

- Willoughby Golf Club, Inc. (Stuart, FL) – Member – Board of Governors

Skills and Qualifications:

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

Education:

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



Douglas Muzyka

Pennsylvania, U.S.A.

Age: 69

Director Since: 2019

Shares Owned: 4,700

DSUs: 9,064

Market Value of Vested/Unvested Equity

Holdings: \$339,904 vested⁽¹⁾

\$655,508 unvested⁽²⁾

Meets Director Share Ownership

Requirements: yes⁽³⁾

2023 Annual Meeting Votes

for: 94.75%

Stella-Jones Committees:

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

Independent

Current Public Company Directorships:

- CCL Industries Inc. – Chair of Human Resources and Compensation Committee and member of the Safety, Health and Environmental Committee
- Chemtrade Logistics Income Fund – 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 shares held at March 14, 2024. 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, 2024

⁽³⁾ Based on the market value of shares and earned (unvested) DSUs at March 14, 2024. For additional information see Section 8.3 "Director Share Ownership and Retention Requirements".



Simon Pelletier

Georgia, U.S.A.

Age: 57

Director Since: 2012

Shares Owned: 8,000

DSUs: 4,697

Market Value of Vested/Unvested

Equity Holdings: \$578,560 vested⁽¹⁾
\$339,687 unvested⁽²⁾

Meets Director Share Ownership

Requirements: yes⁽³⁾

2023 Annual Meeting Votes
for: 94.99%

Stella-Jones Committees:

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

Independent

Current Public Company Directorships:

- None

Other Current Directorships and Memberships:

- H-E Parts International – Board Member

Skills and Qualifications:

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

Education:

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



Éric Vachon, CPA

Québec, Canada

Age: 56

Director Since: 2019

Shares Owned: 24,201

DSUs: N/A⁽⁴⁾

RSUs: 83,449 PSUs: 54,715

Market Value of Vested/Unvested

Equity Holdings: \$1,750,216 vested⁽⁵⁾
\$9,992,020 unvested⁽⁶⁾

Meets CEO Share Ownership

Requirements: yes⁽⁷⁾

2023 Annual Meeting Votes
for: 99.71%

Stella-Jones Committees:

- None

Non-Independent

Current Public Company Directorships:

- None

Other Current Directorships and Memberships:

- None

Skills and Qualifications:

Mr. Vachon has served as President and CEO of Stella-Jones since October of 2019. Since joining the Corporation in 2007, he has held a variety of positions, including Director, Treasury and Financial Reporting, Vice-President Finance, U.S. Operations, Vice-President and Treasurer, and Senior Vice-President and Chief Financial Officer from August of 2012 until October of 2019. His extensive knowledge of operations, finance, capital markets and mergers and acquisitions have added sound business insight to the CEO position. While providing the leadership and direction necessary to drive the execution of the Corporation's strategic vision, he continues to prioritize a culture and practice of workforce health and safety and the advancement of sustainability initiatives and targeted commitments 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 shares held at March 14, 2024. 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, 2024.

⁽³⁾ Based on the market value of shares and earned (unvested) DSUs at March 14, 2024. For additional information see Section 8.3 "Director Share Ownership and Retention Requirements".

⁽⁴⁾ Executive directors are not entitled to DSU grants.

⁽⁵⁾ Represents the market value of shares held at March 14, 2024. RSUs and PSUs 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 and PSUs on March 14, 2024.

⁽⁷⁾ For additional information see Section 7.1 (g)(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 which 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 Company’s auditors, including the Audit Committee mandate and fees paid for services rendered by PwC in 2023 and 2022, 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 meeting of shareholders held on May 10, 2023, 94.36% 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.

Approval of Treasury Share Unit Plan

Effective December 12, 2023, the Corporation adopted a treasury share unit plan as a long-term incentive for executive officers of the Corporation and its subsidiaries (“Treasury Share Unit Plan” or “TSU Plan”).

The TSU Plan will authorize the Corporation to grant restricted share units (“RSUs”) and performance share units (“PSUs”) 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 Corporation has not granted any RSUs and PSUs pursuant to the TSU Plan and will not do so unless shareholders approve the TSU Plan at the Meeting. If the TSU Plan is approved by shareholders, the Corporation expects to grant new RSUs and PSUs to eligible Participants as of the beginning of March of 2025. Under the TSU Plan, RSUs and PSUs may be settled in common shares of the Corporation from treasury, common shares of the Corporation purchased on the open-market, or equivalent payments in cash. The Corporation does not anticipate extinguishing the existing Stock Unit Plan, which grants RSUs and PSUs for settlement in cash only, as these will continue to be used for awards to non-Executive Officer employees.

The summary of the material terms of the TSU Plan set out below is qualified in its entirety by reference to the full text of the TSU Plan and the Plan Addendum, a copy of which is attached to this circular as “Schedule A”. Defined terms not included below shall have the meaning ascribed to them in the TSU Plan.

TSU Plan Summary	
Awards	The TSU Plan provides for the awards of RSUs and PSUs.
Participants	Executive Officers of the Corporation and its subsidiaries to whom an award has been granted under the TSU Plan.
Administration	The TSU Plan is under the direction of the Board. The Human Resources and Compensation Committee makes recommendations to the Board in relation to the TSU Plan and to the grants of Units. The Board, in its sole discretion, shall have 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.
Grant/Vesting – RSUs and PSUs	The Board may grant RSUs and PSUs to Participants in its sole discretion. Each grant of RSUs and PSUs shall be evidenced by a Grant Letter setting forth the date of grant, the number RSUs and/or PSUs granted, the performance objective(s) which must be attained for any PSUs to become eligible to vest and with respect to the Payout Multiplier, the vesting conditions, the Settlement Period and any other terms and conditions applicable.
Term	The Board will determine the Expiry date for the RSUs and PSUs, provided that such date may not be later than the earlier of: <ul style="list-style-type: none">(i) the date which is the 10th anniversary of the date on which such RSU or PSU was granted, subject to an automatic extension of 10 business days following the 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.

<p>Settlement</p>	<p>The Corporation shall settle the RSUs and PSUs by either:</p> <ul style="list-style-type: none"> (i) issuing from treasury, such number of common shares as is equal to, in the case of RSUs, the number of vested RSUs elected to be settled, or, in the case of PSUs, the number of PSUs elected to be settled, multiplied by the Payout Multiplier applicable to such Vested PSUs; or (ii) further to the election by a Participant to settle Vested RSUs and/or PSUs 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 RSUs, the number of Vested RSUs settled, and in the case of Vested PSUs, the number of Vested PSUs multiplied by the Payout Multiplier applicable to such Vested PSUs multiplied by (B) the Fair Market Value as of the Cash Settlement Date and/or (iii) further to the election by a Participant to settle Vested RSUs and/or PSUs 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. <p>Any settlement shall be net of any tax Withholding Amount and be subject to the TSU Plan Addendum in relation thereto.</p>
<p>Fair Market Value</p>	<p>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.</p>
<p>Performance Payout Objectives</p>	<p>The performance objectives for each PSU performance period will be determined by the Board, based on measurable performance criteria established in advance.</p>
<p>Dividends</p>	<p>When cash dividends are paid on the common shares of the Corporation, Participants shall receive, on each dividend payment date, dividend Units in the form of additional Dividend PSUs in respect of outstanding PSUs held, and additional Dividend RSUs, in respect of outstanding RSUs 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 PSUs or RSUs to which they relate.</p>
<p>Right to RSUs and PSUs in the Event of a Termination Following a Change of Control</p>	<p>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, in the case of RSUs, all unvested RSUs and, in the case of PSUs, all shall vest based on a 100% Payout Multiplier. Vested RSUs and PSUs must be settled within 30 days of the Participant's Last Working Day, the whole subject to the Grant letter and TSU Plan Addendum.</p>
<p>Cessation of Entitlements</p>	<p>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:</p> <p>If a Participant ceases to be eligible due to their resignation, retirement or termination without cause, all unvested PSUs and RSUs shall be forfeited on the Last Working Day and all vested PSUs and RSUs 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.</p> <p>If a Participant ceases to be eligible due to termination for fraud, misappropriation or otherwise for cause, all vested and unvested RSUs and PSUs shall be forfeited with immediate effect.</p> <p>If a Participant ceases to be an executive officer or employee of the Corporation due to their Permanent Disability, all outstanding unvested RSUs and PSUs shall continue to be eligible to vest for 60 days following their Last Working Day and will be forfeited thereafter, and vested RSUs and PSUs must be settled within 60 days of the Last Working Day.</p> <p>If a Participant ceases to be an executive officer or employee by reason of death, a pro rata portion of each of the unvested RSUs and PSUs 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 RSUs and PSUs, and all vested RSUs and PSUs must be settled within 30 days following the Participant's death.</p>

Amendment	<p>The Board may at any time suspend or terminate the TSU Plan and may make certain amendments to the TSU Plan or any Unit 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.</p> <p>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 Unit (except due to a Blackout period), and any amendments requiring shareholder approval under applicable law (including the rules, regulations and policies of the TSX).</p>
Financial Assistance	No financial Assistance will be provided by the Corporation to any Participant in connection with any Units.
Common Shares Available for 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 2.6% of the total issued and outstanding common shares (on a non diluted basis) as of the date hereof. Common shares reserved for issuance pursuant to 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	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.
Assignability of Units	RSUs and PSUs are neither transferrable nor assignable, other than by will or under the laws of succession.

At the Meeting, shareholders will be asked to consider and, if deemed appropriate, pass an ordinary resolution approving the TSU Plan (the “TSU Plan Resolution”). To be effective, the TSU Plan Resolution must be passed by a majority (e.g. 50% plus one) of the votes cast by the shareholders present, in person or represented by proxy, at the Meeting. The TSU Plan Resolution, as set forth below, is subject to such amendments, variations or additions as may be approved at the Meeting:

“BE IT RESOLVED THAT:

1. The Corporation’s Treasury Share Unit Plan, substantially in the form as described in the Corporation’s Management Information Circular dated March 14, 2024, and a copy of which is attached as “Schedule A” to the Management Information Circular, is hereby approved;
2. One million five hundred thousand (1,500,000) common shares in the capital of the Corporation be and are hereby reserved for issuance, and is the total maximum number issuable, under the Treasury Share

Unit Plan and the Stock Option Plan, on a combined basis;

3. The Board of Directors of the Corporation may revoke this resolution before it is acted upon, without further approval of the shareholders of the Corporation; and
4. Any two directors or officers of the Corporation be and is hereby authorized and directed to execute and deliver, for and in name of and on behalf of the Corporation, all such certificates, instruments, agreements, documents and notices and to do all such other acts and things as in such person’s opinion may be necessary or desirable for the purpose of giving effect to this resolution.”

Unless instructed otherwise, the persons named in the form of proxy or voting instruction form intend to vote FOR the Treasury Share Unit Plan Resolution.

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 2024 annual and special 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 10, 2023 Annual Meeting of Shareholders, the advisory vote on executive compensation received 91.72% 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

Dear fellow shareholders,

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-Pay Vote

At our May 2023 annual meeting of shareholders, we asked our shareholders to vote on the Corporation's approach to executive compensation. We were pleased with the response, with 91.72% of shareholders voting in favour. Nonetheless, the Committee is always looking for ways to enhance the compensation of executives and its link to shareholder value, and in 2023, we continued to work to achieve this objective.

Executive Pay Decisions

In last year's Proxy Circular we stated that we would continue to explore ways in which our executive compensation programs could be strengthened and improved. We are happy to report that in 2023 we made substantial progress in improving the Corporation's executive compensation structure. The following describes the substantive changes adopted by the Board:

2023 STIP Outcomes

As disclosed in last year's Proxy Circular, the Corporation eliminated its legacy profit-sharing plan for Executive Officers. 2023 was the first year that annual incentive compensation for all Executive Officers, including the CEO, was measured on the same financial Short-Term Incentive Plan ("STIP") metric of EBITDA (100%) with an ESG-based modifier that incorporated three additional metrics (energy consumption reporting, training on environmental justice & Indigenous cultural awareness, and workplace health and safety).

The Committee is pleased to report Stella-Jones exceeded its EBITDA target for 2023, resulting in a payout of approximately 172% of target. Further,

management met two out of its three ESG objectives, resulting in an upward modifier of +6%, leading to a final corporate payout factor of 182% of target bonus. The above-target STIP payout aligns with strong operating and financial performance in 2023, which generated a 1-year total return of +61% to shareholders, including dividend reinvestment. Looking ahead to 2024, the STIP structure will remain the same, focusing management 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 the Corporation. Additional details of the 2023 and 2024 STIP structure are found in the Compensation Discussion and Analysis ("CD&A") that follows in Section 7.1.

Long-Term Incentives

Our approach to long-term incentive design in 2023 was consistent with previous years, measuring long-term performance based on ROCE (a determinant of shareholder value creation over the long term) and relative TSR (a metric that aligns management compensation with the shareholder experience). Our 2021-2023 PSUs paid out at 200% of target, well aligned with the shareholder experience over the previous 3 years. In 2024, our approach to LTIP design remains the same in terms of mix of vehicles and long-term performance metrics.

As described under "Business of the meeting" of this circular, the Corporation is asking shareholders to approve a new Treasury Share Unit Plan at the 2024 meeting, which will allow for the settlement of senior executive share unit awards in shares issued from treasury. Treasury settlement will have many benefits for both the Corporation and its shareholders, including the ability to measure performance and align with shareholders over a longer time frame, and to facilitate meaningful common share ownership among our senior executive team. In addition, to further enhance alignment with our shareholders, in 2023, the Committee approved new executive share ownership guidelines: all employees at the Vice-President level or higher, including the Named Executive Officers, will be required to hold equity with a value equal to a multiple of their base salary. See the CD&A for details.

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 all the stakeholders. Our emphasis on both EBITDA and ROCE 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 to focus on long-term retention, sustainability and the 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⁽¹⁾, 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:

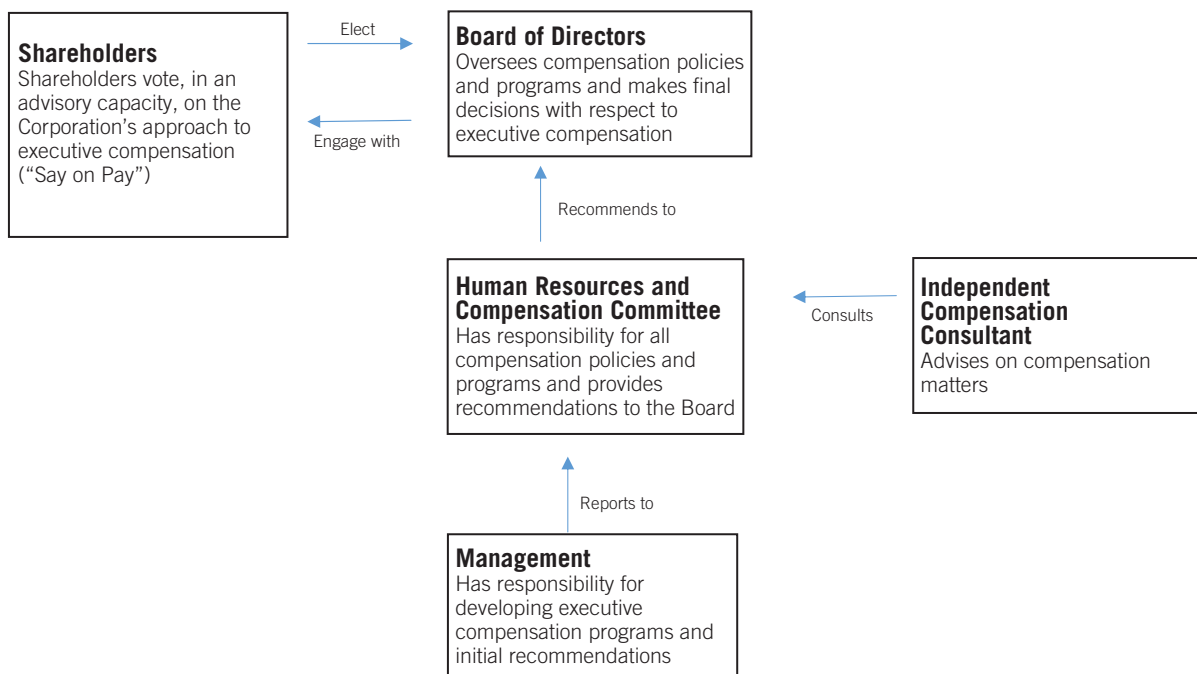
The Human Resources and Compensation Committee meets at least three times a year and more often, if required. It is the responsibility of the Human Resources and Compensation Committee to make recommendations to assist the Board of Directors in its strategic oversight on matters regarding human resources 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.

⁽¹⁾ The compensation for the CEO is proposed and reviewed by the Human Resources and Compensation Committee, with input from its independent consultant.

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 2019-2022
 - Member of the Corporation’s Audit Committee from 2015-2019
- 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
- Robert Coallier – 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 Compensation Committee and Audit Committee since March 2023
 - Director of Industrial Alliance Insurance and Financial Services from 2008-2019 and Chair of its Human Resources Committee from 2017-2019
 - 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

- Anne Giardini – Independent:
 - Former President (2008-2014) of Weyerhaeuser Canada Ltd., a Canadian subsidiary of a U.S.A.- headquartered parent company in the forestry sector
 - Prior experience on numerous company Boards and Compensation and Human Resources committees (Translink, 2017-2020 [Chair of the Committee from 2017-2019], Newsun Resources Ltd., 2017-2019)
 - Served as pension trustee for Weyerhaeuser Company from 2000-2014
 - Served as Chair of the pension trust of CMHC from 2018-2022
 - Director of the Corporation since January 2021
 - Member of the Corporation’s Environmental, Health and Safety Committee since January 2021
 - Member of the Corporation’s Human Resources and Compensation Committee since January 2021
- Katherine A. Lehman – Independent
 - Senior roles at private equity firms, including Palladium Equity Partners, LLC, Hilltop Private Capital LLC and Lincolnshire Management, where she was focused on investing in and managing companies in industrial and business services industries
 - Director at Navient (NASDAQ: NAVI) from 2014 to 2022, where she served on the Compensation and Personnel Committee from 2014 to 2021. Additional experience on numerous private company board compensation committees
- Director of the Corporation since 2016
- Chair of the Board since 2018
- Member of the Corporation’s Audit Committee from January 2020 – May 2022 (and prior service on the Committee from 2016-2018)
- Member of the Corporation’s Human Resources and Compensation Committee since January 2020
- Sara O’Brien – Independent:
 - Senior portfolio manager, CDPQ, since 2017, where she is involved in proxy voting, including with respect to compensation practices of portfolio invested companies
 - Analyst at RBC Capital Markets, focused on comprehensive analysis and benchmarking of investments in industrial services, consumer products and Québec-based special situations from 2002-2017
 - Director of the Corporation since 2022
 - Member of the Corporation’s Audit Committee since May 2022
 - Member of the Corporation’s Human Resources and Compensation Committee since May 2022

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 our practices which are regularly reviewed to ensure that decisions are made in the best interests of shareholders.

Our Compensation Governance Policies and Best Practices
<p>✓ 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 LTI mix is effectively 100% performance-contingent.</p>
<p>✓ Alignment: The compensation programs encourage collaborative company-wide performance and are aligned with the Corporation's business strategy and long-term value creation.</p>
<p>✓ 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 2023, the Advisory Firm was mandated to carry out a total direct compensation benchmarking for the Corporation's named executive officers based on an updated comparator group.</p>
<p>✓ Clawback: Executive Officer Clawback policy permits the recoup of incentive compensation under specified circumstances (i.e. gross negligence, intentional misconduct or fraud causing restatement) and does not require restatement of financials as a trigger, aligned with the best practices in compensation risk mitigation.</p>
<p>✓ Say-On-Pay: Fifth annual advisory vote to be held on the Corporation's approach to executive compensation at its May 2024 annual and special shareholder meeting. Stella-Jones has had a strong record of Say on Pay support from investors.</p>
<p>✓ Double-Trigger Change of Control: Acceleration of long-term incentive awards vesting under change of control events require the combined occurrence of termination of employment.</p>
<p>✓ Perquisites: Moderate executive perquisites are provided, consistent with reasonable market practice.</p>
<p>✓ Stock Ownership Requirements: Minimum stock ownership requirements have historically been applicable to the CEO and Board as well as a minimum holding period. In 2023, minimum shareholding requirements were instituted, effective March of 2025, for the Corporation's Executive Officers, that require them to have a specified and meaningful equity stake in Stella-Jones to align their interests with those of its shareholders.</p>
<p>✓ 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 on company-wide targets.</p>
<p>✓ 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.</p>
<p>✓ Reasonable Contractual Severances: Contractual severances are capped within reasonable market practices.</p>

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 was retained by the Corporation in July of 2023, to provide independent consulting services with respect to the following matters:

- Guide the HRC Committee's decision-making with respect to executive compensation matters in light of Stella-Jones' business strategy, pay philosophy, prevailing market practices, shareholder interests and relevant regulatory mandates
- Provide advice on Stella-Jones' executive pay philosophy
- Provide advice on Stella-Jones' compensation peer group
- Provide incentive plan design advice, for both annual and various long-term incentive vehicles and other compensation and benefit programs that meet Company objectives
- Provide comprehensive competitive market studies as background against which the HRC Committee can consider CEO and senior management base salary, annual bonus opportunity, long-term incentive awards, benefits, perquisites and severance protections
- Provide consulting and competitive market data on director compensation matters
- Apprise the HRC Committee about emerging best practices and changes in the regulatory and corporate governance environment
- Develop peer-based market data on form and structure of executive share ownership guidelines and report on emerging trends in relation thereto
- Review the Compensation Discussion and Analysis portion of the Corporation's March 2024 Circular

Prior to the engagement of Meridian, Willis Towers Watson ("WTW"), an independent compensation consultant, was retained by the Corporation and provided services during the year ended December 31, 2022, and up to June of 2023.

The table below presents the fees paid to Meridian and WTW for the years ended December 31, 2023 and 2022:

Year	2023 ⁽¹⁾	2022 ⁽²⁾
Executive compensation consulting fees	\$ 136,372	\$ 162,385
All other fees	\$ -	\$ 6,784

⁽¹⁾ 2023 represents fees paid to Meridian and WTW.

⁽²⁾ 2022 represents fees paid to WTW only.

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. Additionally, 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 U.S.
- Companies within the material and industrial sectors
- Companies that are generally comparable in size and complexity to the Corporation in terms of revenue and total enterprise value (i.e. around 1/3rd to 3 times the size of the Corporation)

The following table presents the list of 18 companies composing the comparator group:

Canadian Comparators (10 companies)	U.S. Comparators (8 companies)
Canfor Corporation	Armstrong World Industries, Inc.
Cascades Inc.	Gibraltar Industries, Inc.
Doman Building Materials Group Ltd.	Koppers Holdings Inc.
Methanex Corporation	Masonite International Corporation
Mullen Group Ltd.	Saia, Inc.
Richelieu Hardware Ltd.	Simpson Manufacturing Co., Inc.
Russel Metals Inc.	The Greenbrier Companies, Inc.
TFI International Inc.	Werner Enterprises, 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⁽¹⁾	Revenue (\$Millions)	Total Enterprise Value (\$Millions)⁽¹⁾
25 th Percentile	\$2,133	\$2,310
Median	\$3,809	\$3,580
75 th Percentile	\$4,638	\$7,042
Stella-Jones Inc.	\$3,296 ⁽²⁾	\$5,411
Percentile Rank	P44	P70

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

(2) Trailing 12-month revenue, as of Q3 2023.

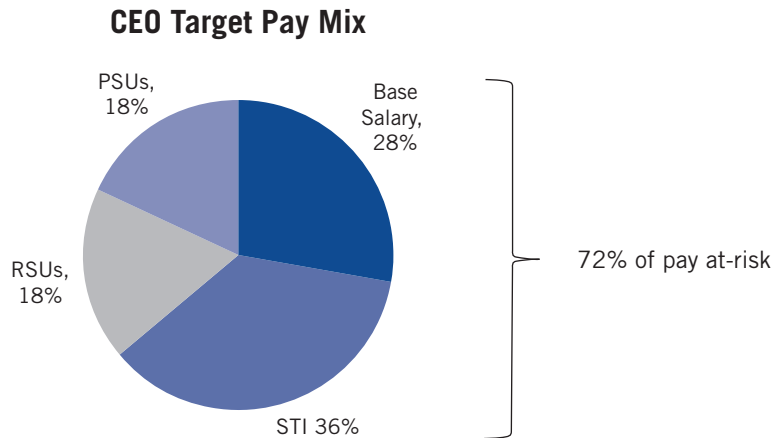
f) Components of Overall Executive Compensation:

Components of overall executive compensation for the year ended December 31, 2023 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 corporate financial performance objective and corporate ESG initiatives	EBITDA – based plan targets reviewed and approved annually. No guaranteed minimum payment, payout trigger based on corporate performance, with a positive modifier based on ESG components	Cash payment	Annual
	Restricted Stock Units under the Stock Unit Plan ("SUP") (50% of LTIP grants)	Pay for corporate performance	ROCE for the grant year will influence number of RSUs granted (from 0% to 200% target grant)	Payout of RSUs at vesting	3 years ⁽¹⁾ (SUP RSUs time vest one-third each year). RSUs are phantom shares.
	Performance Stock Units under SUP (50% of LTIP grants)	Pay for corporate performance and performance vs. industrial index	3-year average ROCE (75%) and 3-year relative TSR vs. S&P/TSX Capped Industrials Index (25%) will influence number of PSUs vested (from 0% to 200% target grant)	Payout of PSUs at vesting	Cliff vest at 3 years
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) 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:



(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.

modifier, and help drive long-term sustainable business growth. Under the terms of the STIP, each participant is provided an individual target bonus established as a percentage of salary. 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 if both 120% of Target EBITDA and all ESG initiatives are attained. The STIP contemplates discretionary adjustments based on performance or other unusual or non-recurring items determined and agreed to by the HRC Committee.

(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

The actual award is based on the following schedule for 2023. 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	75%
Senior Vice-President, Railway Ties	75%
Senior Vice-President, Utility Poles and 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, 2023 exceeded the EBITDA Target and two out of three ESG Initiatives for the year were fully attained, in February of 2024, the Board of Directors resolved to award the President and CEO an annual bonus of \$1,974,607, representing 171.9% 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 \$712,407, representing 171.9% of her Target Bonus, multiplied by an ESG Achievement Factor of 1.06.

(iii) Long-Term Incentive Plans:

a) STOCK UNIT PLAN ("SUP")

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 performance and after (with the first grant made in March 2021), RSUs and PSUs were eligible to be granted, with a target of 50% in RSUs and 50% in PSUs. The objectives of the SUP include:

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

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

Element	RSUs	PSUs
Grant determination	<ul style="list-style-type: none"> • 50% of grant value adjusted up/down based on prior year ROCE relative to predetermined performance scale 	<ul style="list-style-type: none"> • 50% of grant value
Vesting period	<ul style="list-style-type: none"> • Three years (one-third vesting each year) 	<ul style="list-style-type: none"> • Three-year cliff vesting
Vesting criteria	<ul style="list-style-type: none"> • Time-vested 	<ul style="list-style-type: none"> • Performance-vesting based on 3-year average ROCE (75%) and relative total shareholder return ("TSR") (25%) based on a predetermined performance scale
Payout range	<ul style="list-style-type: none"> • 0 to 200% of grant value 	<ul style="list-style-type: none"> • 0 to 200% of vested units ("Earned PSUs")

(1)

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

The RSUs and PSUs are full-value phantom shares payable in cash which vest one-third each year over three years in the case of RSUs, provided the individual is still employed by the Corporation, and in the case of PSUs, vest on the third anniversary of their issue, provided performance targets are met and the individual is employed by the Corporation⁽¹⁾. The amount to be paid is determined by multiplying the number of RSUs and Earned PSUs by the five-day average closing trading price of the Corporation's common shares on the TSX immediately preceding the vesting date.

RSUs

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

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

On February 28, 2024, the Board of Directors resolved to grant RSUs under the SUP at the Maximum performance level, as the Corporation's 2023 ROCE reached 15.8%. The effective date of the grant was March 11, 2024 ("RSU Grant Date"), with the RSUs granted totaling 118,688 units.

PSUs

The PSUs introduced under the Corporation's SUP are to complement the RSUs, 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.

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

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

At the end of the three-year performance, PSU participants will receive between 0% and 200% of their granted units based on the following ROCE performance schedule and Relative TSR performance schedule. PSU vesting will be

⁽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 and PSUs to continue to vest beyond the retiree's last working day.

interpolated on a straight-line basis between the Threshold and Maximum levels:

ROCE Performance Schedule (75% of grant)

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

Relative TSR Performance Schedule (25% of grant)

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

On February 28, 2024, the Board of Directors resolved to grant PSUs under the SUP. The effective date of the grant was March 11, 2024 (“PSU Grant Date”) with PSUs granted totaling 59,348 units.

In the event the proposed TSU Plan receives shareholder approval at the Meeting, Executive Officers will be eligible to receive grants of RSUs and PSUs, solely under the TSU Plan, and no longer under the SUP, beginning in March 2025.

(iv) Retirement Savings Plans:

The purpose of the Corporation’s retirement savings plans (both defined contribution plans) for its U.S.-based and Canadian-based employees (together, the “Retirement Savings Plan”) is to encourage Named Executive Officers and other eligible employees to save for retirement. Eligible participation occurs following three (3) months of continuous service with the Corporation. The Retirement Savings Plan is comprised of an employee contribution component and a Corporation contribution component. In the case of Named Executive Officers and other salaried

employees, employee contributions are up to four percent (4.0%) of basic salary (“Basic Contribution”). A supplementary contribution of up to six percent (6.0%) of basic salary is added by the Company, for a maximum total employee contribution of up to ten percent (10.0%) of basic salary. In the case of Canadian-based employees, the maximum total employee contribution set by the government of Canada per individual is \$31,560 for 2023.

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 2023, the statutory limit was US\$22,500 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\$30,000 for such individuals).

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

In 2023, coming into effect in 2024, the Board, under recommendation from the HRC Committee, approved the implementation of a supplementary executive retirement plan (“SERP”) for certain designated Canadian Executive Officers. Eligible participants are those whose 6% company contribution to the DPSP is not fully applied to their base salary due to regulatory contribution limits. 6% of the designated Executive Officer’s base salary, in excess of the DPSP contribution limit, will be granted to the member in the form of a deferred share unit, or DSU, to be exercised upon separation from service.

(v) Pension Benefits:

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

(vi) Perquisites:

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

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

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

The 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 to, on behalf of the Corporation, require reimbursement of full or partial bonus, profit share (as applicable) and incentive compensation, including cash and equity-based awards (together, "Awards") from an Executive Officer or former Executive Officer in situations where:

- (i) the Executive Officer has engaged in gross negligence, intentional misconduct or fraud (any of the foregoing, "Misconduct"); or
- (ii) the amount of a bonus, profit share or other incentive compensation was calculated based upon, or contingent on, the achievement of certain financial results of the Corporation that were subsequently the subject of or affected by a restatement of all or a portion of the Corporation's financial statements where:
 - a. the Executive Officer has engaged in Misconduct that caused or substantially caused the need for the restatement; and

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

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

(ii) Anti-hedging Policy:

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:

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

Under the Ownership Requirements, any director who is an executive officer is required to hold common shares in the Corporation equal in value to at least one time his or her annual base salary. The Ownership Requirements are to be satisfied within five years of becoming a director and the holding period continues for two fiscal quarters following the last date of employment or cessation of Board duties. In the case of Mr. Vachon, the Corporation's President and CEO, his employment agreement sets out that he shall hold a minimum of 20,000 shares of the Corporation by December 31, 2024 and that he shall maintain his ownership requirements for two fiscal quarters following his last day of employment. Unvested equity-based awards such as RSUs and PSUs held by Mr. Vachon/executive officers are excluded from this minimum ownership level calculation. At March 14, 2024, the President and CEO holds 24,201 common Shares of the Corporation with a market value of \$1,750,216 and is in compliance with his ownership requirements.

In 2023, the HRC Committee recommended, and the Board of Directors approved, effective March 1, 2025, minimum shareholder guidelines for Executive Officers who are Senior Vice-Presidents and Vice-Presidents of the Corporation and its subsidiaries, and a new minimum requirement was introduced for the President and CEO, as set out in the table below. Executive officers who have not met their target ownership are required to take a designated percentage of net vested equity awards (after taxes) in common shares instead of cash.

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

Executive Officer Share Ownership Guidelines

Position	Share Ownership Guideline	Inclusions	Exclusions	Number of Years for Completion
CEO	5x Annual Base salary	<ul style="list-style-type: none"> • Common shares held directly or indirectly • Unvested RSUs and DSUs. • Vested and unexercised RSUs and PSUs 	Unvested PSUs Stock Options (“Options”)	By the later of 5 years from implementation of guideline or of promotion to position level
Senior Vice-Presidents	3x Annual Base salary	<ul style="list-style-type: none"> • Common shares held directly or indirectly • Unvested RSUs and DSUs • Vested and unexercised RSUs and PSUs 	Unvested PSUs Options	By the later of 5 years from implementation of guideline or of promotion to position level
Vice-Presidents	1x Annual Base salary	<ul style="list-style-type: none"> • Common shares held directly or indirectly • Unvested RSUs and DSUs • Vested and unexercised RSUs and PSUs 	Unvested PSUs Options	By the later of 5 years from implementation of guideline or of promotion to position level

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:

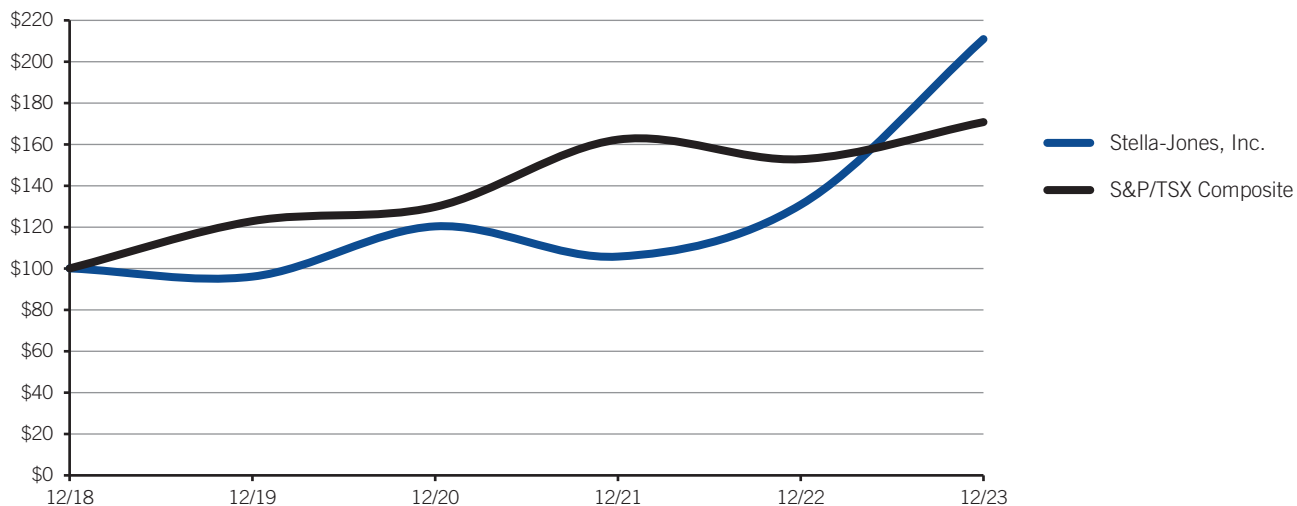
- The incentive programs are conditional upon the attainment of stated corporate-wide thresholds which promote an environment that encourages employees to work together for the overall success of the Corporation.
- The compensation programs are balanced between fixed and variable pay, and between short- and long-term incentive plans.
- Overall, the compensation expense 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 Ownership Requirements require shareholdings through the President and CEO’s tenure with the Corporation (and as of 2025, the Guidelines apply to the Senior Vice-Presidents and Vice Presidents as well) and for a holding period thereafter and 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 12/31/18 in stock or index, including reinvestment of dividends. Fiscal year ending December 31

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	2018 Dec. 31	2019 Dec. 31	2020 Dec. 31	2021 Dec. 31	2022 Dec. 31	2023 Dec. 31
Stella-Jones Inc.	\$100.00	\$ 96.01	\$120.32	\$105.70	\$130.78	\$210.93
S&P/TSX Composite	\$100.00	\$122.88	\$129.76	\$162.32	\$152.83	\$170.79

The trend shown by the performance graph set forth above represents an increase in the cumulative total shareholder return from December 31, 2018, until the period ended December 31, 2023. Over the same 5-year period, the total salary, Profit Sharing Plan amounts and bonuses received by the Named Executive Officers, in the aggregate, increased by

approximately 66.3%, compared to the 110.93% increase in cumulative shareholder return. Total compensation received by Named Executive Officers for the year ended December 31, 2023 was approximately \$14.98 million, representing approximately 0.45% of the Corporation's total revenues of approximately \$3.32 billion.

7.3 Summary Compensation Table

Compensation of Named Executive Officers – Summary Compensation Table

The Summary Compensation Table sets forth compensation information for the CEO, the Chief Financial Officer as well as the three next most highly compensated executive officers of the Corporation (the “Named Executive Officers”) whose total compensation exceeded \$150,000 during the year ended December 31, 2023. 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 (\$)			All Other Compensation (\$)	Total Compensation (\$)
					Annual Incentive Plans	Long-Term Incentive Plans	Pension Value (\$)		
Éric Vachon President and CEO	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
	Dec. 31, 2021	703,302	987,403 ⁽¹⁾	–	1,400,000 ⁽²⁾	–	–	14,605 ⁽³⁾	3,105,310
Silvana Travaglini Senior Vice-President and CFO	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
	Dec. 31, 2021	350,000	394,954 ⁽¹⁾	–	525,000 ⁽⁴⁾	–	–	14,605 ⁽³⁾	1,284,559
Ian Jones Senior Vice-President	Dec. 31, 2023	520,000	– ⁽¹⁾	–	820,726 ⁽⁵⁾	–	537,000 ⁽⁶⁾	– ⁽⁷⁾	1,877,726
	Dec. 31, 2022	584,692	460,111 ⁽¹⁾	–	520,000 ⁽⁸⁾	–	166,000 ⁽⁶⁾	– ⁽⁷⁾	1,730,803
	Dec. 31, 2021	550,000	465,493 ⁽¹⁾	–	462,882 ⁽⁹⁾	–	178,000 ⁽⁶⁾	– ⁽⁷⁾	1,656,375
Patrick Kirkham Senior Vice-President, Railway Ties, Stella-Jones Corporation	Dec. 31, 2023	489,326 ⁽¹⁰⁾	800,456 ⁽¹⁾	–	668,718 ⁽⁵⁾⁽¹¹⁾	–	–	13,551 ⁽³⁾	1,972,051
	Dec. 31, 2022	422,573 ⁽¹⁰⁾	335,738 ⁽¹⁾	–	338,600 ⁽⁸⁾⁽¹²⁾	–	–	12,393 ⁽³⁾	1,109,304
	Dec. 31, 2021	280,600 ⁽¹⁰⁾	332,678 ⁽¹⁾	–	190,170 ⁽⁹⁾⁽¹³⁾	–	–	11,011 ⁽³⁾	814,459
Kevin Comerford Vice-President, Utility Poles and Residential Lumber Sales, Stella-Jones Corporation	Dec. 31, 2023	525,072 ⁽¹⁰⁾	973,466 ⁽¹⁾	–	639,336 ⁽⁵⁾⁽¹¹⁾	–	–	24,155 ⁽³⁾	2,162,029
	Dec. 31, 2022	395,265 ⁽¹⁰⁾	157,047 ⁽¹⁾	–	317,404 ⁽⁸⁾⁽¹²⁾	–	–	22,016 ⁽³⁾	891,732
	Dec. 31, 2021	355,761 ⁽¹⁰⁾	150,918 ⁽¹⁾	–	272,577 ⁽⁹⁾⁽¹³⁾	–	–	2,637 ⁽³⁾	781,893

- (1) On February 28, 2024, March 7, 2023 and March 8, 2022, the Board of Directors resolved to grant RSUs and PSUs to these Named Executive Officers under the Stock Unit Plan, with an effective grant date of March 11, 2024, March 13, 2023 and March 14, 2022, respectively, based on ROCE levels reached for the years ended December 31, 2023, December 31, 2022 and December 31, 2021, respectively. The fair value of RSU and PSU amounts presented are determined in accordance with an option pricing model on their grant date. For further information on RSUs and PSUs under the SUP, consult Section 7.1 (f)(iii) Long-Term Incentive Plans.
- (2) These amounts were awarded under the Corporation’s Short-Term Incentive Plan in February of 2024 and the former CEO Incentive Plan in March 2023 and March 2022, for services rendered during the years ended December 31, 2023, 2022 and 2021, respectively. For more information on the Short-Term Incentive Plan, consult Section 7.1 (f)(ii)(b). 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 and Ms. Travaglini, this amount represents the employer DPSP contributions for the years indicated. In the case of Mr. Kirkham and Mr. Comerford, this amount represents the 401(k) employer contributions which were paid in U.S. dollars, which, in the case of Mr. Kirkham, amounted to US\$10,246 in 2023, US\$9,150 in 2022 and US\$8,685 in 2021. In the case of Mr. Comerford, these amounts were US\$18,263 in 2023, US\$16,255 in 2022 and US\$2,080 in 2021. 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 10 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 of 2024 and the CFO Incentive Plan in March of 2023 and 2022 for services rendered during the years ended December 31, 2023, 2022 and 2021, respectively. For further information on the Short-Term Incentive Plan, consult Section 7.1 (f)(ii)(b). 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 in February of 2024 for services rendered during the year ended December 31, 2023.
- (6) The Pension value reported is the annual Compensation Change in Accrued Obligation as outlined in Section 7.6 under “Pension Plan Benefits – Defined Benefit Plan”.
- (7) The value of perquisites, property and other personal benefits of the Named Executive Officer is not equal or greater than \$50,000 nor equal or greater than 10.0% of the Named Executive Officer’s total salary for the year.

- (8) 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.
- (9) This amount was awarded pursuant to the Corporation's Profit Sharing Plan during the year ended December 31, 2022 for services rendered during the year ended December 31, 2021.
- (10) 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\$370,000 in 2023, US\$312,000 in 2022 and US\$221,327 in 2021. In the case of Mr. Comerford, it amounted to US\$397,000 in 2023, US\$291,838 in 2022 and US\$280,613 in 2021. 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: 2023 – 1.3226, 2022 – 1.3544 and 2021 – 1.2678. The Canadian dollar amounts were determined by multiplying the U.S. dollar amounts by the Exchange Rates.
- (11) This amount was paid in U.S. dollars and amounted to US\$505,609 for Mr. Kirkham and US\$483,394 for Mr. Comerford
- (12) This amount was paid in U.S. dollars and amounted to US\$250,000 for Mr. Kirkham and US\$234,350 for Mr. Comerford.
- (13) This amount was paid in U.S. dollars and amounted to US\$150,000 for Mr. Kirkham and US\$218,000 for Mr. Comerford.

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

The table below sets forth information relating to option-based and share-based awards outstanding at the end of the financial year ended December 31, 2023:

Name	Option-Based Awards				Share-Based Awards		
	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	–	–	–	–	55,221 ⁽¹⁾	4,227,168 ⁽²⁾	–
Silvana Travaglini	–	–	–	–	20,903 ⁽¹⁾	1,600,125 ⁽²⁾	–
Ian Jones	–	–	–	–	23,745 ⁽¹⁾	1,817,680 ⁽²⁾	–
Patrick Kirkham	–	–	–	–	11,217 ⁽¹⁾	858,661 ⁽²⁾	–
Kevin Comerford	–	–	–	–	6,145 ⁽¹⁾	470,400 ⁽²⁾	–

(1) RSUs and PSUs granted on March 7, 2023, March 14, 2022 and March 13, 2021 under the SUP, less RSUs that vested on March 13, 2022, March 13, 2023 and March 14, 2023.

(2) Calculated by multiplying the number of outstanding SUP RSUs and PSUs by \$76.55, being the five-day average trading price of the Corporation's common shares on the TSX immediately preceding December 31, 2023, assuming December 31, 2023 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, 2023:

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⁾	540,651 ⁽²⁾	1,974,604 ⁽³⁾
Silvana Travaglini	— ⁽¹⁾	221,994 ⁽²⁾	712,407 ⁽³⁾
Ian Jones	— ⁽¹⁾	261,042 ⁽²⁾	820,726 ⁽³⁾
Patrick Kirkham	— ⁽¹⁾	139,522 ⁽²⁾⁽⁴⁾	668,718 ⁽³⁾⁽⁵⁾
Kevin Comerford	— ⁽¹⁾	90,582 ⁽²⁾⁽⁶⁾	639,336 ⁽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 13th, 2023 and on March 14th, 2023 (“Vesting Dates”) under the Corporation’s SUP by \$53.20 and \$53.81, 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 2024 in recognition of both financial performance targets and ESG initiatives attained by the Corporation during the year ended December 31, 2023.

(4) Patrick Kirkham’s equity incentive plan compensation was awarded in U.S dollars and amounted to US\$105,491.

(5) Patrick Kirkham’s non-equity incentive plan compensation was awarded in U.S dollars and amounted to US\$505,609.

(6) Kevin Comerford’s equity incentive plan compensation was awarded in U.S. dollars and amounted to US\$68,488.

(7) Kevin Comerford’s non-equity incentive plan compensation was awarded in U.S. dollars and amounted to US\$483,394.

7.6 Pension Plan Benefits – Defined Benefit Plan

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

The plans are non-contributory. Mr. Jones’ annual retirement income is equal to 1.20% of final average earnings up to the average Yearly Maximum Pensionable Earnings, plus 1.90% of final average

earnings in excess of the average Yearly Maximum Pensionable Earnings for each year of service. Final average earnings are the annual average of the highest five calendar years out of the last 10 years immediately preceding the date of determination.

Mr. Jones will receive, to the extent permitted, a portion of his annual retirement income payable from the registered plan that will be limited to the maximum under the Income Tax Act. This maximum is currently \$3,610.00 multiplied by the number of years of credited service for employees retiring in 2024.

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

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

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

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

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

Name	Number of Years of Credited Service at Year-End (#)	Annual Benefits Payable ⁽¹⁾		Opening Present Value of Defined Benefit Obligation ⁽²⁾ (\$)	Compensatory Change ⁽³⁾ (\$)	Non-Compensatory Change ⁽⁴⁾ (\$)	Closing Present Value of Defined Benefit Obligation ⁽²⁾ (\$)
		at Year-End (\$)	at Age 65 (\$)				
Ian Jones	39.5	384,000	440,000	4,719,000	537,000	275,000	5,531,000

(1) Annual benefits payable are based on final average earnings at December 31, 2023.

(2) The present value of defined benefit obligation is the value of the projected pension benefit, for service earned to that date, based on the same actuarial methods and assumptions used to determine the year-end pension liabilities and pension plan expense as disclosed in the Corporation's Annual Report. These methods and assumptions are in accordance with generally accepted accounting principles and are not identical to those used by other companies and, as a result, may not be directly comparable across companies. These amounts may change over time due to factors such as changes in assumptions and salary levels.

(3) Includes current year service cost net of employee contributions and changes due to actual earnings differing from assumed levels.

(4) Includes actual employee contributions, interest on the opening present value of defined obligation, and impact of any changes in actuarial assumptions.

7.7 Pension Plan Benefits – Defined Contribution Plans

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

7.8 Termination of Employment and Change of Control Benefits

The Corporation has entered into certain employment agreements, has an STIP and has granted RSUs and PSUs, certain of which provide termination and change of control benefits to Named Executive Officers.

Mr. Vachon's employment contract stipulates that upon termination of his employment by the Corporation for reasons *other* than cause, illness, permanent incapacity, death or resignation, he is entitled to receive an amount equal to 12 months' base salary and a bonus payment based on the annual bonus paid for the immediately preceding financial year, prorated in accordance with the number of months of service completed during the financial year in which his employment is terminated ("Prorated Bonus"). If Mr. Vachon's employment is terminated for reasons of death or permanent incapacity, he (or his estate in the case of death) shall be entitled to his earned and unpaid base salary and a Prorated Bonus. If Mr. Vachon's employment is terminated due to a change of control, Mr. Vachon will be entitled to receive an amount equal to 12 months' salary plus a Prorated Bonus. Should Mr. Vachon's employment be terminated at any time by resignation, the Corporation shall continue to provide to Mr. Vachon his base salary for the duration of his resignation notice period and no 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 and would lose all entitlement to any Prorated Bonus amounts or pay in lieu of notice.

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

Ms. Travaglini's employment contract stipulates that upon termination of her employment by the Corporation for reasons *other* than cause, illness, permanent incapacity, death or resignation, she is entitled to receive an amount equal to six months' base salary plus one month of salary per year of

employment, up to a maximum of 12 months of base salary as well as a 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 to Ms. Travaglini her base salary for the duration of her resignation notice period and no 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 Prorated Bonus amounts or pay in lieu of notice.

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

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. In the case of termination by resignation, the Corporation shall continue to provide to these Named Executive Officers, their base salary for the duration of their resignation notice period and no bonus shall be payable. If employment is terminated for reasons of death or permanent incapacity, he (or his estate in the case of death) shall be entitled to his earned and unpaid base salary and Prorated Bonus. 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 Prorated Bonus amounts or pay in lieu of notice.

Pursuant to their long-term incentives, in the case of termination without cause, death or incapacity, the Corporation shall defer to the terms of the

Corporation's SUP, as may be amended from time to time.

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

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

The Corporation's 401(k) plan for U.S. employees provides for distribution of all account balances upon termination of service with the Corporation (vested amounts only if prior to Normal Retirement Age), or upon the normal retirement age of sixty-five (65)

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	\$2,282,646
Silvana Travaglini	\$1,794,800
Ian Jones	\$1,539,799
Patrick Kirkham	\$1,406,524
Kevin Comerford	\$1,186,544

("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.

Under the Corporation's SUP, in cases of resignation, retirement or termination *with or without cause*, all unvested RSUs and PSUs are forfeited on the last working day. Vested but unsettled RSUs and PSUs are unaffected. Notwithstanding the foregoing, in the case of retirement, the HRC Committee shall have the discretion, on a case-by-case basis and according to reasonable and predetermined criteria, to permit all unvested RSUs and PSUs to continue to vest beyond the retiree's last working day. In the case of termination for fraud, all unvested RSUs and PSUs granted are immediately cancelled and any vested but unsettled RSUs and PSUs are forfeited with immediate effect.

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	130,000 ⁽¹⁾	160,000 ⁽²⁾	–	–	–	–	290,000
Robert Coallier	93,750 ⁽³⁾	80,000 ⁽²⁾	–	–	–	–	173,750
Anne E. Giardini	93,750 ⁽³⁾	80,000 ⁽²⁾	–	–	–	–	173,750
Rhodri J. Harries	93,750 ⁽³⁾⁽⁴⁾	80,000 ⁽²⁾	–	–	–	–	173,750
Karen Laflamme	113,750 ⁽³⁾⁽⁵⁾	80,000 ⁽²⁾	–	–	–	–	193,750
James A. Manzi, Jr.	100,000 ⁽³⁾⁽⁶⁾	80,000 ⁽²⁾	–	–	–	–	180,000
Douglas Muzyka	100,000 ⁽³⁾⁽⁷⁾	80,000 ⁽²⁾	–	–	–	–	180,000
Sara O'Brien	– ⁽⁸⁾	– ⁽⁸⁾	–	–	–	–	nil
Simon Pelletier	100,000 ⁽³⁾⁽⁹⁾	80,000 ⁽²⁾	–	–	–	–	180,000
Éric Vachon	– ⁽¹⁰⁾⁽¹¹⁾	– ⁽¹⁰⁾⁽¹²⁾	–	–	–	–	– ⁽¹⁰⁾⁽¹¹⁾
Michelle Banik	– ⁽¹³⁾	– ⁽¹³⁾	–	–	–	–	nil

- (1) Represents annual fees earned as Chair of the Board. Annual fees of the Chair of the Board were increased from \$125,000 to \$135,000, effective July 1, 2023. Half of the increase, or \$5,000, was included as earned in the year. Of this amount, the Chair elected that the entire \$130,000 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 nil.
- (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 \$130,000 Additional Participation referred to in footnote 1 above, nor does it include the DSU Additional Participation by each of Mr. Harries and Mr. Muzyka, respectively, referred to in footnote 3 below. Total DSUs held under the DSU Plan is provided in Table 8.4.
- (3) Annual Director fees were increased from \$92,500 to \$95,000 effective July 1, 2023. Half of the increase, or \$1,250, was included as earned in the year.
- (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, \$6,250 represents fees earned as Chair of the HRC Committee. Annual Chair fees of \$12,500 for this committee were instituted as of July 1, 2023, therefore, half of the amount, or \$6,250 was included in the calculation.
- (7) Of this amount, \$6,250 represents fees earned as Chair of the EH&S Committee. Annual Chair fees of \$12,500 for this committee were instituted as of July 1, 2023, therefore half of the the amount, or \$6,250 was included in the calculation. Additionally, of the total amount, the director elected that \$50,000 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 \$50,000.
- (8) Does not receive Board fees nor DSU grants pursuant to CDPQ policies.
- (9) Of this amount, \$6,250 represents fees earned as Chair of the G&N Committee. Annual Chair fees of \$12,500 for this committee were instituted as of July 1, 2023, therefore, half of the amount, or \$6,250 was included in the calculation.
- (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 are not issued to executive directors.
- (13) Did not serve as a Board member in 2023, therefore received neither Director fees nor DSUs.

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

Directors of the Corporation receive a flat annual fee of \$95,000 (up from \$92,500, since July 1, 2023), 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. Since July 1, 2023, 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. Per meeting fees are not paid to Board and committee members.

The annual Board Chair fee of \$135,000 (up from \$125,000, since July 1, 2023), 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 \$551,250 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 2023. 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 (formerly \$92,500 until June 30, 2023, which was instituted mid-year (or \$93,750) paid to the Corporation's seven non-executive directors, who earned Board fees in the year (no fees were paid to the non-executive director who commenced service in 2024, nor to Ms. Sara O'Brien, who doesn't collect director fees), the annual fee of \$135,000 (formerly \$125,000 until June 30, 2023, which was instituted mid-year (or \$130,000) paid to the Chair of the Board, the annual Audit Committee Chair fee of \$20,000, half the annual Committee Chair fees of \$12,500, which were instituted mid-year (or \$6,250) paid to the Chairs of each of the EH&S, G&N and HRC Committees, less \$273,750 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⁽¹⁾, of each year ("DSU Award Date"), participants who are non-executive Board members⁽²⁾ 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 2023, non-executive directors received DSUs, representing Deferred Remuneration totaling \$993,750 resulting in 16,792 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.

During the year, further to the retirement of Board member Mary Webster in 2022, 1,760 DSUs were triggered to vest on an April 10, 2023, settlement date for a total cash settlement of \$90,784.32.

⁽¹⁾ In 2023, a second DSU Award date of July 1 was added as additional DSUs were granted to each participant to implement an amendment which increased the Minimum Participation effective July 1, 2023.

⁽²⁾ With exception of Ms. Sara O'Brien, who does not earn Board fees nor DSUs, in compliance with CDPQ policies.

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⁾⁽²⁾ 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 a minimum of two fiscal quarters following cessation of Board duties.

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

- common shares of the Corporation purchased by the Director on the open market or acquired from treasury upon exercise of stock options or otherwise;

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

Additionally, 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.

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

⁽²⁾ Sara O'Brien, a non-executive director, does not collect Board fees nor DSUs and is therefore not subject to the Requirements.

8.4 Outstanding Option-Based Awards and Share-Based Awards

The following table shows all option-based and share-based awards held by each Director at December 31, 2023:

Name	Option-Based Awards				Share-Based Awards ⁽¹⁾		
	Number of Securities Underlying Unexercised Options	Option Exercise Price	Option Expiration Date	Value of Unexercised in-the Money Options	Number of Shares or Units of Shares that Have not Vested	Market or Payout Value of Share-Based Awards that Have Not Vested	Market or Payout Value of Vested Share-Based Awards Not Paid Out or Distributed
	(#)	(\$)		(\$)	(#)	(\$)	(\$)
Robert Coallier	–	–	–	–	4,378	335,136 ⁽²⁾	–
Anne E. Giardini	–	–	–	–	4,024	308,037 ⁽²⁾	–
Rhodri J. Harries	–	–	–	–	10,887	833,400 ⁽²⁾	–
Karen Laflamme	–	–	–	–	4,697	359,555 ⁽²⁾	–
Katherine A. Lehman	–	–	–	–	16,602	1,270,883 ⁽²⁾	–
Douglas Muzyka	–	–	–	–	9,064	693,849 ⁽²⁾	–
James A. Manzi, Jr.	20,000	49.01	Nov. 10, 2025	562,200 ⁽³⁾	4,697	359,555 ⁽²⁾	–
Simon Pelletier	–	–	–	–	4,697	359,555 ⁽²⁾	–
Éric Vachon	– ⁽⁴⁾	– ⁽⁴⁾	– ⁽⁴⁾	– ⁽⁴⁾	– ⁽⁴⁾	– ⁽⁴⁾	– ⁽⁴⁾
Sara O'Brien ⁽⁵⁾	–	–	–	–	–	–	–
Michelle Banik ⁽⁶⁾	–	–	–	–	–	–	–

(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, 2023 (\$76.55), assuming December 31, 2023, 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 2023 (\$77.12) 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.

(5) Does not receive any form of Director compensation pursuant to CDPQ policies.

(6) Joined the Board on January 15, 2024. Was not a director when DSUs were granted.

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⁾	20,000 ⁽²⁾	\$49.01	1,493,233 ⁽³⁾
Equity compensation plans not approved by security holders	0	N/A	1,500,000 ⁽⁴⁾
Total	20,000	\$49.01	1,710,645⁽⁵⁾

(1) For specifics of the Corporation's Stock Option Plan and the Employee Share Purchase Plans, see below "Stock Option Plan for Directors, Officers and Employees" and "Employee Share Purchase Plans".

(2) Represents the 20,000 (representing 0.04% of total issued and outstanding common shares (on a non diluted basis) as of December 31, 2023) options which were outstanding under the Corporation's Stock Option Plan at year end.

(3) This comprises the 1,282,588 securities (representing 2.3% of total issued and outstanding common shares (on a non diluted basis) as of December 31, 2023) that are not yet granted and therefore available for future issuance under the Stock Option Plan for Directors, Officers and Employees and the remaining 210,645 shares (representing 0.37% of total issued and outstanding common shares (on a non diluted basis) as of December 31, 2023) remaining issuable under the Employee Share Purchase Plans.

(4) Representing the 1,500,000 common shares that will be available for issuance under the TSU Plan proposed for approval (on a combined basis with the Corporation's Stock option Plan).

(5) This comprises the total number of securities issuable pursuant to the TSU Plan and the Corporation's Stock Option Plan (on a combined basis) and the Employee Share Purchase Plans.

Stock Option Plan for Directors, Officers and Employees

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

Under the Stock Option Plan, the exercise price of an option shall not be lower than the closing price of the common shares of the Corporation on the TSX on the last trading day preceding the granting of the option and the term of the option may not exceed 10 years. Historically, the exercise frequency established by the Corporation's Board has been in accordance with the following vesting schedule: up to 20.0% of options

granted may be exercised within the first year of the date of the grant of options ("Grant Date") and an additional 20.0% of the total options granted become exercisable beginning on each anniversary of the Grant Date thereafter.

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

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

- (b) one hundred and eighty (180) days following the date on which the optionee's employment with the Corporation is terminated by reason of death or, in the case where the optionee is a director of the Corporation, but is not employed by the latter, one hundred and eighty (180) days following the date on which such optionee ceases to be a member of the Board by reason of death; or
- (c) thirty (30) days following the date on which the optionee's employment with the Corporation is terminated for any cause or reason other than those mentioned in paragraphs (a) and (b) above, including without limiting the scope of the foregoing, disability, illness, retirement or pre-retirement.

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

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 the shares of the Corporation or any part thereof shall be made to all holders of shares of the Corporation, the Corporation shall have the right, upon written notice thereof to each holder of options ("Optionee") under the plan, to permit the exercise of all such options within the 20-day period next following the date of such notice and to determine that upon the expiration of such 20-day period, all rights of Optionees to such options or to exercise same (to the extent not theretofore exercised) shall terminate and cease to have further force or effect whatsoever.

Amendment and Termination of the Stock Option Plan: The Board of Directors has the general power, subject to

requisite regulatory approval, to make amendments without shareholder approval, including but not limited to:

- (a) amendments of a general "housekeeping" or clerical nature to clarify, correct or rectify any ambiguity, defective provision, error or omission in the Stock Option Plan;
- (b) amendments necessary to comply with applicable laws or the requirements of any regulatory authority;
- (c) amendments to the Early Expiry Date provisions of the Stock Option Plan;
- (d) amendments with respect to any vesting period or with respect to circumstances that would accelerate the vesting of options;
- (e) amendments required or advisable as a result of a stock split, a consolidation, a reclassification, a share dividend declaration or any other amendment pertaining to the shares; and
- (f) suspending or terminating the Stock Option Plan.

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

- (a) any increase to the number of shares issuable under the Stock Option Plan;
- (b) the reduction of the subscription price of options held by an insider;
- (c) the extension of the Option Period of options held by an insider; and
- (d) the extension of the Blackout Expiration Date.

On October 21, 2013, the Board of Directors approved an amendment to the Stock Option Plan whereby the maximum fixed 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 change received required regulatory approvals.

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

The aggregate number of common shares in respect of which options may be granted under the Stock Option Plan is a maximum fixed amount of 4,800,000 representing approximately 8.4% of the Corporation's issued and outstanding shares as at December 31, 2023. No Optionee is able to hold options to purchase common shares exceeding 5.0% of the number of common shares outstanding from time to time. The number of shares issuable to insiders of the Corporation under all security-based compensation arrangements may not, at any time, exceed 10.0% of the issued and outstanding shares of the Corporation. The number of shares issued to insiders under all security-based compensation arrangements within any one-year period may not exceed 10.0% of the shares outstanding. As at December 31, 2023, 1,282,588 options permitting the subscription to an equivalent number of common shares of the Corporation were not yet granted and therefore remained available for future issuance under the Stock Option Plan.

Issued and Issuable Securities under the Stock Option Plan: The total number of securities issued and issuable under the Stock Option Plan as of December 31, 2023, was 4,800,000 shares, representing approximately 8.4% of the Corporation's outstanding capital. Of the 4,800,000 shares, 3,497,412 common shares had been issued as of December 31, 2023, representing approximately 6.2% of the Corporation's outstanding share capital at that date. As of December 31, 2023, 1,302,588 common shares remained issuable (the maximum fixed amount of 4,800,000 minus the total shares issued) under the Stock Option Plan, representing approximately 2.3% of the Corporation's outstanding shares at that date. The total number of securities issuable under actual grants under the Stock Option Plan (total options granted minus total options exercised) stood at 20,000 as of December 31, 2023, representing approximately 0.0% of the Corporation's outstanding share capital at that date. 10,000 options were exercised under the Stock Option Plan during the Corporation's financial year

ended December 31, 2023. No stock options were granted pursuant to the Stock Option Plan during the year ended December 31, 2023.

During the period of January 1, 2024 to March 14, 2024, 5,000 additional options were exercised under the Stock Option Plan, for a total of 3,502,412 options exercised under the Stock Option Plan since its inception, representing approximately 6.2% of the Corporation's issued and outstanding shares at March 14, 2024. As at March 14, 2024, options for an aggregate of 3,517,412 common shares have been granted under the Stock Option Plan.

The annual burn rate⁽¹⁾ of the Stock Option Plan for the Corporation's three most recent years was 0.0% for 2023, 2022 and 2021.

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."

⁽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.

Neither of the Corporation's Human Resources and Compensation Committee nor its Named Executive Officers have played a proactive role in amending the Corporation's equity incentive plans under which option-based awards are granted. Modifications to these incentive plans have generally been proposed to the Board of Directors by the Vice-President, General Counsel and Secretary of the Corporation, if required, to ensure continued compliance with legal requirements.

Employee Share Purchase Plans

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

10.0% of the amount of their contributions made on the Acquisition Date. These additional common shares are issued by the Corporation on behalf of eligible employees at 100.0% of the Market Price. All participants of the Employee Share Purchase Plans must hold their shares in their Employee Share Purchase Plan for a minimum of 12 months following the Acquisition Date of such shares except in the event of death, termination of employment, or if an offer is made to all holders of shares. Participants may elect to receive any cash dividends declared and paid on the common shares in cash or to reinvest such cash dividends to purchase additional common shares. The price per common share purchased with such reinvested dividends is 100.0% of the Market Price.

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

The aggregate number of common shares reserved for issuance under the Employee Share Purchase Plans is 1,300,000, representing approximately 2.3% of the Corporation's issued and outstanding shares at December 31, 2023 and 2.3% of the Corporation's issued and outstanding shares at March 14, 2024.

As of December 31, 2023, 210,645 shares remained issuable under the Employee Share Purchase Plans, representing approximately 0.40% of the Corporation's outstanding shares as at that date. Shares issuable under the Employee Share Purchase Plans remained unchanged at March 14, 2024.

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

Amendment and Termination of the Employee Share Purchase Plans: The Board of Directors may, at any time and from time-to-time, with the approval of the

TSX, suspend or terminate the Employee Share Purchase Plans or participation therein, in whole or in part, or in regard to any or all participants or former participants.

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

- (a) amendments of a general “housekeeping” or clerical nature to clarify, correct or rectify any ambiguity, defective provision, error or omissions in the Employee Share Purchase Plans;
- (b) amendments necessary to comply with applicable laws or the requirements of any regulatory authority;
- (c) amendments required or advisable as a result of a split, a consolidation, a reclassification, a share dividend declaration or any other amendment pertaining to the shares; and
- (d) suspending or terminating the Employee Share Purchase Plans.

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

- (a) amendments to increase the number of common shares issuable under the Employee Share Purchase Plans;
- (b) amendments to reduce the Market Price of a common share; and
- (c) amendments relating to financial assistance to a participant provided by the Corporation.

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

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

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

amend the number of common shares reserved for issuance thereunder from 250,000 to 1,000,000 shares in order to harmonize the Share Purchase Plans with the Corporation's October 25, 2013 4-for-1 stock split by way of share dividend. On May 7, 2020, following approval by a majority of shareholders entitled to vote, the Employee Share Purchase Plans were amended to increase the number of common shares of the Corporation reserved for issuance thereunder from 1,000,000 to 1,300,000 common shares.

During the Corporation's financial year ended December 31, 2023, a total of 27,237 common shares were purchased under the Employee Share Purchase Plans, for a total of 1,089,355 common shares issued under the Employee Share Purchase Plans since their inception, representing, in the aggregate, approximately 1.9% of the Corporation's issued and outstanding shares at the Corporation's financial year end. Between January 1, 2024 and March 14, 2024, no shares were purchased under the Employee Share Purchase Plans.

10. Corporate Governance

The following table highlights Stella-Jones' alignment with key corporate governance practices as at March 14, 2024⁽¹⁾:

Corporate Governance Practice	Does Stella-Jones Align?	Comments
1. Majority of Independent Directors	Yes	10 of 11 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	<i>In-camera</i> meetings are held following all Board, Audit Committee and Human Resources and Compensation Committee meetings and following most 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 Committee 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. Provides an anonymous, company-wide whistleblowing mechanism to report illegal, improper and unethical behaviour.
7. Audit Committee Formally Mandated with Reviewing Related-Party transactions		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. Five of 11 Board members (45%) are women. One member self-identifies as a visible minority.
9. Board Refreshment via Director Tenure Limit and Mandatory Retirement Age	Yes	Term limit is 15 years of service or 75 years of age, whichever occurs first, with an exception permitted if two or more directors transition in a given year.
10. Issuance of Environmental, Social and Governance ("ESG") Reports	Yes	The Corporation's latest ESG Report was published in September of 2023, unveiling the Corporation's ESG Strategy, titled 'Connecting our Sustainable Future', anchored in measurable goals across six key topics of Climate Change & Greenhouse Gas ("GHG") Emissions, Health and Safety, Our People, Indigenous Peoples, Responsible Supply Chain and ESG Risk Governance. It can be found on the Corporation's website at https://www.stella-jones.com/en/investor-relations/environmental-social-governance .
11. Dedicated Board Committee Charged with Oversight of Environmental, Health and Safety ("EH&S") and Matters Pertaining to ESG	Yes	EH&S Committee oversees compliance, cooperation with regulatory authorities, and the prioritization of the health and safety of employees and neighbouring communities. Reports to the Board on the Corporation's execution of its EH&S policies and its management of environmental risk and health and safety measures. It examines and evaluates the environmental due diligence carried out with respect to acquisition opportunities and makes recommendations to the Board with respect thereto and has formal oversight over ESG matters.
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 2023, the HRC Committee focused on executive pay benchmarking, incentive design review and the development of a new long-term incentive plan for senior management, taking the form of a treasury share unit plan.
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 Corporation's commitment to workers' physical and psychological health and safety. Defines prohibited behaviours, sets out complaint, investigation, settlement and sanction procedures as well as a policy of no reprisal, no retaliation to complainants.

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

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

Board of Directors

The Board of Directors currently consists of 11 members. The Board of Directors has reviewed all of the relationships of each of the directors with the Corporation and has determined that 10 of the 11 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, Ms. Sara O'Brien and Mr. Simon Pelletier. Ten of the 11 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. 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 CCL Industries Inc. (TSX: CCL.B: CA) and 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. 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 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 are 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.

In the case of Ms. Banik, the G&N Committee engaged a Consultant with a mandate to perform a targeted search focusing on senior level experience in Human Resources and executive compensation matters, along with a mandate for representation from diverse groups. The above process was adhered to beginning in September of 2023, and culminating in her appointment on January 15, 2024.

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. This year, a proven understanding and ability to assess the Company’s overall approach to climate change risk management has been added as a key skill and can be found under the expanded definition of the Environmental competency.

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

Level of Experience by Skill / Competency:

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

Description of Skill / Competency:

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

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

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

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

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

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

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

Environmental: Current or former executive role with direct control and responsibility for environmental

compliance and/or sustainability practices or proven understanding and ability to assess environmental regulatory requirements in the manufacturing context, and the Company's overall approach to Environmental, Social and Governance (ESG) and climate change risk management.

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

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

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

Majority Voting Policy – November 2022 Repeal by the Corporation

On November 8, 2022, in light of amendments to the Canada Business Corporations Act (“CBCA”) effective August 31, 2022, including new section 106(3.4) which provides a comprehensive statutory regime for majority voting for the election of directors, the Corporation’s Board of Directors repealed its Majority Voting Policy. This is because majority voting policies are now redundant to reporting issuers covered by the CBCA. The TSX has confirmed that reporting issuers subject to the CBCA satisfy the majority requirement in a manner acceptable to the TSX and can repeal their Majority Voting Policy without contravening section 461.3 of the TSX Company manual.

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, 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 regards to the Corporation’s skills and competency matrix and the promotion of diversity along gender, race, ethnicity, age and other dimensions. Consideration of the level of representation of designated groups plays a part of the process when identifying and nominating candidates for the Board. Currently, the Board’s membership, comprising American and Canadian nationals, executives (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 Diversity and Composition Policy with the adoption of a written diversity target, setting out that at least 30% of its Board of Directors be gender diverse. Currently, women comprise five of the

Board’s 11 directors, representing 45% of Board members. This includes the Chair of the Board and the Chair of the Audit Committee. The Corporation does not have a written policy relating to the identification and nomination of directors from designated groups such as 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 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 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, 2024

	Current Directors	Directors Nominees	Executive Officers
Women	5 of 11 (45%)	4 of 10 (40%)	2 of 25 (8%)
Visible Minorities	1 of 11 (9%)	1 of 10 (10%)	—
Indigenous Peoples	—	—	—
Persons with Disabilities	—	—	—

Acknowledging the benefit of fresh ideas and ongoing renewal, the Board’s Diversity and Composition Policy

has established a 15-year term limit for service and mandatory retirement at 75 years of age. Exceptions to the term limit or retirement age may be made when two or more directors are scheduled to reach their retirement age or term limit within the same 12-month period. The Board reviews its Diversity and Composition Policy annually, and if advisable, proposes modifications in order to maximize its effectiveness towards reaching overall objectives. The Policy is available at <https://www.stella-jones.com/en-CA/investor-relations/corporate-governance>.

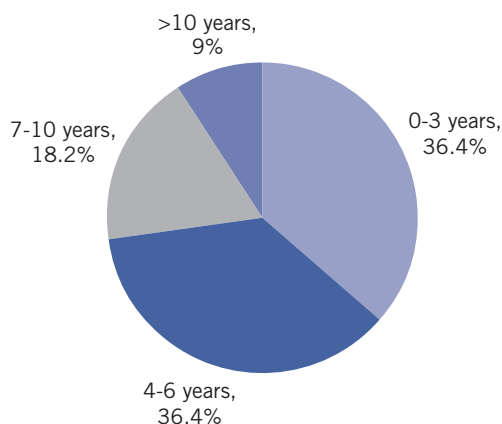
The current term limits for directors are set out in the table below as at March 14, 2024.

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 Diversity and Composition 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, 2024)



The average tenure of non-executive directors is 4.5 years and eight new directors have joined the board in 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 director. 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, comprehensive manufacturing facility tours are 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 of 2023, all members of the Board participated in a plant visit to the Corporation's Cordele, Georgia 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 of the 18-hectare site, which specializes in the treatment of utility poles with both oil and waterborne preservatives. The Board viewed firsthand, critical stages of the utility pole manufacturing process, from reducing excessive moisture in the wood prior to impregnation with preservative, to insertion of the wood into the treatment cylinder, where penetration of the preservative occurs, and hydraulic pressure is maintained until the wood has absorbed the preservative to a predetermined amount.

Dedicated events are also arranged for the full Board, featuring specialized training sessions to reinforce progressive Board learning. During the year, an in-person offsite training session was attended by all Directors where partners of a legal firm in Montréal delivered instruction on Board composition (diversity and over boarding), Board skills diversification, proxy guidance on climate-related disclosure and law-abiding competitive business practices.

The Board of Directors also provides continuing education to its directors in the form of reports and educational materials submitted with Board materials summarizing the latest market and industry trends, analyst reports as well as detailed developments in the areas of legal and accounting principles, corporate governance rules, ESG considerations, executive compensation practices and other significant changes affecting their responsibilities. In 2023, noteworthy attention was paid to new Canadian reporting obligations in relation to forced labour and child labour in supply chains. These reports may come from senior executives within the organization who provide first-hand knowledge or industry expertise or from external independent consultants, many of whom support their reports with formal presentations given at regularly scheduled or specially designated Board or Committee

meetings. This past year, educational programs offered to the entire Board at their 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, Canada, Residential Lumber Sales and Procurement on the Corporation's key residential lumber product offerings, residential plant operations and growth drivers, procurement sourcing and capital investment opportunities to fuel efficiencies. Also delivered was a presentation on the deployment of key facets of the Corporation's human resources strategy and essential priority projects by Corporation's Senior Vice-President and Chief People Officer and a railway tie presentation from the Senior Vice-President, Railway ties who focused on planned capital expenditures, key challenges, procurement highlights and efficiency improvements, as well as two detailed reports by the enterprise risk management team on priority and emerging 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 monitor 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 and monitors 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 and assessment. Accompanying reports are delivered to enhance the Board’s understanding and oversight of the efficiency and quality of the Corporation’s 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 high-performing talent within the organization and their qualifications in relation to applicable future vacancies. Developmental programs combining formal training in specified areas and practical work experience help ready the identified individuals for future key roles. 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. The Code was further enhanced in 2020 to include anti-hedging and anti-bribery provisions and in 2023, an obligation was added for insiders to disclose any related-party transactions they may be party to with the Corporation, in conjunction with an internal assessment and preapproval process, all part of continued initiatives to mitigate conflicts of interest. 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. Since 2023, the Code also 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.

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. Through the publication of five annual ESG reports, Stella-Jones has communicated the advances that it has made on its commitment to continuous improvement across its ESG pillars. To bolster its commitment, in 2022, the Corporation named its first Senior Director, ESG, to spearhead 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.

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

Board of Directors and Committee meetings held during the financial year ended December 31, 2023 were as follows:

Type of Meeting	# of Meetings Held ⁽¹⁾
Board of Directors	7
Audit Committee	5
Environmental, Health and Safety Committee ⁽²⁾	5
Human Resources and Compensation Committee ⁽³⁾	6
Governance and Nomination Committee ⁽⁴⁾	4

(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”.

The following summarizes each director's attendance at Board and Committee meetings during the year ended December 31, 2023:

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	7 of 7	N/A ⁽¹⁾	N/A ⁽¹⁾	6 of 6	N/A ⁽¹⁾
Michelle Banik	0 of 7 ⁽²⁾	N/A ⁽¹⁾	N/A ⁽¹⁾	0 of 5 ⁽²⁾	0 of 4 ⁽²⁾
Robert Coallier	7 of 7	5 of 5	N/A ⁽¹⁾	6 of 6	N/A ⁽¹⁾
Anne E. Giardini	7 of 7	N/A ⁽¹⁾	5 of 5	6 of 6	N/A ⁽¹⁾
Rhodri J. Harries	6 of 7	4 of 5	5 of 5	N/A ⁽¹⁾	N/A ⁽¹⁾
Karen Laflamme	7 of 7	5 of 5	N/A ⁽¹⁾	N/A ⁽¹⁾	4 of 4
James A. Manzi, Jr.	7 of 7	N/A ⁽¹⁾	N/A ⁽¹⁾	6 of 6	4 of 4
Douglas Muzyka	7 of 7	N/A ⁽¹⁾	5 of 5	N/A ⁽¹⁾	4 of 4
Sara O'Brien ⁽⁵⁾	7 of 7	5 of 5	N/A ⁽¹⁾	6 of 6	N/A ⁽¹⁾
Simon Pelletier	7 of 7	N/A ⁽¹⁾	5 of 5	N/A ⁽¹⁾	4 of 4
Éric Vachon	7 of 7	N/A ⁽¹⁾	N/A ⁽¹⁾	N/A ⁽¹⁾	N/A ⁽¹⁾

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

(2) Joined the Board on January 15, 2024 and joined the Committee on February 28, 2024.

The Committees of the Board

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

Membership of Board Committees	
Committee	Membership
Audit Committee	Karen Laflamme (Chair) Robert Coallier Rhodri J. Harries Sara O'Brien
Environmental, Health and Safety Committee	Douglas Muzyka (Chair) Anne E. Giardini Rhodri J. Harries Simon Pelletier
Governance and Nomination Committee	Simon Pelletier (Chair) Michelle Banik Karen Laflamme James A. Manzi, Jr. Douglas Muzyka
Human Resources and Compensation Committee	James A. Manzi, Jr. (Chair) Michelle Banik Robert Coallier Anne E. Giardini Katherine A. Lehman Sara O'Brien

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. Additionally, the Audit Committee is tasked with reviewing the Corporation's tax compliance and overseeing the Corporation's information technology and cybersecurity 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 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 initiatives and other action plans launched throughout the organization. Additionally, 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 who 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 chartered professional accountant; (ii) a certified public accountant; (iii) a

former or current CFO of a public company or corporate controller of similar experience; (iv) a current or former partner of an audit company; or (v) 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 (B.A.) 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 Financial Officer and Chief Administrative Officer of Gildan Activewear, a publicly listed (TSX/NYSE: GIL) producer of basic apparel. 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. Sara O'Brien holds a Bachelor of Business Administration (BBA) from HEC Montréal and is Senior Portfolio Manager, Québec Relationship Investing, in the Equity Markets group at the Caisse de dépôt et placement du Québec (CDPQ), which she joined in 2017. Ms. O'Brien brings experience in equity analysis, risk analysis and strategic review. Previously, she was Portfolio Manager, Canadian equities at CDPQ and served as an analyst at RBC Capital Markets for 15 years, covering numerous sectors including Industrial services and consumer products. Ms. O'Brien is a member of the Québec CPA order (CPA) and holds the designation of Chartered Financial Analyst (CFA).

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 preemptive 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, 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 as well as profit sharing amounts, bonuses and the allocation of long-term incentives to senior management. 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.

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 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. Additionally, 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 which would materially affect the financial position of the Corporation and changes in senior management. Nevertheless, the Corporation continues to operate in a manner which enables it to respond quickly to changes and to take advantage of opportunities as they arise.

Shareholder Engagement, Communications Policy and Contact with Independent Directors

Stella-Jones keeps shareholders informed of its activities and progress through news releases, quarterly reports, earnings conference calls, investor presentations and in 2023, a dedicated investor day, comprehensive annual reports, its ESG Reports and a regularly updated website. The hybrid format of the May 8, 2024, annual and special 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 the strategic plans and operations. Management must act within the law and respect ethical business principles as well as act as a model to be followed by the employees of the Corporation.

11. Normal Course Issuer Bid

On November 8, 2022, the TSX accepted the Corporation's notice of intention to carry out a normal course issuer bid ("2022 NCIB") during the 12-month period commencing November 14, 2022, and ending November 13, 2023 (the "2022 12-month Period"). Under the 2022 NCIB, the Corporation was authorized to purchase for cancellation, up to 5,000,000 Common Shares, representing approximately 9.6% of the public float of its Common Shares as at October 31, 2022. The Company repurchased 2,449,827 common shares for cancellation under the 2022 NCIB, in consideration of \$142 million.

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. Under the 2023 NCIB, the Corporation may purchase for cancellation, up to 2,500,000 common shares, representing approximately 5.0% of the public float on October 31, 2023.

In 2023, the Corporation purchased a total of 2,286,464 common shares for cancellation under its 2022 NCIB and 2023 NCIB then in effect, in total consideration of \$142 million. From January 1, 2024, to February 29, 2024, an additional 122,895 common shares were purchased under the 2023 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 2022 NCIB and the 2023 NCIB were cancelled at the time of settlement of all transactions. Purchases under the 2022 NCIB and the 2023 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 9, 2024, and February 7, 2025.

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, 2024

Schedule “A”

TREASURY SHARE UNIT PLAN

1. Definitions

For the purposes hereof and unless the context otherwise requires:

“Blackout Period” means a period of time imposed by the Corporation upon certain designated persons during which those persons may not trade in any securities of the Corporation;

“Board” means the board of directors of the Corporation;

“Cash Settlement Date” means the date elected by a Participant pursuant to Section 7.3;

“Cash Settlement Notice” means a notice of settlement of Units in cash substantially in the form approved by the Board from time to time;

“Change of Control” means any transaction pursuant to which any person or any group of two or more persons acting jointly or in concert acquires the direct or indirect beneficial ownership of, or acquires the right to exercise control or direction over, voting shares in the share capital of the Corporation entitling the holder thereof to more than 50% of the votes attached to the then issued and outstanding voting shares in the share capital of the Corporation, as a result of a share issuance, share purchase, take-over bid, amalgamation, merger, arrangement, business combination, capital reorganization or similar transaction;

“Committee” means the Human Resources and Compensation Committee of the Board;

“Corporation” means Stella-Jones Inc. or its successor;

“Dividend PSU” has the meaning set out in Section 5.4;

“Dividend RSU” has the meaning set out in Section 5.4;

“Dividend Unit” means a Dividend PSU or a Dividend RSU;

“Employee” means any individual who is an employee of the Corporation or a Subsidiary;

“Executive Officer” means any individual who is (i) the President or Chief Executive Officer of the Corporation or a Subsidiary, (ii) a vice-president in charge of a principal business unit, division or function (including sales, finance or production) of the Corporation or a Subsidiary, (iii) a senior vice-president of the Corporation or a Subsidiary or (iv) performing a policy-making function in respect of the Corporation or a Subsidiary;

“Expiry Date” means the expiry date set out in the Grant Letter 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 RSU or PSU was granted, subject to an extension as contemplated herein; (ii) the latest date permitted under the applicable rules and regulations of applicable regulatory authorities, including the TSX (or any other stock exchange on which the Corporation’s securities are listed), if applicable;

“Fair Market Value” on any date, means the average closing price of the Shares on the TSX for the five trading days immediately preceding such date, provided that if the Shares are not trading on the TSX, then the Fair Market Value shall be determined based on the average trading price for the five trading days immediately prior to such date on such stock exchange or over-the-counter market on which the Shares are then listed and posted for trading as may be selected for such purpose by the Board and, in the event that the Shares are not listed and posted for trading on any stock exchange or over-the-counter market, the Fair Market Value shall be the fair market value of such Shares as determined by the Board in its sole discretion;

“Grant Letter” means a letter containing the terms and conditions of a grant of Units under the Plan;

“ITA” means the *Income Tax Act* (Canada) and the regulations thereto, each as amended from time to time;

“Last Working Day” means the Employee’s last active day of work for the Corporation or a Subsidiary, excluding any period representing pay in lieu of notice, severance pay, gratuitous payment or any other indemnity, amount or notice whatsoever on account of termination of employment and any period taken to offset accrued vacations after such last active day of work;

“Participant” means an Executive Officer to whom a Unit has been granted under the Plan;

“Payout Multiplier” means the payout multiplier applicable to a given PSU as determined by the Board based on the performance of the Corporation for the applicable period and the terms and conditions set out in the Grant Letter;

“Permanent Disability” means that the Participant has ceased to be an Employee as a result of a permanent physical or mental disability or disease or illness preventing the Participant from performing his or her usual duties and tasks for the Corporation or a Subsidiary;

“Plan” means this Treasury Share Unit Plan for Executive Officers of Stella-Jones Inc. and its Subsidiaries;

“Plan Addendum” means any addendum to this Plan adopted by the Board that contains provisions applicable to Participants in specified jurisdictions;

“PSU” means a performance stock unit which represents the right of a Participant, once such PSU becomes a Vested PSU, to receive one Share issued from treasury, subject to the terms and conditions of the Grant Letter and the Plan; and shall include, for greater certainty, a Dividend PSU, where applicable;

“RSU” means a restricted stock unit which represents the right of a Participant, once such RSU becomes a Vested RSU, to receive one Share issued from treasury, subject to the terms and conditions of the Grant Letter and the Plan; and shall include, for greater certainty, a Dividend RSU, where applicable;

“Settlement Date” means the date elected by a Participant pursuant to Section 7.1.1, determined pursuant to 7.1.2, or as otherwise set forth in the Grant Letter or any applicable Plan Addendum, as the case may be;

“Settlement Notice” mean a notice of settlement of Units substantially in the form approved by the Board from time to time;

“Settlement Period” has the meaning set out in Section 6.2;

“Shares” means Common shares in the share capital of the Corporation, and includes any shares of the Corporation into which such shares may be changed, classified, reclassified, subdivided, consolidated or converted from time to time;

“Stock Option Plan” means the Corporation’s stock option plan dated June 13, 1994, as amended;

“Subsidiary” means any corporation or other entity in which the Corporation owns, directly or indirectly, securities carrying at least a majority of the outstanding voting rights of such corporation or other entity;

“TSX” means the Toronto Stock Exchange;

“Unit” means a PSU or RSU;

“Unit Account” means the notional account maintained for each Participant to which Units are credited;

“Unit Amount” has the meaning set out in Section 7.5;

“Vested PSU” has the meaning set out in Section 6.2;

“Vested RSU” has the meaning set out in Section 6.2;

“Vested Unit” means a Vested PSU or a Vested RSU; and

“Withholding Amount” has the meaning set out in Section 8.1.

2. Purpose of the Plan

The purpose of the Plan is to ensure that Executive Officers’ interests are closely aligned with those of all shareholders by encouraging stock ownership by Participants, increasing the proprietary interest of Participants in the success of the Corporation, and encouraging Participants to remain with the Corporation.

3. Shares Reserved for Issuance

- 3.1 A maximum of 1,500,000 Shares are available for issuance on a combined basis under this Plan and the Stock Option Plan. For greater certainty, Shares reserved for issuance pursuant to Units which are cancelled, terminated or forfeited without having been settled or which are settled in cash or Shares purchased on the open market will again be available for issuance under this Plan.
- 3.2 The aggregate number of Shares (i) issued to insiders under this 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 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 Shares (on a non-diluted basis) from time to time. For the purposes of this Section 3.2, the terms “security based compensation arrangement” and “insider” have the meanings attributed thereto in the TSX Company Manual.

4. Administration

4.1 The Plan is under the direction of the Board. The Committee makes recommendations to the Board in relation to the Plan and to the grants of Units. The Board, in its sole discretion, shall have full and complete authority to administer and interpret the Plan and to prescribe such rules and regulations and make such other determinations as it deems necessary or useful for the administration of the Plan, including the power and authority:

4.1.1 to select the Executive Officers to whom Units may be granted from time to time;

4.1.2 to determine the time or times of grant, the time or times of vesting and the Settlement Period of Units granted to Participants;

4.1.3 to determine and modify from time to time the terms and conditions, including restrictions, not inconsistent with the terms of the Plan, of any Unit, which terms and conditions may differ among individual Unit grants and Participants, and to approve forms of Grant Letters under the Plan;

4.1.4 to determine the level of attainment of the performance objective(s) which must be attained for any PSUs to be eligible to vest, and to modify or waive such objective(s) in whole or in part;

4.1.5 to accelerate the vesting or settlement of any Unit; and

4.1.6 to make all determinations it deems advisable for the administration of the Plan, to decide all disputes arising in connection with the Plan and to otherwise supervise the administration of the Plan.

All decisions and interpretations of the Board shall be binding on all persons, including the Corporation and the Participants.

4.2 Neither any member of the Board or the Committee nor any delegate thereof shall be liable for any act, omission, interpretation, construction or determination made in good faith in connection with the Plan, and the members of the Board and the Committee and any delegate thereof shall be entitled in all cases to indemnification and reimbursement by the Corporation in respect of any claim, loss, damage or expense (including, without limitation, reasonable professional fees) arising or resulting therefrom to the fullest extent permitted by law and/or under the Corporation's articles or bylaws or any directors' and officers' liability insurance coverage which may be in effect from time to time and/or any indemnification agreement between such individual and the Corporation.

4.3 Notwithstanding any provision of the Plan to the contrary, in order to comply with the laws in other jurisdictions in which the Corporation and its Subsidiaries operate or have Executive Officers, the Board, in its sole discretion, shall have the power and authority:

4.3.1 to determine which Subsidiaries shall be covered by the Plan;

4.3.2 to determine which Executive Officers outside of Canada are eligible to participate in the Plan;

4.3.3 to modify the terms and conditions of any Unit granted to Participants outside of Canada to comply with applicable foreign laws;

4.3.4 to establish subplans and modify settlement procedures and other terms and procedures, to the extent the Board determines such actions to be necessary or advisable (and such subplans and/or modifications shall be attached to this Plan as Plan Addendums); and

4.3.5 to take any action, before or after a Unit grant is made, that the Board

determines to be necessary or advisable to obtain approval or comply with any local governmental regulatory exemptions or approvals.

Notwithstanding the foregoing, the Board may not take any actions hereunder, and no Units shall be granted, that would violate any applicable Canadian securities law or any other applicable Canadian governing statute or law.

5. Grant of Units

5.1 The Board, in its sole discretion, shall from time to time designate the Executive Officers to whom Units shall be granted, the number of Units to be granted and the terms and conditions of such Units.

5.2 Each grant of Units shall be evidenced by a Grant Letter from the Corporation addressed to the Participant setting forth the date of grant, the number of PSUs and/or RSUs granted, the performance objective(s) which must be attained for any PSUs to become eligible to vest and with respect to the Payout Multiplier, the vesting conditions, the Settlement Period and any other terms and conditions applicable to such Units.

5.3 Units granted to a Participant shall be credited to the Participant's Unit Account on the date of grant. Statements of the Unit Accounts held by each Participant will be made available to the Participant by or on behalf of the Corporation.

5.4 In order to recognize the decreased Fair Market Value of a Share resulting from the payment of normal cash dividends, from time to time, a Participant's Unit Account shall be credited with Dividend Units in the form of additional PSUs ("Dividend PSUs"), in respect of outstanding PSUs, or RSUs ("Dividend RSUs"), in respect of outstanding RSUs, on each dividend payment date in respect of which normal cash dividends are paid on the Shares.

The number of such Dividend Units shall be computed as:

5.4.1 the amount of the dividend declared and paid per Share multiplied by the number of PSUs and/or RSUs, as applicable, recorded in the Participant's Unit Account on the record date for the payment of such dividend, divided by;

5.4.2 the Fair Market Value of a Share as at the dividend payment date.

5.5 Any Dividend Units credited pursuant to Section 5.4 shall have the same terms and conditions, including as to vesting, Payout Multiplier (in the case of Dividend PSUs) and settlement, as the underlying PSUs or RSUs to which they relate.

5.6 Notwithstanding any provision of the Plan, all Units granted to Participants who are subject to tax under the ITA in respect of Units shall have such terms and conditions so as to ensure that such Units are governed by section 7 of the ITA, including, for greater certainty, that the Participant has the right to require settlement of Units by the issuance of Shares from treasury.

6. Settlement Period

6.1 The level of attainment of the performance objective(s), the number of PSUs eligible to vest and the Payout Multiplier shall be determined by the Board as soon as reasonably practicable following the date on which it approves the Corporation's financial statements for the financial year in respect of which the performance objective(s) have been set (or the last financial year in respect of which the performance objective(s) have been set in the case of objective(s) covering more than one financial year). As soon as reasonably practicable following such determination by the Board, the Corporation shall deliver to the Participant a letter confirming the number of PSUs eligible to vest for the Participant and the Payout Multiplier applicable to such PSUs. Any PSUs not eligible to

vest in accordance with this Section 6.1 shall expire and the Participant shall not have any rights or entitlements whatsoever in respect of any such PSUs.

6.2 Subject to Sections 6.3 and 6.4, once a PSU has vested (thus becoming a "Vested PSU") and once an RSU has vested (thus becoming a "Vested RSU") in accordance with the Grant Letter and the Plan, subject to the terms of any applicable Plan Addendum, it shall be settled during a period established by the Board in accordance with the Grant Letter (the "Settlement Period") which in all cases shall terminate not later than on the Expiry Date. For greater certainty, subject to Sections 6.3 and 6.4, the Settlement Period of a Unit shall commence on the later of (i) in the case of a PSU, the date it becomes eligible to vest in accordance with the Grant Letter and the Plan, (ii) the date it vests in accordance with the Grant Letter and the Plan, and (iii) such later date as shall be provided in the Grant Letter.

6.3 Notwithstanding Section 6.2, with respect to PSUs, subject to the terms of any applicable Grant Letter or Plan Addendum:

6.3.1 if a Participant's employment with the Corporation or a Subsidiary is terminated in any circumstances and for any reason other than those mentioned in Sections 6.3.2, 6.3.3, 6.3.4, 6.3.5 and 6.3.6, including, without limitation, resignation, retirement and termination without cause, (i) all unvested PSUs shall be forfeited on the date that is his or her Last Working Day, and (ii) the Settlement Period of all Vested PSUs shall terminate on the date that is 30 days following his or her Last Working Day;

6.3.2 notwithstanding Section 6.3.1 (i), in the case of retirement, the Committee shall have the discretion, on a case-by-case basis and according to reasonable and predetermined

criteria, to permit all, or any portion, of unvested PSUs to continue to vest beyond the retiree's Last Working Day;

- 6.3.3 if a Participant's employment with the Corporation or a Subsidiary is terminated for fraud against the Corporation or a Subsidiary or misappropriation of money or other property of the Corporation or a Subsidiary or is otherwise terminated for cause, all Vested PSU and unvested PSUs shall be forfeited with immediate effect;
- 6.3.4 if a Participant ceases to be an Executive Officer or Employee as a result of Permanent Disability, (i) the Settlement Period of all Vested PSUs shall terminate on the date that is 60 days following his or her Last Working Day, (ii) all unvested PSUs shall continue to be eligible to vest during such 60 day period, and (iii) any and all unvested PSUs remaining at the end of such 60 day period shall be forfeited;
- 6.3.5 if a Change of Control occurs and a Participant's employment is terminated as a result of a dismissal without cause (including, for greater certainty, any constructive dismissal under applicable law) within 12 months of such Change of Control, (i) all unvested PSUs shall vest at a 100% Payout Multiplier, and (ii) the Settlement Period of all Vested PSUs vested on or prior to the date of the Participant's Last Working Day or as a result of vesting under clause (i) above shall terminate on the date that is 30 days following such date; and
- 6.3.6 if the Participant ceases to be an Executive Officer or Employee by reason of death, (i) the Settlement Period of all Vested PSUs shall terminate on the date that is 30 days following the date of the Participant's death, (ii) a pro rata portion of unvested PSUs 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, conditional upon subsequently being eligible to vest in accordance with Section 6.1, and (iii) the Settlement Period of all PSUs subsequently vested as a result of prorated vesting under clause (ii) above shall terminate on the date that is 30 days following the Board's determination in accordance with Section 6.1. All PSUs not vested on a pro rata basis shall be forfeited.

This Section 6.3 shall not be interpreted in such a manner as to extend the Settlement Period of a PSU beyond the Expiry Date.

- 6.4 Notwithstanding Section 6.2, with respect to RSUs, subject to the terms of any applicable Grant Letter or Plan Addendum:
- 6.4.1 if a Participant's employment with the Corporation or a Subsidiary is terminated in any circumstances and for any reason other than those mentioned in Sections 6.4.2, 6.4.3, 6.4.4, 6.4.5 and 6.4.6, including, without limitation, resignation, retirement and termination without cause, (i) all unvested RSUs shall be forfeited on the date that is his or her Last Working Day, and (ii) the Settlement Period of all Vested RSUs shall terminate on the date that is 30 days following his or her Last Working Day;
- 6.4.2 notwithstanding Section 6.4.1(i), in the case of retirement, the Committee shall have the discretion, on a case-by-case basis and according to reasonable and predetermined criteria, to permit all, or any portion, of unvested RSUs to continue to vest beyond the retiree's Last Working Day;
- 6.4.3 if a Participant's employment with the Corporation or a Subsidiary is terminated for fraud against the Corporation or a Subsidiary or misappropriation of money or other property of the Corporation or a Subsidiary or is otherwise terminated

for cause, all Vested RSUs and unvested RSUs shall be forfeited with immediate effect;

- 6.4.4 if a Participant ceases to be an Executive Officer or Employee as a result of Permanent Disability, (i) the Settlement Period of all Vested RSUs shall terminate on the date that is 60 days following his or her Last Working Day, (ii) all unvested RSUs shall continue to be eligible to vest during such 60 day period, and (iii) any and all unvested RSUs remaining at the end of such 60 day period shall be forfeited;
- 6.4.5 if a Change of Control occurs and a Participant's employment is terminated as a result of a dismissal without cause (including, for greater certainty, any constructive dismissal under applicable law) within 12 months of such Change of Control, (i) all unvested RSUs shall vest, and (ii) the Settlement Period of all Vested RSUs vested on or prior to the date of the Participant's Last Working Day or as a result of vesting under clause (i) above shall terminate on the date that is 30 days following such date; and
- 6.4.6 if the Participant ceases to be an Executive Officer or Employee by reason of death, (i) a pro rata portion of unvested RSUs shall vest based on the number of days elapsed between the date of grant and the date of Participant's death compared to the vesting schedule, and (ii) the Settlement Period of all Vested RSUs vested on or prior to the date of the Participant's death or as a result of prorated vesting under clause (i) above shall terminate on the date that is 30 days following such date. All RSUs not vested on a pro rata basis shall be forfeited.

This Section 6.4 shall not be interpreted in such a manner as to extend the Settlement Period of an RSU beyond the Expiry Date.

7. Settlement of Units

- 7.1 Subject to any applicable Plan Addendum, Participant may request the settlement of a Vested Unit in accordance with the Grant Letter and the Plan, at any time during the Settlement Period by submitting a Settlement Notice to the Corporation. Participants shall elect a Settlement Date for Units as follows:
- 7.1.1 Participants may elect at any time to settle Vested Units on any date or dates within the Settlement Period (such elected date, the "Settlement Date"), provided, however, that any such Settlement Notice delivered to the Corporation shall be irrevocable, and any Settlement Notice must be delivered to the Corporation no later than thirty (30) days prior to the Settlement Date, or any shorter notice period accepted by the Corporation in its sole discretion; and
- 7.1.2 In the event a Participant fails to provide the Settlement Notice (or Cash Settlement Notice as applicable) to the Corporation within prescribed timelines, the Participant shall be deemed to have selected a Settlement Date for his or her Vested Units that is the last business day of the Settlement Period of such Vested Units.
- 7.2 The Corporation shall settle the Vested Units on the Settlement Date by issuing to or for the benefit of the Participant from treasury a number of Shares equal to, in the case of a Vested RSU, one Share for each whole Vested RSU elected to be settled and, in the case of Vested PSUs, one Share for each whole Vested PSU elected to be settled multiplied by the Payout Multiplier applicable to such Vested PSU, and delivering to the Participant such number of Shares; less the number of Shares having a Fair Market Value equal to the Withholding Amount, which latter Shares shall be sold on behalf of the Participant with the net proceeds of such sale remitted by the Corporation or any Subsidiary to the appropriate governmental authorities.

- 7.3 Subject to Section 7.4, in lieu of settling any Vested Units for Shares issued from the treasury in the manner described in Section 7.2, a Participant may elect to settle, in whole or in part, the Participant's rights under any Vested Units in cash by delivering a Cash Settlement Notice to the Corporation. Participants may elect at any time to settle Vested Units on any date or dates within the Settlement Period (such elected date, the "Cash Settlement Date"), provided, however, that any such Cash Settlement Notice delivered to the Corporation shall be irrevocable, and any Cash Settlement Notice must be delivered to the Corporation no later than thirty (30) days prior to the Cash Settlement Date, or any shorter notice period accepted by the Corporation in its sole discretion.
- 7.4 In all cases, the Corporation has the sole discretion to accept or not the election of the Participant to settle any Vested Units in cash pursuant to Section 7.3. If the Corporation does not accept the election, the Participant may (i) if allowed by the Corporation, request the Corporation to settle such Vested Units in Shares purchased in the open market on behalf of the Participant pursuant to 7.6, (ii) request the Corporation to settle such Vested Units for Shares issued from treasury in the manner described in Section 7.2 or (iii) retract the request to settle such Vested Units in cash.
- 7.5 Where the Corporation accepts the election by a Participant to settle Vested Units in cash, the Corporation or any Subsidiary shall pay to the Participant an amount computed as follows: (A) in the case of Vested RSUs, the number of Vested RSUs settled and, in the case of Vested PSUs, the number of Vested PSUs multiplied by the Payout Multiplier applicable to such Vested PSUs, multiplied by (B) the Fair Market Value as of the Cash Settlement Date minus (C) the Withholding Amount (the result being, the "Unit Amount"). Upon such payment being made, the underlying Vested Units shall be cancelled.
- 7.6 If Shares are to be purchased on the open market in connection with a settlement by a Participant in accordance with Section 7.4, the Corporation or any Subsidiary shall designate a broker who is independent of the Corporation under the rules of the TSX and any stock exchange on which securities of the Corporation are listed and such broker shall act as agent for the Participant to purchase the applicable number of Shares on the open market at the expense of the Corporation or any Subsidiary, including broker commissions. As soon as practicable on or after the Cash Settlement Date, the Corporation or any Subsidiary shall deliver the requisite funds to the broker and arrange for the broker to purchase Shares on behalf of the Participant. Shares purchased in the market will be registered in the name of the broker in a separate account held for the Participant's benefit. The broker shall forward to the Participant confirmation that the Shares have been acquired for the benefit of the Participant.
- 7.7 Notwithstanding anything in this Plan, in no case will fractional Shares be issued or purchased and in all cases any fractional entitlements shall be rounded down to the nearest whole Share.
- 7.8 Notwithstanding any other term or condition of this Plan,
- 7.8.1 in the event that an Expiry Date, Settlement Date or Cash Settlement Date falls within a Blackout Period or within ten days following the end of such a Blackout Period, such Expiry Date, Settlement Date or Cash Settlement Date shall be automatically extended to the tenth (10th) business day following the end of the Blackout Period; and
- 7.8.2 in the event that an Expiry Date, a Settlement Date or a Cash Settlement Date falls on a date that is not a business day, such date shall be automatically extended to the next business day.

7.9 A Participant shall have no further rights respecting any Vested Unit which has been settled or otherwise cancelled in accordance with the Plan.

8. Withholdings

8.1 The Corporation or any Subsidiary may withhold, or cause to be withheld, and deduct, or cause to be deducted, from any amount to be paid to the Participant, any amount the Corporation or any Subsidiary is entitled or required to withhold, deduct or remit on account of income taxes, social security charges or other deductions that may be required by any applicable law or by any Canadian, foreign, federal, provincial, territorial, state or local governmental authority in respect of (i) the grant, vesting, disposition, settlement of a Unit or any interest therein, (ii) the receipt of cash under the Plan, or (iii) any payment made, or benefit granted under the Plan (the "Withholding Amount"). Any Withholding Amount retained or received from the Participant will be remitted to the appropriate governmental authority by the Corporation or a Subsidiary.

8.2 The Participant accepts that the Corporation or any Subsidiary shall have the right to require payment by the Participant of the Withholding Amount, and may take any means necessary to obtain payment from the Participant thereof, including:

8.2.1 permitting the Participant to pay to the Corporation the Withholding Amount;

8.2.2 withholding the necessary amount from the Participant's settlement of the Units, from other cash remuneration payments, or from any other amounts owing by the Corporation to the Participant; and

8.2.3 organizing a sale, for and on behalf of the Participant, of Shares having a Fair Market Value equal to the Withholding Amount.

8.3 If the Corporation or any Subsidiary does not withhold an amount or require

payment of an amount by a Participant sufficient to satisfy all obligations referred to in Section 8.1, the Participant shall forthwith make reimbursement, on demand, in cash, of any amount paid by the Corporation or any Subsidiary to a governmental authority to satisfy any such obligation.

9. Non-assignable

Neither the Unit nor any interest therein shall be assignable or transferable by the Participant other than by will or under the law of succession.

10. Not a Shareholder

A Participant shall have no rights as a shareholder of the Corporation with respect to any Units granted hereunder.

11. Effects of Alteration of Share Capital

In the event of any reorganization, change in the number of issued and outstanding Shares of the Corporation by reason of any stock dividend, stock split, reverse stock split, recapitalization, merger, consolidation, combination or exchange of shares, other distribution (other than normal cash dividends) or other similar corporate change, an equitable adjustment shall be made by the Board, by adjusting (i) the number and/or kind of Shares underlying outstanding Units, (ii) the factors and manner in which the settlement amount of a Unit is to be determined, or (iii) any other term and condition of the Units; provided, however, that no substitution or adjustment will obligate the Corporation to issue or sell fractional Shares and further provided that any adjustment in respect of Units granted to Participants who are subject to tax under the ITA in respect of Units shall be in compliance with subsection 7(1.4) of the ITA. Such adjustment will be final, binding and conclusive on all parties.

12. Amendment and Termination

12.1 The Board bears full responsibility with regard to the Plan, which includes, but is not limited to, the power and authority to, at any time, amend, suspend or terminate

the Plan, in whole or in part, subject to those provisions of applicable law (including, without limitation, the rules, regulations and policies of the TSX), if any, that require the approval of shareholders or any governmental or regulatory body.

12.2 The Board may from time to time, in its absolute discretion, subject to receipt of requisite regulatory approval, where required, and without the approval of the shareholders of the Corporation, make the following amendments to the Plan or any Unit:

12.2.1 any amendment to the vesting provisions of the Plan and any Grant Letter, including to accelerate, conditionally or otherwise, on such terms as it sees fit, the vesting date of a Unit;

12.2.2 any amendment to the Plan or a Unit as necessary to comply with applicable law or the requirements of the applicable stock exchange or any other regulatory body having authority over the Corporation (including the TSX), the Plan or the shareholders of the Corporation;

12.2.3 any amendment to the Plan and any Grant Letter to permit the conditional settlement of any Unit;

12.2.4 any amendment of a “housekeeping” nature, including, without limitation, to clarify the meaning of an existing provision of the Plan, correct or supplement any provision of the Plan that is inconsistent with any other provision of the Plan, correct any grammatical or typographical errors or amend the definitions in the Plan regarding the administration of the Plan;

12.2.5 any amendment to adopt separate or additional provisions, including vesting, election and settle provisions to account for Participants subject to foreign laws (including securities and tax laws);

12.2.6 any amendment respecting the administration of the Plan; and

12.2.7 any other amendment that does not require the approval of the shareholders of the Corporation pursuant to Section 12.3, including, for greater certainty, an amendment in connection with a Change of Control to assist the Participants to tender the underlying Shares to, or participate in, the actual or potential event or to obtain the advantage of holding the underlying Shares during such Change of Control; and to terminate, following the successful completion of such Change of Control, on such terms as it sees fit, the Units not settled prior to the successful completion of such Change of Control.

12.3 Shareholder approval will be required for the following amendments:

12.3.1 any increase to the fixed maximum number of Shares set forth in Section 3.1 or any change from a fixed maximum number of Shares to a fixed maximum percentage;

12.3.2 any amendment removing or exceeding the insider participation limit set forth in Section 3.2;

12.3.3 any amendment extending the term of a Unit or any rights pursuant thereto held by an insider beyond its original Expiry Date, except in case of an extension due to a Blackout Period;

12.3.4 any amendment to the limitations under the Plan on the number of Units that may be granted to any one person or any category of persons;

12.3.5 any amendment to this Section 12; and

12.3.6 any amendment required to be approved by shareholders under applicable law (including, without limitation, the rules, regulations and policies of the TSX).

If this Plan is terminated, the provisions of this Plan and any administrative guidelines, and other rules adopted by the Board and in force at the time of this Plan, will continue in effect as long as a Unit or any rights pursuant thereto remain outstanding. However, notwithstanding the termination of the Plan, the Board may make any amendments to the Plan or the Units it would be entitled to make as if the Plan were still in effect.

12.4 The Board may amend or modify the terms and conditions of outstanding Units in any manner to the extent that the Board would have had the authority to initially grant the award as so modified or amended; provided that such amendment, suspension or termination shall not adversely alter or impair any Unit previously granted (provided that the Board may at its discretion accelerate the vesting or settlement of any Unit regardless of any adverse or potentially adverse tax consequences resulting from such acceleration).

13. Final Provisions

13.1 The participation in the Plan of an Executive Officer shall be entirely optional and shall not be interpreted as conferring upon an Executive Officer any right or privilege whatsoever, except for the rights and privileges set out expressly in the Plan. Neither the Plan nor any act that is done under the terms of the Plan shall be interpreted as restricting the right of the Corporation to terminate the employment of an Executive Officer at any time.

13.2 The Corporation's obligation to issue Shares upon the settlement of Units is subject to any applicable laws and

regulations in respect of the issuance or distribution of securities and with the rules of any applicable stock exchange (including the TSX). Each Participant shall agree to comply with such laws, regulations and rules and to provide to the Corporation any information required to comply with such laws, regulations and rules.

13.3 No Executive Officer to whom Units have been granted acquires any right to be granted one or more Units under the terms of the Plan by reason of any previous grants of Units under the Plan.

13.4 The Plan does not provide for any guarantee in respect of any loss or profit which may result from fluctuations in the price of the Shares.

13.5 This Plan and all Units granted under the Plan is subject to the Executive Officer Clawback Compensation Policy of the Corporation and to any clawback policy as the Corporation may implement from time to time.

13.6 It is the responsibility of the Participant to complete and file any tax returns which may be required under Canadian or other applicable jurisdiction's tax laws within the periods specified in those laws as a result of the Participant's participation in the Plan. The Corporation shall assume no responsibility as regards the tax consequences that participation in the Plan will have for a Participant and Participants are urged to consult their own tax advisors in such regard.

13.7 The Plan and any Unit granted under the terms of the Plan shall be governed and interpreted according to the laws of the province of Québec and the federal laws of Canada applicable thereto.

13.8 The Plan was adopted by the Board on December 12, 2023.

**Addendum to the
TREASURY SHARE UNIT PLAN FOR
EXECUTIVE OFFICERS
OF STELLA-JONES INC. AND ITS SUBSIDIARIES**

(United States Participants)

Notwithstanding anything stated to the contrary in the Treasury share Unit Plan for Executive Officers (the “Plan”) of Stella-Jones Inc. (the “Corporation”), this Addendum (this “Addendum”) to the Plan shall apply for purposes of all Units granted under the Plan to natural persons who are Executive Officers and are subject to United States income tax (collectively, the “US Participants”). All capitalized terms, to the extent not defined herein, shall have the meanings set forth in the Plan. Except as specifically provided in this Addendum, the provisions of the Plan shall control.

1. Definitions.

As used in this Addendum, the following terms shall have the following meanings:

“Exchange Act” means the Securities Exchange Act of 1934, as amended, and the rules and regulations thereunder.

“Section 409A” means Section 409A of the US Code and the regulations and other guidance promulgated thereunder.

“Securities Act” means the Securities Act of 1933, as amended, and the rules and regulations thereunder.

“US Code” means the United States Internal Revenue Code of 1986, as amended, and any successor Code, and related rules, regulations and interpretations.

2. Settlement of Units. Notwithstanding anything to the contrary in Section 6.3 or Section 6.4, unless otherwise provided in a Participant’s Grant Letter:

- (a) any PSUs which are eligible to vest and have vested and RSUs which have vested in accordance with the Grant Letter and the Plan shall be settled automatically without the Participant providing any notice to the Corporation;

- (b) except as otherwise set forth below, all PSUs and RSUs (to the extent eligible to vest and vested pursuant to the Plan and the Grant Letter) shall settle within 30 days following the regularly scheduled vesting date (including in the case of any retirement pursuant to the terms of Section 6.3.2 of the Plan or 6.3.4 of the Plan);

- (c) in the event that a Participant ceases to be an Executive Officer or Employee as a result of Permanent Disability, such Participant’s PSUs and RSUs will remain outstanding and eligible to vest for a period of 60 days following the date of his or her Last Working Day (which for the avoidance of doubt shall be the date on which the Participant is deemed to have experienced a Permanent Disability), and any PSUs and RSUs that are vested as of such time will settle within 30 days after the end of such 60-day period; and

- (d) if either (a) a Change of Control occurs and a Participant’s employment is terminated as a result of a dismissal without cause (including, for greater certainty, any constructive dismissal under applicable law) within 12 months of such Change of Control or (b) the Participant ceases to be an Executive Officer or Employee by reason of his or her death, then any PSUs and RSUs that vest pursuant to Section 6.3.5 or 6.4.5 of the Plan shall settle within 60 days after the Participant’s “separation from service” (as such term is defined under Section 409A) or death, as applicable.

3. Settlement. The provisions in Section 7 of the Plan that refer to the Participant electing a Settlement Date and providing notice of settlement to the Corporation shall not apply, and the Settlement Date shall refer to the date on which the RSUs or PSUs automatically settle pursuant to this Plan Addendum. However, the Participant may, subject to Section 7.4 of the Plan, elect to settle Vested Units in cash rather than Shares pursuant

to Section 7.3 of the Plan by providing notice of such election on or within five days following the applicable vesting date; provided that the form of settlement must be finalized prior to the Settlement Date as set forth in Section 2 of this Addendum.

4. No Deferral. In no event may the Corporation or the US Participant defer the settlement of the Units beyond the date specified at Section 2 of this Addendum, unless such deferral complies in all respects to Section 409A of the US Code.
5. Tax Withholding. Each US Participant shall, no later than the date as of which the value of a Unit, Shares or other amounts received thereunder first becomes includable in the gross income of the US Participant for U.S. Federal income tax purposes, pay to the Corporation, or make arrangements satisfactory to the Board regarding payment of, any U.S. Federal, state, or local taxes of any kind required by law to be withheld by the Corporation with respect to such income. The Corporation and any Subsidiary shall, to the extent permitted by law, have the right to deduct any such taxes from any payment of any kind otherwise due to the US Participant. The Corporation's obligation to deliver stock certificates to any US Participant is subject to and conditioned on any such tax withholding obligations being satisfied by the US Participant.
6. Section 409A and Section 457A of the Internal Revenue Code.

With respect to an "award" of Units (an "Award") subject to Section 409A, the Plan is intended to comply with the requirements of Section 409A and the provisions of the Plan and any Grant Letter shall be interpreted in a manner that satisfies the requirements of Section 409A, and the Plan shall be operated accordingly. If any provision of the Plan or any term or condition of any Award would otherwise frustrate or conflict with this intent, the provision, term or condition will be interpreted and deemed amended so as to avoid this conflict. If an amount payable under an Award as a result of the Participant's termination of employment with the Corporation or its affiliates (other than due to death) at a time when the Participant is a "specified employee" under Section 409A constitutes a deferral of compensation subject to Section 409A, then

payment of such amount shall not occur until six months and one day after the date of the Participant's Last Working Day, except as permitted under Section 409A. If the Award includes a "series of installment payments" (within the meaning of Section 1.409A-2(b)(2)(iii) of the US Code Treasury Regulations), the Participant's right to the series of installment payments shall be treated as a right to a series of separate payments and not as a right to a single payment, and if the Award includes "dividend equivalents" (within the meaning of Section 1.409A-3(e) of the US Code Treasury Regulations), the Participant's right to the dividend equivalents shall be treated separately from the right to other amounts under the Award. Notwithstanding the foregoing, the tax treatment of the benefits provided under the Plan or any applicable Grant Letter is not warranted or guaranteed, and in no event shall the Corporation be liable for all or any portion of any taxes, penalties, interest or other expenses that may be incurred by the Participant on account of non-compliance with Section 409A.

For any Award that provides for accelerated distribution on a Change of Control of amounts that constitute "deferred compensation" (as defined in Section 409A) or upon a termination event following a Change of Control, if the event that constitutes such Change of Control does not also constitute a change in the ownership or effective control of the Corporation, or in the ownership of a substantial portion of the Corporation's assets (in either case, as defined in Section 409A), such amount shall not be distributed on such Change of Control or subsequent termination of employment but instead shall vest as of such Change of Control and shall be distributed on the scheduled payment date specified in the applicable Grant Letter, except to the extent that earlier distribution would not result in the Participant who holds such Award incurring interest or additional tax under Section 409A.

A Permanent Disability shall occur only if a Participant is unable to engage in any substantial gainful activity by reason of any medically

determinable physical or mental impairment that can be expected to result in death or can be expected to last for a continuous period of not less than 12 months.

With respect to any Award subject to Section 409A (and not exempt therefrom), a

Participant's Last Working Day shall occur upon the occurrence of the Participant's "separation from service" (as such term is defined under Section 409A).

Schedule “B”

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

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

1. Reviewing and approving, prior to the beginning of each fiscal year, the business plan, capital budget and financial goals of the Corporation, as well as longer term strategic plans (taking into account the opportunities and risks of the business) prepared and elaborated by management and, throughout the year, monitoring the achievement of the objectives set.
2. Reviewing and approving all significant decisions relating to the business, among others, acquisitions, dispositions, senior management changes, budgets, capital expenditures and major financing.
3. Identifying, with management, the principal risks of the Corporation’s business and ensuring the implementation of appropriate systems to manage these risks as well as monitoring, on a regular basis, the adequacy of such systems.
4. Ensuring the adequacy, efficiency and integrity of the Corporation’s internal financial and/or disclosure control and management of information systems.
5. Adopting a strategic planning process and approving, on at least an annual basis, a strategic plan which takes into account among other things, the opportunities and risks of the business.
6. Reviewing the content of and approving all regulatory filings 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 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 12, 2023.



Stella-Jones[®] Inc.