

STELLA-JONES INC.
BOARD DIVERSITY POLICY

Policy Statement

Stella-Jones Inc. (“the Corporation”) recognises the importance of having a Board of Directors comprised of highly talented and experienced individuals as well as the benefits of having a diverse Board. A truly diverse Board will include differences in skills, professional, regional and industry experience, ethnicity, gender and other attributes that are essential to its successful operation and achievement of the Corporation’s objectives. These differences will be considered in determining the optimum composition of the Board and when possible, should be balanced appropriately. All Board nominations are made on merit, in the context of the skills, experience, independence and knowledge which the Board as a whole requires to be effective.

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

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

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

Term Limits and Retirement

No Board Term limits or Mandatory Retirement Age: The Board does not believe it should establish term or age limits for its members. While the Board acknowledges the benefit of fresh ideas and viewpoints, it encourages alternative means of ensuring Board renewal as opposed to the imposition of arbitrary thresholds given the value of the contribution of its directors, who have been able to develop, over a period of time, increasing insight into the Corporation and its operations, and therefore, provide an increasing contribution to the Board as a whole.

Measurable Objectives

As it may be challenging for the Corporation to identify a qualified pool of candidates that adequately reflects the various diverse characteristics that the Corporation seeks to promote, the Corporation has not adopted any specific measurable objectives, but will promote its goals through the initiatives set out in this Policy with a view to identifying and fostering the development of a suitable pool of candidates for nomination over time.

Monitoring and Reporting

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

Review of the Policy

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

Reviewed and approved by the Board of Directors on December 12, 2017.