

## **SHAWCOR POLICY STATEMENT ON DIRECTOR MAJORITY VOTING**

August 10, 2017

The Board of Directors of Shawcor Ltd. (“Board”) believes that each of its members should have the confidence and support of its shareholders. To this end, the Board has adopted this Policy Statement. Future candidates for election to the Board will be asked to agree to this Policy Statement before they are nominated.

Forms of proxy for the vote by shareholders on the election of directors will enable the shareholder to vote in favour of, or to withhold from voting, separately for each nominee. If, as a result of a report prepared by the scrutineer duly appointed at a meeting of shareholders (“Scrutineer”) immediately after the start of the meeting, the number of votes withheld exceeds the number of votes cast in favour of any nominee, the Chair will call for the vote on the election of directors to be by ballot. After such election, the Scrutineer will record with respect to each nominee the number of votes cast in his or her favour and the number of votes withheld from voting. If, with respect to any nominee, the number of votes withheld exceeds the number of votes in favour of the nominee as determined by the Scrutineer, then, for purposes of this Policy Statement, such nominee (“Designated Nominee”) shall be considered not to have received the support of the shareholders in the opinion of the Board, even though such nominee is duly elected as a matter of applicable law.

A Designated Nominee must immediately submit to the Board his or her resignation, to take effect upon acceptance by the Board. The Board will consider whether or not it is in the best interest of the Corporation to accept or reject the resignation and in making this decision may request and rely on a recommendation from the Nominating and Governance Committee. A Designated Nominee must not participate in any meeting of the Board or the Nominating and Governance Committee at which his or her resignation is considered.

The Board must accept the Designated Nominee’s resignation within 90 days of the applicable meeting of shareholders, absent exceptional circumstances, and must announce its decision through a press release, a copy of which shall be concurrently delivered to the Toronto Stock Exchange. If, due to exceptional circumstances, the Board declines to accept the Designated Nominee’s resignation, the press release must fully state the reasons for the Board’s decision.

Subject to any applicable law, if a resignation is accepted, the Board may leave the resultant vacancy unfilled until the next annual general meeting, or it may fill the vacancy through the appointment of a new director.

This Policy Statement only applies to uncontested shareholders’ meetings and for greater certainty does not apply to any nominee for election as a director of the Corporation where, at an election of directors, the total number of persons nominated for election exceeds the total number of vacancies to be filled at such election, as determined by the Board.