SHAWCOR

2023

NOTICE of ANNUAL AND SPECIAL MEETING of SHAREHOLDERS and MANAGEMENT PROXY CIRCULAR

NOTICE OF ANNUAL AND SPECIAL MEETING OF SHAREHOLDERS

NOTICE IS HEREBY GIVEN that the Annual and Special meeting of Shareholders of Shawcor Ltd. (the "Meeting") will be held on May, 12, 2023 at the offices of Shawcor Ltd., at 25 Bethridge Road, Toronto, Ontario, Canada at the hour of 2:00 p.m., EDT, for the following purposes:

1. to receive the Annual Financial Statements and the Report of the Auditor for the year ended December 31, 2022;
2. to elect directors;
3. to appoint the auditor and to authorize the directors to fix the auditor's remuneration;
4. to consider and if thought appropriate, approve the advisory resolution with respect to the Company's approach to executive compensation;
5. to amend the Company's articles to change its name to Mattr Corp.; and
6. to transact such other business as may properly be brought before the Meeting.

It is desirable that as many shares as possible be represented at the Meeting. If you would like your shares represented at the Meeting, please complete, date and sign the enclosed form of proxy and return it in the envelope provided to the Company's transfer agent, TSX Trust Company, Proxy Department, P.O. Box 721, Agincourt, Ontario, M1S 0A1, Canada or by e-mail: proxyvote@tmx.com or fax to: 416-595-9593. **Proxies must be received by the transfer agent not later than May 10, 2023, 2:00 p.m., EDT.**

Shareholders and any other interested persons who are unable or not permitted to attend the Meeting in person have the opportunity to listen to the Meeting live through a live audio webcast. The details concerning the live audio webcast will be provided on the Company's website at https://www.shawcor.com/ prior to the Meeting. Registered shareholders may submit questions to meghan.maceachern@shawcor.com or via the registration page by 5pm EDT on May 11, 2023. To assist Shawcor and its representatives in confirming a registered shareholder's or duly appointed proxy holder's status – for the purpose of attending the Meeting in person – as safely, efficiently, and easily as possible given building access restrictions, the Company requests that those eligible persons wishing to attend the meeting in person provide notice of intention to meghan.maceachern@shawcor.com by 5pm EDT on Thursday May 11, 2023. A recorded version of the Meeting webcast will also be made available on the Company's website following the Meeting.

DATED at Toronto, Ontario the 31st day of March, 2023.

By Order of the Board of Directors

Tim Hutzul
Corporate Secretary

LETTER FROM SHAWCOR'S BOARD CHAIR[1]

Dear fellow shareholders,

The past twelve months have been pivotal for our company, a period in which the organization has made substantial progress in the execution of its strategy to become a simpler, more focused, less volatile infrastructure technology provider – in the process becoming more profitable, delivering greater returns on capital and more consistently generating substantial free cash flow – all while making significant strides towards achieving our long-term ESG aspirations and, most importantly, continuing to prioritize the health, safety and welfare of our employees around the world.

Our full-year 2022 financial results include 10% year-over-year revenue growth, 23% year-over-year Adjusted EBITDA growth and reduction of our Net Debt ratio to near zero. With a very strong balance sheet the company has turned from 'defense' to 'offense', acquiring two small but strategically important businesses, introducing a share buy-back program and moving more aggressively to deploy capital in support of low risk, high-return, organic growth opportunities.

At year end, these actions had raised the company's share price 180% when compared to December 31, 2021, increasing shareholder equity value by over $600 million and securing Shawcor a position in the MSCI-TSX small cap index. While the Board are very pleased by this rapid progress, we recognize the company's transformation is not yet complete, and that a full and fair valuation of the business has not yet been achieved.

As we move into 2023, we are excited to secure your support to rename the corporation from Shawcor to Mattr, breaking with the past and establishing a more energetic, youthful, materials technology-oriented brand that better reflects the current state of the organization. Simultaneously, we remain committed to completing the announced strategic review of our remaining Pipeline and Pipe Services business segment, and to establish a new, more appropriate, industrially focused peer group. Safely and efficiently executing these additional steps will position the organization to ultimately earn the share price multiple re-rate we firmly believe it deserves.

To support this transformation, our Board is also evolving – at last year's Annual Meeting we were excited to welcome Kathleen Hall and Ramesh Ramachandran to the Board. Both Kathleen and Ramesh are highly accomplished retired industrial sector executives and bring a wealth of global operating experience to the company. This year our Board evolution continues, with Kevin Forbes standing down after nearly a decade of dedicated service and Katherine Rethy, a highly respected former executive in the industrial sector with deep public board experience standing for election in his place.

(1) This letter contains forward-looking statements. See "*Notice Regarding Forward-Looking Information*" in the Management Information Circular accompanying this letter.

I believe the slate of directors standing for election this year represent the right mix of experience and knowledge to ensure strong governance and provide insightful thought leadership as our company continues its transformation to deliver even greater value to all stakeholders. I ask that you support this transformation by voting 'yes' to all proposed shareholder resolutions.

I am extremely proud of the progress made by Shawcor in the past year, and believe the company's strong financial position, clear strategic vision and urgent, efficient execution capabilities have positioned it to deliver ever-greater stakeholder value in the years that come.

On behalf of the Board of Directors, I thank you for your continued support of Shawcor and remind you that I can be reached at any time via Chair@Shawcor.com if you ever have Board level questions or concerns.

Very best regards,

D Blackwood

Derek Blackwood
Chair of the Board

TABLE OF CONTENTS

SECTION 1 THE BUSINESS OF THE ANNUAL AND SPECIAL MEETING

The information contained in this Management Proxy Circular (the "Circular") is provided in connection with the solicitation of proxies by and on behalf of management of Shawcor Ltd. (the "Company" or "Shawcor") for use at the Annual and Special Meeting (the "Meeting") of Shareholders of the Company to be held on May 12, 2023.

Financial Statements

The Consolidated Financial Statements for the year ended December 31, 2022 are available online at www.sedar.com and https://www.shawcor.com/.

Election of Directors

The Articles of the Company provide for a minimum of one and a maximum of twenty directors. Directors are elected annually at each annual meeting of shareholders to hold office until the next annual meeting or until their successors have been duly elected or appointed. The Board currently consists of eight directors and the Board has determined that the number to be elected at the Meeting is to be eight directors.

Nominees for Election to the Board of Directors

The following table sets out information as of March 31, 2023, unless otherwise indicated, regarding the nominees for election as directors. Shareholders will be asked at the Meeting to elect as directors each of the nominees noted below. With the exception of Katherine Rethy, all nominees are current directors of the Company. Each director elected will hold office from the date on which he/she/they are elected until the next annual meeting of Shareholders or until his/her/their successor is duly elected or appointed. You can vote 'for' or 'against' each director. Directors who receive more 'against' votes than 'for' votes must submit their resignation in accordance with our majority voting policy (see Corporate Governance Practices – Majority Voting Policy).

The Board recommends that shareholders vote "FOR" each of the director nominees.

Unless otherwise instructed, the named proxyholders will vote for the appointment of each of the director nominees.

The persons named in the enclosed form of proxy intend to vote for the election as a director of each of the nominees set out in the following table.

DEREK S. BLACKWOOD, O.B.E, FI Mech E, ICD.D
Age: 68[1]
Houston, Texas, USA
Director Since May 2011
Independent
Total Compensation for 2022: $337,000

Mr. Blackwood has been a director of the Company since May 2011 and became its Chair in May 2020. Mr. Blackwood was the Chief Executive Officer of Vepica Group, a private engineering, procurement and construction contractor which serves the global energy and industrial industries from 2015 until his retirement in 2018. Prior to Vepica, Mr. Blackwood served in several senior executive roles for both exploration and production, and energy services companies for 38 years. Mr. Blackwood is a mechanical engineer, a Fellow of the Institution of Mechanical Engineers in the UK. He was appointed by the First Minister in Scotland as a Global Scot in 2001 to promote Scotland and its people. In 2007 he was appointed Officer of the Order of the British Empire, (OBE) by HM Queen Elizabeth II.

Securities Held		
Common Shares Owned or Controlled[2]		**Meets Share Ownership Requirement?** [6]
December 2022:	282,205	YES
December 2021:	233,954	
December 2020:	173,110	
Investment at Risk[3]:	$4,312,781	

Member of	2022 Attendance[4]	Other Public Boards During Past 5 Years	Voting Results of 2022 Annual Meeting[5]
Board Chair	100%	None	Total Votes For: 97.80%

LAURA A. CILLIS, ICD.D
Age: 64[1]
Nelson, British Columbia, Canada
Director Since December 2019
Independent
Total Compensation for 2022: $203,500

Ms. Cillis has been a director of the Company since December 2019. She currently also serves as a director of Western Forest Products Inc. and has previously served on other public company boards. She has over 25 years of experience working primarily in international, publicly traded organizations, and has a broad range of leadership, corporate governance and financial experience within the North American energy industry, most recently as Senior Vice President, Finance and Chief Financial Officer of Calfrac Well Services Ltd. from 2008 until her retirement in 2013. Ms. Cillis is a Chartered Professional Accountant (CPA, CA) and holds the ICD.D designation granted by the Institute of Corporate Directors ("ICD").

Securities Held	
Common Shares Owned or Controlled[2] December 2022: 81,255 December 2021: 66,221 December 2020: 46,976 **Debt Securities Owned or Controlled**[8] Debt Held: $50,000 Investment at Risk[3][8]: $1,167,937	**Meets Share Ownership Requirement?**[6] YES

Member of	2022 Attendance[4]	Other Public Boards During Past 5 Years	Voting Results of 2022 Annual Meeting[5]
Board Audit Committee (Chair) Compensation and Organizational Development Committee	100% 100% 100%	Western Forest Products Inc (2019 to present) Crescent Point Energy Corp (2014 to 2022) Solium Capital Inc. (2014 to 2019) Enbridge Income Fund Holdings Inc. (2016 to 2018)	Total Votes For: 99.23%

KATHLEEN J. HALL
Age: 62[1]
Chadds Ford, PA, USA
Director Since May 2022
Independent
Total Compensation for 2022: $124,477

Ms. Hall has been a director of the Company since May 2022. She is an accomplished operating executive with more than 35 years' experience in global industrial markets. She currently serves as a director of industrial portfolio companies of Altamont Capital Partners. She was the Chief Operating Officer for FARO Technologies from 2013 until her retirement in 2019. Prior to that, Ms. Hall was a Corporate Officer and VP/GM at Avery Dennison Corporation. She began her career at E.I. DuPont De Nemours & Company where she held leadership positions spanning over 26 years. Ms. Hall holds a B.S. in Industrial Engineering from Lehigh University in Bethlehem, PA.

Securities Held	
Common Shares Owned or Controlled[2] December 2022: 14,420 December 2021: Nil December 2020: Nil Investment at Risk[3]: $198,124	**Meets Share Ownership Requirement?**[6] On track (has until May 2027 to meet requirement)

Member of	2022 Attendance[4]	Other Public Boards During Past 5 Years	Voting Results of 2022 Annual Meeting[5]
Board Audit Committee Compensation & Organizational Development Committee	100% 100% 100%	None	Total Votes For: 98.89%

ALAN R. HIBBEN, ICD.D
Age: 69[1]
Huby, Leeds, United Kingdom
Director Since June 2020
Independent
Total Compensation for 2022: $198,625

Mr. Hibben has been a director of the Company since June 2020. Since December 2014, he has been the principal of Shakerhill Partners Ltd., an advisory and investment company which provides financial and strategic advice. Mr. Hibben has more than 40 years' experience in the investment and financial services industry, retiring in December 2014 as Managing Director in the Mergers and Acquisitions Group of RBC Capital Markets, after previous roles as Head, Strategy & Development at RBC Financial Group and Chief Executive Officer, RBC Capital Partners. Mr. Hibben is a Chartered Professional Accountant (CPA, CA) and a Chartered Financial Analyst (CFA) and is accredited with ICD.D.

Securities Held

Common Shares Owned or Controlled[2]		Meets Share Ownership Requirement?[6]
December 2022:	182,474	YES
December 2021:	144,422	
December 2020:	99,392	
Debt Securities Owned or Controlled[8]		
Debt Held:	$500,000	
Investment at Risk[3][8]:	$3,022,197	

Member of	2022 Attendance[4]	Other Public Boards During Past 5 Years	Voting Results of 2022 Annual Meeting[5]
Board	100%	Extendicare Inc. (2016–present)	Total Votes For: 97.93%
Audit Committee	100%	Home Capital Group Inc. (2017–present)	
Governance and Sustainability Committee (Chair)	100%	Hudbay Minerals Inc. (2008–2020)	
		Wild Brain Inc. (2018–2022)	

KEVIN L. NUGENT
Age: 57[1]
Calgary, Alberta, Canada
Director since May 2021
Independent
Total Compensation for 2022: $198,500

Mr. Nugent is an independent businessperson and has been a corporate director since 2007. Mr. Nugent is also a Chartered Professional Accountant, Chartered Accountant with over 30 years of experience in the oil and natural gas industry. Mr. Nugent currently serves as a director of Secure Energy Services Inc., Hifi Engineering Inc., Variperm Energy Services Ltd., 8Sigma Energy Services Incorporated, Banff Sport Medicine Foundation, and the Pacific Salmon Foundation.

Securities Held

Common Shares Owned or Controlled[2]		Meets Share Ownership Requirement?[6]
December 2022:	52,736	YES
December 2021:	24,538	
December 2020:	Nil	
Investment at Risk[3]:	$724,589	

Member of	2022 Attendance[4]	Other Public Boards During Past 5 Years	Voting Results of 2022 Annual Meeting[5]
Board	100%	Secure Energy Services Inc. (2007–present)	Total Votes For: 97.96%
Audit Committee	100%	Trican Well Services Ltd. (2008–2021)	
Compensation and Organizational Development Committee (Chair)	100%		

RAMESH RAMACHANDRAN
Age: 63[1]
Princeton, NJ, USA
Director since May 2022
Independent
Total Compensation for 2022: $121,318

Dr. Ramesh Ramachandran is currently CEO of MEGVIN Advisors LLC. He has over 33 years' experience in the chemical industry. He was the CEO of EQUATE Petrochemical Company from 2018-2022, a US$6 billion company based in Kuwait. Prior to that, he was CEO of MEGLOBAL and also served as President of Dow India and Dow Canada. While serving as President of Dow Canada, he was awarded the Alberta Centennial Medal in 2005. He has a PhD in Chemistry from Columbia University, NY and an MBA from Rutgers University.

Securities Held

Common Shares Owned or Controlled[2]		Meets Share Ownership Requirement?[6]
December 2022:	18,744	On track (has until May 2027 to meet the requirement)
December 2021:	Nil	
December 2020:	Nil	
Investment at Risk[3]:	$258,897	

Member of	2022 Attendance[4]	Other Public Boards During Past 5 Years	Voting Results of 2022 Annual Meeting[5]
Board	100%	None	Total Votes For: 99.86%
Compensation & Organizational Development Committee	100%		
Governance & Sustainability Committee	100%		

MICHAEL REEVES
Age: 51[1]
Houston, Texas, USA
Director Since June 2021
Not Independent
Total Compensation for 2021: $0
No compensation received for services as a director.

Mr. Reeves was appointed President of Shawcor in March 2021 following a career that included global leadership roles within Schlumberger, NOV and several private equity backed ventures, most recently as founder, President and CEO of Rubicon Oilfield International from 2015 until joining Shawcor in March 2021.On June 1, 2021, Mr. Reeves was appointed CEO and Director of Shawcor. Mr. Reeves holds a bachelor's degree in Civil Engineering from Imperial College in London.

Securities Held

Common Shares Owned or Controlled[2]		Meets Share Ownership Requirement?[7]
December 2022:	162,436	On track (has until June 2026 to meet the CEO Equity Ownership requirement of 4x base salary)
December 2021:	69,162	
December 2020:	Nil	
Investment at Risk[3]:	$2,231,871	

Member of	2022 Attendance[4]	Other Public Boards During Past 5 Years	Voting Results of 2022 Annual Meeting[5]
Board	100%	None	Total Votes For: 99.43%

KATHERINE RETHY
Age: 66[1]
Huntsville, Ontario, Canada
Director Nominee
Independent
Total Compensation for 2022: $N/A

Ms. Rethy has extensive experience in the industrial sector and specifically in shared services, procurement, logistics and operational matters and was previously Senior Vice President, Global Services at Falconbridge Ltd. Prior to joining Falconbridge, she was an executive with Dupont Canada Inc. Ms. Rethy is currently a member of the Board of Directors of Toromont Industries Ltd. where she serves on the ESG, and Human Resources and Compensation Committees (past Audit Committee member) and is a member of the Board of Trustees of Chemtrade Logistics Income Fund where she serves on the Responsible Care, Audit, and Compensation and Corporate Governance (past Chair) Committees. Ms. Rethy previously served as a director of SBM Offshore NV (Netherlands), Equitable Bank, TransForce Inc., as well as the Muskoka Airport and several not-for-profit and private organizations. Ms. Rethy is a lawyer, MBA, MA (Leadership for Sustainability) and a graduate of the Institute of Corporation Directors ("ICD") and Rotman School of Management Directors Education Program ("DEP").

Securities Held	
Common Shares Owned or Controlled[2] December 2022: Nil December 2021: N/A December 2020: N/A Investment at Risk[3]: Nil	**Meets Share Ownership Requirement?**[6] N/A (new nominee) If elected, Ms. Rethy will have until May 2028 to meet the requirement.

Member of	2022 Attendance[4]	Other Public Boards During Past 5 Years	Voting Results of 2022 Annual Meeting[5]
N/A	N/A	Toromont Industries Ltd. (2013-present) Chemtrade Logistics Inc. (2015-present)	N/A

(1) The age of the nominees is provided as of the date of the Circular.

(2) Includes common shares, deferred share units and, in the case of Mr. Reeves, vested and unvested employee share units, effective as of December 31, 2022 but does not include common share options.

(3) Value is based on the higher of acquisition cost / grant value or the closing price of the Company's common shares on the Toronto Stock Exchange (the "TSX") on December 31, 2022, which was $13.74. See footnote (8) regarding valuation of high yield debt.

(4) See *Corporate Governance Practices – Meeting Attendance*.

(5) The Board has adopted a majority voting policy for directors. See *Corporate Governance Practices – Majority Voting Policy*.

(6) Each director is required to own, within five years of becoming a director or Board Chair, common shares of the Company and/or DSUs valued at 3 times their Annual Cash Retainer and Annual Equity Retainer. See *Director Equity Ownership*.

(7) See *Compensation Discussion and Analysis – Executive Share Ownership Levels* for information regarding Mr. Reeves' shareholding requirements.

(8) On December 10, 2021, Shawcor closed a private offering of $150 million of unsecured notes. On December 31, 2022 the bid price provided by National Bank was $1.03. The value of the debt/notes held was calculated using this bid price.

Appointment and Remuneration of Auditor

Shareholders will be asked to vote for the appointment of KPMG, LLP ("KPMG"), as auditor of the Company, to hold office until the next annual meeting of shareholders and to authorize the Board to fix the auditor's remuneration. KPMG was appointed as the Company's auditor on March 10, 2022. Further particulars concerning payments to the auditor are disclosed in the Company's Annual Information Form under Item 10 "Audit Committee".

The Board recommends that shareholders vote "FOR" the appointment of KPMG, LLP ("KPMG"), as auditor of the Company, to hold office until the next annual meeting of shareholders and to authorize the Board to fix the auditor's remuneration.

Unless otherwise instructed, the named proxyholders will vote for the appointment of KPMG as auditor of the Company.

Advisory Vote on Approach to Executive Compensation

As part of Shawcor's commitment to strong corporate governance practices, the Board has adopted a "Say on Pay" Policy. Under the terms of this Policy, a non-binding advisory vote in respect of Shawcor's approach to executive compensation will be put before shareholders at each annual meeting of shareholders. The purpose of the Say on Pay vote is to provide shareholders with the opportunity to indicate their view of the Board's overall approach to executive compensation.

The "*Compensation Discussion & Analysis*" section of this Circular discusses Shawcor's compensation philosophy, how the compensation process is administered, the objectives and goals of the different elements of Shawcor's executive compensation program and the outcomes of the compensation process.

The Board, with advice and assistance from its Compensation and Organizational Development Committee, remains fully responsible for its compensation decisions and is not relieved of these responsibilities by either a positive or negative advisory vote by shareholders. Your vote is advisory only and non-binding on the Board or Shawcor. However, the Board and the Compensation and Organizational Development Committee will consider the outcome of the vote as part of its ongoing review of the executive compensation programs, together with feedback received from shareholders in the course of regular communications.

As appropriate, the Board will consult with shareholders in order to understand concerns expressed and will review its approach to compensation in the context of such concerns. In addition, you are encouraged, prior to casting your vote at the Meeting, to provide any specific feedback, questions or concerns you may have regarding executive compensation directly to the attention of the Board by writing to the attention of the Chair of the Compensation and Organizational Development Committee, c/o the Corporate Secretary at 25 Bethridge Road, Toronto, Ontario, Canada, M9W 1M7 or by email, c/o Board Chair, at chair@shawcor.com.

The Company's 2022 'say on pay' vote was approved by 98.74% of votes cast. This year again, we are asking you to vote for or against Shawcor's approach to executive compensation through the following resolution:

RESOLVED THAT*, on an advisory basis and not to diminish the role and responsibilities of the Board of Directors, the shareholders accept the approach to executive compensation disclosed in the Company's management proxy circular delivered in advance of the 2023 annual general and special meeting of shareholders.*

The Board recommends that shareholders vote "FOR" the advisory resolution on Shawcor's approach to executive compensation.

Approval of the above resolution will require an affirmative vote of a majority of the votes cast at the Meeting. Unless otherwise instructed, the named proxyholders will vote for the advisory resolution. The results of the advisory vote will be disclosed at the Meeting and in the report on the voting results filed by the Company on SEDAR.

Approval of Name Change

Subject to Shareholder approval, the Company proposes to change its name to "Mattr Corp.", or such other name as the board determines appropriate (the "Name Change") and which all applicable regulatory authorities, including the TSX, may accept. The Company is seeking to execute the Name Change and believes that the name "Mattr Corp." more appropriately reflects the core elements of the business of the Company, while also evoking the Company's strengths in leveraging creativity and innovation to develop materials-based products for industrial and critical infrastructure markets. The Company has notified the TSX of the proposed Name Change.

The *Canada Business Corporations Act* (the "CBCA") requires the Name Change be approved by a majority of not less than 66 2/3 percent of the votes cast by the holders of common shares present in person or represented by proxy at the Meeting. Accordingly, at the Meeting Shareholders will be asked to pass a special resolution to authorize an amendment to the Articles of the Company to give effect to the Name Change.

The text of the special resolution to be placed before the Meeting approving the Name Change is as follows:

BE IT RESOLVED, AS A SPECIAL RESOLUTION, WITH OR WITHOUT AMENDMENT, THAT:

1. the name of the Company be changed to "Mattr Corp.", or such other name as the directors of the Company may deem appropriate and the registrar appointed under the *Canada Business Corporations Act* (the "CBCA") may approve and the Toronto Stock Exchange may permit;
2. the Company is hereby authorized to amend its Articles pursuant to Section 173(1) of the CBCA (the "Articles of Amendment") to provide for the name change;
3. any director or officer be and is hereby authorized to send to the applicable regulatory authorities the Articles of Amendment, and any one or more directors are hereby authorized to prepare, execute and file the Articles of Amendment in the prescribed form in order to give effect to this special resolution, and to execute and deliver all such other deeds, documents and other writings and perform such other acts as may be necessary or desirable to give effect to this special resolution; and
4. notwithstanding approval of the Shareholders of the Company as herein provided, the directors of the Company may, in their sole discretion, revoke this special resolution before it is acted upon without further approval of the Shareholders of the Company."

The Board recommends that Shareholders vote "FOR" the special resolution approving the Name Change.

Approval of the above resolution must be approved by a majority of not less than 66 2/3 percent of the votes cast by the holders of common shares present in person or represented by proxy at the Meeting. Unless otherwise instructed, the named proxyholders will vote for the special resolution approving the Name Change. The results of the 'Name Change' vote will be disclosed at the Meeting and in the report on the voting results filed by the Company on SEDAR.

Shareholder Proposals

There were no proposals brought forward by shareholders of the Company for inclusion in this Circular.

The Company will review shareholder proposals intended to be included in proxy material for the 2024 annual meeting of Shareholders which are received by the Company between December 14, 2023 and February 12, 2024, at its offices at 25 Bethridge Road, Toronto, Ontario, Canada, M9W 1M7, Attention: Corporate Secretary or by email at chair@shawcor.com.

SECTION 2 VOTING INFORMATION

Solicitation of Proxies

This solicitation of proxies is made on behalf of the management of the Company for use at the Meeting and every adjournment thereof for the purposes set forth in the accompanying Notice of Meeting. The solicitation will be primarily by mail, but proxies may also be solicited personally or by telephone or other means of telecommunication by directors, officers or employees of the Company. The cost of solicitation by management will be borne by the Company.

Appointment and Revocation of Proxies

The persons named in the enclosed form of proxy are directors or officers of the Company. **A shareholder has the right to appoint some other person to represent the shareholder at the Meeting.** A shareholder desiring to appoint some other person to represent him/her/them at the Meeting may do so by inserting such person's name in the blank space provided in the form of proxy or by completing another proper form of proxy. In either case, the shareholder must deliver or send the completed form of proxy to the Company's transfer agent, TSX Trust Company, Proxy Department, P.O. Box 721, Agincourt, Ontario, M1S 0A1, Canada or by e-mail: proxyvote@tmx.com or fax to: 416-595-9593. **Proxies must be received by the transfer agent not later than May 10, 2023, 2:00 p.m., EDT**.

A shareholder who has given a proxy may revoke it by instrument in writing executed by the shareholder or by his/her/their personal representative authorized in writing and deposited either at the registered office of the Company at any time up to and including the last business day preceding the day of the Meeting, or any adjournment thereof, or with the Chair of the Meeting on the day of the Meeting, or adjournment thereof, or in any other manner permitted by law.

Proxy Voting

The persons named in the enclosed form of proxy will vote or withhold from voting the shares in respect of which they are appointed in accordance with the instructions of the shareholder appointing them on any ballot which may be called for and, if a shareholder specifies a choice with respect to any matter to be acted upon, the shares will be voted accordingly. **If no specific instruction is given, such shares will be voted in favour of the election of each of the nominees for director named in this Circular, in favour of the appointment of KPMG as auditor and the authorization of the directors to fix the auditor's remuneration, in favour of the advisory resolution on Shawcor's approach to executive compensation and in favour of the Name Change**. The enclosed form of proxy confers discretionary authority upon the persons named therein with respect to amendments or variations to matters identified in the Notice of Meeting and to other matters which may properly come before the Meeting. At the time of printing of this Circular, the management of the Company knows of no such amendment, variation or other matter expected to come before the Meeting other than the matters referred to in the Notice of Meeting. If any matters which are not now known should properly come before the Meeting, the persons named in the accompanying form of proxy will vote on such matters in accordance with their best judgment.

Voting by Non-Registered Shareholders

Only registered shareholders or the persons they appoint as their proxies are permitted to vote at the Meeting. However, in many cases, common shares beneficially owned by a person (a "Non-Registered Holder") are registered either:

(i) in the name of an intermediary (an "Intermediary") (which may include, among others, banks, trust companies, securities dealers or brokers and trustees or administrators of self-administered registered retirement savings plans, registered retirement income funds, registered education savings plans and similar plans) that the Non-Registered Holder deals with in respect of the shares; or

(ii) in the name of a clearing agency (such as CDS Clearing and Depository Services Inc.) of which the Intermediary is a participant.

In accordance with applicable regulatory requirements, the Company has distributed copies of the Circular and the accompanying Notice of Meeting together with the form of proxy (collectively, the "Meeting Materials") to the clearing agencies and Intermediaries for onward distribution to Non-Registered Holders.

Intermediaries are required to forward the Meeting Materials to Non-Registered Holders unless a Non-Registered Holder has waived the right to receive them. Frequently, Intermediaries will use service companies to forward the Meeting Materials to Non-Registered Holders. Generally, Non-Registered Holders who have not waived their right to receive Meeting Materials will either:

(i) be given a form of proxy which has already been signed by the Intermediary (typically by a facsimile stamped signature), which is restricted as to the number and class of shares beneficially owned by the Non-Registered Holder but which is not otherwise completed. Since the Intermediary has already signed the form of proxy, this form of proxy is not required to be signed by the Non-Registered Holder when submitting the proxy. In this case, the Non-Registered Holder who wishes to vote by proxy should otherwise properly complete the form of proxy and deliver it as specified above under "Appointment and Revocation of Proxies"; or

(ii) more typically, be given a voting instruction form which must be completed and signed by the Non-Registered Holder and returned to the Intermediary or its service company in accordance with the directions accompanying the voting instruction form. A Non-Registered Holder receiving a voting instruction form cannot use that voting instruction form to vote shares directly at the Meeting; rather the voting instruction form must be returned to the Intermediary well in advance of the Meeting in order to have the Non-Registered Holder's shares voted.

In either case, the purpose of these procedures is to permit Non-Registered Holders to direct the voting of the shares which they beneficially own. A Non-Registered Holder who has received a pre-signed form of proxy as mentioned in (i) above and who wishes to attend and vote at the Meeting in person (or to have another person attend and vote on behalf of the Non-Registered Holder) should print the Non-Registered Holder's (or such other person's) name in the blank space provided for that purpose in the first paragraph of the proxy form or, in the case of a voting instruction form, follow the corresponding instructions on that form. **In either case, Non-Registered Holders should carefully follow the instructions of their Intermediary and its service company, as applicable**.

Voting Shares

As at March 31, 2023, the Company had 69,807,527 common shares issued and outstanding. Each common share entitles the holder thereof to one vote per share.

Record Date

Each holder of issued and outstanding common shares of record at the close of business on March 31, 2023 (the "Record Date") will be given notice of the Meeting and will be entitled to vote at the Meeting, in person or by proxy, the number of common shares of record held by him/her/them on the Record Date.

Principal Holders of Voting Shares

To the knowledge of the directors and officers of the Company, the following are the only persons who, as at the date hereof, beneficially owned, or controlled or directed, directly or indirectly, 10% or more of the issued and outstanding common shares of the Company.

Name	Number of Shares Beneficially Owned or Controlled	Percentage of Outstanding Shares
Turtle Creek Asset Management	13,379,335	19.17%

SECTION 3 DIRECTOR COMPENSATION

Director Compensation

The Company's independent director compensation program is designed to attract and retain highly qualified and diverse Board members while considering the responsibilities, time commitment and accountability inherent in the role of director. The Board sets independent director compensation based on the Compensation and Organizational Development Committee's (the "CODC") recommendations. The CODC reviews the competitiveness and appropriateness of independent director compensation periodically, but at least every three years.

Generally, independent director compensation is targeted around the median level for their counterparts of a peer group of companies which are similar in size, geographic scope and operational complexity to the Company. The independent director program Is comprised of an annual cash retainer and an annual equity retainer, the latter being a mechanism designed to align the interests of independent directors with those of shareholders. The Company also provides for an additional retainer for the chair and members of each committee of the Board to recognize the additional time commitment, level of responsibility and skill set required for those roles.

The annual equity retainer component of the Company's independent director compensation program is satisfied through deferred share units ("DSUs") issued under the Company's Deferred Share Unit plan (the "DSU Plan"). In addition, each independent director may elect to receive up to 100% of their annual cash retainer and travel fees in the form of DSUs. Each DSU has the notional value of one common share. DSUs reflecting each independent director's equity retainer and, if applicable, their cash retainer or a portion thereof, are credited to such participant's account at the end of each quarter by dividing the relevant retainer by the weighted average trading price of the Company's common shares on the TSX for the five trading days immediately preceding the grant of DSUs.

If applicable, each participant's account is also credited with "dividend equivalents" in the form of additional DSUs on each payment date where a cash dividend on common shares is paid. The Company did not pay a dividend at any time in 2022.

DSUs are fully vested at the time awarded and upon ceasing to be an independent director:

(i) participants in the DSU Plan, other than U.S. participants, may elect up to two separate dates (each an "Entitlement Date") as of which all or a portion of their DSUs will be redeemed, such dates to be no later than December 15th of the calendar year following that in which the date such participant ceases to be a director ("Termination Date") occurs. Where a participant, other than a U.S. participant, does not elect an Entitlement Date(s), the Entitlement Date will be December 15th of the calendar year following the year in which such participant's Termination Date occurs; and

(ii) the Entitlement Date for U.S. participants in the DSU plan will occur by December 15th of the year following the year in which the U.S. participant's Termination Date occurs; provided that, if the U.S. participant is a Specified Employee, as defined in Section 4.09A of the U.S. Internal Revenue Code of 1986, the Entitlement Date will occur on a date that is at least six (6) months after the Participant's Termination Date.

DSUs are settled by a cash payment calculated by multiplying the number of DSUs being redeemed on the applicable Entitlement Date by the volume weighted average trading price of the common shares for the five trading days immediately preceding the Entitlement Date.

The following table outlines the independent director compensation program for 2022[(1)(2)(3)(5)]:

Board Fees for Independent Directors	Chair		Member
Annual Cash Retainer	$225,000		$70,000
Annual Equity Retainer	$105,000		$105,000
Committee Fees for Independent Directors[(4)]	Chair		Member
Annual Retainer for Audit Committee	$20,000		$10,000
Annual Retainer for All Other Committees	$15,000		$5,000
Travel Fees for Directors	Canadian	American	International
	$3,500	$7,000	$14,000

(1) All rates are expressed in Canadian dollars.

(2) The CEO does not receive compensation for acting as a director.

(3) The Company eliminated meeting fees in 2019.

(4) Annual retainers provided for service as chair/member of a committee are in addition to annual retainers for service as a director.

(5) Independent directors may elect to receive up to 100% of annual cash retainers and travel fees in the form of DSUs (granted quarterly).

This **Director Compensation Table** illustrates the total compensation paid to each director in 2022.

Director[2]	Fees Earned[1] ($)	Share-Based Awards ($)[3]	Option-based Awards ($)	Non-Equity Incentive Plan Compensation ($)	Pension Value ($)	All Other Compensation[7] ($)	Total ($)
Derek Blackwood	–	$ $337,000	–	–	–	–	$ 337,000
Laura Cillis	$ $95,000	$ $105,000	–	–	–	$ $3,500	$ 203,500
Kevin Forbes[4]	–	$ $211,500	–	–	–	–	$ 211,500
Kathleen Hall[5]	–	$ $124,477	–	–	–	–	$ 124,477
Alan Hibben	–	$ $198,625	–	–	–	–	$ 198,625
Kevin Nugent	–	$ $198,500	–	–	–	–	$ 198,500
Pamela Pierce[6]	–	$ $74,363	–	–	–	$ $719,339	$ 793,702
Ramesh Ramachandran[5]	–	$ $121,318	–	–	–	–	$ 121,318

(1) "Fees Earned" represents amounts of cash received in respect of annual cash retainers plus committee cash retainers. These amounts do not include any portion of annual cash retainers elected to be received in DSUs.

(2) CEO compensation is reported in the Summary Compensation Table under the heading "2022 Summary Compensation Table". Shawcor's CEO receives no additional compensation for acting as a director of the Company.

(3) "Share-Based Awards" represents the grant date value of DSUs (excluding dividend equivalents) granted to each individual. Grant date value is calculated based on the weighted average trading price of Shawcor's common shares on the TSX over the five trading days immediately preceding the grant date.

(4) Mr. Forbes will not be standing for re-election at the Meeting.

(5) Ms. Hall and Mr. Ramachandran joined the Board May 13, 2022.

(6) Ms. Pierce did not stand for re-election at the 2022 annual shareholders' meeting. Following retirement from the Board, Ms. Pierce received $719,339 as settlement for all DSUs earned during her tenure. See *Outstanding Option and Share-Based Awards – Independent Directors*.

(7) Includes travel fees received in cash.

Outstanding Option and Share-Based Awards – Independent Directors

No stock options or share units were held by independent directors as of December 31, 2022.

The following table outlines the value of DSUs held by independent directors that vested in the year, as well as the total outstanding DSUs held by independent directors and their corresponding monetary value as of December 31, 2022.

Director	Number of Unvested Share-Based Awards[1]	Market or Payout Value of Share-Based Awards That Have Not Vested[1]	Share-Based Awards – Value Vested During the Year[1][2] ($)	Number of Share-Based Awards (DSUs) (#)	Value of Vested Share-Based Awards Not Paid Out or Distributed[2] ($)
Derek Blackwood	–	–	$ 337,000	237,205	$ 3,259,197
Laura Cillis	–	–	$ 105,000	72,755	$ 999,654
Kevin Forbes[5]	–	–	$ 211,500	191,790	$ 2,635,195
Kathleen Hall[3]	–	–	$ 124,477	14,420	$ 198,131
Alan Hibben	–	–	$ 198,625	92,474	$ 1,270,593
Kevin Nugent	–	–	$ 198,500	52,736	$ 724,593
Pamela Pierce[4]	–	–	$ 74,363	140,113	$ 0
Ramesh Ramachandran[3]	–	–	$ 121,318	14,054	$ 193,102

(1) All DSUs vest on the grant date but are not payable until the director leaves the Board. The value vested during the year is calculated based on the weighted average trading price of Shawcor's common shares on the TSX over the five trading days immediately preceding the grant date.

(2) Value is calculated based on the closing market price of Shawcor's common shares on the TSX on December 31, 2022, which was $13.74. The ultimate pay-out value of each participant's DSUs will depend on the weighted average trading price of the common shares on the TSX over the five trading days prior to the Entitlement Date.

(3) Ms. Hall and Mr. Ramachandran joined the Board May 13, 2022.

(4) Following retirement from the Board, Ms. Pierce received $719,339 as settlement for all DSUs earned during her tenure.

(5) Mr. Forbes is not standing for re-election at the Meeting.

Director Equity Ownership

Directors are required to own, within five years of becoming a director or Board Chair, common shares and/or DSUs of the Company valued at 3 times their director annual retainers, including both cash and equity components.

The following table sets out the numbers of common shares, and DSUs as at December 31, 2022 beneficially owned, or controlled or directed, directly or indirectly, by each of the nominees for election as directors.

Name[1]	Common Shares (#)	DSUs (#)	Fulfils Share Ownership Requirement	Value of Common Shares, Share Units and DSUs as of December 31, 2022[7]
Derek Blackwood[2]	45,000	237,205	Yes	$ 4,312,781
Laura Cillis[3]	8,500	72,755	Yes	$ 1,116,437
Kathleen Hall[4]	–	14,420	N/A	$ 198,124
Alan Hibben[5]	90,000	92,474	Yes	$ 2,507,197
Kevin Nugent[6]	-	52,736	Yes	$ 724,589
Ramesh Ramachandran[4]	4,690	14,054	N/A	$ 258,897
Katherine Rethy[8]	–	–	N/A	$ 0
Total	148,190	483,644		$ 9,118,025

(1) Equity ownership for Mr. Reeves is reported under the heading Compensation Discussion & Analysis – Executive Share Ownership Levels on page 44.

(2) Derek Blackwood became Chair of the Board in May 2020 and has fulfilled his equity ownership requirement.

(3) Laura Cillis joined the Board in December 2019 and has fulfilled her equity ownership requirement.

(4) Ms. Hall and Mr. Ramachandran joined the Board in May 2022 and have until May 2027 to fulfil their respective equity ownership requirements.

(5) Alan Hibben joined the Board in June 2020 and has fulfilled his equity ownership requirement.

(6) Mr. Nugent joined the Board in May 2021 and has fulfilled his equity ownership requirement.

(7) Value is based on the higher of acquisition cost / grant value or the closing price of the Company's common shares on the TSX on December 31, 2022, which was $13.74.

(8) If elected, Ms. Rethy will have until May 2028 to fulfil her equity ownership requirement.

SECTION 4 BOARD OF DIRECTORS AND COMMITTEES

Board of Directors

The business and affairs of the Company are managed under the supervision of the Board. The Board's fundamental objectives are to enhance and preserve long-term shareholder value, to ensure the Company meets its obligations and that it operates in a reliable, responsible and safe manner, all while having regard to the interests of its stakeholders, including by fostering a diverse, equitable and inclusive workplace. The Board's accountability for overall stewardship of the Company includes oversight of ethics, culture and integrity, strategic planning, financial reporting, risk management and mitigation, internal and disclosure control integrity, senior management determination, communication planning and safety and environmental responsibility.

The Board mandate (a copy of which is attached hereto as Schedule "A"), which is reviewed annually, identifies the key responsibilities of the Board as follows:

- Promoting a corporate culture that stresses integrity, ethics, inclusion, safety, compliance, effective risk management and environmental considerations
- Implementing a strategic planning process to review and approve strategies, visions and missions and monitor management's success in implementing those strategies, including by evaluating risks and opportunities of the Company's business
- Overseeing sustainability practices including, incorporation of ESG practices into the Company's governance, risk management and strategic planning, and confirming effectiveness of, and compliance with, the Company's health, safety and environmental program
- Developing a process to promote accurate, timely and regular communication with shareholders, stakeholders and the investment community
- Assessing and evaluating effectiveness of the board and addressing renewal as required
- Monitoring the integrity of the Company's internal control system
- Overseeing executive performance assessment and succession planning, including programs to train, develop and monitor executives
- Developing the Company's compensation policies and guidelines

The Chair of the Board facilitates the Board's ability to function independently of management of the Company, sets the agenda for Board meetings, in consultation with management, promotes best practices and high standards of corporate governance, consistent with enhancing and promoting a positive relationship among all directors, and assists in the process of conducting director evaluations. The Chair periodically consults and meets with any or all of the independent directors, at the discretion of either party, in the absence of management.

Committees of the Board of Directors and Their Roles

To assist the Board in fulfilling its mandate, the Board delegates certain powers, duties and responsibilities to committees to ensure appropriate review and consideration is given to all matters. The Board currently has three standing committees: the Audit Committee, the Governance and Sustainability Committee and the Compensation and Organizational Development Committee. A copy of the charters of these Committees may be found on the Company's website (www.shawcor.com). The composition and role of each committee is set out below.

Audit Committee

The Audit Committee is appointed annually by and reports to the Board. The Audit Committee currently consists of five members, Laura Cillis – Chair, Kevin Forbes, Alan Hibben, Kevin Nugent and Kathleen Hall, all of whom are independent directors, meet the financial literacy requirements of the Toronto Stock Exchange, provincial Securities Acts and the Canada Business Corporations Act and three of five of whom meet the definition of a financial expert under section 407 of the Sarbanes Oxley Act (2002). Following the Meeting, the Audit Committee's composition will be revisited as Mr. Forbes is not standing for re-election at the Meeting. The Audit Committee meets at least four times per year, or more frequently as circumstances require, and at each Audit Committee meeting, the members meet *in camera* in the absence of management as well as with each of the internal and external auditors *in camera* in the absence of management. The Chair of the Audit Committee reports on the Audit Committee's activities at each regularly scheduled Board meeting.

The Audit Committee assists the Board in fulfilling its financial reporting and control responsibilities and oversees the relationships with the external auditor and the internal auditor. It also oversees the internal audit function, disclosure controls and procedures (including those related to ESG/sustainability metrics), management information systems, financial risk management activities and the process for receiving complaints regarding compliance with the Company's Code of Conduct and reports made in relation thereto through the Company's Whistleblower Hotline. The Audit Committee conducts annual assessments of the performance of the external auditor and recommended to the Board that KPMG be appointed as the Company's auditor for 2023.

Key activities undertaken by the Audit Committee in 2022 included:

- Reviewed and recommended approval of financial reporting documents
- Reviewed and recommended approval of 2022 external audit plan and external auditor fees
- Confirmed independence of external auditor
- Reviewed and approved 2022 internal audit plan and internal auditor fees
- Reviewed financial reporting and internal control framework
- Ensured effective whistleblowing procedures in place to report concerns regarding financial matters/Code of Conduct violations
- Assumed responsibility for oversight of reporting standards related to ESG/Sustainability metrics and disclosure thereof
- Oversaw management of principal risks that could impact financial reporting, including financial, tax, insurance, business continuity, information technology and cyber risks
- Reviewed significant legal actions
- Reviewed and updated the Audit Committee's Charter, reviewed the Audit Committee's work plan and evaluated the Audit Committee's performance

During 2022, the Audit Committee determined that no violation of the Company's Code of Conduct by directors or executive officers was reported by management, uncovered by the internal or external auditors, or reported on the Company's Whistleblower hotline.

Further particulars concerning the Audit Committee are disclosed in the Company's Annual Information Form under Item 10 "Audit Committee".

Governance and Sustainability Committee

The Governance and Sustainability Committee is appointed annually by and reports to the Board. The Governance and Sustainability Committee currently consists of three members. Alan Hibben – Chair, Kevin Forbes and Ramesh Ramachandran, all of whom are independent directors. Following the Meeting, the Governance and Sustainability Committee's composition will be revisited as Mr. Forbes will not be standing for re-election at the Meeting. The Governance and Sustainability Committee meets at least four times per year, or more frequently as circumstances require, and at each Governance and Sustainability Committee meeting the members meet themselves *in camera* in the absence of management. The Chair of the Governance and Sustainability Committee reports on the Governance and Sustainability Committee's activities at each regularly scheduled Board meeting.

The Governance and Sustainability Committee assists the Board in fulfilling its duty to oversee all matters relating to the composition of the Board, Board succession, renewal and the recruitment of new director candidates, the evaluation of effectiveness of the Board, its committees, its chair and individual directors, the governance of the Company and the Company's sustainability performance and disclosure relating thereto.

Key activities undertaken by the Governance and Sustainability Committee in 2022 included:

- Reviewed governance practices, assessing against regulatory developments, governance trends and third-party reports on the Company's governance practices
- Monitored director independence, conflict of interest matters, interlocking directorships and overboarding
- Reviewed the composition and diversity of the Board and committees
- Reviewed and updated Board skills matrix to better suit the needs of the Company
- Oversaw board renewal and director recruitment efforts, with two new directors onboarded in 2022, and initiated further recruitment efforts to fill the vacancy that will be left on the Board when Mr. Forbes' retires in May 2023
- Reviewed objectives for promoting Board diversity and recommended a female candidate to stand for election to the board at the Meeting
- Oversaw director effectiveness evaluations conducted by a third-party evaluator, assessed the results of such evaluations, shared feedback arising out of such evaluations with directors and made recommendations to improve Board effectiveness
- Oversaw the adequacy of the Company's HSE program and compliance therewith
- Reviewed the Company's governance-related sustainability disclosure
- Recommended the appointment a Chief Compliance Officer
- Confirmed independence of seven of eight directors, with the only non-independent director being the CEO
- Reviewed and updated the Governance and Sustainability Committee's Charter, reviewed the Governance and Sustainability Committee's work plan and evaluated the Governance and Sustainability Committee's performance

Compensation and Organizational Development Committee

The Compensation and Organizational Development Committee (the "CODC") is appointed annually by and reports to the Board. The CODC currently consists of four members; Kevin Nugent – Chair, Laura Cillis, Kathleen Hall and Ramesh Ramachandran, all of whom are independent directors and all of whom have experience in executive compensation based on their experience as current or former senior executive officers and directors. The CODC meets at least four times per year, or more frequently as circumstances require, and at each CODC meeting, the members meet themselves *in camera* in the absence of management. The Chair of the CODC reports on the CODCs activities at each regularly scheduled Board meeting.

The CODC assists the Board in fulfilling its duty to oversee all matters relating to the executive compensation philosophy and policies including equity compensation plans, executive succession planning as well as non-employee director compensation and organizational development of the Company.

Key activities undertaken by the CODC in 2022 included:

- Oversaw a compensation consultant supplier review that resulted in the appointment of Hugessen Consulting as the primary provider of compensation advisory services for the Board
- Reviewed 2022 executive compensation program against compensation trends predicted for 2023, also giving consideration to results of the 2022 Advisory Vote on Executive Compensation
- Recommended 2023 performance metrics and targets for each executive's short-term incentive awards and Shawcor Performance Shares to the Board for review and approval
- Ensured that the compensation arrangements for the CEO and senior management team align with the Company's strategic goals and allow for attracting and retaining executive talent
- Reviewed and amended the CEO employment contract
- Assessed corporate and individual performance of executives under the incentive plans
- Monitored the progress of executives toward their share ownership requirements
- Reviewed and recommended changes to the compensation and performance peer groups
- Reviewed and recommended amendments to the DSU Plan
- Reviewed the Company's compensation disclosure
- Reviewed performance and development plans of the executive team, high potential employees and management succession plan
- Reviewed and assessed the Company's Diversity, Equity & Inclusion and employee engagement practices as well as work culture
- Oversaw activities of the Company's Pension Committee, including administration and investment performance relating to Company retirement plans
- Reviewed and updated the CODC's Charter, reviewed the CODC's work plan and evaluated the CODC's performance

SECTION 5 CORPORATE GOVERNANCE PRACTICES

The Board and management of the Company recognize the critical role that effective governance plays in guiding the growth and development of the business in a manner that ultimately enhances value for all stakeholders of the Company. In addition, the Company's focus on having a sustainable business requires strong governance and diligent oversight to minimize risks and guide decision-making. The Company's governance policies and procedures are strategically designed to meet a high standard of practice which will allow it to achieve its goals of growth and sustainability. The Company's corporate governance policies, practices and procedures are regularly reviewed and refreshed by the Board to ensure compliance with evolving best practices and with regulatory requirements such as those set out in *National Instrument 58-201 (Corporate Governance Guidelines), National Instrument 58-101 (Disclosure of Corporate Governance Practices), National Instrument 52-110 (Audit Committees)* as well as with the requirement of the *Canada Business Corporations Act, RSC 1985*, and to ensure alignment with evolving best practices. The following provides an overview of the Company's corporate governance practices:

- Individual director voting and CBCA-compliant majority voting policy
- Separate Board Chair and CEO
- All board nominees other than the Company's CEO, including Board Chair, are independent
- All committee members are independent
- *In camera* sessions held in all Board and Committee meetings (18 *in camera* sessions held during Board meetings in 2022)
- Written position descriptions for each of the CEO, the Board Chair and the Chairs of each of the Committees
- Board retirement/tenure policy
- Limitation on number of public boards for directors
- Director skills matrix, continually refreshed to ensure appropriate board composition
- Annual board effectiveness and director evaluations completed either through self-evaluation and peer performance reviews or, every 3rd year, through an external evaluator
- Board diversity policy which promotes addition of gender diverse and ethnically diverse nominees
- Senior management diversity policy which promotes addition of gender diverse and ethnically diverse managers
- Appointment of a Chief Compliance Officer
- Onboarding and continuing education programs for directors
- Shareholder engagement conducted by executive and Board Chair
- Advisory vote on executive compensation giving shareholders a 'say on pay'
- Equity ownership requirements for non-employee directors and executive officers
- Code of Conduct
- Conflict of interest guidelines for directors
- Clawback Policy
- Anti-Hedging Policy
- Whistleblower Policy and externally hosted, anonymous whistleblower hotline
- Inclusion of ESG metrics in executive incentive compensation
- Formalized protocol to enhance ESG tracking and reporting
- Implementation of TCFD reporting

Further detail regarding certain of the corporate governance practices mentioned above is offered in the table below.

Disclosure Item	Comments
1. Board of Directors	
Director Independence	The Board defines a director to be "independent" if he/she/they do not have a direct or indirect "material relationship" with the Company. A "material relationship" is a relationship which could, in the view of the Board, be reasonably expected to interfere with the exercise of a director's independent judgment. Independent directors will include persons who are not employed by the Company, do not receive any compensation from the Company, directly or indirectly, other than directors' remuneration, and otherwise as defined under securities law. A majority of the directors of the Board are independent. The following table sets out the relationship of the current and proposed directors to the Company:

Relationships of Current and Proposed Directors to the Company

Name	Independent	Not Independent	Reason for Not Independent Status
Derek Blackwood	•		
Laura Cillis	•		
Kathleen Hall	•		
Alan Hibben	•		
Kevin Nugent	•		
Ramesh Ramachandran	•		
Katherine Rethy	•		
Michael Reeves		•	CEO

Disclosure Item	Comments
Other Public Company Board	In order to ensure that its directors have sufficient time to dedicate to the affairs of the Company, the number of public company boards that a director may sit on has been restricted to a maximum of four public company boards (including the Company's).
Memberships/Interlocking Board Memberships	Several of the nominees for director of the Company are presently directors of other reporting issuers (or the equivalent). For further details, see the information about each director nominee under the heading *The Business of the Annual meeting – Nominees for Election to the Board of Directors*. As of March 31, 2023, no members of our Board served together on the boards of other public companies.
In Camera Sessions	*In camera* sessions of independent directors without the presence of management and non-independent directors are scheduled at all Board and Committee meetings. These sessions are chaired by the Chair of the Board or Committee chairs and are held at the discretion of the independent directors as they deem necessary. These *in camera* sessions have provided an effective forum for more open discussions with respect to the management of the Company. The independent directors held 18 such sessions in 2022, including full board and in camera committee meeting sessions.
Position Descriptions	The Governance and Sustainability Committee has developed written position descriptions for the CEO, the Chair of the Board and the Chair of each Committee of the Board. The Board reviews and considers the corporate objectives for which the CEO is responsible and regularly reviews whether such objectives are being met.

Disclosure Item	Comments

Meeting Attendance

Attendance at all Board meetings and Committee meetings that a director is a member of is expected. The following table summarizes the meetings of the Board of the Company and its Committees held during the fiscal year ended December 31, 2022, and the attendance of current directors of the Company at such meetings:

		Committees[1]			
Director	Board Meetings	Audit	Governance and Sustainability	Compensation and Organizational Development	Percentage of Board and Committee Meetings Attended
Derek Blackwood[2]	5 of 5	4 of 4	4 of 4	6 of 6	100%
Laura Cillis	5 of 5	4 of 4	–	6 of 6	100%
Kevin Forbes	5 of 5	4 of 4	4 of 4	–	100%
Kathleen Hall[2]	3 of 3	2 of 2	–	3 of 3	100%
Alan Hibben	5 of 5	4 of 4	4 of 4	–	100%
Kevin Nugent	5 of 5	4 of 4	–	6 of 6	100%
Ramesh Ramachandran[2]	3 of 3	–	2 of 2	3 of 3	100%
Mike Reeves[2]	5 of 5	4 of 4	4 of 4	6 of 6	100%

(1) All members of the Board are invited to attend all Committee meetings (including Committees on which they do not sit) and have access to all Committee materials.

(2) As Chair, Mr. Blackwood attended all Committee meetings. As CEO, Mr. Reeves attended all committee meetings. Ms. Hall and Mr. Ramachandran joined the Board effective May 13, 2022.

Director Onboarding and Continuing Education

Onboarding: Under the guidance of the Governance and Sustainability Committee, the Company offers an onboarding program for new directors including access to relevant corporate and business information, strategic information, industry information as well as 1-on-1 meetings with Board members, executives and the Company's auditors. Site visits are also arranged to assist the new director in understanding the Company's businesses.

Continuing Education: The Company recognizes the Importance of continuing education for its directors and as such, has prioritized generating learning opportunities. Specifically, the Company has:

- offered to reimburse directors who choose to attend the DEP, a joint program of the ICD and the Rotman School of Management, University of Toronto. Board Chair Derek Blackwood completed the DEP in 2016 and board nominee Katherine Rethy completed the DEP in 2006. Laura Cillis and Alan Hibben both received their ICD.D designations prior to joining the Board;
- enrolled current directors as members of the ICD, giving them access to continuing education offered through that institute;
- provided, from time to time, articles and other educational materials of interest to directors regarding industry trends, corporate governance, strategic planning, executive compensation, mergers and acquisitions and other related topics;
- developed a library containing industry-related videos, films, programs, etc., which it has provided to all directors and which it updates periodically;
- arranged site visits to Company operations; and
- arranged for external advisors and senior managers of the Company to make regular presentations to the Board and its Committees regarding topics of importance to the Company.

Disclosure Item	Comments
	In 2022 the Board and its Committees received presentations on the following:

When	Board/Committee	What	Presenter
March Meetings	Board	Strategic Review of Water Business	Senior Management
May Meetings	Board	Strategic Review of Composites Business	Senior Management
	Audit	IT Strategy, Structure and Cyber Risk Review	Senior Management
August Meetings	Board	Strategic Development/Investment Strategy	Senior Management
	Audit	Global Insurance Renewal	Senior Management
	Compensation	Compensation Market Trends	Consultant
	Governance	ESG / Sustainability	Senior Management
November Meetings	Board	Strategic Review of A&I Business	Senior Management
	Board	Duties of Directors	Consultant
	Audit	Tax Reporting and Risk Assessment Review	Senior Management
	Compensation	Executive Compensation Trend/Peer Group Review	Consultant
December Meetings	Board	Business Plan/Strategic Plan	Senior Management
	Compensation	Compensation Outlook	Senior Management
	Governance	Director Assessment	Consultant
	Governance	Compliance Update	Senior Management

2. Ethical Business Conduct

Code of Conduct

The Company has adopted the Shawcor Code of Conduct, governing the behavior of directors, officers and employees of the Company. The text of the Code of Conduct is available on the Company's website, www.shawcor.com.

Upon hiring and annually thereafter, every employee receives a copy and signs a written acknowledgement of its receipt and of his/her/their responsibility to comply with the Code of Conduct. All salaried employees are thereafter required to re-sign the Code of Conduct annually. The Board monitors compliance with the Code of Conduct through the Governance and Sustainability Committee, the Audit Committee, the Chief Compliance Officer and by means of an anonymous whistleblower hotline hosted by an external provider ("Whistleblower Hotline"). A summary of whistleblower reports made throughout each quarter is provided at each Audit Committee meeting or more frequently as required.

Since the beginning of the Company's most recently completed financial year, no material change reports have been filed that pertain to any conduct of a director or executive officer that constitutes a departure from the Shawcor Code of Conduct.

Whistleblower Policy and Hotline

The Company's Whistleblower Policy establishes a framework for reporting and investigating concerns relating to unlawful acts, fraud, corruption, policy breaches, compliance matters or other improper activities within the Company, without fear of retaliation. The Company has implemented a Whistleblower Hotline for purposes of allowing concerns to be raised anonymously. The Whistleblower Hotline has advanced language capability and broad intake capability, including by phone, web reporting or email.

Transactions Involving Directors or Officers

In the case of any transaction or agreement in respect of which a director or executive officer of the Company has a material interest, the director or officer is required to disclose his/her/their interest. Where applicable, he/she/they are also required to exclude himself/herself/themselves from any discussions or vote relating to such transaction or agreement. Pursuant to the Company's Conflict of Interest Guidelines for directors, actual and potential conflicts of interest are disclosed annually and at the beginning of each Board meeting.

The Governance and Sustainability Committee also reviews the fairness of any potential transactions in which a director or officer of the Company may be involved or connected.

Disclosure Item	Comments
Clawback Policy	The Company has adopted a Compensation Clawback Policy for Executive Officers. In the event of a financial statement restatement caused by Misconduct, this policy provides that those executive officers of the Company whose Misconduct caused or significantly contributed to the restatement may, at the discretion of the Compensation and Organizational Development Committee, be required to return all or a portion of any incentive- based or equity-based compensation awarded or granted to them within 12 months from the end of the financial period that was subject to the restatement. The policy applies to the CEO, any executive reporting directly to the CEO, all officers of the Company and the senior finance leaders of any reporting segment of the Company. Misconduct under the policy includes fraud, willful breach of the provisions of the Shawcor Code of Conduct, conviction of a crime involving fraud and any other circumstances sufficient for a termination of employment with legal cause.
Anti-Hedging Policy	The Company's Anti-Hedging Policy precludes directors and senior executives from purchasing financial instruments, including, for greater certainty, prepaid variable forward contracts, equity swaps, collars, or units of exchange funds that are designed to hedge or offset a decrease in the market value of equity securities granted as compensation or held, directly or indirectly, by such directors or senior executives.
3. Board Composition Board Renewal	The Governance and Sustainability Committee is responsible for reviewing and assessing Board composition and effectiveness and recommending the appointment of new directors as required. When nominating candidates for directorships, the committee's primary focus is to find the most qualified candidates available having the skills, expertise and diversity of experience and background to complement and enhance the Board's composition.
Board Evaluation	The Governance and Sustainability Committee reviews the effectiveness of the Board, its Committees, and individual directors. The Governance and Sustainability Committee has developed and recently updated a Board Committee and individual director evaluation process (including peer and management review) and form that is completed annually and submitted to the Chair of the Governance and Sustainability Committee. The form covers matters such as Board process (including suggested improvements) and culture, strategic and financial viability, Board evaluation of effectiveness between management and the Board Chair and Committee performance, individual and peer performance reviews, directors' outside commitments and potential conflicts of interest. The board evaluation process is conducted as described above annually except that every third year a third-party consultant will be engaged to conduct the board evaluation process. The first use of such third-party review occurred as part of the 2022 board evaluation process.
Nomination Process	The Governance and Sustainability Committee identifies and reviews the qualifications of potential candidates for the Board having regard for industry experience, functional expertise, financial literacy and expertise, board experience and diversity factors. Upon such review, and after conducting appropriate due diligence, the Governance and Sustainability Committee, in consultation with the Chair of the Board, makes recommendations on candidates to the Board. In conducting its review, the Governance and Sustainability Committee ensures that an objective process is undertaken to nominate new directors to the Board and maintains a matrix of skills and experience to assist in its planning for ongoing Board renewal. It regularly assesses the skill set of the current Board members to identify the desired skills and backgrounds for potential Board candidates. Regard is also given to the Board Diversity Policy in each candidate selection process. For further information concerning the most recent search for new director candidates, see *Committees of the Board of Directors and Their Roles – Governance and Sustainability Committee*. Set out below is an experience/skills matrix of each of the persons proposed to be nominated as a director at the Meeting:

Primary Industry Background

Name	Energy(1)	Financial Services	Industrial/ Manufacturing
Derek Blackwood	•		•
Laura Cillis	•		
Kathleen Hall			•
Alan Hibben	•	•	•
Kevin Nugent	•		
Mike Reeves	•		•
Ramesh Ramachandran	•		•
Katherine Rethy			•

(1) Energy includes industries such as hydro-electric power, retail fuel, green energy as well as oil and gas.

Disclosure Item	Comments

Functional Experience

Name	Intl. Business Management[1]	Corporate Finance[2]	M&A[3]	HR & Compensation[4]	Engineering/ Operations[5]	ESG[6]	Financial Statement Literacy[7]	DE&I[8]	Technology & Data Security[9]	Risk Management[10]
Derek Blackwood	•		•	•	•		•			
Laura Cillis	•		•	•			•			•
Kathleen Hall	•		•	•	•		•			
Alan Hibben	•	•	•				•			•
Kevin Nugent		•	•	•			•			•
Mike Reeves	•		•	•	•		•			
Ramesh Ramachandran	•	•		•	•					•
Katherine Rethy	•			•	•	•				•

(1) Senior executive experience in a major organization outside North America or in a major North American organization that has business in multiple international jurisdictions.

(2) Experience with and understanding of corporate finance, including oversight of debt, equity and capital market transactions.

(3) Experience with M&A transactions in an investment bank or law firm or as a senior executive with organizations that have undertaken multiple acquisitions or divestitures.

(4) Good understanding of leadership development/succession, compensation, benefit and pension programs through functional responsibility for these matters in a major organization or through public company HR/Compensation Committee experience.

(5) Professional engineering training or functional responsibility for engineering or operational matters in a major organization.

(6) Good understanding of ESG issues through experience such as public company Governance Committee experience, or functional responsibility or exposure to ESG regulatory compliance in a major organization.

(7) Ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by Badger's financial statements.

(8) Experience in directing or advising on the establishment of, and overseeing, employee engagement programs, including diversity, equity and inclusion practices.

(9) Experience with and knowledge of current and emerging technologies, current risk and regulatory requirements, including information security risk. Experience in enterprise resource planning implementations or governance of outsourcing arrangements.

(10) Experience in establishing and overseeing policies and processes to identify an organization's principal business risks and to confirm that appropriate systems are in place to mitigate these risks.

Board Diversity Policy

The Company has not adopted a target regarding the percentage of women on Its board, however, it has adopted a Board Diversity Policy which requires it to:

(a) consider only candidates who are highly qualified based on their talents, experience, expertise and personal skills, character and qualities;

(b) take into account criteria that promotes diversity, including gender, international background, age, disability and ethnicity (including aboriginal peoples and members of visible minorities);

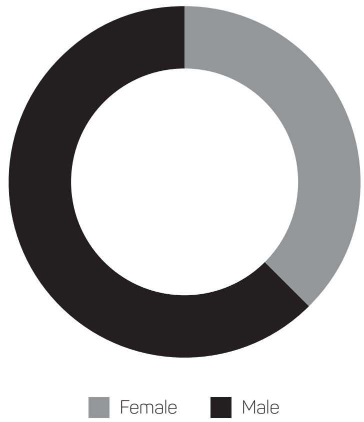
(c) engage qualified independent external advisors to assist in the search for candidates that meet the Board's skills, experience and diversity criteria; and

(d) direct such independent external advisors to present for the Committee's consideration prospective director candidates who are comprised of at least 50% female candidates at all times during which the percentage of independent directors on the Board is less than 30% female.

Although the Company has not set a target for the percentage of women on its Board, as a result of the implementation of the Board Diversity Policy and the direction given to the Company's external advisors conducting director candidate searches, the slate of nominees presented to shareholders for election as directors of the Company represents 37.5% women (3 out of 8 nominees being women).

Disclosure Item	Comments

Gender Diversity



The Company has not adopted a specific target at this time regarding diversity, disabled persons, aboriginal persons or members of visible minorities on its Board but has an implicit target of 30% regarding gender diversity in its recruiting policy. While diversity is an important consideration, the Company cannot make a commitment to select a Board candidate whose diversity is a decisive factor above all other considerations and/or qualifications and the Company must have the flexibility to add qualified Board members when they become available. The following table offers a representation of the diversity of the nominees, based on self-identification by such nominees:

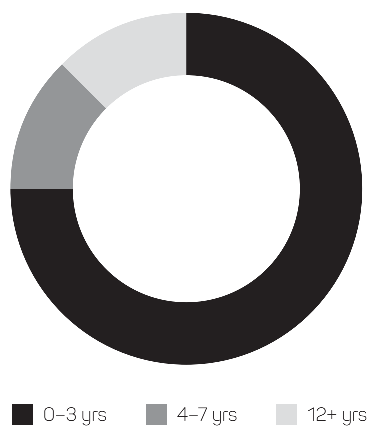
	2020	2021	2022	2023
Female	33%	29%	25%	38%
Aboriginal	0%	0%	0%	0%
Persons with disabilities	0%	0%	0%	0%
Members of visible minorities	0%	0%	13%	13%

Majority Voting Policy

The Board believes that each of its members should have the confidence and support of the Company's shareholders and has therefore adopted a CBCA-compliant majority voting policy for directors. The form of proxy for the vote by shareholders on the election of directors enables a shareholder to vote, in favour of or against, separately for each nominee. If, with respect to any nominee (and other than at contested meetings), the number of votes against exceeds the number of votes in favour of the nominee then such nominee is not elected as a director and is required to immediately submit to the Board his/her/their resignation, to take effect upon acceptance by the Board. Such nominee must not participate in any meeting of the Board or the Governance and Sustainability Committee at which his/her/their resignation is considered. The Board must accept such nominee's resignation within 90 days of the applicable shareholder meeting, absent exceptional circumstances, and will announce its decision through a press release, concurrently delivered to the TSX. If the Board declines to accept such nominee's resignation due to exceptional circumstances, the press release will state the reasons for the Board's decision.

Set out below are the results of the vote for the election of directors from the May 2022 annual meeting of shareholders:

Director	% of Total Votes For
Derek Blackwood	97.80%
Laura Cillis	99.23%
Kevin Forbes	95.74%
Kathleen Hall	98.89%
Alan Hibben	97.93%
Kevin Nugent	97.96%
Ramesh Ramachandran	99.86%
Mike Reeves	99.43%

Disclosure Item	Comments
Board Tenure	The Board has adopted term limits for directors as well as other mechanisms of Board renewal including a retirement and tenure policy, a detailed Board and individual director evaluation and assessment process and the preparation of an experience/skills matrix to assist in director evaluation and recruiting. The following Board retirement/tenure policy is currently in effect: "**Board Retirement/Tenure Policy** – The Governance and Sustainability Committee shall review factors like experience, performance, changes in principal occupation and other relevant circumstances in considering whether to recommend the reappointment of a director. In order to ensure that the Shawcor Board of Directors periodically benefits from the fresh ideas, viewpoints and expertise of new members, it is the policy of the Board that a director shall not stand for re-election once reaching age 75 or 15 years of Board tenure, whichever is earlier. Notwithstanding the foregoing, in exceptional circumstances where it is in the best interests of Shawcor, the Board shall be entitled to nominate any person, regardless of age or Board tenure, for election to the Board". Over the past several years, the Company has experienced significant Board renewal. During the period from May 2013 to December 2022, 12 directors left the Board and 13 new directors joined. 8 directors have left since 2020 and Mr. Forbes has indicated that he will be retiring from the Board at the Meeting, while 1 new nominee for the Board is being put forward at the Meeting, reflecting significant Board renewal. ***Board Tenure*** 
Advance Notice By-Law	Shawcor's by-laws include an advance notice by-law (the "Advance Notice By-Law") for the purpose of providing shareholders, directors and management of the Company with a clear framework for nominating directors of the Company in connection with any annual or special meeting of shareholders. The purpose of the Advance Notice By-Law is to: (i) ensure that all shareholders receive adequate notice of director nominations and sufficient time and information with respect to all nominees to make appropriate deliberations and register an informed vote; and (ii) facilitate an orderly and efficient process for annual or special meetings of shareholders of the Company. The Advance Notice By-Law fixes the deadlines by which shareholders of record must submit director nominations to the Company prior to any meeting of shareholders and sets forth the information that a shareholder must include in a written notice to the Company for any director nominee to be eligible for election at such meeting. The Advance Notice By-Law also sets out the manner by which business may be properly brought before a meeting of the shareholders. A copy of the Company's Advance Notice By-Law is filed on SEDAR at www.sedar.com.

Disclosure Item	Comments
4. Management Compensation Determination	The CODC reviews the compensation proposed to be paid to the CEO, the CFO, the next three most highly compensated employees and all other direct reports of the CEO, and makes recommendations to the Board with respect thereto. The Board of Directors approves the compensation to be paid to such employees annually. The CODC also reviews non-employee director compensation and makes recommendations to the Board with respect thereto. See *Compensation Discussion & Analysis* for further information on executive compensation. The Company's process for determining director's compensation is described under the heading "*Director's Compensation*".
Succession Planning	Succession planning for the CEO and other senior executive positions is considered by the CODC (and by the Audit Committee in connection with the CFO) on an ongoing basis as part of the Company's employee "succession and talent review" process. As part of this process, the Committee seeks to ensure that potential successors to the CEO, CFO and other senior executive roles are identified and that those identified receive any additional career development and/or education required.
Senior Management Diversity Policy	Based on the recommendation of the CODC, the Board has adopted a policy relating to gender, international and other diversity in senior management positions of the Company which requires the Board, in their senior management succession planning and talent management process, to: a) consider only candidates for senior management positions who are highly qualified based on their talents, experience, expertise and personal skills, character and qualities; b) take into account criteria that promotes diversity, including gender, international background, age, disability and ethnicity (including aboriginal peoples and members of visible minorities); and c) if required, engage qualified independent external advisors to assist in the search for candidates that meet the Company's skills, experience and diversity criteria. The Company has not identified a specific target regarding women, disabled persons, aboriginal peoples or members of visible minorities in executive officer positions. While diversity is an important consideration, the Company cannot make a commitment to select an executive officer where diversity is a decisive factor above all other considerations and the Company must have the flexibility to hire or promote to executive officer positions based on talent, experience, expertise and personal skills, character and qualities. However, as part of its current staffing practices, the Company does consider the level of representation of women, disabled persons, aboriginal peoples and members of visible minorities in senior management positions when making executive appointments. The Company has a practice of examining diversity in the development of its executive talent pools and through the Company's annual talent review process which reviews talent depth and strength throughout the business. All appointments to senior management positions include a review of the succession plan and potential candidates in the Company's executive talent pool. The Company's 2022 senior management talent pool, a key source of high potential talent for executive roles, has a total of 19 females out of a total of 60 (31.7%). The Company has made solid progress towards its senior management diversity ambitions as summarized in the table below, which captures diversity based on self-identification amongst its 19 senior managers.

	2020	2021	2022	2023
Female	11.8%	15.4%	16.7%	26.3%
Aboriginal	5.9%	7.7%	5.6%	5.3%
Persons with disabilities	5.9%	7.7%	5.6%	5.3%
Members of visible minorities	11.8%	7.7%	16.7%	21.1%

Disclosure Item	Comments
5. Shareholder Engagement	The Board has adopted the following Shareholder Engagement policy: "Shawcor believes it is important to engage with its shareholders. We provide ongoing information to our shareholders in our annual meeting, annual and quarterly reports, management information circular, annual information form, news releases, website, earnings calls and at industry conferences and other meetings." Our annual meeting, which will be open to shareholders as well as webcast live, allows shareholders an opportunity to interact with members of our Board, the CEO, the CFO, and senior management. We host earnings calls every quarter that are open to all shareholders, with a live webcast and question and answer period. Our CEO, CFO and senior management speak at investor and industry conferences, host Company site visits and meet in person or by phone, with shareholders one-on-one as part of our regular shareholder engagement. Our Investor Relations department is also available for meetings and calls to address shareholder questions and to provide public information on Shawcor. Press releases, financial and corporate information and our investor presentation can be found online at www.shawcor.com. Shawcor shareholders may communicate with the Board through the office of the Secretary or the Chair of the Company. The Secretary and/or the Chair will determine whether the communication received should be addressed by the Board or management. Topics suitable for Board-shareholder communication include: • Board composition and performance • CEO performance • Executive compensation • Senior management succession planning • Corporate governance practices and disclosure • Material strategic decisions • Overall financial performance The Company and/or Board, as applicable will endeavour to respond to all appropriate correspondence in a timely manner. Shawcor shareholders may communicate directly with the Board of Directors by email to the Chair as noted below, or by mail, email, or telephone by contacting the Company's Corporate Secretary at: **Tim Hutzul** 25 Bethridge Road, Toronto, ON, M9W 1M7 Email: tim.hutzul@shawcor.com Phone: 416-744-5531 **Derek Blackwood** Board Chair Email: chair@shawcor.com Shawcor shareholders may communicate with senior management by mail, email, or telephone by contacting the Company's Investor Relations Representative at: **Meghan MacEachern** 25 Bethridge Road, Toronto, ON, M9W 1M7 Email: meghan.maceachern@shawcor.com Phone: 416-743-7111
6. Political Spending and Lobbying	The Company does not engage in political campaign spending or lobbying. We are members of various trade associations relating to the composites pipeline and energy services industries, some of which engage in lobbying activities. We are also involved as experts on several committees involved in developing or modifying local and global standards relating to our various businesses, products, and services, including the Canadian Standards Association (CSA), Underwriters Laboratories (UL), the International Organization for Standardization (ISO), the American Petroleum Institute (API), the American Society for Testing and Materials (ASTM), the Plastics Pipe Institute (PPI), the Cluster Automotive Working Group (ASIL) and the German Institute for Standardization Registered Association (DIN).

Disclosure Item	Comments
7. Sustainability Board Oversight	Sustainability or ESG practices are visible within and integrated across the Company and are fundamental to its success and resilience. The Company sees sustainability as an essential part of how it operates. As a result, sustainability considerations are integrated into the highest levels of decision-making. The Board's oversight of the Company's sustainability strategy is integral to the Board's oversight of corporate strategy. Through this oversight, the Board seeks to ensure that sustainability-related risks have been accounted for and mitigated against but also that the Company is able to capture sustainability-related opportunities. Although the Board has delegated oversight of specific elements of sustainability strategy to each of its Audit, Compensation and Organizational Development and Governance and Sustainability committees, overall stewardship of sustainability strategy remains with the Board. The goal is to ensure that the Company and its investments reflect long-term market fundamentals, emerging industry, business and ESG trends, public policy, and legal and regulatory requirements while appropriately balancing risk and reinforcing the Company's core values – Integrity, Technology and Execution. The Board has benchmarked its sustainability practices and reporting against multiple sources including the Company's Canadian and US peers.
Sustainability Disclosure	In 2022, the Company continued its focus on improving ESG performance, including in the form of enhanced sustainability disclosures, practices and policies. The Company published its 2021 ESG Report in accordance with the Sustainability and Accounting Standards Board (SASB) framework and referencing the Global Reporting Initiative (GRI) framework and United Nations Sustainable Development Goals. In this report, the Company provided an update on the progress it has made towards achieving the 2030 ESG ambitions and consistent ambition it established in its 2020 ESG Report, including:

2030 ESG Ambition	2021 Progress
Reduce Scope 1&2 GHG Emissions by 50% from 2019 baseline	32% reduction of Scope 1&2 GHG Emissions from 2019 baseline
Increase diverse representation within senior management team by 20 percentage points from 2019 baseline	15 percentage points increase in diverse representation within senior management from 2019 baseline

Consistent Ambition	2021 Progress
Incident and Injury Free workplace	4.3 Total Recordable Case Frequency for 2021

The 2021 ESG Report is available at www.shawcor.com/about/esg. New sustainable products and technologies were added to the Company's portfolio which offer benefits such as reduced emissions and improved water management. New programs were implemented throughout the organization to support and promote diversity and inclusion, mental health and employee engagement. ESG metrics were further integrated into executive compensation considerations for 2022.

The Company has been publishing its ESG Reports in accordance with the Sustainable Accounting Standards Board framework, with reference to the Global Reporting Initiative framework and United Nations Sustainable Development Goals and continues to evolve its disclosures and reporting practices to align with best practices. The Company recognizes that the reporting framework offered by the Task Force on Climate Related Financial Disclosures ("TCFD") is emerging as the pre-eminent global standard for such reporting. Specifically, TCFD is being used as the backbone for various global regulatory bodies like the U.S. Securities and Exchange Commission, the International Sustainability Standards Board and the Canadian Standards Association. Moreover, the Canadian Securities Administrators has announced plans to introduce specific disclosure requirements regarding climate-related matters for most public companies in Canada in proposed National Instrument 51-107 – *Disclosure of Climate-related Matters* ("NI 51-107"), such disclosure requirements being based on the TCFD framework. Accordingly, the Company is taking steps to follow the framework developed by the TCFD, as well as the proposed version of NI 51-107 published by the Canadian Securities Administrators premised on the TCFD framework, for future ESG Reports. The Company expects to file its 2022 ESG Report in Q3 2023.

Corporate Culture	The Board considers corporate culture and 'tone at the top' of the organization to be critical for advancing the Company's sustainability and ESG ideals. Corporate culture is developed and directed through dialogue with management, in camera sessions at each Board and Committee meeting, Board briefings on emerging sustainability issues and evaluation trends, formal/informal Board site visits to the Company's operations and employee engagement. **For More Information** For additional information related to the Company's sustainability programs please see www.shawcor.com/about/esg on the Company's website.

LETTER FROM THE CHAIR OF SHAWCOR'S COMPENSATION AND ORGANIZATIONAL DEVELOPMENT COMMITTEE

Dear Fellow Shareholders,

On behalf of the Board and the Compensation and Organizational Development Committee, we are pleased to share with you highlights of Shawcor's 2022 performance and CEO compensation decisions for 2022. Pay for performance is core to Shawcor's compensation philosophy. We also prioritize ensuring that our compensation programs are both aligned with best practices and competitive to market, recognizing that the Company is a global organization with senior executives located in both Canada and the U.S. We remain focused on deploying a compensation strategy that will enable us to attract, motivate and retain the high-quality executive talent we require to deliver superior results. We continue to align compensation programs and outcomes to business, safety and other ESG results, reinforcing pay for performance, and the creation of long-term sustainable shareholder value.

2022 Performance Summary

In 2022, Shawcor delivered strong financial and operating performance results while continuing to simplify the Company's portfolio and narrow its focus to the businesses that are best positioned to offer future avenues for growth, drive consistent profitability and to benefit from favourable long-term macro trends.

2022 performance highlights included:

- Health, Safety and Environmental risk reporting rates rose by 55% compared to 2021, enabling further evolution towards the Company's *Incident and Injury Free* aspiration
- Increase in consolidated revenue by $112 million over 2021, or roughly 10% despite strategic business divestitures through the year
- Significant share price appreciation that resulted in a growth in market capitalization of over $600M during the calendar year, with a Total Shareholder Return of 180% through 2022
- Adjusted EBITDA was 23% higher than 2021 at $130M
- Composite Systems Adjusted EBITDA year over year growth of 71%
- Automotive and Industrial Adjusted EBITDA year over year growth of 31%
- Generation of $211M in cash from operating activities
- Total order backlog increase to record levels of over $1.4 billion as pipe coating projects were awarded and strong order intake for infrastructure and industrial offerings continued. This represents a 95% increase over the backlog at the end of 2021
- Meaningful reduction in net debt, with the year-end Net Debt to Adjusted EBITDA ratio at 0.06 compared to 2.10 at the end of 2021
- Launch of a Normal Course share buyback strategy to deliver additional return to Shareholders
- Divestiture of the Lake Superior Consulting and Oilfield Asset Management operating units and the Global Poly product line
- Meaningful progress towards the long-term ESG aspirations to:
  - Reduce Scope 1&2 Greenhouse Gas (GHG) emissions by 50% from its 2019 baseline, by 2030
  - Increase diverse representation within the Company's senior management team by 20 percentage points from its 2019 baseline, by 2030
  - Be an Incident and Injury Free workplace

Compensation Program Changes

In 2022, the annual Senior Executive Incentive Plan ("SEIP") was amended from prior years to place greater emphasis on Shawcor's priorities related to ESG and employee health and safety. This was accomplished through the addition of two specific incentive elements:

- An ESG-focused incentive element tied to progress against Shawcor's ESG aspirations as outlined above. This metric was weighted at 7.5% of target incentive.
- A Health, Safety & Environment ("HSE") incentive element tied to employee safety via a Total Recordable Case Frequency ("TRCF") performance element weighted at 7.5% of target payout.

The personal performance and cashflow elements of the SEIP were re-weighted from previous year incentive target payouts to fund these specific ESG and safety related elements.

CEO Compensation Implications

As Shawcor's incentive plans are significantly weighted to profitability and cash flow measures, payouts in 2022 under the annual SEIP incentive significantly exceeded target levels for most Executive participants, including the CEO. In 2022, Shawcor did not achieve the threshold level of safety performance resulting in no incentive earned for Health, Safety & Environment ("HSE") performance. The short term annual incentive for the CEO also includes a pay element tied to performance against personal objectives. For 2022, we determined that the CEO had significantly exceeded expectations in executing multiple critical strategic and operational priorities, resulting in a personal component award at a maximum level. In 2022, Shawcor's share price increased from a close of $4.91 on December 31, 2021, to a 2022 year-end closing price of $13.76. The 2.8X share price appreciation through 2022, and the corresponding superior relative total shareholder return that placed Shawcor first amongst the performance peer group, resulted in a material increase in realizable compensation for previously issued equity grants and sizable payments under the cash-settled PSU plan. In keeping with our priority to invest in performance-based compensation, the CEO did not receive a base salary increase in 2022.

Shareholder Engagement on Executive Compensation

Annually, Shareholders vote on the approval of a non-binding advisory resolution on Shawcor's approach to executive compensation. This resolution was approved by 98.74% of Shareholders who voted at the 2022 Shareholder meeting. We trust we have made appropriate decisions to secure another favourable vote this year.

The Compensation and Organizational Development Committee welcomes the input of shareholders related to the executive compensation philosophy and practices of Shawcor. Should shareholders wish to provide input on compensation related matters, please see Section 5 related to shareholder engagement opportunities.

Sincerely,

KEVIN NUGENT
CHAIR, COMPENSATION AND ORGANIZATIONAL DEVELOPMENT COMMITTEE

Compensation Overview

Shawcor's executive compensation program is designed to attract, retain, and reward executives and management for achieving the Company's short and longer-term strategic objectives, and for their performance and contributions to the Company. Specifically, the program has features that reinforce our business strategy and growth objectives, including:

- Rewarding profitable, cash-positive, financial performance in the annual incentive plans by utilizing metrics tied to Adjusted Earnings Before Interest, Taxes, Depreciation and Amortization ("Adjusted EBITDA") growth and Free Cash Flow ("FCF") generation at the Corporate or Operating Unit level;
- Long-term equity grants that align with share price performance over multiple time horizons and long-term cash-settled awards with values based on share price performance and other company performance measures including total shareholder return;
- A mix of incentive awards tied to performance at the Corporate and Operating unit levels, offering visibility of performance versus targets to plan participants on a regular basis.

The program is intended to advance the interests of stakeholders and contribute to a dynamic, accountable, and performance-oriented environment. The Compensation and Organizational Development Committee ("CODC") regularly reviews the executive compensation program and the alignment with prevailing governance practices. Key design features of the program include:

Compensation Design	Compensation Decision-Making	Compensation Governance
• A significant amount of executive pay is at risk (~77.9% for CEO at target in 2022) • Incentive plan measures are aligned with the business strategy and long-term growth objectives • Incentive plans are aligned with the experience of shareholders – direct and indirect link to share price over multiple time horizons • A minimum 50% of senior executive long- term incentives are performance-based and fully at risk via the Shawcor Performance Share Plan	• Formal decision-making framework • Regular review of business risks and compensation-related risks • Regular scenario testing of compensation programs and potential pay outcomes • Responsible use of Board and Committee discretion, where applicable • Regular monitoring of market trends in North America, to inform (but not drive) compensation decisions	• Executives are required to own equity in Shawcor; requirements vary by level • Executives are not allowed to hedge the value of their equity awards Compensation can be clawed back in the event of financial restatement • Employment contracts are generally limited to select Executives and severance and termination provisions are aligned with market practice • External independent advisor supports the Board and Committee

Named Executive Officers

Named Executive Officers ("NEOs") are defined as the CEO, the CFO and the three most highly compensated executive officers of the Company.

The 2022 NEOs include the CEO, new and outgoing CFO, one executive from the Company's Pipeline Performance Group, one executive from the Company's Automotive & Industrial Group and one executive from the Company's Composite Systems Group. The 2022 NEOs were:

Name	Position	Location
Michael Reeves	President & Chief Executive Officer	Houston, USA/Toronto, Canada
Tom Holloway[(1)]	Senior Vice President, Finance & Chief Financial Officer	Houston, USA/Toronto, Canada
Gaston Tano[(2)]	Former Senior Vice President, Finance & Chief Financial Officer	Toronto, Canada
Frank Cistrone	Group President, Automotive and Industrial	Toronto, Canada
Kevin Reizer	Group President, Pipeline Performance	Houston, USA
Martin Perez	Group President, Composite Systems	Calgary, Canada

(1) Mr. Holloway was hired on November 29, 2021 as Vice President, Finance and Chief Accounting Officer of Shawcor and subsequently assumed the role of Senior Vice President, Finance & Chief Financial Officer on June 1, 2022 following Mr. Tano's departure.

(2) Mr. Tano was CFO until his departure on June 1, 2022.

Compensation and Organizational Development Committee

For information regarding the responsibilities, processes and operation of the Company's Compensation and Organizational Development Committee ("CODC") and the independence of each of its members, see *Committees of the Board of Directors and Their Roles*. All CODC members have direct or indirect experience that is relevant to their responsibilities in executive compensation.

Kevin Nugent currently serves as the Chair of the CODC and assumed this position in 2022. Mr. Nugent currently serves as a director of Secure Energy Services Inc., Hifi Engineering Inc., Variperm Energy Services Ltd., 8Sigma Energy Services Incorporated, Banff Sport Medicine Foundation, and the Pacific Salmon Foundation.

Laura Cillis has been a director of the Company since December 2019. She currently also serves as a director of Western Forest Products Inc. and has previously served on other public company boards. Ms. Cillis is a Chartered Professional Accountant (CPA, CA) and holds the ICD.D designation granted by the ICD.

Kathleen Hall has been a director of the Company since May 2022. She currently serves as a director of industrial portfolio companies of Altamont Capital Partners. She was the Chief Operating Officer for FARO Technologies from 2013 until her retirement in 2019. Ms. Hall holds a B.S. in Industrial Engineering from Lehigh University in Bethlehem, PA.

Dr. Ramesh Ramachandran is currently CEO of MEGVIN Advisors LLC.. He has a PhD in Chemistry from Columbia University, NY and an MBA from Rutgers University.

All four members of the Committee have had lengthy careers in operations and general management in energy and/or manufacturing industries. In their roles as members of the CODC and as current or former senior executive officers or directors of large global organizations, each member of the CODC has developed skills and experience in executive compensation issues that enable them as a group to make decisions on the suitability of the Company's compensation policies and practices.

Consulting Advice & Services

In 2022, WTW (formerly Willis Towers Watson) and Hugessen Consulting Inc. provided independent advice to the CODC on Executive compensation levels for Named Executive Officers, including the President & CEO. WTW provided Executive compensation consulting services until June 30, 2022, with Hugessen providing support for the remainder of 2022. WTW and Hugessen also served as a resource to management (with the approval of the CODC) in establishing appropriate compensation programs for these employees, including providing market data for Executive compensation. Specific services provided by WTW and Hugessen during the year included:

- Supporting the CODC with ongoing executive compensation related activities, including preparation for and attendance at Committee meetings in 2022.
- Reviewing the Company's Executive Compensation Philosophy Statement and pay-for-performance framework, including the design of both the short-term and long-term incentive programs;
- Advising on the composition of market peer groups for purposes of compensation and performance benchmarking;
- Reviewing compensation levels for the President & CEO and other Designated Employee roles;
- Advising the CODC and management on relevant executive compensation trends and governance;
- Reviewing the *Compensation Discussion & Analysis* contained in the annual Management Proxy Circular; and
- Reviewing management's assessment of any potential risks arising from the executive compensation program.

Aggregate fees to the Company in each of 2022 and 2021 were as follows:

	WTW			Hugessen		
	Executive Compensation-Related Fees	All Other Fees	Total	Executive Compensation-Related Fees	All Other Fees	Total
2022[1]	$ 45,276	–	$ 45,276	$ 110,075	–	$ 110,075
2021	$ 85,322	–	$ 85.322	n/a	n/a	n/a

(1) Aggregate fees in 2022 include WTW fees incurred from January 1, 2022 to June 30, 2022 and Hugessen fees incurred from July 1, 2022 to December 31, 2022.

Compensation Philosophy

Our executive compensation programs and practices are guided by the Company's Executive Compensation Philosophy. This philosophy is reviewed annually by the CODC prior to the compensation planning activities for the following year. It reinforces the Company's strategic focus on sustained profitable growth and the link between compensation and performance. It also clarifies our desired compensation position relative to peer groups and our expectations for executive share ownership. The philosophy statement adopted by the Board is as follows:

Shawcor is a growth-oriented, global material sciences company operating through several complementary Business Units to enable the responsible renewal and enhancement of critical infrastructure. We are strategically focused on profitable growth opportunities to consistently deliver higher returns.

The purpose of our executive compensation program is to attract, retain and reward high caliber leaders who realize sustainable and profitable growth and maximize long-term value for the Company and its stakeholders.

In support of this purpose, a set of principles guides the Company's decisions with respect to the compensation programs and practices we use to motivate and reward our executives.

To ensure our program is competitive, we:

- Regularly compare our total compensation levels against comparable companies in similar industries operating in similar geographic locations, with particular emphasis on salary levels and short- and long-term incentives, to ensure the ongoing competitiveness of our compensation program.
- Measure the competitiveness of compensation levels in the countries and regions where we operate and utilize compensation benchmarks from multiple geographic markets for executives with international responsibilities.
- Use median (50th percentile) compensation values reported by our comparator group companies as a primary reference for establishing target amounts for each element of compensation, and for maintaining competitive total compensation levels.
- Consider factors related to the executive's potential impact on Shawcor results, scope of responsibility and accountability, and reporting structure in determining appropriate compensation levels.

To effectively motivate executives to consistently deliver superior performance, we:

- Ensure executives have a significant proportion of total annual compensation contingent upon achieving objective measures of financial and operating performance.
- Preserve a strong and direct relationship between business and individual performance, and the short- and long-term compensation earned by executives. Executives should have the opportunity to achieve top quartile compensation levels among comparator group companies when performance warrants.
- Establish an appropriate 'mix' of compensation elements for executives to ensure an appropriate and balanced focus on short- and long-term results. Our goal is that Shawcor's most senior executives have a significant portion of total compensation contingent on both short- and long-term performance.

To engage executives to the strategic goals of the Company and provide the opportunity for a productive career with Shawcor, we:

- Link a material portion of executive compensation to measures of business performance for which they have direct line of sight and accountability.
- Ensure that our compensation programs and practices encourage appropriate risk taking and discourage inappropriate risk taking.
- Ensure senior executives meaningfully share the risks and rewards of ownership with Shawcor shareholders and base a portion of their total compensation on share price performance.

This Compensation Philosophy is used to guide the development and application of compensation programs for the CEO and Designated Employees, as defined in the CODC Charter, and other senior corporate and operating executives of Shawcor Ltd.

Although management should be accountable for actual results delivered, the CODC of the Board has the right to apply business judgment in adjusting incentive targets or awards to preserve the intended objectives and integrity of the compensation program.

Risk Oversight

In fulfilling its mandate, the CODC annually reviews and recommends to the Board for approval any amendments to the Executive Compensation Philosophy and other compensation policies and practices of the Company, including a recommendation as to the compensation of the Chief Executive Officer and other Designated Employees. In the view of the Board, this regular, critical scrutiny along with a deliberate approach to the design of executive compensation programs ensures an acceptable level of risk in executive compensation arrangements.

The Company employs the following compensation programs and practices which encourage senior executives to achieve the short and long-term objectives of the Company and manage risk:

Significant portion of pay at-risk	For the CEO and other NEOs, a cumulative 68.6% of the aggregate 2022 target total direct compensation is "at-risk". This mix provides a strong relationship between performance results and pay outcomes.
Balance between short and long-term performance objectives	Consistent with best practice, the mix of incentive compensation elements ensures executive behaviours that align with both the short-term and longer-term interests of the Company.
Objective and auditable performance measures	Annual and longer-term incentive plans rely primarily on standard, objective measures of business performance that are derived from the Company's audited financial statements, e.g., revenue, operating income, Adjusted EBITDA, Free Cash Flow, the market value of the Company's shares and total shareholder return. Awards are paid following approval of the audited financial results by the Board.
Preservation of Board discretion to manage questionable circumstances	The Board retains discretion to alter, cancel or defer amounts payable under annual short and long-term incentive plans, other than the Company's stock option plan, should the plans trigger an inappropriate result or should the Company report a negative net income in a particular year. Should a financial restatement occur, the Executive Compensation Clawback Policy may also require the "clawback" of incentive-based compensation to executive officers whose misconduct caused or substantially contributed to the restatement.
External independent advice	The CODC engages an independent advisor to provide an external perspective of market changes and best practices related to compensation design and governance and appropriate compensation levels to attract and retain the calibre of executives required to deliver sustained profitable growth.
Stress testing and predictive modelling of pay programs	Periodically, all executive compensation plans are stress tested to guard against potential unintended consequences and ensure appropriate pay and performance alignment.
Caps on awards paid from performance contingent incentive plans	The short term incentive plan which has a variable award based on the attainment of objective measures of performance specifies a ceiling or cap on the amount which can be earned under the plan for superior performance.
Delayed vesting for long-term incentives	Long-term incentives are granted with time-based vesting provisions. Stock option and share unit grants vest over 5 years, Awards under the Shawcor Performance Share Plan ("SPSP") vest according to the schedule established at time of grant. The 2022 SPSP grant specified an annual vesting of 1/3 of the grants with final value determined by the volume weighted average share price at time of vest and the relative total shareholder return in the corresponding performance period.
Specific expectations for share ownership by executives	The Company's Executive Share Ownership Policy sets out specific targets for share ownership levels (ranging from 1 – 4 times annual salary) that ensure key executives share the longer-term risks and rewards of share ownership with the Company's shareholders.
Anti-hedging policy	Company policy precludes directors and senior executives from purchasing financial instruments, including, for greater certainty, prepaid variable forward contracts, equity swaps, collars, or units of exchange funds that are designed to hedge or offset a decrease in the market value of equity securities granted as compensation or held, directly or indirectly, by such directors or senior executives.
Clear limits and controls on capital expenditures	The Board is responsible for authorizing major capital expenditures to ensure investments are prudent and responsible.
"Double trigger" on change of control	Long-term equity incentive awards vest on an accelerated basis only where termination of employment follows a change of control event, referred to as a "double trigger".
Regular monitoring of market practice	The CODC reviews and considers evolving good compensation governance practices and policies several times through the year.

These and other practices, supplemented by using a compensation risk assessment checklist, incorporate risk assessment into our standard compensation practices. Consequently, the Board has not identified any risks arising from our compensation policies and practices that are reasonably likely to have a material adverse effect on the Company.

Peer Group Comparison

To ensure our executive compensation is competitive, we regularly benchmark the Company's compensation programs to a select group of organizations (the "Compensation Peer Group"). For 2022 this group included a number of organizations in the Canadian and U.S. energy services industry, along with two similarly sized organizations with a broader industrial profile.

When establishing the 2022 Compensation Peer Group, consideration was given to:

- Shawcor's specific and unique expertise in the Oil and Gas Equipment and Services Industry;
- The ongoing diversification of Shawcor's revenues outside of the energy sector;
- The limited number of direct industry peers in Canada;
- Shawcor's considerable global presence, with operations in over 20 countries and significant operations in the U.S., reflecting a North American market for senior executive talent;
- Shawcor's smaller size in terms of revenue and market capitalization compared to some U.S. industry peers, but its comparable international scope of operations and business complexity; and
- Companies with comparable strategic imperatives:
  - Leveraging new technology to access new markets and create growth opportunities
  - High transformational growth objectives
  - Focused on increasing global scale and presence

The 2022 Compensation Peer Group was comprised of organizations with which the Company competes for business and/or executive talent. The CODC used its discretion in selecting the peer group, balancing the need for the Group to include publicly traded companies that reflect similar characteristics to Shawcor in terms of size (measured by revenue and market capitalization), with the need for alignment in elements such as scope/complexity, international operations and similar strategic imperatives. On December 7, 2021, the Committee approved the following changes to the 2022 Compensation Peer Group:

- Terevita Corp. and Aegion Corp. were removed due to their respective acquisitions and related removal from public indices in 2021
- Finning International Inc. was removed due to its significantly greater size than Shawcor and replaced by NN Inc.

The 2022 Compensation Peer Group consisted of:

Champion-X Corp. (formerly Apergy Corp.) (US)	Oceaneering International Inc. (US)	RPC Inc. (US)
Dril-Quip, Inc. (US)	Oil States International (US)	Toromont Industries Ltd. (Can.)
Enerflex Ltd. (Can.)	Precision Drilling Corp. (Can.)	Trican Well Service Ltd. (Can.)
NN Inc. (US)		

The President & CEO and CFO roles are matched to comparable positions within the Compensation Peer Group for purposes of establishing compensation benchmarks.

For other NEOs and Designated Employees and key management roles, the Company uses the WTW US Oilfield Service Survey and the WTW Canadian Executive Compensation Survey. Survey peers are identified using a comparable set of criteria to that used for the Compensation Peer Group.

Elements of Compensation

Shawcor's executive compensation program includes the following elements:

Annual		Medium Term (Cash Settled)	Long Term (Equity)		Pension/ Retirement
Reward attainment of annual business and personal performance objectives		Direct Link to Share Price and Shareholder Return	Encourage share price growth and executive retention over longer periods		
Salary	Sr. Executive Incentive Plan **SEIP**	Shawcor Performance Share Plan **SPSP**	Employee Share Unit Plan **ESUP**	Employee Stock Option Plan **ESOP**	Retirement Plan(s)
• Reviewed annually based on competitive benchmarks, individual contribution and impact	• Individual target award amounts established • Five performance dimensions considered: Adjusted EBITDA, operating free cash flow, ESG, HSE and personal objectives • Financial targets informed by a Board-approved annual plan and strategic priorities • Award opportunity up to 2X target • Awards paid in cash annually	• Cash-settled performance units granted annually • Monetary value of units determined by volume weighted average share price for the 5-day period preceding the grant date • Performance units vest according to the schedule established at time of grant • Unit values paid in cash at time of vesting. Final unit value adjusted 0-2X based on relative total shareholder return amongst the Performance Peer Group	• Restricted Share Units granted at discretion of the Board • Time or performance-based vesting – specified by Board for each grant • Ten-year term • Realizable value = share price • Settled with Treasury shares upon exercise	• Stock Options granted at discretion of Board • Vest over 5 years at 20% per year • Nine + year term • Realizable value = share price growth above grant price	• Defined benefit arrangement with SERP provision for select Canadian NEOs • Defined contribution or 401(k) plans for Canadian & US Executives

2020 Share Value Plan

In 2020, the stock option and share unit grants to NEOs and other senior management were valued at approximately 50% of target value. The decision to reduce the value of these awards was made to lessen their dilutive impact to shareholders. The NEOs and other senior management were provided a non-dilutive, cash-based performance award that would pay out upon achieving a share price target that was set at approximately 2X the share price at the time of grant. This award was intended to partially compensate recipients for the lower value option and unit grants in 2020. This award was a unique, one-time action that did not form a standard element of the Shawcor Executive compensation strategy. This program expired in March 2023 with no values realized.

Summary of Target Total Direct Compensation Elements

The following table summarizes the mix of target total direct compensation for the CEO and other NEOs for 2022, defined as target annual cash compensation plus target long-term compensation. The mix of compensation elements is heavily weighted toward variable compensation, particularly long-term compensation.

	Short-term Incentive				Long-term Incentives		
Name	2022 Base Salary[4]	% of Salary	$ Target Value	Total Target Cash Compensation	% of 2021 Base Salary	$ Target Value	Target Total Direct Compensation
Michael Reeves[3]	$ 746,925	110%	$ 821,617	$ 1,568,542	250%	$ 1,809,525	$ 3,378,067
Tom Holloway[3]	$ 438,612	60%	$ 263,167	$ 701,780	187%	$ 754,233	$ 1,456,013
Gaston Tano[1][2]	$ 208,654	70%	$ 146,058	$ 354,712	0%	$ 0	$ 354,712
Frank Cistrone	$ 336,894	40%	$ 134,757	$ 471,651	108%	$ 360,000	$ 831,651
Kevin Reizer[3]	$ 432,305	50%	$ 216,153	$ 648,458	97%	$ 420,000	$ 1,068,458
Martin Perez	$ 315,000	40%	$ 126,000	$ 441,000	114%	$ 360,000	$ 801,000

(1) Mr. Tano was CFO until his departure on June 1, 2022 and was succeeded by Mr. Holloway.

(2) Annual cash incentives are based on the actual salary amounts earned and paid in 2022. Due to Mr. Tano's departure, an incentive payment under the plan for 2022 is incorporated into his Departure Agreement (see Compensation Discussion & Analysis – Termination and Change of Control Benefits).

(3) Messrs. Reeves, Reizer and Holloway are compensated in US dollars. The average US dollar conversion rate used by the Company in 2022 was $1.299.

(4) Depicts 2022 Salary earned during the year.

Retirement Income

The Company provides defined contribution pension and 401(k) arrangements for executives based on geographic location and has moved away from previously provided defined benefit pension plans. Competitive retirement arrangements represent a basic condition of executive employment and should not have a major role as a performance incentive, with executives participating in the same programs as other employees in the same geography. The Company reviews its Retirement Income Plans for competitiveness less frequently than other elements of compensation and manages them to ensure they effectively complement the other elements of compensation.

Other Compensation

The Company maintains competitive Group Benefit Plans for all executives including Life Insurance, Accidental Death and Dismemberment Insurance, Short-Term Disability Income, Long-Term Disability Income and Health and Dental coverage. Shawcor also provides mental health and wellbeing programming and tools to enable proactive mental health care. Benefits under these plans do not differ materially from those provided to other management employees. Most group benefits cease on an executive's retirement or termination. From time to time, the Company provides other forms of compensation that respond to individual circumstances in the attraction and retention of executives and to ensure their full commitment to the objectives of the organization.

Compensation Decisions for 2022

Market Benchmarking Process

In August 2022, Hugessen was asked to conduct an executive compensation program review for the CODC focused on Senior Executive and CEO compensation. The data was provided to the Board Chair and all members of the CODC.

The Committee Chair and Board Chair conferred with Hugessen to understand the outcomes of the executive compensation program review, understand CEO compensation relative to the CEO market data and to form compensation recommendations for the CEO. The Board Chair subsequently met with the CODC to review individual CEO accomplishments for 2022 and present 2023 compensation recommendations for review and approval.

Following its review, the CODC presented its 2022 senior executive compensation recommendations to the full Board which approved such recommendations.

Salary

Base salary is determined for each executive based on his or her role, scope of responsibility and accountability, required experience and overall value to the Company and on competitive market compensation levels.

In July 2022, Messrs. Cistrone and Reizer received a small increase to their base salaries following a temporary reduction in salary for the majority of 2020 and no change to their base salaries in 2021. Mr. Holloway received an increase to his base salary upon assumption of the CFO role consistent with the terms of his offer of employment. Mr. Reeves did not receive a base salary increase in 2022.

The table below summarizes annual base salary levels as of December 31, 2021 and December 31, 2022 for individual NEOs:

NEO	2021	2022	% Increase	Notes
Michael Reeves[1]	$ 722,200	$ 746,925	3.4%	Depicted increase reflective of a change in the currency exchange rate utilized
Tom Holloway[1]	$ 401,920	$ 454,650	13.1%	Mr. Holloway's salary was increased upon assumption of the SVP Finance and CFO role
Gaston Tano	$ 501,043	n/a	n/a	Mr. Tano departed from his role May 1, 2022
Frank Cistrone	$ 331,827	$ 341,960	3%	
Kevin Reizer[1]	$ 426,052	$ 453,572	6%	Depicted increase is reflective of a salary change and a change in the currency exchange rate utilized
Martin Perez	$ 315,000	$ 315,000	0%	

(1) Salaries for Messrs. Reeves, Reizer and Holloway are paid in US dollars. The average US dollar conversion rate used by the Company for transactions during 2021 was $1.256 and for 2022 was $1.299. Mr. Reeves did not receive a base salary increase in 2022.

Annual Incentives

Each NEO is assigned an annual incentive target expressed as a percentage of salary. The sum of salary and the annual incentive target forms the target Annual Cash Compensation for each executive and becomes a primary reference for compensation benchmarking. Shawcor maintains an appropriate mix between salary and incentive pay, consistent with the Executive Compensation Philosophy and competitive market trends.

Annual cash incentives for NEOs are delivered through participation in the Corporate Senior Executive Incentive Plan ("Corporate SEIP") or the Operating Senior Executive Incentive Plan ("Operating SEIP").

The financial measures in the Corporate and Operating SEIP are Adjusted Earnings Before Interest, Taxes, Depreciation and Amortization ("Adjusted EBITDA") and Free Cash Flow ("FCF"). These measures provide focus on profit generation and driving cashflow, both at an Operating level for business unit leaders and a Shawcor Corporate level for the CEO and CFO. In 2022, the SEIP plan was amended to include an Environmental, Social and Governance ("ESG") pay element tied to achievement of ESG-related objectives including progress toward GHG emission and Diversity ambitions, and a Health, Safety and Environment ("HSE") performance element tied to safety performance.

In 2022, Messrs. Reeves, Holloway and Tano participated in the Corporate SEIP and Messrs. Cistrone, Reizer and Perez participated in the Operating SEIP. The financial measures of the Corporate SEIP and the Operating SEIP are set out in the following tables:

Corporate SEIP

	Adjusted Earnings Before Interest, Taxes, Depreciation and Amortization Performance vs. Target ("Adjusted EBITDA")[1]		Free Cash Flow Performance vs. Target ("FCF")[2]		Environment Social Governance Measure vs Target ("ESG")		Health, Safety and Environment Measure vs Target ("HSE")		Individual Performance		SEIP Payout
Weight (% of target award)	50%	+	20%	+	7.5%	+	7.5%	+	15%	=	100%
Payout Range (% of target payout)	0% – 200%		0% – 200%		0% – 200%		0% – 200%		0% – 200%		0% – 200%

Operating SEIP

	Adjusted Earnings Before Interest, Taxes, Depreciation and Amortization Performance vs. Target ("Adjusted EBITDA")[3]		Free Cash Flow Performance vs. Target ("FCF")[4]		Environment Social Governance Measure vs Target ("ESG")		Health, Safety and Environment Measure vs Target ("HSE")		Individual Performance		SEIP Payout
Weight (% of target award)	50%	+	20%	+	7.5%	+	7.5%	+	15%	=	100%
Payout Range (% of target payout)	0% – 200%		0% – 200%		0% – 200%		0% – 200%		0% – 200%		0% – 200%

(1) Adjusted EBITDA, a non-GAAP measure, which may not be comparable to similarly named measures of other companies, is calculated by adding back to net income (loss), the sum of interest, income taxes, depreciation and amortization, impairments, costs associated with repayment of long-term debt and credit facilities, gain on sale of land and other, gain on sale of investment in associates, gain on sale of operating units and subsidiaries, acquisition costs or recoveries, net restructuring costs and hyperinflationary adjustments. The methodology used to determine targets and actuals for incentive purposes may not tie directly to Shawcor's financial statements.

(2) Free Cash Flow ("FCF"), a non-GAAP measure, which may not be comparable to similarly named measures of other companies, is defined as cash provided by operating activities less capital expenditures and repayment of lease liabilities; excluding the impacts of restructuring, impairments, hyperinflationary adjustments and working capital of divestitures. The methodology used to determine targets and actuals for incentive purposes may not tie directly to Shawcor's financial statements.

(3) For the purposes of Operating SEIP, operating income (loss) replaces net income (loss) in the Adjusted EBITDA calculation and the final Adjusted EBITDA value excludes foreign exchange.

(4) FCF for Operating SEIP is based on Operations-level performance.

Financial and Safety Performance for 2022

		Performance Range				Indicated
SEIP Plan	Measure	Threshold	Target	Maximum	Actual Performance	Performance Factor (% of Target)
Corporate	Adjusted EBITDA[2]	72,419	101,931	117,220	116,999	198.55%[1]
	Free Cash Flow[3]	3,160	17,916	25,560	170,049	200%
	HSE (TRCF)					0%
Pipeline Performance	Adjusted EBITDA[4]	–	–	–	–	0%
	Free Cash Flow[5]	–	–	–	–	200%
	HSE (TRCF)					0%
Composite Systems	Adjusted EBITDA[4]	–	–	–	–	200%
	Free Cash Flow[5]	–	–	–	–	200%
	HSE (TRCF)					0%
Automotive and Industrial	Adjusted EBITDA[4]	–	–	–	–	200%
	Free Cash Flow[5]	–	–	–	–	200%
	HSE (TRCF)					0%

(1) In finalizing 2022 incentive payments, the Board, as it is empowered to do within the SEIP plan document, chose to award incentives at a 200% factor for Adjusted EBITDA after taking into account the impact of the significant share price appreciation on expenses and the marginal gap between the maximum performance amount and actual achieved Adjusted EBITDA.

(2) See footnote 1 in the previous chart.

(3) See footnote 2 in the previous chart.

(4) See footnote 3 in the previous chart.

(5) See footnote 4 in the previous chart.

The Corporate SEIP and Operating SEIP provides that if Shawcor does not report positive net income in a year, any awards earned and payable in the year may be deferred or cancelled at the discretion of the CODC. The 2022 final audited results indicate a net loss for 2022. This loss was largely attributable to a non-cash charge to earnings stemming from the sale of the Pipeline Performance business in Argentina and the impact of hyperinflation accounting. Considering the positive operating income through 2022, the Board chose to award the indicated values.

HSE Performance for 2022

The 2022 SEIP incentive included a component tied to improvement in Employee Health and Safety. It measured 'Total Recordable Case Frequency' ("TRCF") against a performance curve that required improved performance when compared to 2021. TRCF is calculated as "Recordable Injuries" per million hours worked. Recordable Injuries are tied to the OSHA definition, which is generally defined as workplace injuries that lead to medical treatment or lost work. In 2022, Shawcor did not achieve the threshold level of performance and there was no incentive paid for HSE performance.

ESG Performance for 2022

The 2022 SEIP incentive included a component tied to progress against defined actions to enable Shawcor's ESG ambitions. These included progress against:

- Reducing Shawcor's Scope 1 and 2 Greenhouse Gas emissions compared to a 2019 baseline (which is adjusted for any businesses acquired or divested) and progress towards its stated 2030 ambitions
- Progress toward Shawcor's 2030 diversity ambition of a 20 percentage point improvement of diversity amongst its senior management population compared to a 2019 baseline, and deployment of various diversity, equity and inclusion programs
- Deployment of community level 'Green Teams' to support local environmental initiatives
- Improving air quality within operating facilities
- Improving Shawcor's Governance processes including its enterprise risk management review process

Shawcor made significant progress against each of these priorities in 2022, which is reflected in the amounts awarded.

Individual Performance for 2022

In addition to financial, HSE and ESG measures, executives, including the CEO, are rewarded based on individual performance. This element has a 15% weighting in both the Corporate SEIP and the Operating SEIP. Individual performance is assessed based on the accomplishment of critical objectives established at the beginning of every year for each NEO. These objectives include priorities tied to strategy execution, operational efficiency, cost reduction and leadership attributes. Objectives are set annually for each executive based on the highest priorities of the corporate or operating unit business and are set in consultation with his or her immediate superior. Personal performance and the executive's leadership attributes demonstrated during the year were considered in the allocation of the individual performance amounts awarded within the Corporate SEIP and the Operating SEIP. Final allocations for personal performance for NEOs, other than the CEO, were recommended by the CEO and reviewed and approved by the CODC and the Board. The final personal performance allocation for the CEO was recommended by the Board Chair and CODC Chair together and approved by the Board. 2022 saw very strong personal performance by the NEOs. In addition to delivering strong Company financial performance, Executives performed well against their personal objectives.

In determining the final Individual Performance awards, several factors were considered, including:

- Development and execution of a strategic plan to realign Shawcor's operating model, including further rationalization of Shawcor's operating footprint and the sale of certain businesses, including the Lake Superior Consulting and Guardian Canada (Oilfield Asset Management) businesses
- The significant reduction in balance sheet leverage to level below the Company's target Net Debt: EBITDA ratio by year end
- The successful sale and leaseback of the Rexdale, Ontario facility
- Successfully delivering on technology and new product advancements, including the launch of 5" and 6" diameter Flexpipe products and successful marketing of the 'HydroChain' water solution
- Successful completion of the acquisition of Kanata Electronic Services Inc. to enhance the Shawflex business presence in the Nuclear market space
- Strong talent engagement and retention that included a 27% year over year reduction in voluntary turnover in salaried employee population despite substantial competition for talent across the Company's operating geographies

Actual SEIP Awards for 2022

Each measure is considered individually and Corporate SEIP and Operating SEIP participants may achieve a maximum of 200% of their annual incentive target based on performance. The following table summarizes the incentive target (expressed as a percentage of earned salary) for 2022, and performance against those targets.

	Target Incentive					Actual Award[1][2]	
NEO	% of 2022 Earned Salary	Cash[1] Target[2] ($)	Measure	Weight (% of Target Award)	Performance Factor (% of Target)	Calculated % of Earned Salary	$[2]
Michael Reeves	110%	$ 821,617	FCF	20%	200%	198.0%	$ 1,478,911
			Adjusted EBITDA	50%	200%[3]		
			TRCF	7.5%	0%		
			ESG	7.5%	133%		
			Individual	15%	200%		
Tom Holloway	60%	$ 263,167	FCF	20%	200%	106.5%	$ 467,122
			Adjusted EBITDA	50%	200%[3]		
			TRCF	7.5%	0%		
			ESG	7.5%	100%		
			Individual	15%	200%		
Gaston Tano[4]	70%	$ 146,058	FCF	20%	200%	113.8%	$ 237,344
			Adjusted EBITDA	50%	200%[3]		
			TRCF	7.5%	0%		
			ESG	7.5%	100%		
			Individual	15%	100%		
Frank Cistrone	40%	$ 134,757	FCF	20%	200%	70.3%	$ 236,668
			Adjusted EBITDA	50%	200%[3]		
			TRCF	7.5%	0%		
			ESG	7.5%	75%		
			Individual	15%	200%		
Kevin Reizer	50%	$ 216,153	FCF	20%	200%	35.9%	$ 155,090
			Adjusted EBITDA	50%	0%		
			TRCF	7.5%	0%		
			ESG	7.5%	125%		
			Individual	15%	133%		
Martin Perez	40%	$ 126,000	FCF	20%	200%	70.3%	$ 221,288
			Adjusted EBITDA	50%	200%		
			TRCF	7.5%	0%		
			ESG	7.5%	75%		
			Individual	15%	200%		

(1) Cash incentives are based on the actual salary amounts earned and paid in 2022.

(2) All values expressed in Canadian dollars using an average 2022 exchange rate of US$1 = C$1.299.

(3) See footnote 1 in the Financial and Safety Performance table on page 39 regarding awarded value.

(4) Mr. Tano's SEIP award was determined in accordance with his departure agreement.

The Board regularly reviews plans and retains the discretion to modify plan terms and any amounts awarded under the plans as warranted by individual circumstances or Company performance.

Long-Term Incentives

To ensure executive efforts are aligned with the interests of shareholders and the pursuit of future strategic business goals, the Company employs the following equity and cash-based plans, which are described in further detail under the heading *Incentive Plan Awards – Long-Term Incentive Plans*, that the Board believes directly support the attainment of the Company's long-term business objectives:

Employee Stock Option Plan

Stock options are a vehicle for providing long-term incentives to the most senior executives in roles which influence long-term business outcomes.

Options granted under the Employee Stock Option Plan ("ESOP") vest over 5 years at a rate of 20% per year on the first through fifth anniversaries of the grant date and expire on December 31 of the year in which the ninth anniversary of the grant falls. Executive participants in the ESOP are subject to stock ownership requirements.

The Company uses the Black-Scholes option valuation methodology to determine the compensation value of grants for purposes of comparing compensation levels to benchmark companies. This is the same methodology used to identify the annual expense associated with stock option grants. See *Incentive Plan Awards – Long-Term Incentive Plans* for more information concerning the ESOP.

Employee Share Unit Plan

The Employee Share Unit Plan ("ESUP") provides a means for the Board to grant share units intended to retain key executives through the full business cycle and align their interests with shareholders.

For the past several years, the Employee Share Units granted vest at a rate of 20% per year on the first through fifth anniversaries of the grant date and expire on the tenth anniversary of the grant.

When vested, each Unit entitles the participant to receive one common share from treasury. Participants do not currently receive dividend equivalents or any other shareholder rights based on grants of these Units. See *Incentive Plan Awards – Long-Term Incentive Plans* for more information concerning the ESUP.

Shawcor Performance Share Plan

The Shawcor Performance Share Plan (SPSP) is a long-term incentive plan that replaced the Value Growth Plan in 2021. The plan provides senior executives and senior employees a reward opportunity directly tied to Shawcor's long term share price performance, modified by one or more performance factors.

Participants are awarded cash-settled performance units with a vested value based on a five-day trading average Shawcor share price and adjusted based on performance factors identified at grant date. Relative total shareholder return when compared to the Shawcor Performance Peer Group was used as the performance factor for both the 2021 and 2022 award grants, which can adjust vested unit values from a range of 0% to 200%. The vesting schedule for performance units is set each year at the time of grant.

For 2021 and 2022 awards, the vesting schedule is 1/3 of the total grant annually over 3-years. The performance factor applied to vesting units is based on the period from January 1 of the grant year to December 31 of the year immediately prior to the vesting date. See *Incentive Plan Awards – Long-Term Incentive Plans* for additional information concerning the SPSP.

Value Growth Plan

The Value Growth Plan ("VGP") was discontinued and replaced by the Shawcor Performance Share Plan in 2021. The VGP was intended to motivate and reward senior executives for sustained growth and profitability within operating divisions and for the Company overall.

Units granted vest after three years. The value of units at vesting is determined directly by revenue, operating income and relative total shareholder return performance. Units have no value until they vest, at which time the value of each unit can range from $0 to $3.50. Earned awards are paid in cash at the end of the three-year performance cycle.

Vested 2020 Value Growth Plan Units

Shawcor VGP units granted in 2020 vested on December 31, 2022. The 2020–2022 performance period saw a decline in operating income and revenue in comparison with the baseline performance period. As a result, the 2020 Shawcor VGP grant had a value of $0.00 per unit.

Measure	Factor	TSR Performance Modifier
Cumulative Operating Income	0.00	($0.15)
Cumulative Revenue	0.00	

Using the same formula for the Automotive & Industrial VGP units granted in 2020, revenue and operating income performance over the past three years was significantly above the baseline period, resulting in a value for the 2020 Automotive & Industrial VGP grant of C$1.413 per unit.

All other 2020 business unit VGP awards vested with a $0.00 valuation. Providing specific information on Cumulative Operating Income and Cumulative Revenue achievement at the business unit level would seriously prejudice the Company's interests relative to competitive market and pricing strategies and the Company does not disclose this information as it relies on the disclosure exemption contained in Item 2.1(4) of Form 51-102F6, Statement of Executive Compensation.

2022 is the final year in which any granted VGP units will vest, consequently this plan will not be included within future annual reporting documents.

Target Grant Values for 2022

In 2022, NEOs were assigned an annual long-term incentive target based on their ability to affect longer-term business results and with reference to competitive compensation benchmarks. This target is expressed as a percentage of the previous year's annual base salary and serves as a guide for the Board in granting long-term incentives. The Board also considers the role and impact of each NEO in determining the mix of long-term incentive units to be granted. These grants are viewed as incentives for future performance and their granting and vesting are not subject to any specific performance requirements. The following table indicates the long-term incentive target awards for each NEO for 2022:

	Target Long-Term Incentive (% of Salary)
NEO	2022
Michael Reeves	250%
Tom Holloway[1]	187%
Frank Cistrone	108%
Kevin Reizer	97%
Martin Perez	114%

(1) Mr. Holloway's target Long-Term Incentive is set at 150% of base salary. For 2022, he received an additional one-time LTI grant valued at USD $100,000 upon commencing employment with Shawcor, which is reflected in his 2022 target LTI. This grant was in the form of SPSP units.

The following table summarizes the mix of long-term incentives granted to each NEO for 2022 and the corresponding number of options and units granted for each plan. The Black-Scholes valuation approach was used to determine the value for stock options and the weighted average trading price of the common shares over a five-day trading period was the basis for valuing Employee Share Units and Shawcor Performance Share Plan units.

Mix of 2022 Long-Term Incentives

	Stock Options		Employee Share Units		Shawcor Performance Share Plan Units	
NEO[1]	Weight	(#)	Weight	(#)	Weight	(#)
Michael Reeves	21.1%	114,963	26.3%	93,274	52.6%	186,549
Tom Holloway	17.6%	41,987	21.9%	34,066	60.5%	94,086
Frank Cistrone	16.7%	18,297	20.8%	14,845	62.5%	44,536
Kevin Reizer	16.7%	21,347	20.8%	17,320	62.5%	51,959
Martin Perez	16.7%	18,297	20.8%	14,845	62.5%	44,536

(1) Mr. Tano did not receive a 2022 LTI grant due to his departure on June 1, 2022.

2020 Share Value Program

In 2020 the stock option and share unit grants to NEOs and other senior management were valued at approximately 50% of target value. The decision to reduce the value of these awards was made to lessen their dilutive impact to shareholders. The NEOs and other senior management were provided a non-dilutive, cash-based performance award that pays out upon achieving a share price target that was set at approximately 2X the share price at the time of grant. This opportunity is time-bound and has no proration factors. If the target share price is not achieved within the eligibility period, the program will expire with no payout.

The details of this one-time opportunity were as follows:

- Eligibility Period: March 7, 2020 to March 6, 2023
- Target Share Price: $20.00
- Payout upon achievement of the target share Price for each Named Executive Officer is as follows:

NEO	Potential Payout
Kevin Reizer	$ 148,704
Frank Cistrone	$ 151,994

This incentive expired March 6, 2023 without any payout achieved.

Executive Share Ownership Levels

The Company has an Executive Share Ownership Policy to ensure key executives share the risks and rewards of share ownership with the Company's shareholders. The policy requires participants to achieve and maintain a minimum share ownership level within a five-year period. Share ownership targets are expressed as a multiple of the executive's current annual salary. The following table summarizes the ownership position of each NEO as of December 31, 2022, relative to the target for their position.

		Target Ownership		Valuation for Purposes of Assessing Achievement of Target Ownership	
NEO	Salary	Multiple of Salary	($)	($)[1]	% of Target
Michael Reeves[2]	$ 746,925	4 x Salary	$ 2,987,700	$ 2,231,871	75%
Tom Holloway[2]	$ 454,650	2 x Salary	$ 909,300	$ 468,067	51%
Frank Cistrone	$ 341,960	1 x Salary	$ 341,960	$ 1,354,553	396%
Kevin Reizer[2]	$ 453,572	1 x Salary	$ 453,572	$ 1,308,799	289%
Martin Perez	$ 315,000	1 x Salary	$ 315,000	$ 203,970	65%

(1) Includes common shares and vested and unvested share units. Share prices are calculated based on the greater of the value at the time of acquisition and the year-end share price of $13.741.

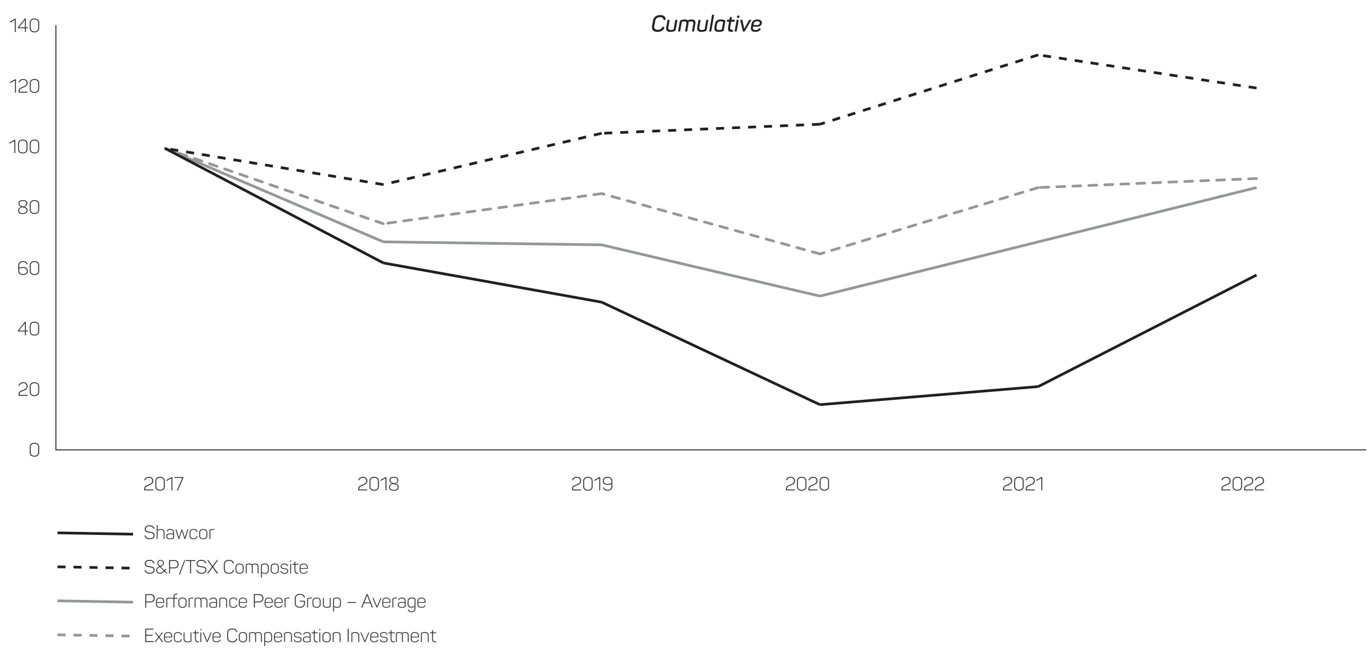
(2) Salaries for Messrs. Reeves, Reizer and Holloway are paid in US dollars. The average US dollar conversion rate used by the Company for transactions during 2022 was $1.299.

Anti-Hedging Policy

Shawcor precludes directors and senior executives from purchasing financial instruments, including, for greater certainty, prepaid variable forward contracts, equity swaps, collars, or units of exchange funds that are designed to hedge or offset a decrease in the market value of equity securities granted as compensation or held, directly or indirectly, by such directors or senior executives.

Shareholder Return & Executive Compensation

The following chart compares the cumulative total shareholder return for $100 invested in the common shares of Shawcor Ltd. (TSX Symbol: SCL) on December 31, 2017, with the S&P/TSX Composite Total Return Index and the Shawcor Performance Peer Group Index for the five most recently completed financial years. The table also illustrates the annual investment in executive compensation for the five most highly compensated executives reported in each of those years. This data is also presented in an indexed fashion with the 2017 year representing a value of 100.



Component	2017	2018	2019	2020	2021	2022
Shawcor	100	62	49	15	21	58
S&P/TSX Composite – Total Return Index	100	88	105	108	131	120
Performance Peer Group – Average[1]	100	69	68	51	69	87
Executive Compensation Investment[2]	100	75	85	65	87	90

(1) The Performance Peer Group Average Total Shareholder Return consists of the average cumulative total shareholder return of the companies noted in the chart under the heading Performance Peer Group in the section entitled *Long-Term Incentive Plans – Value Growth Plan* "Peer Group Performance". The index values shown in the graph and table for the years ending 2017 to 2022 have been restated from those shown in the previous year to properly reflect the total shareholder return of the current Performance Peer Group, which changed in 2017.

(2) Represents the annual aggregate cost of executive compensation for the five most highly compensated executives reported for each of these years, except for 2017, when former CFO Gary Love's compensation is excluded from the calculations to avoid double-counting compensation for the CFO position and for 2021, where CEO compensation captures only Michael Reeves compensation to avoid double-counting CEO compensation, as well as 2022 where CFO compensation captures only Thomas Holloway to avoid double counting CFO compensation The annual aggregate cost of executive compensation includes base salary, actual incentive payments, current service costs for accrued pension benefits, long-term incentive value, plus all other compensation as reported in the Summary Compensation Table. The compensation value of long-term incentives was derived through applying the calculated Shawcor Black-Scholes option value to the exercise price for all stock options granted in any year, applying the weighted average trading price of the Shawcor common shares on the TSX for the five trading days immediately preceding the date share units and cash-settled performance units (SPSP) were granted and by applying the actual value of Value Growth Plan Units paid.

(3) The 2021 and 2022 Executive Compensation Investment includes the grant value of SPSP units at time of grant. The SPSP replaced the VGP program in March 2021, which depicted values on a realized basis. This change in methodology impacts the relative investment calculation.

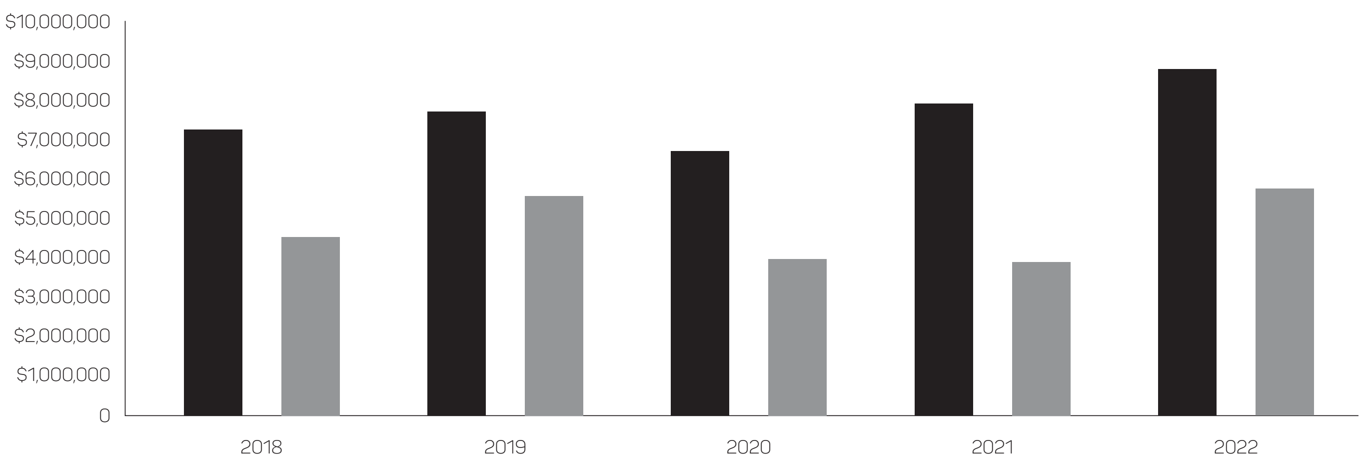
NEO Awarded vs. Realized Compensation

To better illustrate the recent trending in awarded compensation relative to realized compensation for Named Executive Officers, the following graph summarizes:

- The reported compensation for each year representing the aggregate of the total compensation for the NEOs as presented in the Summary Compensation Table for each year, inclusive of salary, short-term incentive paid, grant date fair value of Shawcor Employee Share Units, VGP Units, Options and SPSP Units
- By comparison, the realized compensation for each year including the sum of salary, short-term incentive paid and the value of vested long-term incentives during the year

The values presented are for the reported Named Executive Officers from 2018 to 2022

NEO Reported vs. Realized Compensation



	2018	2019	2020	2021	2022
Total Reported	$7,289,825	$7,750,780	$6,743,130	$7,954,702	$8,833,594
Total Realized	$4,553,580	$5,599,355	$3,990,657	$3,919,640	$5,785,418

- Total Reported is the total compensation for five NEOs as per the Summary Compensation table, exclusive of pension and other compensation.
- 2021 includes only Mr. Reeves as the incumbent of the CEO role and 2022 includes only Mr. Holloway as the incumbent of CFO role.
- Total Realized is determined as the total salary, short-term incentives and long-term incentives that vested during the year.

CEO Compensation Look-back Analysis

Shawcor's compensation plans are designed to align CEO compensation with the creation of shareholder value. As a result, a significant portion of CEO compensation is at risk, including long-term incentives which are structured to deliver compensation based on achieving key financial measures and Shawcor's share price over various performance cycles.

The table below compares compensation awarded the CEO (pay opportunity) in each of the last five years, to the actual value of that compensation as at December 31, 2022. The actual value (realized and realizable) for a particular year includes:

- Salary
- Annual SEIP bonus awarded for that year
- Vested value of VGP units or ESUs granted in that year (or current value for unvested units that remain outstanding)
- Value of SPSP units awarded in that year. This includes both actual values paid based on share price and the performance modifier, and the estimated value of unvested SPSP units based on the prior year December 31 closing price
- Value of "in-the-money" outstanding stock options, both vested and unvested that were granted in that year.

The change between awarded compensation and actual compensation is then compared to absolute shareholder return over the same performance periods. For meaningful comparison, both CEO compensation and the value earned by shareholders have been indexed to $100.

The values for CEO compensation and shareholder return can vary significantly from year to year based on Shawcor's share price. Overall, the change in awarded compensation over the cumulative periods (down an average of 18%) is significantly less favourable than the return to shareholders (up an average of 88%).

Year[1]	CEO Awarded Compensation (000s)[2]	CEO Actual Compensation as of December 31, 2022 (000s)[3]	Period	Value of $100 Investment	
				CEO[4]	Shareholder[5]
2018	$ 3,511	$ 1,160	12/31/2017–12/31/2022	$ 31	$ 58
2019	$ 3,543	$ 1,464	12/31/2018–12/31/2022	$ 41	$ 93
2020	$ 4,310	$ 1,448	12/31/2019–12/31/2022	$ 34	$ 119
2021	$ 3,519	$ 4,435	12/31/2020–12/31/2022	$ 126	$ 390
2022	$ 3,289	$ 6,925	12/31/2021–12/31/2022	$ 175	$ 280
			Average	**$ 82**	**$ 188**

(1) 2018 to 2020 captures Mr. Stephen Orr as incumbent of CEO role and 2021-2022 captures Mr. Reeves as incumbent of CEO role. Salary presented at target.

(2) Includes the sum of salary, actual SEIP and the grant date value of VGP units (value of $1 per unit), SPSP units, stock options and ESUs.

(3) Includes the sum of salary , actual SEIP, in-the-money value of outstanding stock options (as at December 31, 2022), market value of outstanding ESUs (as at December 31, 2022), market value of exercised ESUs (as at exercise price or December 31, 2022), market value of exercised options as at exercise price less strike price, Shawcor Value Plan (as at December 31, 2022), SPSP plan payout that was measured against 2021 and 2022 years performance targets as well as outstanding units that vest beyond 2022 at target performance multiplier (as at December 31, 2022), actual value of VGP payouts or projected value of VGP units as at December 31, 2022.

(4) Reflects the change in value between CEO awarded compensation and CEO actual compensation, indexed to a value of $100 at the beginning of each respective period.

(5) Reflects the cumulative value of a $100 investment in common shares made at the start of each respective period, inclusive of the reinvestment of dividends.

2022 Summary Compensation Table

The following **Summary Compensation Table** reflects total compensation paid to NEOs for 2022 and provides comparative compensation particulars for prior years.

Name & Principal Position	Year	Salary ($)	Share-Based Awards ($)[1]	Option-Based Awards ($)[2]	Non-equity Incentive Plan Compensation ($) Annual Incentives[3]	Long-Term Incentives[4]	Pension Value[5] ($)	All Other Compensation ($)	Total Compensation ($)
Michael Reeves	2022	746,925	1,357,142	363,283	1,478,911	0	24,786	79,284	4,050,330
President and CEO[6][9]	2021	605,537	1,372,727	724,238	700,061	0	22,060	177,896	3,602,518
Tom Holloway	2022	438,612	621,537	132,679	467,122	0	23,598	54,152	1,737,701
SVP, Finance & CFO[6][9]	2021	38,646	0	0	17,391	0		563	56,599
(Assumed CFO Role June 1, 2022)									
Gaston Tano[7]	2022	208,654	0	0	237,344	0	148,600	571,698[8]	1,155,341
SVP, Finance & CFO	2021	501,043	674,997	356,124	324,776	0	46,100	21,779	1,924,820
(Departed June 1, 2022)	2020	461,422	67,487	183,287	161,498	0	241,500	18,096	1,133,290
Frank Cistrone	2022	336,894	287,998	57,819	236,668	125,795	18,458	16,545	1,080,175
Group President,	2021	331,827	288,001	95,303	238,915	157,550	19,134	16,100	1,146,831
Automotive and Industrial	2020	309,705	16,549	38,892	71,542	170,407	18,256	13,800	639,152
Kevin Reizer	2022	447,105	336,003	67,457	155,090	0	72,026	20,545	1,098,225
Group President,	2021	426,215	335,994	132,954	159,831	0	41,641	204,099	1,300,733
Pipeline Performance[6][7]	2020	432,989	31,764	98,779	94,716	0	87,923	641,789	1,387,960
Martin Perez	2022	315,000	287,998	57,819	221,288	0	2,100	151,544	1,035,748
Group President,	2021	57,346	0	0	18,351	0	0	77,130	152,827
Composite Systems[9]									

(1) Amounts shown are the grant date values for share unit awards granted under the Employee Share Unit Plan and Shawcor Performance Share Plan, being equal to the number of units granted multiplied by the weighted average trading price per common share on the TSX for the 5 trading days immediately preceding the grant date.

(2) The value of a Shawcor stock option for purposes of both compensation and accounting is derived using the Black-Scholes methodology, applying the following assumptions for 2020, 2021 and 2022. The 2022 LTI Black-Scholes valuation was affected by a high volatility value and a short-term significant share price fluctuation that existed at time of LTI grant.

Inputs	2020	2021	2022
Valuation Methodology	Black-Scholes	Black-Scholes	Black-Scholes
Share Price Volatility	32.2%	88.3%	68.79%
Dividend Yield	1.781%	0.000%	0.000%
Risk-free Interest Rate	1.09%	1.21%	1.67%
Expected Life	6.25 years	6.25 years	6.25 years
Strike Price	$ 8.42	$ 7.48	$ 4.91
Value per Option ($ Value)	$ 2.22	$ 5.44	$ 3.16

(3) Represents annual incentive payment earned in year shown.

(4) In 2020, NEOs were granted Value Growth Plan Units. On the grant date, these units do not have a cash value and therefore do not appear on the Summary Compensation Table until they are vested and paid to the NEO. The vested value of units granted to the NEOs in 2018, 2019 and 2020 and vesting on December 31, 2020, December 31, 2021 and December 31, 2022, respectively, are as shown. Unit values can range from $0 to $3.50. No VGP Units were granted in 2021 and 2022. For further information, see *Incentive Plan Awards – Long-Term Incentive Plans – Value Growth Plan*.

(5) Pension values for Mr. Tano are reflective of amendments made to his SERP memorandum of agreement in 2021 as well as arrangements included in his Departure Agreement (see *Compensation Discussion & Analysis – Termination and Change of Control Benefits*). Mr. Tano departed effective June 1, 2022.

(6) The amounts shown above for salary, annual incentive, pension and all other compensation for Messrs. Reeves, Reizer and Holloway are converted from US dollars. The average US dollar conversion rate used by the Company for transactions during 2020 was $1.338, during 2021 was 1.256 and during 2022 was 1.299.

(7) Mr. Reizer was transferred from Singapore to the Netherlands in 2015 and relocated to USA in 2020. Of the amount shown, $146,482 represents compensation in 2021 relating to his foreign assignment due to incremental tax costs associated with moving and relocation.

(8) "All Other Compensation" for Mr. Tano includes the value of his Departure Agreement (see *Compensation Discussion & Analysis – Termination and Change of Control Benefits*).

(9) Messers. Reeves, Holloway and Perez joined Shawcor in 2021. Amounts are reflective of the period of employment from hire date to December 31, 2021.

Incentive Plan Awards

Outstanding Option & Share-Based Awards

The following table outlines the outstanding option and share-based awards held by NEOs and their monetary value as of December 31, 2022.

	Option-Based Awards				Share-Based Awards		
Name	Number of Securities Underlying Unexercised Options (#)	Option Exercise price ($/Share)	Option Expiration Date	Value of Unexercised In-the-Money Options as at December 31, 2022 ($)[1]	Number of Unvested Share-Based Awards (#)	Market or Payout Value of Share-Based Awards That Have Not Vested ($)[2]	Market of Payout Value of Vested Share-Based Awards Not Paid Out or Distributed ($)[2]
Michael Reeves	133,132	$7.48	31-Dec-2030	833,406	427,369	7,359,968	0
	114,963	$4.91	31-Dec-2031	1,015,123			
Tom Holloway	41,987	$4.91	31-Dec-2031	370,745	128,152	1,760,808	0
Gaston Tano[3]	43,200	$21.05	31-Dec-2028	0	69,532	1,266,883	497,361
	71,425	$8.42	31-Dec-2029	379,981			
	35,000	$3.52	31-Dec-2029	357,700			
	65,464	$7.48	31-Dec-2030	409,805			
Frank Cistrone	6,600	$35.79	31-Dec-2024	0	92,759	1,627,998	0
	12,100	$26.51	31-Dec-2025	0			
	1,700	$35.79	31-Dec-2024	0			
	8,000	$37.40	31-Dec-2026	0			
	13,000	$25.22	31-Dec-2027	0			
	12,700	$21.05	31-Dec-2028	0			
	17,519	$8.42	31-Dec-2029	93,201			
	17,519	$7.48	31-Dec-2030	109,669			
	18,297	$4.91	31-Dec-2031	161,563			
Kevin Reizer	10,200	$37.40	31-Dec-2026	0	110,163	1,926,046	48,337
	16,300	$25.22	31-Dec-2027	0			
	21,300	$23.46	31-Dec-2027	0			
	24,600	$21.05	31-Dec-2028	0			
	33,615	$8.42	31-Dec-2029	178,832			
	10,000	$3.52	31-Dec-2029	102,200			
	24,440	$7.48	31-Dec-2030	152,994			
	21,347	$4.91	31-Dec-2031	188,494			
Martin Perez	18,297	$4.91	31-Dec-2031	161,563	59,381	815,895	0

(1) Value is calculated based on the difference between the closing market price of Shawcor's common shares on the TSX on December 31, 2022, which was $13.74, and the exercise price, multiplied by the number of options.

(2) Value is calculated by multiplying the closing market price of Shawcor's common shares on the TSX on December 31, 2022 by the number of units for ESUP. and SPSP. Values for SPSP units granted in 2021 will have a performance modifier of 2.0x for the second tranche of units that will vest in 2023. For the third tranche of units that will vest in 2024, a 1.0x modifier has been applied. SPSP units granted in 2022 will have a performance modifier of 2.0x for the first tranche of units that will vest in 2023. For the second and third tranches of units that will vest in 2024 and 2025 respectively, a 1.0x modifier has been applied.

(3) The number of unvested options and share-based units for Mr. Tano exclude any options or units that will be forfeited in accordance with his Departure Agreement (see *Compensation Discussion & Analysis – Termination and Change of Control Benefits*).

Value Vested or Earned in 2022

Options granted under the Shawcor Employee Stock Option Plan ("ESOP") vest over five years at a rate of 20% per year. Units granted in 2021 under the Shawcor Performance Share Plan ("SPSP") vest over three years at a rate of 1/3 per year on the anniversaries of the grant date. The following table tabulates the value of options and share-based awards vested during 2022 as well as the annual cash incentive earned.

Name	Date Vested	Number of Options Vested (#)	Option Exercise Price ($/Share)	Market Price on Date Vested ($/Share)[1]	Value Vested During the Year ($)	Share Based Awards Value Vested During the Year ($)[1][2]	Non-Equity Incentive Plan Compensation Value Earned During the Year ($)[3]
Michael Reeves	March 12, 2022	26626	7.48	5.04	0	183,554	1,478,911
Tom Holloway	N/A	N/A	N/A		–	–	467,122
Gaston Tano	February 28, 2022	14,285	8.42	5.86	0	140,580	237,344
	March 8, 2022	8,640	21.05	5.79	0		
	March 12, 2022	13,093	7.48	5.04	0		
	December 30, 2022	7,000	3.52	13.74	71,540		
Frank Cistrone	February 28, 2022	3,504	8.42	5.86	0	46,795	362,462
	March 3, 2022	2,600	25.22	5.81	0		
	March 4, 2022	1,600	37.40	5.81	0		
	March 8, 2022	2,540	21.05	5.79	0		
	March 12, 2022	3,504	7.48	5.04	0		
Kevin Reizer	February 28, 2022	6,723	8.42	5.86	0	59,193	155,090
	March 3, 2022	3,260	25.22	5.81	0		
	March 4, 2022	2,040	37.40	5.81	0		
	March 8, 2022	4,920	21.05	5.79	0		
	March 12, 2022	4,888	7.48	5.04	0		
	November 8, 2022	4,260	23.46	10.00	0		
	December 30, 2022	2,000	3.52	13.74	20,440		
Martin Perez	N/A	N/A	N/A		–	–	221,288

(1) For vesting dates falling on weekends, the closing price for the preceding Friday is reflected.

(2) Value is calculated based on the closing market price of Shawcor's common shares on the TSX on the vesting date.

(3) Amounts include annual awards and Value Growth Units granted in 2020 which vested in 2022.

Long-Term Incentive Plans

Value Growth Plan

The Value Growth Plan ("VGP") was originally approved by the Board in 2010 and was discontinued in 2021. It is a cash-based plan with units that are valued based on growth in revenue and operating income over a 3-year performance period when compared to a 3-year baseline period. The final unit values are increased or decreased by up to $0.30 based on Shawcor's relative total shareholder return. The overall potential payout range is $0 to $3.50 per unit.

Shawcor Performance Share Plan

The Shawcor Performance Share Plan ("SPSP") was approved by the Board of Directors in 2021 and replaces the discontinued VGP. It is a 'performance unit', cash-settled plan that promotes further alignment of interests between senior employees and the shareholders of the Corporation with a portion of total compensation associated with the returns achieved by shareholders. Payments under the SPSP are non-dilutive to shareholders and remain tax deductible for the Company.

The following is a summary of the features of the plan:

Performance Modifier(s)	• To be determined at time of grant and applicable to performance units awarded • For the 2022 awards, Shawcor relative Total Shareholder Returns ("TSR") performance against an identified peer group of companies will be used as a modifier applied to the value of performance units at time of vest
Performance Period	• Performance modifier applied to vesting units is for the performance period from January 1 of grant year to December 31 of the calendar year prior to vesting • Length of period based on the vesting schedule set at time of grant and applicable to performance units awarded. For 2022 awards, the vesting schedule is 1/3 of the grant annually over 3-years
Unit Values at Vest	• Unit values are calculated based on the volume weighted average SCL share price for the five-day trading period preceding the vesting date • The performance modifier will increase or reduce the final calculated unit value by 0% to 200%

Performance Peer Group

To calculate the relative TSR performance modifier in the SPSP group, Shawcor's TSR in the performance period is compared to a select group of Canadian and US based companies (the "Performance Peer Group"). For 2022 the group was weighted toward organizations focused on the energy services industry, but also contained two industrial-focused companies to reflect Shawcor's current business profile. This group of organizations is similar to the group of companies used to benchmark executive compensation but includes companies with a wider comparative size/market capitalization range.

In calculating the TSR performance modifier for the SPSP awards that vested December 31, 2022, the following companies were used as the Performance Peer Group:

Aegion Corp. (US)
Dril-Quip, Inc. (US)
Enerflex Ltd. (Can.)
Wajax Corp. (US)
Oceaneering International Inc. (US)
Oil States International (US)
Pason Systems Inc. (Can.)
Precision Drilling Corp. (Can.)
RPC Inc. (US)
Secure Energy Services Inc. (Can.)
Technip FMC PLC (France)
Toromont Industries Ltd. (Can.)
Trican Well Service Ltd. (Can.)

2001 Employee Stock Option Plan

The Employee Stock Option Plan – 2001 (the "ESOP") is a fixed-number plan, which was most recently approved by shareholders at the Company's annual and special meeting of shareholders held on May 13, 2021. As at December 31, 2022, options to acquire 2,187,212 common shares were outstanding and 749,411 shares remained reserved and available for issuance under the ESOP, representing 3.11% and 1.07%, respectively, of the shares outstanding as at that date. Since March 2010, options granted may, at the discretion of the Board, have attached thereto a tandem stock appreciation right ("SAR") which operates exactly the same as the underlying option with respect to vesting requirements, term, termination and other provisions.

Option activity for the year ended December 31, 2022 is summarized below:

Options Granted	Tandem SARs Granted	Weighted Average Exercise Price per Option/Tandem SARs Exercised	Options/Tandem SARs Exercised	Aggregate Gain on Options/Tandem SARs Exercised	Options Outstanding at December 31, 2022	Number of Shares Reserved and Available for Future Option Grants
244,116[1]	178,297	$ n/a	0	$ 0.00[2]	2,187,212[3]	749,411[4]

(1) Includes tandem SARs. Options/tandem SARs granted under the Employee Plan in 2022 represented 0.35% of the common shares outstanding as of December 31, 2022.

(2) The aggregate gain on options/tandem SARS exercised by NEOs in 2022 was $0.

(3) Representing 3.11% of the common shares outstanding as of December 31, 2022.

(4) Representing 1.07% of the common shares outstanding as of December 31, 2022.

The "burn rate" under the ESOP was 0.86% for 2020, 0.70% for 2021 and 0.38% for 2022. The "burn rate" was calculated by dividing:

(i) the number of options granted in the applicable year; by

(ii) the weighted average number of outstanding common shares of Shawcor for the applicable year.

The following is a summary of the principal terms of the ESOP and it is qualified in its entirety by the ESOP:

Form of Award	Non-assignable options to acquire common shares of the Company at such prices as may be fixed by the Board at the time of the grant, provided that the option exercise price shall not be less than the closing sale price of the common shares on the TSX on the last trading day prior to the grant of the option. Options granted in 2010 and later years may, at the discretion of the Board, have attached thereto a tandem stock appreciation right ("**SAR**"). Upon exercise, the holder has the choice of exercising the option and purchasing the underlying common shares, or exercising the SAR and receiving a cash payment per SAR equal to the difference between the option exercise price and the then current trading price of the common shares of the Company (calculated based on the five day volume weighted average trading price). If the stock option is exercised, the SAR is automatically cancelled and vice versa. The unpurchased shares subject to any option which terminates as a result of the exercise of a SAR may not be used again for the purposes of the ESOP and are deducted from the number of shares reserved for issuance under the ESOP. If any option expires or terminates for any reason (other than by exercise of a SAR) without having been fully exercised, the unpurchased common shares that were subject to that option are made available for future option grants under the ESOP.
Participation and Financial Assistance	Full time officers and employees of the Company and its subsidiaries. The Company does not provide financial assistance to option holders to enable the exercise of options.
Term and Vesting	Options and tandem SARs have a maximum term of 10 years and vest at the rate of 20% per year commencing on the first anniversary of the grant date. The vesting period may be abridged by the Board in certain circumstances, including where a takeover bid is made for the common shares or otherwise.
Termination	Upon cessation of employment, options terminate 90 days after the effective date of such cessation. If employment is terminated by death, options cease to vest and remain exercisable for up to one year by the holder's estate. If employment is terminated by retirement (at or after age 65) or by disability, options will continue to vest and be exercisable for up to 5 years. If, during such 5 year period, the option holder dies, all options vest immediately and the holder's estate is entitled to exercise the options for up to 1 year following the date of death.
Participation Restrictions	Insider participation is limited such that within any one year period, the number of shares reserved for issuance and issuable to insiders or issued to insiders pursuant to options or other share based compensation arrangements, may not exceed 10% of the Company's "Outstanding Issue"[1]. No individual insider may receive options that, when combined with other share compensation arrangements, could result in the issuance of shares in any one year period exceeding 5% of the Outstanding Issue at the date of grant of the option. No person may hold options to purchase shares exceeding 5% of the Outstanding Issue at the date of grant of the option.
Trading Blackouts	Options and tandem SARs that would otherwise expire during or immediately following a "blackout period" (being a restricted period identified by the Company during which its personnel are not permitted to trade in the Company's securities), remain exercisable until the fifth business day following the cessation of such blackout period.
Amendment	The Board may amend the ESOP except where shareholder approval is required. Shareholder approval is required for any amendment to the ESOP which: 1. Directly or indirectly reduces the exercise price of an option; 2. Extends the period of exercise of an option beyond the original expiry date; 3. Increases the levels of insider participation permitted under the ESOP; 4. Increases the number of common shares reserved for issuance, other than in accordance with the provisions of the ESOP; 5. Makes non-employee directors of the Company eligible to receive options; or 6. Makes options assignable or transferable (other than to the legal personal representative of the option holder); 7. Amends the amending provisions of the ESOP
Takeover Bids	If a bona fide offer (a "**takeover bid**") is made for the common shares of the Company that could result in the offeror exercising control over the Company, the Board has discretion to accelerate the vesting and expiry date of any options that are then outstanding and to effectively require that such common shares thereafter acquired on exercise of the options, be tendered to the takeover bid.

(1) Outstanding Issue is defined as the number of common shares outstanding.

Employee Share Unit Plan

The Employee Share Unit Plan (the "ESUP") is a fixed-number plan which was most recently approved by the shareholders of the Company at the annual and special meeting of shareholders held on May 13, 2021. The ESUP authorizes the Board to grant awards ("Unit Awards") of restricted units ("Restricted Awards") and performance units ("Performance Awards") to employees (as defined in the ESUP, which includes consultants) of the Company with such Unit Awards to be settled in the form of common shares of the Company issued from treasury. To date, the Company has only issued Restricted Awards under the ESUP. As at December 31, 2022, there were 683,238 share units outstanding and an additional 485,563 shares reserved and available for issuance under the ESUP, representing 0.97% and 0.69%, respectively, of the Company's outstanding shares on that date.

During the financial year ended December 31, 2022, 202,597 share units were granted under the ESUP, which represented 0.29% of the common shares outstanding as at December 31, 2022.

The "burn rate" under the ESUP was 0.16% for 2020, 0.41% for 2021 and 0.29% for 2022. The "burn rate" was calculated by dividing:

(i) the number of units granted in the applicable year; by

(ii) the weighted average number of outstanding common shares of Shawcor for the applicable year.

The following is a summary of the principal terms of the ESUP:

Form of Award	Employees of and consultants to a Shawcor Entity[1] may be granted Unit Awards, in the form of Restricted Awards or Performance Awards.
Granting Process	The Board may determine a Grant Value (notional dollar amount) for each Unit Award. The number of common shares to be covered for a Unit Award will be calculated by dividing the Grant Value by the Fair Market Value[2] of a common share on the grant date. In addition, the Board may determine that an amount determined under an incentive or compensation plan of a Shawcor Entity shall be a Grant Value for this purpose.
Term and Vesting	Each Restricted or Performance Award will vest in accordance with applicable time vesting conditions relating to the continued service in a Shawcor Entity and may be graduated by percentages of a Unit Award (including a percentage in excess of 100%), and the holder will be entitled to exercise such Award so as to be issued the number of common shares pursuant to such vesting conditions. For this purpose, performance vesting conditions mean any performance-related conditions in respect of vesting, which may include performance of a Shawcor Entity, Company shareholder return or otherwise and which may be graduated by percentages of a Unit Award, including a percentage in excess of 100%. The Board may in its sole and absolute discretion impose additional or different vesting conditions to the time vesting or performance vesting conditions. The maximum expiry date for a Unit Award grant shall not exceed ten years from the grant date. In the event of a blackout period imposed upon a grantee, the expiry date shall be extended to the date which is ten business days from the date that the blackout period ends. For this purpose, a blackout period is a period of time imposed by the Board pursuant to the Company's insider trading and disclosure policies on certain designated persons during which those persons may not trade in any securities of the Company.
Adjustment for Dividends	Unit Award agreements may provide for additional shares to be covered by the Unit Award to reflect dividends paid while the Unit Award is outstanding, with the number of additional shares calculated by dividing the amount of the dividend by the Fair Market Value of the common shares on the dividend payment date. To date, no such adjustments for dividends have been made.
Termination Provisions	In the event of a Change of Control (as defined in the ESUP) followed by the termination without cause of the employment of any grantee, the vesting of Unit Awards to such grantee is accelerated and all unexercised Unit Awards become vested immediately and are delivered to the grantee in the form of common shares. Unless otherwise determined by the Board or unless otherwise provided in a Unit Award agreement pertaining to a particular grant or any written employment agreement, (a) if a grantee ceases to be an employee as a result of termination for cause, termination without cause or voluntary resignation (excluding retirement), Unit Awards may be exercised in respect of common shares covered thereby to the extent vested as of the Termination Date (the date of the termination of employment of the employee, regardless of any notice) until the earlier of the expiry date applicable to the Unit Award and the date that is ninety (90) days after the Termination Date and otherwise all rights to receive shares under outstanding Unit Awards shall be terminated; (b) upon a grantee's death, Unit Awards may be exercised in respect of common shares covered thereby to the extent vested as of such date until the earlier of the expiry date and the date that is one year after the Termination Date and otherwise all rights to receive common shares under outstanding Unit Awards shall be terminated; and (c) if a grantee ceases to be an employee upon retirement at or after age 65, or earlier as permitted by the Board, or in the event of a disability as determined by the Board, all Unit Awards shall continue to be eligible to meet time or performance vesting conditions as if employment continued and the expiry date relating to such Unit Awards shall continue to apply. In the event of the death of the grantee after such retirement or disability, all Unit Awards shall immediately vest and the expiry date for each Unit Award shall be the earlier of (i) one year from the Termination Date, and (ii) the expiry date otherwise relating to such Unit Award.

Transfer Provisions	Except in the case of death, the right to receive common shares pursuant to a Unit Award granted to an employee may only be exercised by such employee personally and may not be assigned, transferred, or pledged, provided that a grantee may transfer or assign the rights of a Unit Award to minor children or minor grandchildren or the spouse of the grantee, or a trust or holding company of which the grantee is a trustee or director and the beneficiaries or shareholders of which are a combination of the grantee, grantee's spouse or grantee's minor children or minor grandchildren, in accordance with such requirements as the Board may from time to time determine.
Participation Restrictions	No person may be granted a Unit Award where that Award together with the Unit Awards then held by that person would result in the issuance of shares exceeding 5% of the number of outstanding common shares at the date of grant of the Unit Award. Insider participation is limited such that whether pursuant to Unit Awards or other security based compensation arrangements of the Company, the number of shares reserved for issuance and issuable to insiders at any time or issued to insiders within any one year period, may not exceed 10% of the number of common shares outstanding.
Amendments requiring Shareholder Approval	The Board may amend the ESUP except where shareholder approval is required. Shareholder approval is required to: 1. Increase the number of common shares issuable under the ESUP 2. Extend the expiry date of any outstanding Unit Award other than as permitted under the ESUP 3. Permit a grantee to transfer or assign Unit Awards other than as permitted under the ESUP 4. Increase the number of common shares that may be issued to insiders above the restrictions set forth in the ESUP 5. Extend the maximum expiry date under the ESUP beyond ten years 6. Add additional categories of grantees 7. Amend the amendment provisions of the ESUP to delete any of the foregoing matters requiring shareholder approval.
Amendments not requiring Shareholder Approval	Without limitation, the Board may amend the ESUP to: 1. Make "housekeeping" changes 2. Amend the provisions relating to the exercise, vesting or term of Unit Awards in the event the grantee ceases to be an employee for any reason (subject to the maximum term as set forth above) 3. Change the provisions relating to time-vesting, performance-vesting and/or any other conditions for vesting.

(1) "Shawcor Entity" is defined as the Company or a controlled entity of the Company, such as a subsidiary, partnership or trust.

(2) "Fair Market Value" at any date is calculated as the weighted average trading price of the common shares on the TSX for the 5 trading days immediately preceding such date.

Equity Compensation Plan Information

The following provides information as at December 31, 2022 with respect to common shares authorized for issuance under the ESOP and the ESUP. As at December 31, 2022, these plans were the Company's only equity compensation plans that provide for the issuance of shares.

Plan Category	Number of securities to be issued upon exercise of outstanding options or share units (#)	Weighted-average exercise price of outstanding options ($)	Number of securities remaining available for future issuance under equity compensation plans (excluding securities in column A) (#)
Equity compensation plans approved by security holders	2,907,250	$17.48	1,234,974
Equity compensation plans not approved by security holders	Nil	Nil	Nil
Total	2,907,250(1)		1,234,974(2)

(1) This number includes 2,187,212 common shares under the ESOP and 683,238 common shares under the ESUP and represents 4.13% of the total common shares outstanding as of December 31, 2022.

(2) This number includes 749,411 common shares under the ESOP and 485,563 common shares under the ESUP and represents 1.75% of the total common shares outstanding as of December 31, 2022.

Retirement Income Plan Arrangements

Canadian Named Executive Officers

The Company sponsors retirement income plans that provide certain Canadian executives with an annual benefit after retirement based upon earnings and length of service.

If they retire on or after their normal retirement date, these executives are eligible to receive an annual pension equal to up to 2% of their final average earnings multiplied by the number of years of designated service, to a maximum of 30 years. Final average earnings is defined as the average of the member's best three consecutive years of annual base salary. For members who have a spouse at retirement, benefits are payable for the life of the member, reducing to two-thirds of the initial pension on the member's death and payable to the member's spouse, if living, for his or her remaining lifetime. Normal retirement age is 65. The Board retains the discretion to approve early retirement arrangements.

This retirement income commitment is delivered through a combination of a registered Defined Benefit Pension Plan and a Supplemental Executive Retirement Plan ("SERP") funded through a Retirement Compensation Arrangement ("RCA") which provides any pension amounts in excess of the maximum pension benefits that are permitted to be paid from the Company's registered pension plans under the Income Tax Act (Canada) and associated regulations.

In the event of termination of employment prior to age 55 and the attainment of five years of service, benefits are limited to the maximum amounts payable in accordance with the limitations imposed on registered pension plans by the Income Tax Act (Canada). The following table identifies the NEOs participating in the Canadian defined benefit arrangements and their entitlements accrued under this plan to December 31, 2022 and incorporates the specific arrangement in place for Mr. Tano (see *Compensation Discussion & Analysis – Termination and Change of Control Benefits*).

NEO	Years of Credited Service as at Dec. 31, 2022	Annual Benefits Payable ($) As at Dec. 31, 2022[1]	Annual Benefits Payable ($) At Age 65[2]	Opening Present Value of Defined Benefit as at January 1, 2022 ($)	Compensatory Change ($)	Non-Compensatory Change ($)	Closing Present Value of Defined Benefit Obligation as at Dec. 31, 2022[3] ($)
Gaston Tano	6.25	62,400	173,800	770,500	148,600	-215,100	704,000

(1) Based on credited service and best average earnings at December 31, 2022. Pension payable at age 65.

(2) Based on credited service projected to age 65 and best average earnings at December 31, 2022.

(3) In 2021, the SERP Memorandum of Agreement was amended for Mr. Tano as part of his Departure Agreement (see *Compensation Discussion & Analysis – Termination and Change of Control Benefits*) and is reflected in the compensatory change.

(4) The closing present value of the deferred benefit obligation is calculated using the "Projected Unit Credit Method" pro-rated on service. The significant assumptions in quantifying closing present value may be found in Note 16 to the Company's December 31, 2022 financial statements, which are filed on SEDAR.

Mr. Cistrone and Mr. Perez participate in the Defined Contribution Pension Plan for Shawcor Canadian Employees. For Mr. Cistrone, Company contributions under the Defined Contribution Plan are 6% of base salary and bonus and a Company matching contribution at 50% of personal contribution to a maximum 2% Company contribution, subject to the maximum permitted to be remitted to a registered plan under the Income Tax Act (Canada) and associated regulations. For Mr. Perez, Company contributions under the Defined Contribution Plan are 4% of base salary and bonus and a Company matching contribution at 50% of personal contribution to a maximum 1% Company contribution, subject to the maximum permitted to be remitted to a registered plan under the Income Tax Act (Canada) and associated regulations. The following table outlines Mr. Cistrone's and Mr. Perez's pension arrangement and the accumulated value.

NEO	Accumulated Value as at January 1, 2022[1] ($)	2022 Employer Contribution ($)	Accumulated Value as at December 31, 2022[1] ($)
Frank Cistrone	489,556	18,458	467,417
Martin Perez[2]	0	2,100	1,559

(1) Year-end balance is net of employee contributions, employer contributions, investment gain/loss and administrative fees.

(2) Mr. Perez commenced employment with Shawcor in 2021 and joined the pension plan after completing one year of service. Contributions are reflective of the period of time in 2022 that Mr. Perez was enrolled in the Defined Contribution Plan.

International Named Executive Officers

Certain US executives, including Messrs. Reeves, Reizer and Holloway are members of a 401(k) plan established for designated employees. Company contributions to the 401(k) plan are matched to employee contributions up to a maximum of 6% of base salary and bonus, subject to the maximum company contribution limits related to 'Highly Compensated Executives' and maximum personal contribution amounts. Mr. Reizer also participates in a secular trust to which the Company contributes 8% of annual cash compensation. Investment choices are made by the Executives from among 14 funds available in the 401(k) plan and any eligible Merrill Lynch investment product for the secular trust. Mr. Reizer participated in Shawcor's International Savings Plan until his repatriation to the United States in 2020. Shawcor contributions to the International Savings Plan for active members is 15% of base salary and bonus and considered a taxable benefit at the time of contribution. As of December 31, 2022, Mr. Reizer had no funds remaining in Shawcor's International Savings Plan, and is no longer an active member.

The following table outlines the NEO participants in defined contribution retirement arrangements and the value they have accumulated in these plans.

NEO	Accumulated Value as at January 1, 2022 ($)	2022 Employer Contributions ($)	Accumulated Value as at December 31, 2022[1] ($)
Michael Reeves	20,308	24,786	88,290
Tom Holloway	N/A	23,598	49,715
Kevin Reizer[2]	516,746	72,026	562,490

(1) Year-end balance is net of employee contributions, employer contributions, investment gain/loss and administrative fees.

(2) Includes Merrill Lynch Trust, 401(k) and International Savings Plan.

Termination & Change of Control Benefits

Mr. Reeves entered into a new employment agreement with the Company in March 2021. This agreement was modified in November 2022 to provide greater clarity to certain sections of the original agreement, including treatment of previously granted long term incentives in the event of a Change of Control. The amended agreement did not make any substantive changes to the terms of the original employee agreement. Mr. Reeves' employment agreement provides for the payment of base salary, Senior Executive Incentive Plan awards calculated using the prior three- year payout period average, automobile allowance, eligible health and medical benefits, continued eligibility for the 401(k) and continued vesting of ESOP, ESUP and SPSP awards for a period of 24 months should his employment be terminated for any reason other than cause, or if he were to resign for "good reason" following a "change of control". "Good reason" is defined to include significant changes in role or seniority, work location or a reduction in the compensation and benefits provided in the employment agreement. "Change of control" is defined to include any sale, reorganization, amalgamation, merger or transaction by which a person or entity is in a position to exercise effective control over the Company. These benefits are contingent on Mr. Reeves signing a non-solicitation/non-competition agreement for a 24-month period following his termination.

If Mr. Reeves' employment had been terminated without cause effective December 31, 2022, he would have been entitled to approximately CAD 3.5 million in incremental payments and benefits under his employment agreement. This amount does not include the estimated value of the continued vesting of ESOP, ESUP and SPSP awards as the full value of these awards at the time of grant was reported in the Summary Compensation Table for 2022 or prior years.

In October 2021, Mr. Tano made a personal decision to depart the Company as part of an orderly transition process with a departure date of June 1, 2022. In order to provide for an orderly transition of the CFO role to the new incumbent before his departure and to ensure his availability to the Company through the CFO transition period and, if required, thereafter, the Board of Directors approved a departure agreement with Mr. Tano. This agreement provided that May 31, 2022 would be the last day of his employment. The agreement contains the following provisions:

- Monthly payments of $49,424 for the 22-month period following his departure date in consideration of base salary, short-term incentive at target and car allowance.
- Eligibility for a 2022 Senior Executive Incentive Plan award prorated to the departure date and guaranteed to a minimum amount of $118,737 less applicable deductions, payable in 2023. Mr. Tano realized a $226,390 payment under the terms of this provision.
- Ongoing vesting of previously issued Long-Term Incentives for 22 months following the departure date.
- Continued accrual of service in the Company's pension plan and Senior Executive Retirement Plan ("SERP") in accordance with the Memorandum of Agreement for 22 months following the departure date.
- An amendment to the Memorandum of Agreement for the Shawcor SERP to set a fixed annual earnings level for Mr. Tano from May 1, 2020 to his departure date that will determine the payout value and allow for vesting to occur should he die prior to reaching age 55.
- Continuation of health and dental benefits for 22-month period following his departure date. Short and long-term disability and life insurance benefits end on his departure date.
- A one-time transition bonus linked to the successful accomplishment of priority strategic objectives. The total potential value of this incentive ranges from $0 to $150,000 payable following his departure date. Mr. Tano realized a $150,000 payment under the terms of this incentive.
- Mr. Tano's agreement to non-solicitation and non-competition provisions for 22 months post departure.

These benefits were contingent on Mr. Tano signing a non-solicitation/non-competition agreement for any remaining time left before his departure date plus the 22-month period following his departure date. The departure agreement termination compensation provisions are restricted to termination for reasons other than cause, otherwise any payments on termination of employment are governed by *the Employment Standards Act, 2000*. The employment agreement is valued at $1.7 million in incremental payments and benefits. This amount does not include the estimated value of the continued vesting of ESOP, ESUP and SPSP awards as the full value of these awards at the time of grant was reported in the Summary Compensation Table for 2022 or prior years.

Mr. Holloway entered into an employment agreement effective January 1, 2023. This agreement was consistent with the terms of his offer of employment. Mr. Holloway's employment agreement provides for the payment of base salary, Senior Executive Incentive Plan awards calculated using the prior three- year payout period average, automobile allowance, eligible health and medical benefits, continued eligibility for the 401(k) and continued vesting of ESOP, ESUP and SPSP awards for a period of 12 months should his employment be terminated for any reason other than cause, or if he were to resign for "good reason" following a "change of control". "Good reason" is defined to include significant changes in role or seniority, work location or a reduction in the compensation and benefits provided in the employment agreement. "Change of control" is defined to include any sale, reorganization, amalgamation, merger or transaction by which a person or entity is in a position to exercise effective control over the Company. These benefits are contingent on Mr. Holloway signing a non-solicitation/non-competition agreement for a 12-month period following his termination.

If Mr. Holloway's employment had been terminated without cause effective December 31, 2022, he would have been entitled to approximately CAD $0.8 million in incremental payments and benefits under his employment agreement. This amount does not include the estimated value of the continued vesting of ESOP, ESUP and SPSP awards as the full value of these awards at the time of grant was reported in the Summary Compensation Table for 2022 or prior years.

In conjunction with the announced intent to sell the Pipeline Performance Group business, Mr. Reizer entered into a new employment agreement in November 2022 that provides for the continuation of his annual salary, annual car allowance, at-target payments in recognition of future earnings opportunity under the Senior Executive Incentive Plan ("SEIP"), eligible health and medical benefits, continued eligibility for the 401(k) and continued vesting of ESOP, ESUP and SPSP awards for a period of 12 months should his employment be terminated for any reason other than cause during the 12 month period following either a sale transaction close of the Pipeline Performance Group business or declared end of the sale process. In addition, Mr. Reizer will be eligible for a pro-rated SEIP incentive payout for the period he was employed with Shawcor in the year of termination, based on final calculated results. If Mr. Reizer's employment had been terminated without cause effective December 31, 2022, he would have been entitled to approximately CAD $0.67 million in incremental payments and benefits under his previous employment agreement. This amount does not include the estimated value of the continued vesting of ESOP, ESUP and SPSP awards as the full value of these awards at the time of grant was reported in the Summary Compensation Table for 2022 or prior years.

Mr. Cistrone and Mr. Perez do not have written employment agreements and any payments due to them on termination of employment or a change of control of the Company are governed by common law and the terms of the ESOP, ESUP and SPSP.

Messrs. Reeves, Holloway, Cistrone, Reizer and Perez have been granted Unit Awards under the ESUP. In the event of a Change of Control (as defined in the ESUP) followed by the termination without cause of any such grantee, the vesting of Unit Awards to such grantee is accelerated and all unexercised Unit Awards become vested immediately and are delivered to the grantee in the form of common shares. This acceleration of unvested Unit Awards, VGP and SPSP units would have had a value to Messrs. Cistrone, Reizer and Perez of approximately $1,627,998, $1,926,046 and $815,895, respectively, had their employment been terminated without cause effective December 31, 2022 following a change of control (based on the TSX closing price for the common shares on December 31, 2022).

Indebtedness of Directors and Officers

The Company maintains a policy of not making loans to its directors, or senior executives. No director or executive officer of the Company is indebted to the Company or any of its subsidiaries.

Directors' & Officers' Liability Insurance

The Company purchases and maintains directors' and officers' liability insurance covering the Company to the extent it is obligated to indemnify its directors and officers pursuant to the indemnity provisions of its By-Laws. It also covers individual directors and officers when they are legally liable for wrongful acts which are outside the scope of indemnification as specified under the Company's By-Laws (subject to policy exclusions).

Interest of Informed Persons in Material Transactions

Management of the Company is unaware of any material interest, direct or indirect, of any "informed person" of the Company, any proposed director of the Company or any associate or affiliate of any such persons, in any transaction since the beginning of the Company's most recently completed financial year or in any proposed transaction which has materially affected or would materially affect the Company or any of its subsidiaries.
"Informed person" is defined as:

(a) a director or executive officer of the Company;

(b) a director or executive officer of a person or company that is itself an informed person or subsidiary of the Company;

(c) any person or company who beneficially owns, or controls or directs, directly or indirectly, voting securities of the Company or a combination of both carrying more than 10 percent of the voting rights attached to all outstanding voting securities of the Company other than voting securities held by the person or company as underwriter in the course of a distribution; and

(d) the Company itself if it has purchased, redeemed or otherwise acquired any of its securities, for so long as it holds any of its securities.

Notice Regarding Forward-Looking Information

This Circular and the accompanying enclosures include certain statements that reflect management's expectations and objectives for the Company's future performance, opportunities and growth, which statements constitute "forward-looking information" and "forward-looking statements" (collectively "forward-looking information") under applicable securities laws. Such statements, other than statements of historical fact, are predictive in nature or depend on future events or conditions. Forward-looking information involves estimates, assumptions, judgements and uncertainties. These statements may be identified by the use of forward-looking terminology such as "may", "will", "should", "anticipate", "expect", "believe", "predict", "estimate", "continue", "intend", "plan" and variations of these words or other similar expressions. Specifically, this Circular includes forward-looking information in respect of, among other things: the evolution of the Company's portfolio of products and services beyond the energy sector; the Company's strategic transition into an infrastructure technology provider; the Company's continued ability to execute on its portfolio optimization strategy; the Company's aspirations in respect of ESG matters, goals and objectives; the Company's intent to rename the Company from Shawcor to Mattr; the Company's ability to execute on its business plan and strategies, including the pursuit, execution and integration of potential organic and inorganic growth opportunities, as applicable, and the Company's ability to achieve greater profitability, deliver greater returns on capital and substantial free cash flow; management's views on the appropriate share price multiple for the Company; statements regarding the Board and its composition; the expected timing of completion and results of the Company's strategic review process, and the effects of such strategic review; the Company's ability to attract, motivate and retain the high-quality executive talent; the Company's ability to benefit from favourable long-term macro trends for its businesses; and the Company's ability to create long-term sustainable shareholder value.

Forward-looking information involves known and unknown risks and uncertainties that could cause actual results to differ materially from those predicted by the forward-looking information. In addition, the forward-looking information contained herein is based on assumptions, estimates and analysis made by management in light of its experience and perception of trends, current conditions and expected developments, as well as other factors believed to be reasonable and relevant in the circumstances, that could cause actual results to differ materially from those predicted by the forward-looking information. The Company believes that the expectations reflected in the forward-looking information are based on reasonable assumptions in light of currently available information. However, should one or more risks materialize, or should any assumptions prove incorrect, then actual results could vary materially from those expressed or implied in the forward-looking information included in this document and the Company can give no assurance that such expectations will be achieved.

Readers are cautioned not to place undue reliance on forward-looking information as a number of factors could cause actual events, results and prospects to differ materially from those expressed in or implied by the forward-looking information. Significant risks facing, along with certain of the assumptions made by management of, the Company include, but are not limited to: the risks and uncertainties, assumptions, estimates and analysis described herein and under the headings "*Notice Regarding Forward-Looking Information*" and "*Risks Factors*" in the Company's Annual Information Form.

When considering the forward-looking information in making decisions with respect to the Company, readers should carefully consider the foregoing factors and other uncertainties and potential events. The Company does not assume the obligation to revise or update forward-looking information after the date of this document or to revise it to reflect the occurrence of future unanticipated events, except as may be required under applicable securities laws.

Additional Information

Financial information about the Company is contained in its comparative annual financial statements and Management's Discussion and Analysis for the fiscal year ended December 31, 2022. Additional information about the Company is available on SEDAR at www.sedar.com. If you would like to obtain, at no cost, a copy of any of the following: (i) the latest Annual Information Form of the Company, together with any document or the pertinent pages of any document incorporated by reference therein; (ii) the comparative financial statements of the Company for the fiscal year ended December 31, 2022 together with the accompanying report of the auditor thereon and any interim financial statements that have been filed for any period subsequent to December 31, 2022 together with the Management's Discussion and Analysis with respect thereto; (iii) a copy of the Company's Code of Conduct; or (iv) an additional copy of this Management Proxy Circular, please send your request to the Company at 25 Bethridge Road, Toronto, Ontario M9W 1M7, Attention: Tim Hutzul, Corporate Secretary.

The information contained herein is given as of the date hereof unless otherwise noted. The contents and sending of this Circular have been approved by the Board of Directors of the Company.

DATED at Toronto, Ontario, the 31st day of March, 2023.

By Order of the Board of Directors

SHAWCOR

Tim Hutzul
SVP, General Counsel & Corporate Secretary

SCHEDULE 'A'

Shawcor Ltd.
Mandate for the Board of Directors

Revised October 19, 2022

A. DUTIES AND RESPONSIBILITIES OF THE BOARD OF DIRECTORS

1. Management and Supervision

The Board of Directors of Shawcor is responsible for the stewardship and oversight of the Company. As such, the Board has a duty to oversee the conduct of the Company's business, provide direction to management and ensure that all major issues affecting the business and affairs of the Company are given proper consideration. The Board oversees the activities of management who are responsible for the day-to-day conduct of the business of the Company.

2. Procedures, Powers and Role

a) General – The Board delegates to the Company's senior officers the responsibility for the day-to-day management of the Company while providing guidance and direction. The Board's fundamental objectives are to enhance and preserve long-term shareholder value, to ensure the Company meets its obligations and that it operates in a reliable, responsible and safe manner, having regard to fostering a diverse, equitable and inclusive workplace. In performing its functions, the Board should also consider the legitimate interests of its other stakeholders such as employees and retirees, creditors, customers and communities ("Stakeholders") as well as the environment. In broad terms, the stewardship of the Company involves the Board in ethics, culture and integrity, strategic planning, financial reporting, risk management and mitigation, senior management determination, communication planning, safety and environmental issues and internal control integrity. In satisfaction of these responsibilities, directors are expected to regularly attend meetings and review all materials in advance of all meetings.

b) Fiduciary Duties – In view of the special relationship between the directors and the Company, which puts the directors in a position of trust and control, the common law has characterized the nature of the duties owed by the directors to the Company as "fiduciary duties". Generally speaking, a director's fiduciary duties consist of a duty to act honestly and in good faith and with a particular standard of care.

The standard of care required of directors and officers is codified in the CBCA, which provides that every director and officer of a corporation in exercising his/her/their powers and discharging his/her/their duties shall:

(i) act honestly and in good faith with a view to the best interests of the corporation, including by considering the interests of shareholders, Stakeholders and the environment; and

(ii) exercise the care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances.

c) Conflicts of Interest – If a Board member faces a potential or actual conflict of interest relating to a matter before the Board, that member will alert the Board Chair, or depending on when the matter becomes known, the Board as a whole. If the Board Chair faces a potential or actual conflict of interest, the Board Chair will advise the Chair of the Audit Committee. If the Board Chair, or the Chair of the Audit Committee, as the case may be, concurs that a potential or actual conflict of interest exists, the member faced with such conflict must disclose to the Board the member's interest and must not participate in consideration of the matter and must not vote on the matter. The Corporate Secretary will maintain a written record of any disclosure of conflict by a Board member either in the minutes of the Board or otherwise.

d) Standard of Care – With respect to the statutory duty of care required by a director, there is no concession for any deficiency of knowledge or skill on the part of a director who may in fact be acting to the best of his/her/their own ability. Where a director is not skilled in a particular area, the courts may emphasize the director's duty to be diligent in the circumstance by way of seeking outside advice, making inquiries of appropriate individuals or other means.

e) Duties not to be Delegated – There are specific duties set out in the CBCA which may not be delegated, including:

(i) issuing securities except as authorized by the Board;

(ii) declaring dividends;

(iii) making, amending and repealing by-laws of the Company;

(iv) purchasing, redeeming or otherwise acquiring shares of the Company;

(v) approving a management proxy circular, take-over bid circular or directors' circular;

(vi) approving the annual financial statements of the Company;

(vii) calling the annual meeting of the shareholders of the Company;

(viii) filling any vacancy among the directors or in the office of auditor of the Company or appointing additional directors; or

(ix) submitting to the shareholders any question or matter requiring the approval of the shareholders.

B. BOARD ORGANIZATION

1. Composition – The Board shall be composed of not less than three nor more than eighteen directors. At least one-quarter of the Board must be resident Canadians, as defined in the *Canada Business Corporations Act*. A majority of directors shall be "independent" within the meaning of Section 1.4 of National Instrument 52-110 Audit Committees.

2 Appointment and Replacement of Directors – The members of the Board shall be elected by the shareholders annually and each member of the Board shall remain on the Board until the next annual meeting of shareholders after his or her election or until his or her successor shall be duly elected or appointed in accordance with the Company's By-laws. Whenever there is a vacancy on the Board, the remaining members may exercise all its power as long as a quorum remains in office.

3. Chair of the Board – The members of the Board shall elect a Chair from among the independent members and the Chair shall preside at all meetings of the Board. The Chair of the Board shall be responsible for leadership of the Board, including preparing the agenda, presiding over the meetings, and making board assignments. If the Chair is not present at any meeting of the Board, the Board members present at the meeting shall elect a director present to preside at the meeting. The Chair shall act as the principal liaison between the Board and the CEO.

4. Compensation of Directors – Non-employee directors shall receive such remuneration as the Board may from time to time determine. The Compensation and Organizational Development Committee will periodically review all aspects of such remuneration, including equity retainers and minimum equity ownership requirements, and make recommendations to the Board respecting the same. The CEO receives no compensation for acting as a director.

5 Meetings – It is anticipated that there will be a minimum of five meetings per year. Each meeting will include a session with senior management present and a session of the independent directors only without senior management present. Board members may participate in meetings by means of such telephonic, electronic or other communication facilities as permits all persons participating in the meeting to hear and communicate with each other.

6. Delegation – The Board may delegate certain responsibilities to Board committees. Such committees shall have a written Board approved charter, except in the case of special committees of the Board which may be appointed from time to time. The Board operates by delegating certain of its authorities to management and to Board committees and by reserving certain powers to itself. Subject to applicable law and to the Articles and By-laws of the Company, the Board retains the responsibility for managing its own affairs including:

(a) planning its composition and size;

(b) selecting its Chair;

(c) providing orientation and on-going education for directors;

(d) nominating candidates for election to the Board;

(e) appointing committees;

(f) determining director compensation;

(g) setting expectations and responsibilities of directors, including attendance at, preparation for and participation in Board and committee meetings;

(h) assessing the effectiveness of the Board, committees and directors in fulfilling their responsibilities; and

(i) oversight over strategic planning and risk management, including the Company's approach to management of environmental, social and governance (ESG) risks and opportunities.

Where a committee of the Board has been delegated the authority to oversee certain aspects of the Board's responsibilities, such committees will regularly report to the Board on such matters.

7. Retention of Consultants – To assist the Board or any committee of the Board in carrying out their respective roles, the Board or any committee may from time to time retain special legal, accounting, financial or other consultants, at the Company's expense, if determined by the Board or the particular committee to be advisable or appropriate in the circumstances.

C. COMMITTEES OF THE BOARD

The Board will:

(a) elect annually from among its members an Audit Committee, a Compensation and Organizational Development Committee and a Governance and Sustainability Committee, each to be composed of not fewer than three directors.

(b) appoint for each committee a Chair from among its independent members;

(c) appoint additional committees as circumstances may warrant; and

(d) appoint special committees periodically to address certain issues of a more short-term nature or as required by securities regulation.

D. FULFILLMENT OF ROLE

1. Environmental, Social and Governance (ESG) Matters. The Board will promote and set a tone for the culture of the Company that stresses integrity, ethics, inclusion, safety, compliance, effective risk management and environmental considerations, including:

(a) satisfying itself as to the integrity of the CEO and other senior executives of the Company, and that the CEO and other executives build and maintain the sustainable culture of the Company;

(b) approving and monitoring a Code of Conduct (the "Code") for the Company and compliance with the Code as well as all other significant policies and procedures by which the Company is operated;

(c) oversight of sustainability practices, objectives, targets and public disclosure of the Company, including incorporation of ESG into the Company's governance, risk management and strategic planning.

2. Strategic Planning and Risk Management – The Board will ensure that a strategic planning process is in place, review and approve strategies, visions and missions and monitor management's success in implementing the strategies. This is done through an annual Board meeting or meetings held each year to review and approve the Company's strategic and annual business plan and annual capital expenditures programs. The strategic plan will be updated each year so that it always projects the next three-year period. Management reports to the Board quarterly, highlighting and commenting upon divisional performance compared with the annual forecast and prior year results.

As part of the strategic plan review process, the Board will identify and evaluate the principal opportunities and risks of the Company's businesses, including those related to ESG, and seek to ensure that management puts in place appropriate systems and processes to manage the principal risks and take advantage of the principal opportunities.

The Board will review and approve material deployments of capital as well as material acquisitions and divestitures not approved within the annual business plan as well as deployments of capital for dividends and share repurchases.

The Audit Committee will regularly review specific areas of the Company's financial functions, including the integrity of the Company's internal controls, financial reporting and information systems and the quality of public disclosure of financial information. The Compensation and Organizational Development Committee will review risks related to succession planning. Reports on these reviews will form a part of the regular review by the whole Board of the Company's operating performance.

The Audit Committee will approve the annual external audit plan for the Company and will oversee the performance of the External Auditor. The Audit Committee will approve and oversee the annual internal audit plan for the Company and will oversee the performance of the Internal Auditor.

3. Board Independence – The Board will implement appropriate structures and procedures to permit the Board to function independent of management.

*4. **Communication*** – The Board believes that accurate, timely and regular communication with its shareholders, Stakeholders and the investment community is of the highest importance. The Company has a formal disclosure policy, which has been reviewed and approved by the Board. As part of the policy, all annual and quarterly financial disclosure, including financial statements and the associated Management Discussion and Analysis and press releases and the Annual Information Form are reviewed and recommended to the Board for approval by the Audit Committee, and are publicly filed and posted on the Company's website. On the joint recommendation of the Governance and Sustainability Committee and the Compensation and Organizational Development Committee, the Board reviews and approves the Management Proxy Circular. Furthermore, the Board oversees the Company's shareholder engagement strategy and approves a Shareholder Engagement Policy through which it encourages shareholders to engage with the Company Secretary or Board Chair.

5. New Board Nominees – Responsibility for recommendations regarding Board refreshment and for proposing new board nominees rests with the Governance and Sustainability Committee. The Board will nominate, for shareholder approval, candidates for election to the Board.

6. Board Effectiveness – The Governance and Sustainability Committee will annually assess the effectiveness of the Board as a whole, the committees of the Board, and the contribution of individual directors and report the results of such assessments to the Board.

7. Board Orientation and Education – The Governance and Sustainability Committee will oversee the orientation and the education of the directors. All new members of the Board will be provided with access to detailed information on the Company and its businesses, its policies and processes relevant to the Board and its members, together with the Code and other relevant policies. Regular visits to selected plant sites and meetings with senior management will also be arranged to allow directors the opportunity to familiarize themselves with the Company's operations and businesses at first hand.

8. Board Size – The matter of Board size will be considered periodically by the Board, and on an ongoing basis by the Governance and Sustainability Committee.

9. Board Compensation – The Compensation and Organizational Development Committee will periodically review the adequacy and form of compensation of non-employee directors, including equity retainers and minimum equity ownership requirements, and will make appropriate recommendations to the Board for approval. In making its recommendations, the committee will take into account the level and form of compensation necessary to attract directors of the caliber, diverse background and experience required to effectively oversee a company of the Company's size, complexity and market scope.

10. Executive Performance and Compensation – The Board will:

(a) appoint all officers and assess the performance of the CEO against annual performance objectives and approve the compensation of the CEO and CFO and the annual compensation of executives who report to the CEO, following a review of the recommendations of the Compensation and Organizational Development Committee;

(b) approve annual performance objectives for the CEO;

(c) satisfy itself, to the extent feasible, as to the integrity of the CEO and those who report to him/her/them and that the CEO and senior management create a culture of integrity throughout the Company;

(d) following a review of the recommendations of the Compensation and Organizational Development Committee, approve certain matters relating to employees including:

  (i) the Company's executive compensation strategy and philosophy;

  (ii) material new retirement programs or material changes to existing programs;

(e) provide advice and counsel to the CEO in the execution of the CEO's duties; and

(f) establish limits of authority to be delegated to management.

11. Succession Planning – The Board will ensure that succession planning programs are in place, including programs to appoint, train, develop and monitor management. The Compensation and Organizational Development Committee along with the Chair will periodically review succession planning, including recommendations with respect to the appointment of senior officers, as and when required. The Board approves the appointment of senior officers, and the Compensation and Organizational Development Committee will monitor senior management succession.

12. Corporate Governance – The Governance and Sustainability Committee will make recommendations to the Board on all matters relating to corporate governance, including the appropriateness of the Company's governance structure in view of its position in the Canadian marketplace. The Board will oversee the Company's approach to corporate governance, including approving a set of Corporate Governance Guidelines applicable to the Company, as developed by the Governance and Sustainability Committee.

13. Position Descriptions – The Governance and Sustainability Committee will formulate for Board approval position descriptions for the Chair, the Chair of each Board Committee, and the CEO.

14. Auditor. Upon the recommendation of the Audit Committee, the Board will annually recommend to the shareholders the appointment of the external auditor of the Company and will approve the appointment of the internal auditor of the Company.

15. Health, Safety and Environmental – The Board will:

(a) review and evaluate the Company's health, safety and environmental program and compliance with such program and approve any related policies; and

(b) review reports from management on health, safety and environmental activities, policies and practices.

E. GENERAL

The Board will annually review and reassess the adequacy of this Mandate. The performance of the Board will be periodically evaluated with reference to this Mandate. This Mandate will be disclosed on the Company's website and elsewhere in accordance with all applicable regulatory requirements.

SHAWCOR

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