SHAWCOR

2021

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

DEAR SHAREHOLDER:

This year's Annual and Special Meeting of Shareholders of Shawcor Ltd. (the "Meeting"), will be held on Thursday, May 13, 2021 at 4:00 p.m., EDT, at the offices of Shawcor Ltd., 25 Bethridge Road, Toronto, Ontario, Canada. Due to the ongoing concerns arising from the COVID-19 pandemic, we are strongly encouraging shareholders and others not to attend the Meeting in person but to instead to view our live webcast of the Meeting.

The Meeting will be webcast live on our website at www.shawcor.com. Shareholders will be able to ask questions through the webcast.

We would appreciate your returning the signed Proxy or Voting Instruction form to ensure that your vote is recorded. We encourage you to exercise the power of proxy voting.

We will report to you at the Meeting on the Company's financial performance in 2020 and outlook for the future.

Enclosed are the Notice of the Meeting, the Management Proxy Circular and a Proxy or Voting Instruction Form. Details of all matters proposed to be put before the Meeting are set forth in the Management Proxy Circular.

Sincerely,





Derek Blackwood
Chair of the Board

Stephen M. Orr
Chief Executive Officer

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 Thursday, May 13, 2021 at the offices of Shawcor Ltd., Toronto, Ontario, Canada at the hour of 4:00 p.m., EDT, for the following purposes:

1. to receive the Annual Report to the Shareholders, including the Consolidated Financial Statements and the Report of the Auditor for the year ended December 31, 2020;
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 consider, and if thought appropriate, to approve an amendment to the Shawcor Ltd. 2001 Employee Stock Option Plan to increase the number of common shares reserved and available for issuance thereunder by 800,000;
6. to consider, and if thought appropriate, to approve an amendment to the Shawcor Ltd. Employee Share Unit Plan to increase the number of common shares reserved and available for issuance thereunder by 800,000 and to ratify the previous grant of 285,886 Unit Awards thereunder; and
7. 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, AST Trust Company (Canada), Proxy Department, P.O. Box 721, Agincourt, Ontario, Canada M1S 0A1, or fax to 1-866-781-3111 (toll free) or 416-368-2502, or by email to proxyvote@astfinancial.com. **Proxies must be received by the transfer agent not later than May 12, 2021, 5:00 p.m., EDT**.

In light of the ongoing concerns arising from the COVID-19 pandemic and in order to mitigate potential health and safety risks, we are strongly encouraging shareholders and others not to attend the Meeting in person but to instead view our live webcast of the Meeting and to vote on the matters before the Meeting by proxy.

The Meeting will be webcast live on our website at www.shawcor.com. Shareholders who view the webcast will have the opportunity to ask questions at the completion of the Meeting.

Any changes to the venue or other logistics of the Meeting will be provided by news release and by a notice posted on the Company's website at www.shawcor.com.

DATED at Toronto, Ontario the 29th day of March, 2021.

By Order of the Board of Directors



Tim Hutzul
Corporate Secretary

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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 13, 2021.

Financial Statements

The Consolidated Financial Statements for the year ended December 31, 2020 are included with the Notice of Annual and Special meeting of Shareholders and the Circular and are also available online at www.sedar.com and 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 nine directors and the Board has determined that the number to be elected at the Meeting is to be seven directors.

Nominees for Election to the Board of Directors

The following table sets out information as of March 26, 2021, unless otherwise indicated, regarding the nominees for election as directors. With the exception of Kevin L. Nugent, all nominees are current directors of the Company. 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, ICD.D
Age: 66[1]
Houston, Texas, USA
Director Since May 2011
Independent
Total Compensation for 2020: $224,903

Mr. Blackwood has been a director of the Company since May 2011 and became its Chair in May 2020. From September 2015 until his retirement in June 2018, Mr. Blackwood was the Chief Executive Officer of Vepica Group, a private engineering, procurement and construction contractor which serves the global oil and gas, petrochemical and other industries. Prior to September 2015, Mr. Blackwood was a business consultant to Wood Group, a leading multinational energy services company, since his retirement from Wood Group in 2013. Mr. Blackwood is a Mechanical Engineer and in 2001 was appointed by the First Minister of Scotland as a GlobalScot to promote Scotland and its people.

Securities Held	
Common Shares Owned or Controlled[2]	**Meets Share Ownership Requirement?**
December 2020: 173,110 December 2019: 31,896.7 Value at Risk: $1,505,391	YES[6]

Member of	2020 Attendance[4]	Other Public Boards During Past 5 Years	Voting Results of 2020 Annual Meeting[5]
Board Chair	100%	None	Total Votes For: 99.74 %



LAURA A. CILLIS, ICD.D
Age: 62[1]
Nelson, British Columbia, Canada
Director Since December 2019
Independent
Total Compensation for 2020: $156,591

Ms. Cillis has been a director of the Company since December 2019. She currently serves as a director of Crescent Point Energy Corp. and Western Forest Products Inc. She has over 25 years of financial leadership 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).

Securities Held	
Common Shares Owned or Controlled[2]	**Meets Share Ownership Requirement?**
December 2020: 46,976 December 2019: 9,110.4 Value at Risk: $170,910	N/A[6] (has until December 2024 to meet requirement)

Member of	2020 Attendance[4]	Other Public Boards During Past 5 Years	Voting Results of 2020 Annual Meeting[5]
Board Audit Committee Compensation and Organizational Development Committee	100% 100% 100%	Crescent Point Energy Corp (2014 to present) Western Forest Products Inc (2019 to present) Solium Capital Inc. (2014 to 2019) Enbridge Income Fund Holdings Inc. (2016 to 2018)	Total Votes For: 99.84%



KEVIN J. FORBES
Age: 62[1]
West Sussex, England
Director Since May 2014
Independent
Total Compensation for 2020: $174,018

Mr. Forbes has been a director of the Company since May 2014 and is a corporate director and investor in oilfield technology companies. From 2008 to 2017 he was a partner in Epi-V LLP, a London, England based specialist oilfield technology investment company. Prior to 2008, Mr. Forbes was employed with Schlumberger Oilfield Services, a leading global energy services company, for 27 years in various senior executive roles in North and South America, Europe and the Middle East.

Securities Held	
Common Shares Owned or Controlled[2]	**Meets Share Ownership Requirement?**
December 2020: 123,282	YES
December 2019: 46,263.6	
Value at Risk: $1,416,068	

Member of	2020 Attendance[4]	Other Public Boards During Past 5 Years	Voting Results of 2020 Annual Meeting[5]
Board	100%	None	Total Votes For: 99.80%
Audit Committee	100%		
Governance and Sustainability Committee	100%		



ALAN R. HIBBEN, ICD.D
Age: 67[1]
Toronto, Ontario, Canada
Director Since June 2020
Independent
Total Compensation for 2020: $78,625

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).

Securities Held	
Common Shares Owned or Controlled[2]	**Meets Share Ownership Requirement?**
December 2020: 99,392	N/A[6] (has until June 2025 to meet requirement)
December 2019: 29,391	
Value at Risk: $349,859	

Member of	2020 Attendance[4]	Other Public Boards During Past 5 Years	Voting Results of 2020 Annual Meeting[5]
Board	100%	Extendicare Inc.	N/A
Audit Committee	100%	Home Capital Group	
Governance and Sustainability Committee	100%	Hudbay Minerals Inc.	
		Wild Brain Inc.	



KEVIN L. NUGENT
Age: 55[1]
Calgary, Alberta, Canada
New Nominee
Independent
Total Compensation for 2020: N/A

Mr. Nugent is an independent businessperson and has been a corporate director since 2011. 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, Hifi Engineering Inc., VentMeter Technologies Inc., RGL Reservoir Management Inc. Trican, Well Service Ltd., Banff Sport Medicine Foundation, and the Pacific Salmon Foundation.

Securities Held	
Common Shares Owned or Controlled[2]	**Meets Share Ownership Requirement?**
December 2020: Nil	N/A
December 2019: Nil	
Value at Risk: $0	

Member of	2020 Attendance[4]	Other Public Boards During Past 5 Years	Voting Results of 2020 Annual Meeting[5]
		Savanna Energy Services Corp. Secure Energy Services Inc. Trican Well Services Ltd HiFi Engineering Inc.	N/A



STEPHEN M. ORR
Age: 57[1]
Toronto, Ontario, Canada
Director Since May 2014
Not Independent
Total Compensation for 2020: $0
No compensation received for services as a director.

Mr. Orr was appointed President of the Company in September 2013 and assumed the position of Chief Executive Officer on May 1, 2014. Mr. Orr became a director of the Company in May 2014. Mr. Orr was the President of the Drilling Group of Schlumberger Oilfield Services, a leading global energy services company, from May 2012 until June 2013. From August 2010 he was the President of the M-I Swaco division of Schlumberger Oilfield Services.

Securities Held	
Common Shares Owned or Controlled[2]	**Meets Share Ownership Requirement?**
December 2020: 244,786	YES
December 2019: 179,284	
Value at Risk: $6,575,758	

Member of	2020 Attendance[4]	Other Public Boards During Past 5 Years	Voting Results of 2020 Annual Meeting[5]
Board	100%	None	Total Votes For: 99.77%



PAMELA S. PIERCE
Age: 66[1]
Houston, Texas, USA
Director Since June 2014
Independent
Total Compensation for 2020: $144,515

Ms. Pierce has been a director of the Company since June 2014. She is currently the CEO & President of Scientific Drilling International, a private oilfield services company. Prior to that she had been the Executive Vice President of and a partner in Ztown Investments, a Houston, Texas based private oil and gas investment firm, since 2005. Prior to 2005, Ms. Pierce had more than 25 years experience in various senior executive roles in the US oil and gas exploration, development and production industry. Ms. Pierce also serves as a director of Laredo Petroleum and is a Petroleum Engineer.

Securities Held	
Common Shares Owned or Controlled[2]	**Meets Share Ownership Requirement?**
December 2020: 106,559	YES
December 2019: 30,202.6	
Value at Risk: $1,053,288	

Member of	2020 Attendance[4]	Other Public Boards During Past 5 Years	Voting Results of 2020 Annual Meeting[5]
Board	100%	Laredo Petroleum Inc. (2007 to present)	Total Votes For: 99.81%
Compensation and Organizational Development Committee	100%		
Governance and Sustainability Committee	100%		

(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. Orr, vested and unvested employee share units, 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, 2020, which was $3.52, and, in the case of Mr. Orr, does not include unvested share units.

(4) See attendance details under *Corporate Governance Practices – Meeting Attendance Records*.

(5) The Board has adopted a majority voting policy for directors. For further information please see *Corporate Governance Practices & Nomination of Directors – Majority Voting Policy*.

(6) Dereck Blackwood became the Chair of the Board in May 2020 and has satisfied the share ownership requirements for both Chair and director. Laura Cillis has until December 31, 2024 to fulfill her share ownership requirement of common shares and DSUs valued at 3 times the annual Board and DSU retainers. Mr. Hibben has until June 2025 to fulfill his share ownership requirement of common shares and DSUs valued at 3 times the annual Board and DSU retainers.

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

Directors' Equity Ownership

Since May 2017, each director is required to own, within 60 months of becoming a director or Board Chair, common shares and/or DSUs of the Company valued at 3 times the annual Board/Board Chair and DSU retainers. Due to the increases to annual Board/Board Chair and DSU retainers made in 2019, each of the directors who would be required to meet this ownership requirement by 2019 has been allowed until the end of 2020 to meet the requirement. See *Election of Directors – Directors Compensation*.

The following table sets out the numbers of common shares, share units, DSUs and unexercised stock options as at December 31, 2020 beneficially owned, or controlled or directed, directly or indirectly, by each of the persons proposed to be nominated for election as a director.

Name[1]	Common Shares (#)	DSUs (#)	Fulfils Share Ownership Requirement	Value of Common Shares, Share Units and DSUs as of December 31, 2020
Derek Blackwood[2]	45,000	128,110	Yes	$1,505,391
Laura Cillis[3]	8,500	38,476	N/A	$170,910
Kevin Forbes	–	123,282	Yes	$1,416,068
Alan Hibben[4]	70,000	29,392	N/A	$349,859
Kevin Nugent[5]	–	–	N/A	$0
Pamela Pierce	17,000	89,559	Yes	$1,053,288
Total	140,500	408,819		$4,495,519

(1) Equity ownership for Mr. Orr is reported under the heading *Compensation Discussion & Analysis - Executive Share Ownership Levels*.

(2) Derek Blackwood became Chair of the Board in May 2020 and has fulfilled his share ownership requirement of common shares and/or DSUs valued at 3 times the annual Board Chair and DSU retainers. Mr. Blackwood did meet his share ownership requirements as a director upon becoming Chair of the Board in May 2020 under the then current method of calculation.

(3) Laura Cillis joined the Board in December 2019 and has until December 2024 to fulfill her share ownership requirement of common shares and DSUs valued at 3 times the annual Board and DSU retainers.

(4) Alan Hibben joined the Board in June 2020 and has till June 2025 to fulfill his share ownership requirement of common shares and DSUs valued at 3 times the annual Board and DSU retainers.

(5) New nominee.

Directors' Compensation

Directors are remunerated for services rendered in their capacity as directors through a combination of retainer fees and fees for travel. Directors that are not employees do not receive non-equity incentive plan compensation, nor accrue any pension entitlements.

Directors' compensation is reviewed regularly by the Governance and Sustainability Committee and recommendations are made to the Board following review of the market and best practices information. Generally, directors' compensation is targeted around the median level for directors of a peer group of companies which are similar in size, geographic scope and operational complexity to the Company.

To promote a greater alignment of interests between individual directors and Shawcor's shareholders, the Board has adopted a deferred share unit plan (the "DSU Plan") for directors. Under the terms of the DSU Plan, each director, other than the Chief Executive Officer, receives an annual "DSU retainer" paid in DSUs and may also elect to have up to 100% of the remainder of his or her directors' compensation paid in DSUs. Each DSU has the notional value of one common share. DSUs are credited to each participant's account at the end of each quarter by dividing the relevant fees by the weighted average trading price of the common shares on the TSX for the five trading days immediately preceding the grant of DSUs.

Each participant's account is also credited with "dividend equivalents" in the form of additional DSUs on each payment date for a cash dividend on common shares.

DSUs are fully vested at the time awarded and upon retirement from the Board a director participant in the DSU Plan will receive, at his or her option, that number of common shares, acquired on behalf of the participant on the open market, that is equal to the number of DSUs recorded in the participant's account, or a lump sum payment in cash calculated by multiplying the number of DSUs recorded in the participant's account by the weighted average trading price of the common shares for the five trading days immediately preceding the participant's retirement date.

In April 2020, to assist the company in its measures to address the impact of COVID-19 and a decrease in oil and gas supply and demand (as announced in a Press Release dated April 21st), the Board agreed to a 30% reduction in compensation. Additionally, when it became apparent that in-person meetings would not be held for the foreseeable future the Governance Committee suspended travel fees starting Q4 2020, pending resumption of in-person travel. On January 1, 2021, in response to improving market conditions and strengthening of the Company's balance sheet, director's compensation (other than travel fees which remain suspended) was restored to pre-COVID levels.

The following table outlines the remuneration rates paid to directors of the Company in 2020 and 2019, less the 30% reduction mentioned in footnote 3 below.

Element	2020 Rate[1][2][3]	Element	2019 Rate[2][4]
Annual Board Chair Retainer	$225,000	Annual Board Chair Retainer	$225,000
Annual Board Retainer	$70,000	Annual Board Retainer[5]	$70,000
Annual Board/Board Chair DSU Retainer	$105,000	Annual Board/Board Chair DSU Retainer	$105,000
Annual Audit Committee Chair Retainer	$20,000	Annual Audit Committee Chair Retainer	$20,000
Annual Audit Committee Member Retainer	$10,000	Annual Audit Committee Member Retainer	$10,000
Annual Other Committee Chair Retainer	$15,000	Annual Other Committee Chair Retainer	$15,000
Annual Other Committee Member Retainer	$5,000	Annual Other Committee Member Retainer	$5,000
Board and Committee Meeting Fees	$Nil	Board and Committee Meeting Fees	$Nil
Telephone Meeting Fee	$Nil	Telephone Meeting Fee	$Nil
Annual Travel Fees – Canadian Directors	$5,000	Annual Travel Fees – Canadian Directors	$5,000
Annual Travel Fees – American Directors	$10,000	Annual Travel Fees – American Directors	$10,000
Annual Travel Fees – International Directors	$20,000	Annual Travel Fees – International Directors	$20,000
Continuing Education	$Nil	Continuing Education	$Nil

(1) All rates are expressed in Canadian dollars.

(2) The Chief Executive Officer does not receive any compensation for acting as a director.

(3) Rates before the 30% discount announced in April 2020 (which went from May 1 to December 31, 2021) and the suspension of travel fees in Q4 2020.

(4) All rates are expressed in Canadian dollars except for non-Canadian resident directors who are paid the same number, except for the DSU retainer, in US dollars.

(5) The Board Chair does not receive the Annual Board Retainer, Committee Chair or Member Retainers but does receive the Annual Board/Board Chair DSU Retainer.

The 30% reduction in fees that commenced on May 1st and continued until the end of 2020, resulting in an overall decline in director compensation of approximately 20%.

This **Director Compensation Table** illustrates the total compensation paid to each director in 2020. This reflects the 30% reduction in fees implemented on May 1st and the suspension of Board travel fees in Q4 2020.

Director[1]	Fees Earned ($)	Share-Based Awards ($)[2]	Share-Based Dividend Equivalent Awards ($)[3]	Non-Equity Incentive Plan Compensation ($)	Pension Value ($)	All Other Compensation ($)	Total ($)
Lisa Bahash[4]	–	82,654	–	–	–	–	82,654
John Baldwin[5]	14,250	35,750	6,286	–	–	–	56,286
Derek Blackwood	–	220,118	4,785	–	–	–	224,903
Laura Cillis[4]	72,528	83,971	92	–	–	–	156,591
James Derrick[5]	0	47,500	9,439	–	–	–	56,939
Kevin Forbes	–	167,078	6,940	–	–	–	174,018
Michael Hanley[4]	53,913	101,942	3,479	–	–	–	159,334
Alan Hibben	–	78,625	–	–	–	–	78,625
Robert Mionis[4]	66,227	83,971	1,021	–	–	–	151,219
Pamela Pierce	–	156,833	2,730	–	–	–	159,563
Charlene Valiquette[5]	25,000	26,250	5,132	–	–	–	56,382
Donald Wishart[5]	0	83,750	7,259	–	–	–	91,009

(1) Compensation for Mr. Orr is reported in the Summary Compensation Table under the heading "2020 Summary Compensation Table". Shawcor's Chief Executive Officer receives no additional compensation for acting as a director of the Company.

(2) Represents the grant date value of DSUs (excluding dividend equivalents) granted to each individual. Grant date value is calculated based on the weighted average market price of Shawcor's common shares on the TSX over the five trading days preceding the grant date. For more information on DSUs awarded as "dividend equivalents" see *Election of Directors – Director's Compensation*.

(3) Represents the grant date value of DSUs granted to each individual as dividend equivalents. Grant date value is calculated based on the weighted average market price of Shawcor's common shares on the TSX over the five trading days preceding the grant date. For more information on DSUs awarded as "dividend equivalents" see *Election of Directors – Director's Compensation*.

(4) Ms. Bahash, Mr. Hanley and Mr. Mionis will not stand for re-election at the Meeting.

(5) Mr. Baldwin, Mr. Derrick, Ms. Valiquette and Mr. Wishart did not stand for re-election at the 2020 Annual Meeting held on May 13, 2020.

Outstanding Option and Share-Based Awards

Except for outstanding stock options and share units held by Mr. Orr, which are reported on the "Outstanding Option & Share-Based Awards" table under the heading "Incentive Plan Awards", no stock options or share units were held by directors as of December 31, 2020.

The following table outlines the value of the directors' DSUs that vested in the year, as well as the total outstanding DSUs held by directors and their corresponding monetary value as of December 31, 2020.

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] ($)	Number of Share-Based Awards (DSUs) (#)	Value of Vested Share-Based Awards Not Paid Out or Distributed[2] ($)
Lisa Bahash[3]	–	–	82,654	30,858	108,620
John Baldwin[4][5]	–	–	42,036	0	0
Derek Blackwood	–	–	224,903	128,110	450,947
Laura Cillis	–	–	84,063	38,476	135,436
James Derrick[4][5]	–	–	56,939	0	0
Kevin Forbes	–	–	174,018	123,954	436,318
Michael Hanley [3]	–	–	105,421	70,405	247,826
Alan Hibben	–	–	78,625	29,392	103,460
Robert Mionis[3]	–	–	84,992	44,990	158,365
Pamela Pierce	–	–	159,563	89,559	315,248
Charlene Valiquette[4][5]	–	–	31,382	0	0
Donald Wishart[4][5]	–	–	91,009	0	0

(1) All DSUs vest on the grant date but are not redeemable or payable until the director leaves the Board of Directors. The value vested during the year is calculated based on the weighted average market price of Shawcor's common shares on the TSX over the five trading days 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, 2020 which was $3.52. The ultimate pay-out value of each participant's DSUs will depend on the weighted average price of the common shares on the TSX over the five trading days prior to the date the participant director leaves the Board of Directors.

(3) Ms. Bahash, Mr. Hanley, and Mr. Mionis are not standing for re-election at the Meeting.

(4) Mr. Baldwin, Mr. Derrick, Ms. Valiquette and Mr. Wishart did not stand for re-election at the 2020 Annual Meeting held on May 13, 2020.

(5) Following retirement from the Board, Mr. Baldwin received $124,392 for his accumulated DSU's and Mr. Wishart received $193,600 for his accumulated DSUs. Following retirement from the Board, Mr. Derrick received 96,003.4 common shares, valued at $1.86 per share for his accumulated DSUs and Ms. Valiquette received 52,461.6 common shares, valued at $1.96 per share for her accumulated DSU's.

Appointment and Remuneration of Auditor

The persons named in the enclosed form of proxy intend to vote for the appointment of Ernst & Young LLP, Chartered Accountants, as auditor of the Company, to hold office until the next annual meeting of shareholders and to authorize the Board of Directors to fix the auditor's remuneration. Ernst & Young LLP or its predecessors has been the auditor of the Company since its predecessor's incorporation on August 23, 1968. Further particulars concerning payments to the auditor are disclosed in the Company's Annual Information Form under Item 9 "Audit Committee".

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. As outlined therein, Shawcor's executive compensation program is designed to align, focus and recognize executives and management for achieving Shawcor's short and longer-term strategic objectives and to reward them for their performance and contributions to the Company. The program is intended to advance the interests of shareholders and contribute to a dynamic, accountable and performance-oriented environment which is attractive to the executives and managers we seek to hire and retain.

The Board of Shawcor, 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.

As a shareholder you have the opportunity to vote for or against Shawcor's approach to executive compensation through the following resolution:

***RESOLVED**, on an advisory basis and not to diminish the role and responsibilities of the Board of Directors, that the shareholders accept the approach to executive compensation disclosed in the Company's management proxy circular delivered in advance of the 2021 annual 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. Shawcor will disclose the results of the advisory vote at the Meeting and in its report on the voting results for the Meeting to be filed on SEDAR..

Amendment of 2001–Employee Stock Option Plan

The Meeting will be asked to consider and if thought appropriate, to approve a resolution, in the form set forth below, authorizing an amendment to the Company's 2001-Employee Stock Option Plan (the "ESOP") to increase the number of common shares reserved and available for issuance thereunder by 800,000.

The ESOP is a fixed-number plan which was established in 2001 and initially approved by shareholders on May 10, 2002. Upon establishment of the ESOP, 4,630,138 Class A subordinate voting shares were initially reserved for issuance. As part of the Company's Plan of Arrangement completed in March 2013, the Class A subordinate voting shares reserved under the ESOP and issuable upon the exercise of options granted under the ESOP were exchanged one for one for common shares of the Company. At the annual and special meeting of shareholders held on May 11, 2016, shareholders approved a further amendment to the ESOP whereby an additional 1,000,000 common shares were reserved for issuance. Since March 2010, options granted under the ESOP 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.

As of March 19, 2021, the Company has options outstanding to purchase 2,323,505 common shares, representing 3.3% of the number of common shares issued and outstanding as of March 19, 2021. The Company also has 3,458 common shares available for future grants of stock options under the ESOP as of March 19, 2021. As substantially all of the common shares previously reserved under the ESOP have now been issued or allotted for issuance pursuant to prior grants of stock options, the Company is proposing to reserve additional common shares of the Company for issuance under the ESOP. On March 10, 2021, the Board of Directors of the Company approved, subject to obtaining the approvals of the Company's shareholders and the Toronto Stock Exchange (the "**TSX**"), an amendment to the ESOP to increase the maximum number of common shares available for issuance by 800,000, such that the maximum number of common shares that have been issued or which could be issuable under the ESOP since its establishment in 2001 will be increased from 5,630,138 to 6,430,138. The proposed increase in the number of shares reserved for issuance under the ESOP is equal to 1.14% of the number of common shares issued and outstanding as of March 19, 2021. Assuming that shareholders approve the 800,000 share increase in the number of shares reserved under the ESOP, the Company will have 803,458 common shares available for future grants of stock options, representing 1.14% of the number of common shares issued and outstanding as of March 19, 2021.

The following is a summary of the principal terms of the ESOP and 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 on the basis of 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 (subject to the extension until the fifth business day following the cessation of an applicable trading blackout period, as described below under "Trading Blackouts") 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 of the Company.

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 one year following the date of death.
Participation Restrictions	• Insider participation is limited such that the number of shares reserved for issuance and issuable to insiders at any time or issued to insiders within any one year period 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.
Amendments Requiring Shareholder Approval	• 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 10 years (other than pursuant to the Trading Blackout provisions); 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; 6. Makes options assignable or transferable (other than to the legal personal representative of the option holder); or 7. Amends the amending provisions of the ESOP.
Amendments Not Requiring Shareholder Approval	• Without limitation, the Board may amend the ESOP to: 1. Make "housekeeping" changes; 2. Amend options granted under the Plan, including provisions relating to the exercise and vesting of options, including in the event the grantee ceases to be an employee for any reason (subject to the maximum term as set forth above).
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 which 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 issued and outstanding.

The "burn rate" under the ESOP was 0.54% for 2018, 0.45% for 2019 and 0.86% for 2020.
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.

Additional information regarding the ESOP may be found herein under "Long-Term Incentive Plans".

Vote Required

The TSX requires that the resolution, substantially in the form set forth below, to approve the proposed amendment to the ESOP, be approved by a majority of the votes cast by holders of common shares who vote thereon. Abstentions from voting and broker non-votes will have no effect on the approval or disapproval of this matter since only votes "For" or "Against" will be counted in determining whether the resolution has been approved by the requisite majority. The persons named as proxies in the enclosed form of proxy intend to vote the common shares represented thereby in favour of the resolution approving this amendment to the ESOP, unless the form of proxy has been marked "Against". The grant of stock options is an important incentive to employees of the Company and helps foster long term dedication to the Company and its welfare. Accordingly, the Board of Directors recommends a vote "**For**" the resolution approving the amendment of the ESOP. If shareholders do not approve the amendment to the ESOP, existing options will remain outstanding and no additional options, other than in respect of 3,458 common shares currently available under the ESOP for issuance and other than in respect of common shares which may become available for issuance upon the expiry, termination or cancellation of existing options, may be issued.

Resolution of the Shareholders to Amend the ESOP

RESOLVED THAT:

1. the amendment to the Shawcor Ltd. 2001 Employee Stock Option Plan (the "ESOP") to increase the number of common shares reserved and available for issuance thereunder by 800,000, such that the aggregate number of common shares reserved for issuance under the ESOP shall be increased from 5,630,138 to 6,430,138, is hereby authorized and approved; and

2. any one officer of the Company is hereby authorized and directed to do all such acts and things, and to execute and deliver all such instruments and documents as may be necessary or desirable to give full effect to this resolution.

Amendment of Employee Share Unit Plan

The Meeting will be asked to consider and if thought appropriate, to approve a resolution, in the form set forth below, authorizing an amendment to the Company's Employee Share Unit Plan (the "ESUP") to increase the number of common shares reserved and available for issuance thereunder by 800,000 and to ratify the previous grant of 285,886 Unit Awards thereunder.

The ESUP is a fixed-number plan which together with the reservation of 1,000,000 Subordinate Voting Shares thereunder, was initially approved by shareholders of the Company at the meeting of shareholders held on May 7, 2010. Under the terms of the ESUP, the Board was authorized to grant awards ("Unit Awards") of restricted units ("Restricted Awards") and performance units ("Performance Awards") to employees and consultants of the Company and its subsidiaries and other controlled entities, with such Unit Awards to be settled initially in the form of Class A Subordinate Voting Shares of the Company issued from treasury. Pursuant to the Company's Plan of Arrangement which was completed on March 20, 2013, the ESUP was amended and restated to reflect that all awards granted thereunder would be settled in an equal number of common shares. To date, the Company has only issued Restricted Awards under the ESUP.

As of March 1, 2021, the Company had Unit Awards outstanding in respect of 475,017 common shares, representing 0.67% of the number of common shares issued and outstanding as of that date. The Company also had 151,808 common shares available for future grants of Unit Awards under the ESUP as of March 1, 2021. As substantially all of the common shares previously reserved under the ESUP have now been issued or allotted for issuance pursuant to prior grants of Unit Awards, the Company is proposing to reserve additional common shares of the Company for issuance under the ESUP. On March 10, 2021, the Board of Directors of the Company approved, subject to obtaining the approvals of shareholders of the Company and the TSX, an amendment to the ESUP to increase the maximum number of common shares available for issuance by 800,000, such that the maximum number of common shares that have been issued or which could be issuable under the ESUP since its establishment in 2010 will be increased from 1,000,000 to 1,800,000. The proposed increase in the number of shares reserved for issuance under the ESUP is equal to 1.14% of the number of common shares currently issued and outstanding as of March 19, 2021.

Effective March 19, 2021, the Company awarded 285,886 Unit Awards having a value of $6.62 per Unit Award (the "2021 Grant"), being equal to the five-day weighted average trading price of the Company's common shares for the five trading days ended March 18, 2021, to 15 individuals. Of this number, Unit Awards in respect of 134,673 common shares were granted to officers of the Company, with the balance granted to employees. The Unit Awards vest in equal instalments at the rate of 20% per year and have a term of 10 years. Because the amendment to the ESUP to increase the number of shares available for grant is subject to shareholder approval at the Meeting, the ESUP did not have sufficient shares available for grant for all of the 2021 Grant and accordingly, the 2021 Grant is also subject to shareholder approval at the Meeting. If shareholder approval is not obtained, the Unit Awards made under the 2021 Grant will be cancelled. Assuming that shareholders approve the 800,000 share increase in the number of shares reserved under the ESUP and ratify the 2021 Grant, the Company will have 665,922 common shares available for future grants of Unit Awards, representing 0.95% of the number of common shares issued and outstanding as of March 19, 2021.

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 Awards 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 five trading days immediately preceding such date.

The "burn rate" under the ESUP was 0.10% for 2018, 0.15% for 2019 and 0.16% for 2020. 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.

Additional information regarding the ESUP may be found herein under "Long-Term Incentive Plans".

Vote Required

The TSX requires that the resolution, substantially in the form set forth below, to approve the proposed amendment to the ESUP and to ratify the 2021 Grant, be approved by a majority of the votes cast by holders of common shares who vote thereon. Abstentions from voting and broker non-votes will have no effect on the approval or disapproval of this matter since only votes "For" or "Against" will be counted in determining whether the resolution has been approved by the requisite majority. The persons named as proxies in the enclosed form of proxy intend to vote the common shares represented thereby in favour of the resolution approving this amendment to the ESUP, unless the form of proxy has been marked "Against". The grant of Unit Awards under the ESUP is an important incentive to employees of the Company and helps foster long term dedication to the Company and its welfare. Accordingly, the Board of Directors recommends a vote "**For**" the resolution approving the amendment of the ESUP and ratifying the 2021 Grant. If shareholders do not approve the resolution, the 2021 Grant will be cancelled. Existing Unit Awards (other than the 2021 Grant) will remain outstanding and no additional Unit Awards, other than in respect of 151,808 common shares available under the ESUP for issuance prior to the 2021 Grant and other than in respect of common shares which may become available for issuance upon the expiry, termination or cancellation of existing Unit Awards, may be issued.

Resolution of the Shareholders to Amend the ESUP

RESOLVED THAT:

1. the amendment to the Shawcor Ltd. Employee Share Unit Plan (the "ESUP") to increase the number of common shares reserved and available for issuance thereunder by 800,000, such that the aggregate number of common shares reserved for issuance under the ESUP shall be increased from 1,000,000 to 1,800,000, is hereby authorized and approved;

2. the grant of 285,886 Unit Awards under the ESUP on March 19, 2021 is hereby ratified and approved; and

3. any one officer of the Company is hereby authorized and directed to do all such acts and things, and to execute and deliver all such instruments and documents as may be necessary or desirable to give full effect to this resolution.

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 2022 annual meeting of Shareholders which are received by the Company at its offices at 25 Bethridge Road, Toronto, Ontario, Canada, M9W 1M7, Attention: Corporate Secretary, by no later than December 29, 2021.

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 or her 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, AST Trust Company, PO Box 721, Agincourt, Ontario, M1S 0A1, Attention: Proxy Department or fax to (416) 368-2502 or (866) 781-3111 (toll-free in North America) or email to proxyvote@astfinancial.com. Proxies must be received by the transfer agent, not later than 5:00 p.m., EDT, on May 12, 2021.

A shareholder who has given a proxy may revoke it by instrument in writing executed by the shareholder or by his or her 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 Ernst & Young LLP 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, in favour of the amendment to the Company's 2001 Employee Stock Option Plan, and in favour of the amendment to the Company's Employee Share Unit Plan and the prior grant of 285,886 unit awards thereunder.** 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 26, 2021, the Company had 70,448,532 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 April 5, 2021 (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 or her 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 Inc.	12,571,335	17.85%

SECTION 3 STATEMENT OF CORPORATE GOVERNANCE

The Board of Directors (the "Board") and management of the Company recognize that effective governance is central to the prudent direction and operation of the Company in a manner that ultimately enhances shareholder value. The following discussion outlines the Company's system of corporate governance.

The business and affairs of the Company are managed under the supervision of the Board. Broadly, the Board approves overall corporate strategy and assesses management's implementation of agreed strategies, and reviews the results achieved. The Board's role consists of the approval of strategic plans, the review of corporate environmental and social risks identified by management and monitoring the Company's practices and policies for dealing with these risks, management succession planning, the monitoring of business practices and the assessment of the integrity of the Company's internal controls and information and governance systems.

The Board oversees the Company's strategic planning process, reviews and approves strategies, and assesses management's success in implementing the strategies. This is done regularly and through annual special purpose Board meetings held each year to advise, review and approve the Company's strategic and annual business plan. The strategic plan is updated each year so that it always projects the next three-year period. Management reports to the Board quarterly, including highlighting and commenting upon divisional performance compared with annual business plan forecasts and prior year results. As part of the strategic plan review process, the Board identifies and evaluates the principal business, environmental and social opportunities and risks of the Company's operations, and seeks to ensure that management puts in place appropriate systems to manage the principal risks. The Board also receives, reviews and discusses a quarterly risk management report from management which identifies the key risks facing the Company, their potential impact on operating income and mitigation actions which are being taken. In addition, the Audit Committee regularly reviews financial and health, safety and environmental ("HSE") risk issues and the Compensation and Organizational Development Committee reviews compensation related and human resource risk issues on an annual basis. A discussion of the key risks facing the Company is set out in the Company's Annual Information Form for the year ended December 31, 2020 and in the Management's Discussion and Analysis accompanying the Company's consolidated financial statements for the year ended December 31, 2020 and 2019, both of which are filed on SEDAR at www.sedar.com. For additional information concerning the Board's oversight of sustainability and ESG (Environmental, Social and Governance) practices see *Corporate Governance Practices – Sustainability*.

The corporate governance practices and policies of the Company have been developed under the general stewardship of the Governance and Sustainability Committee. The Committee believes that the corporate governance practices of the Company are appropriate for the Company.

As a result of evolving laws, policies and practices, the Governance and Sustainability Committee regularly reviews the corporate governance practices and policies of the Company in order to facilitate compliance with applicable requirements and implements best practices appropriate to its operations. In recent years, the following steps have been taken by the Company as part of the ongoing process of enhancing its corporate governance:

- instituted and updated mandatory share ownership guidelines for all Directors, the Chief Executive Officer and other designated executives;
- reviewed and revised the mandate of the Board of Directors;
- reviewed and revised the charters for the Audit, Compensation and Organizational Development and Governance and Sustainability Committees, and appointed only independent directors to these Committees;
- completed evaluations of the Board's performance as well as individual director peer performance reviews and developed a new Board/Committee/Director performance assessment process and form;
- added management evaluations to the annual board evaluation process;
- developed, maintained and updated a Board experience/skills matrix;
- reviewed and updated the Company's Code of Conduct for directors, officers and employees, a copy of which may be found on SEDAR (www.sedar.com);
- instituted a whistleblower hotline to assist employees in reporting suspected violations of the Code of Conduct;
- reviewed and updated the Company's Confidentiality, Insider Trading and Disclosure policies and developed Conflict of Interest Guidelines for directors which include formal disclosure mechanisms;
- eliminated the Company's dual class share structure through a shareholder and court approved plan of arrangement;
- developed a Director Retirement and Tenure policy, Board and Senior Management Diversity policies, a Board Crisis Management plan and an Executive Compensation Clawback policy;
- enhanced Board continuing education by enrolling several past & present directors in the Directors Education Program offered by the Institute of Corporate Directors (the "ICD") and enrolling all directors as members of the ICD;
- improved Board processes and continuing education through site visits and in-depth presentations on specific risks facing the Company, which enhances risk identification and mitigation;
- amended its majority voting policy for directors and amended and restated its advance notice by-law;
- implemented "say on pay" in 2018;
- formalized a rotation process for Committee assignments and succession planning for Committee and Board Chairs;
- revised directors' compensation in 2019 to promote greater alignment between individual directors and Shawcor's shareholders and to reflect best practices;
- implemented a temporary reduction in directors compensation as a result of COVID-19 pandemic;
- formalized a protocol to enhance sustainability/ESG reporting and tracking;
- revised its Shareholder Engagement policy to make Board Chair available to speak to Shareholders;
- nominated two female directors (29% of those nominated) for election to the Board in 2021; and
- broadened the search for diversity in board candidates beyond gender diversity.

Board Mandate

The Board's role is to supervise and oversee the management of the business of the Company. As part of its stewardship of the Company, and in addition to its legal obligations, the Board has adopted a mandate, the most recent version of which is attached hereto as Schedule "A". This mandate was filed on SEDAR (www.sedar.com) as an attachment to this Circular. In addition, the Company will provide a copy of the mandate free of charge to shareholders upon request.

Committees of the Board of Directors and Their Roles

During 2020, there were three committees of the Board: the Audit Committee, the Governance and Sustainability Committee, formerly the Nominating & Governance 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 Committee currently consists of four members, L. Cillis – Chair, K. Forbes, M. Hanley, and A. Hibben all of whom are independent directors and are considered by the Board to be financially literate as that term is defined by Canadian Securities Regulators. Mr. Hanley, Mr. Hibben and Ms. Cillis are Chartered Professional Accountants. Mr. Forbes' 27 years of experience as a senior executive with a leading global energy services company and his subsequent experience as a consultant and partner in an oilfield technology investment company have provided him with an understanding of accounting principles and their application, experience in analyzing and evaluating financial statements of energy services companies and an understanding of internal controls and procedures for financial reporting.

The integrity of the Company's internal control and management information systems are primarily the responsibility of management with oversight review by the Audit Committee, which meets regularly with both the Company's financial and accounting personnel and the Company's internal and external auditors to review these matters. The Audit Committee reports to the full Board with respect to any issues that arise out of such discussions.

Reviews are carried out of the work plans of both the external and the internal auditors, and the Committee meets regularly with the external and internal auditors without management present.

The Audit Committee reviews the annual and quarterly consolidated financial statements and related Management's Discussion and Analysis, and the Annual Information Form and recommends their approval to the Board. This includes discussions with the external auditor with respect to its quarterly reviews and annual audit of the financial statements. The Company's Director of Risk Assessment also reports the findings of the internal audit team on financial, health, safety and environmental matters to the Committee at its quarterly meetings. The Committee also makes recommendations to the Board in respect of the external auditor to be proposed for appointment by the shareholders.

In 2020, the Committee continued to supervise a thorough review of the Company's accounting and financial reporting systems with respect to the design and effectiveness of internal controls over financial reporting. The Committee met with management and the external and internal auditors, and considered the requirements of National Instrument 52-109 – Certification of Disclosure in Issuer's Annual and Interim Filings and management's recommendations on improvement of internal control systems and procedures and subsequent follow-up issues. The Committee also met with management to review information technology and tax matters, finance department succession and development, various public disclosure documents as well as the amendments to the credit facility. In addition, the Committee reviewed reports on and participated in discussions including, without limitation, global insurance program renewal, the 2019 Canadian Public Accountability Board (CPAB) Annual Report and HSE matters.

Both the external auditor and the internal auditor report directly to the Audit Committee and the Committee meets in camera with both the external auditors and the internal auditor at every Committee meeting. The Committee Chair reviewed and approved the engagement letter for the external auditor and the Committee reviewed and approved the external auditor's fees for audit and for non-audit services billed in 2020. The Committee confirmed with the external auditor there were no scope limitations on its audit. The Committee also satisfied itself as to the independence of the external auditor, including developing and monitoring policies that control the services provided by the external auditor outside of the normal audit. The Committee conducts annual assessments of the performance of the external auditor and recommended to the Board that Ernst & Young LLP be reappointed as the Company's auditor for 2021.

During 2020, the 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 business ethics hotline.

Further particulars concerning the Audit Committee are disclosed in the Company's Annual Information Form under Item 9 "Audit Committee".

Governance and Sustainability Committee

The Governance and Sustainability Committee is appointed annually by and reports to the Board. The Committee currently consists of four members. K. Forbes – Chair, L. Bahash, A. Hibben and P. Pierce, all of whom are independent directors.

The Governance and Sustainability Committee oversees all practices relating to the corporate governance of the Company, and its role is to review these practices regularly, both to assess their effectiveness and to compare them with evolving practices in the field. The Committee periodically reviews position descriptions for the Board, the Chair of the Board, the Chair of each Committee and the Chief Executive Officer (the "CEO"), including corporate objectives for which each of them are responsible. The descriptions clarify the role of the Board, the Chairs and the CEO contained in the Board mandate, the Committee charters, and the Company's by-laws. The Committee's role includes identifying and recommending to the Board, after consultation with the Chair of the Board, suitable director candidates and providing orientation and education to new members of the Board.

The Governance and Sustainability Committee assesses the effectiveness of the Board as a whole, the Committees of the Board and the contribution of individual directors. The Committee carries out a formal assessment of such matters on an annual basis. Feedback from these assessments will be used to improve the Company's overall performance during 2021 and beyond.

The Committee's role includes providing all new members of the Board with a Board Manual containing detailed information on the Company and its businesses, its charter and history, and expectations and policies relevant to the Board and its members, together with a Code of Conduct and Confidentiality and Insider Trading guidelines. The Manual is updated and reissued periodically to all directors. As part of the continuing education for directors, visits to selected plant sites and meetings with senior management are also arranged to allow directors the opportunity to familiarize themselves with the Company's operations and businesses at first hand.

The Committee continually monitors Board skills and experience and identifies any gaps therein with a view to longer term planning for ongoing Board renewal. This led to Board renewal in 2020 with the retirement of several long serving directors and the addition of Alan Hibben as a director of the Company and the nomination of Kevin Nugent in 2021.

Other recent activities of the Committee include the annual review of director's compensation, a review of the Company's sustainability governance and disclosure, the amendment of the company's Shareholder Engagement policy and the amendment of the Company's Board Diversity Policy. Further information regarding these matters can be found under the heading "*Corporate Governance Practices – Nomination of Directors*".

Compensation and Organizational Development Committee

The Compensation and Organizational Development Committee is appointed annually by and reports to the Board. The Committee currently consists of three members; P. Pierce - Chair, L. Cillis and R. Mionis, 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 Committee's role includes reviewing and recommending to the Board:

a) the compensation philosophy and policies of the Company including an annual recommendation as to the compensation of the "Designated Employees", which consist of the CEO, his or her executive direct reports, officers of the Company and Named Executive Officers included in the Compensation Discussion & Analysis section of this Circular;

b) in consultation with the Chair of the Board, the employment contract, annual performance criteria and succession and development plans for the CEO and CFO;

c) the design of and participants in, and annual awards under, executive incentive plans for Designated Employees; and

d) succession and executive development plans for Designated Employees and other identified key employees and other strategic organizational and human resources practices to strengthen the organization and align it to the overall strategy.

The Committee also oversees the administration and investment performance of, and the appointment of external advisors for, the Company's various retirement plans.

SECTION 4 CORPORATE GOVERNANCE PRACTICES

The Company is committed to adhering to a high standard in all business and corporate governance matters and its corporate governance practices are designed to be consistent with this objective. The Board has delegated to the Governance and Sustainability Committee the oversight and review of all matters relating to the governance of the Company, and the Governance and Sustainability Committee's role includes recommending changes when appropriate to improve governance effectiveness and conformance with evolving best practices and legislation, including the requirements and guidelines of National Instrument 58-101 – Disclosure of Corporate Governance Practices (the "Disclosure Instrument"), National Policy 58-201 – Corporate Governance Guidelines (the "Guidelines"), issued by the Canadian Securities Administrators and the requirements of the Canada Business Corporations Act (the "CBCA"). The Company has adopted the following practices:

Corporate Governance Practices

The Disclosure Instrument requires issuers such as the Company to disclose the corporate governance practices that they have adopted, while the Guidelines provide guidance on corporate governance practices. In this regard, a brief description of the Company's corporate governance practices, with reference to the items set out in the Disclosure Instrument and the Guidelines, is set forth in the table below.

Disclosure Item	Comments
1. Board of Directors Independence	The Board defines a director to be "independent" if he or she does 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. 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
Lisa Bahash[1]	•		
Derek Blackwood	•		
Laura Cillis	•		
Kevin Forbes	•		
Alan Hibben	•		
Michael Hanley[1]	•		
Robert Mionis[1]	•		
Kevin Nugent[2]	•		
Stephen Orr		•	Chief Executive Officer
Pamela Pierce	•		

(1) Ms. Bahash, Mr. Hanley and Mr. Mionis will not stand for re-election at the Meeting.

(2) Mr. Nugent is being put forward as a new nominee.

Disclosure Item	Comments
	Based upon the definition of an "independent director" and a review of the applicable factual circumstances (including financial, contractual and other relationships), the Board, in consultation with the Governance and Sustainability Committee, has determined that 8 of 9 (88%) of the current directors and 6 of 7 (86%) of the nominees for director are independent. These 6 independent director nominees are: Derek Blackwood, Laura Cillis, Kevin Forbes, Alan Hibben, Kevin Nugent and Pamela Pierce. Stephen Orr is not an independent director, due to his position as an executive officer of the Company and its subsidiaries. For further details about each director nominee, see the information under the heading *The Business of the Annual and special meeting – Nominees for Election to the Board of Directors*
Other Directorships	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 and special meeting – Nominees for Election to the Board of Directors*. As of March 29, 2021, no members of our Board of Directors 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 19 such sessions in 2020, including full board and in camera committee meeting sessions. The July 15th Board issue specific board meeting did not have an in camera session.
Board Chair	The current Chair of the Board, Derek Blackwood, is an independent director. The Company maintains the separation of the offices of Chair and Chief Executive Officer. 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.
Meeting Attendance Records	The following table summarizes the meetings of the Board of the Company and its Committees held during the fiscal year ended December 31, 2020, and the attendance of individual directors of the Company at such meetings:

		Committees			
Director	Board Meetings	Audit	Governance and Sustainability	Compensation and Organizational Development	Percentage of Board and Committee Meetings Attended
Lisa Bahash[2]	4 of 4	–	2 of 2	–	100%
Derek Blackwood	8 of 8	2 of 2[1]	2 of 2[1]	4 of 4[1]	100%
Laura Cillis	8 of 8	4 of 4	–	2 of 2	100%
Alan Hibben[3]	4 of 4	–	2 of 2	–	100%
Kevin Forbes	8 of 8	4 of 4	3 of 3	–	100%
Michael Hanley	8 of 8	4 of 4	–	–	100%
Robert Mionis	8 of 8	–	–	4 of 4	100%
Stephen Orr	8 of 8	4 of 4[1]	4 of 4[1]	4 of 4[1]	100%
Pamela Pierce	8 of 8	–	3 of 3[1]	4 of 4	100%

(1) These meetings were attended by the indicated persons as invitees and not as Committee members.

(2) Ms. Bahash joined the Board effective May 13, 2020.

(3) Mr. Hibben joined the Board effective June 1, 2020

2. Board Mandate	A copy of the Board's mandate is attached hereto as Schedule "A". Upon request, the Company will provide a copy of the Board mandate free of charge to any shareholder. In addition to setting out the role of the Board, the Board mandate describes the terms of reference and expectations for the Chair of the Board and for each individual director.

Disclosure Item	Comments
3. Position Descriptions CEO and Chair of the Board	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.
4. Orientation and Continuing Education Orientation of New Directors	Under the guidance of the Governance and Sustainability Committee, the Company provides an orientation session for new directors. The session includes an overview of the Company's history and operations, a review of industry conditions and competition and an introduction to the Company's management team. The Company has developed and distributes to all directors a Board Manual, containing relevant corporate and business information, to orient and assist directors in fulfilling their duties and obligations. The Manual is updated on a periodic basis, as required.
Continuing Education	To enhance their understanding of Shawcor's operations and to interact with staff outside of formal Board meetings, directors are encouraged to conduct on-site visits to operations, either in formal Board-arranged sessions or informally on their own initiative. Both outside advisors and senior managers of the Company's corporate office and its various divisions also make regular presentations to the Board and its Committees regarding business and legal matters. For example, in 2020, the Board and its Committees received presentations on the following:

When	Board or Committee	What	Presenter
February Meetings	Board	Shareholder Response & Readiness	Senior Management
	Board	Succession Planning	Executive Recruiting Consultant
	Audit	IT Security	Senior Management
	Governance	Shareholder Engagement	Senior Management
	Governance	Board Independence	Senior Management
May Meetings	Board	Employee Restructuring	Senior Management
	Board	Banking Amendment	Senior Management
	Board	Joint Ventures	Senior Management
	Board	Capital Structure	Senior Management
	Board	Restructuring Initiatives	Senior Management
	Governance	Director & Officer Insurance	Senior Management
August Meetings	Board	Strategic Projects ,	Senior Management
	Audit	Global Insurance Renewal	Senior Management
	Compensation	Employee Restructuring	Senior Management
	Compensation	Compensation Market Trends & Response to Global Pandemic	Executive Compensation Consultant
	Governance	Shareholder Engagement	Senior Management
	Governance	ESG / Sustainability	Senior Management
November Meetings	Board	ESG / Sustainability	Senior Management
	Board	Diversity	Senior Management
	Audit	Tax Risk & Accounting Review	Senior Management
	Compensation	Executive Compensation Trends & Peer Group Review	Executive Compensation Consultant
December Meetings	Board	ESG / Sustainability	Senior Management
	Board	Business Plan	Senior Management
	Board	Enterprise Risk	Senior Management
	Board	Sector Valuations	Investment Banking Firm
	Governance	Select Corporate Policies	Senior Management

Disclosure Item	Comments
	Other presentation topics in 2020 included internal controls over financial reporting, the Company's disclosure controls and procedures, foreign currency exposure and cash management, insurance, pensions, internal audit, taxation, strategic planning, corporate finance, executive compensation, risk management, ESG reporting, corporate governance, shareholder relations, director recruitment, executive and director compensation and succession planning, employee talent review and management, response to the global COVID-19 pandemic, Board and senior management diversity and health, safety and environmental matters. As part of the continuing education of directors, directors periodically attend a meeting of each Board Committee and the Chair, the CEO and the Corporate Secretary periodically provide articles and other educational materials of interest to directors on industry trends, corporate governance, strategic planning, executive compensation, mergers and acquisitions and other related topics. The Company has also developed a library containing industry-related videos, films, programs, etc., which it has provided to all directors and which it updates periodically. The Company has established an initiative whereby it pays for interested directors to attend the Directors Education Program (the "DEP"), a joint program of the Institute of Corporate Directors and the Rotman School of Management, University of Toronto. Board Chair Derek Blackwood completed the DEP in 2016. Laura Cillis completed the DEP prior to joining the Shawcor Board. All current directors have been enrolled by the Company as members of the Institute of Corporate Directors.
5. Ethical Business Conduct	
Code of Conduct	The Company has adopted the Shawcor Code of Conduct, governing the behaviour 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 or her responsibility to comply with the Code of Conduct. All salaried employees are thereafter required to re-sign the Code of Conduct on an annual basis. The Board monitors compliance with the Code of Conduct through the Governance and Sustainability Committee and the Audit Committee and by means of an anonymous whistleblower hotline. The anonymous whistleblower hotline is monitored by the Company's SVP & General Counsel who makes quarterly reports to the Audit Committee through the Director of Risk Assessment. The Code of Conduct was presented to the Board in December 2020. 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.
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 or her interest. Where applicable, he or she is also required to exclude himself or herself 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 on an annual basis 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.
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 after the effective date of the policy. The policy applies to the Chief Executive Officer and all of his or her executive direct reports and all officers of the Company. "Misconduct" under the policy includes willful breach of the provisions of the Shawcor Code of Conduct and any other circumstances sufficient for a termination of employment with legal cause.

Disclosure Item	Comments
6. Nomination of Directors	
Nomination Process	The Governance and Sustainability Committee, which is composed of four independent directors, identifies and reviews the qualifications of potential candidates for the Board. In particular, the Governance and Sustainability Committee assesses, among other factors, 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. 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. Pursuant to this policy, the Governance and Sustainability Committee maintains an up-to-date list of potential director candidates. To maintain the list, the Governance and Sustainability Committee solicits recommendations of potential Board qualified candidates from each member of the Board of Directors and consults with third-party recruiting firms. The Governance and Sustainability Committee assesses the qualifications of such persons against the criteria for directors adopted by the Committee and compiles a list of such candidates. The list is maintained by the Governance and Sustainability Committee for use when new directors are to be added to the Board and is reviewed prior to a formal nomination being brought forward to the Board for approval. 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 / Oil & Gas / Financial Services / Industrial/ Manufacturing Derek Blackwood • Laura Cillis • Kevin Forbes • • Alan Hibben • • Kevin Nugent • Stephen Orr • • Pamela Pierce • **Functional Experience** Name / CEO Experience[1] / International Business Management[2] / Finance[3] / Mergers & Acquisitions[4] / HR & Compensation[5] / Engineering/ Operations[6] / Legal/ Governance[7] / Environmental/ Health & Safety[8] Derek Blackwood • • • • • • • Laura Cillis • • • • • • Kevin Forbes • • • • • • Alan Hibben • • • • • • Kevin Nugent • • • • • • Stephen Orr • • • • • • Pamela Pierce • • • • • • (1) Operating experience as the CEO of a publicly listed company or large organization. (2) Senior executive experience in a major organization outside North America or in a major North American organization that has business in multiple international jurisdictions. (3) Senior executive experience in the financial services area, experience overseeing complex financial transactions or public company Audit Committee experience. (4) M&A experience in an investment banking or law firm or as a senior executive with organizations that have undertaken multiple acquisitions. (5) 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. (6) Professional engineering training or functional responsibility for these matters in a major organization. (7) Good understanding of legal/governance issues through experience as a legal practitioner, public company Governance Committee experience, or functional responsibility for legal/governance/regulatory compliance in a major organization. (8) Functional responsibility for these matters in a major organization.

Disclosure Item	Comments
Board Diversity Policy	Based on the recommendation of the Governance and Sustainability Committee, the Board has adopted the following written policy relating to gender and other diversity in the Company's identification and nomination of directors: "The Board of Directors believes that a Board comprised of highly qualified directors from diverse backgrounds and who reflect the demographics of the markets in which the Company operates and the Company's shareholder, customer and employee base, will enhance Board decision-making. The Governance and Sustainability Committee (the "Committee") will, when identifying candidates to recommend for appointment/election to the Board: 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." The policy has been implemented and the Company's external advisors have been advised of the Company's goal of promoting diversity of gender, international background, age and ethnicity (including aboriginal peoples and members of visible minorities) and of the requirement to present prospective director candidates comprised of at least 50% female candidates. The Governance and Sustainability Committee and the Board will measure the effectiveness of the policy from the perspective of diversity by comparing the current percentage of its Board who are female (3 of 9 or 33% of the current members and 2 of 7 or 29% of the proposed nominees to the Board at the Meeting), disabled (0%), aboriginal persons (0%) or members of visible minorities (0%) with the future percentage of its Board whose members fall within such categories. Disclosure of the number of members of each of the above-noted groups was obtained through a voluntary self-identification questionnaire. 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. While the Company has not adopted specific diversity targets for its Board, even before the adoption of the Board Diversity Policy, it considered the level of representation of women on the Board in identifying and nominating candidates for election or re-election to the Board and specifically required its external recruiters to present female candidates for available Board positions. In recent searches for new director candidates, more than 50% of the director candidates presented for evaluation by our third-party recruiting firm were female and the G&S Committee has taken into account various forms of diversity in making its decisions regarding new candidates.

Disclosure Item	Comments
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 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 to withhold from voting, separately for each nominee. If, with respect to any nominee (and other than at contested meetings), the number of votes withheld exceeds the number of votes in favour of the nominee then such nominee is required to immediately submit to the Board his or her 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 or her 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 Toronto Stock Exchange. 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 director's vote from the May 2020 annual meeting of shareholders:

Director	% of Total Votes For
Lisa Bahash	99.84%
Derek Blackwood	99.74%
Laura Cillis	99.84%
Kevin Forbes	99.80%
Michael Hanley	99.80%
Alan Hibben[1]	N/A
Robert Mionis	99.78%
Stephen Orr	99.77%
Pamela Pierce	99.81%

(1) Mr. Hibben joined the Board in June 2020.

Committee	The Governance and Sustainability Committee's role includes oversight of the Company's approach to corporate governance issues and the disclosure of this approach in accordance with the Guidelines. For further information concerning the role, powers and operation of the Governance and Sustainability Committee, see *Statement of Corporate Governance and Committees of the Board of Directors and Their Roles*.
Term Limits/Retirement	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. Shawcor has recently experienced significant Board renewal. During the period from May 2013 to December 2020, eleven directors left the Board and nine new directors joined. Three additional directors will be retiring from the Board on the date of the Meeting and one new nominee for director is being presented at the Meeting. The Board's retirement/tenure policy is set out below: "**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".
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
7. Compensation	
Compensation and Organizational Development Committee	The Board has established a Compensation and Organizational Development Committee which is currently composed of three independent directors. The Compensation and Organizational Development Committee's role includes oversight of the Company's approach to compensation, organizational and human resources issues. Each year the Committee develops an annual work plan to carry out its responsibilities. For further information concerning the responsibilities, powers and operation of the Compensation and Organizational Development Committee, see *Committees of the Board of Directors and Their Roles*.
Compensation Determination	The Compensation and Organizational Development Committee reviews the compensation proposed to be paid to the CEO, the CFO, the next three most highly compensated employees, all officers and all executives who report to the CEO, and makes recommendations to the Board with respect thereto. The Board of Directors approves the compensation to be paid to such employees on an annual basis. The Governance and Sustainability Committee, which is comprised of four independent directors, reviews Board 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 Compensation and Organizational Development Committee (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 Compensation and Organizational Development Committee, the Board has adopted the following written policy relating to gender, international and other diversity in senior management positions of the Company: "The Board of Directors believes that the senior management of Shawcor should be comprised of highly qualified individuals from diverse backgrounds who reflect the demographics of the markets in which the Company operates and the Company's customer and employee base, and that such diversity will enhance senior management decision-making and Shawcor's continued success. The Compensation and Organizational Development Committee (the "Committee") and Shawcor's senior management will, in their senior management succession planning and talent management process: 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. Shawcor 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 Shawcor's executive talent pool. At this time, Shawcor has two females (15.4%), one member of visible minorities (7.7%), one disabled person (7.7%) and one aboriginal person (7.7%) out of a total of twelve executive officers. Disclosure of the number of members of each of the above-noted groups was obtained through a voluntary self-identification questionnaire. The number of women in Shawcor's 2021 executive talent pool, a key source of high potential talent for executive roles, is 17 out of a total of 70, or 24.3%.

Disclosure Item	Comments
8. Other Committees	A description of each of the Committees of the Board of Directors is set out under the heading "*Committees of the Board of Directors and Their Roles*".
9. Board and Committee Assessments	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 on an annual basis 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. As a result of the COVID-19 pandemic, the Board did not have any in-person meetings after Q1. As a result a number of Directors have never met face to face, informal interaction was curtailed, some Directors have never met senior members of the Executive management face to face, nor have they been able to tour the facilities which is a standard component of new director orientation. Given these circumstances, the G & S Committee carefully considered the application and implementation of the Annual Board Evaluation process in 2021 and ultimately, it adopted a modified process that: (a) featured a streamlined list of questions developed with input from third-party advisors that addressed the areas listed below; (b) for the first time, solicited the feedback of select members of senior management; and (c) involved in-depth interviews by the G & S Committee Chair with the Board and select members of senior management. As per past practice, the Chair prepared a detailed report. The G & S Committee will re-evaluate the current process in 2021 to determine what, if any, changes are required.

Disclosure Item	Comments

The standard evaluation process is summarized in the following table.

Review Frequency	By	Action	Outcome
Full Board (Annual)	All Members of the Board and Management	• Board members complete a detailed questionnaire which: (a) provides for quantitative ratings in key areas and (b) seeks subjective comment in each of those areas. • Responses are reviewed by the Chair of the G&S Committee. • As part of the annual review on 2020 Performance, for the first time, select Senior members of management provided feedback to the Chair of the G & S Committee.	• A summary report is prepared by the Chair of the G&S Committee and provided to the Board Chair, the G&S Committee and the CEO. • The summary report is reported to the G & S Committee and full Board by the G&S Committee Chair. • Matters requiring follow-up are identified and action plans are developed and monitored on a go-forward basis by the G&S Committee.
Board Committees (Annual)	All Members of each Committee	• Members of each Committee complete a detailed questionnaire to evaluate how well their respective Committee is operating and to make suggestions for improvement. • The Chair of the G&S Committee receives responses and reviews them with the appropriate Committee Chair.	• A summary report is prepared by the Chair of the G&S Committee and provided to the Board Chair and appropriate Comm. The summary report for each Committee is then reported to the full Board by the Chair of the G&S Committee. • The appropriate Committee Chair assumes responsibility to follow-up on any matters raised in the assessment and take action, as appropriate.
Board Chair (Annual)	All Members of the Board	• Board members assess and comment on the Board Chair's discharge of his/her duties. • Individual responses are received by the Chair of the G&S Committee.	• A summary report is prepared by the Chair of the G&S Committee and provided to the Board Chair and the full Board.
All Members of the Board (Annual)	All Members of the Board	• Board members conduct a self-assessment of their own contribution to the Board as well as a peer review of each of the other directors. • The Chair of the G&S Committee reviews the responses and reviews them with the Chair of the Board.	• Feedback from peer review comments is provided to directors individually by the Chair of the G&S Committee and the Chair of the Board. • Feedback from self-assessments/ peer reviews is used to determine requirements for further director education and to assist in determining Committee appointments.

Disclosure Item	Comments
10. Shareholder Engagement	The Board of Directors has adopted the following recently revised 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 is webcast live, allows shareholders to receive an update on our business and interact with the 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 release, 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 with the Board of Directors' 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 Shawcor shareholders may communicate with senior management by mail, email or telephone by contacting the Company's Investor Relations Department at: **Meghan MacEachern** 25 Bethridge Road, Toronto, ON, M9W 1M7 Email: meghan.maceachern@shawcor.com Phone: 416-743-7111
11. Political Spending and Lobbying	Shawcor does not engage in political campaign spending or lobbying. We are members of various trade associations relating to the pipeline and energy services industries. 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) and the American Society for Testing and Materials (ASTM).
12. Sustainability	Shawcor is committed to long-term value creation and viability as a business and its governance practices are designed to support this objective. Sustainability or ESG (environmental, social and governance) practices are visible within and integrated across the Company and are fundamental to its success and resilience. **Board Oversight for Sustainability** Sustainability oversight is provided by the Board of Directors and its Committees. 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 of Directors has benchmarked its sustainability practices and reporting against multiple sources including the Company's Canadian and US peers, and SASB (Sustainability Accounting Standards Board) and CCGC (Canadian Coalition for Good Governance) guidelines.

Disclosure Item	Comments

A summary of the Board and its Committees' oversight of sustainability practices and factors using the SASB framework is shown in the chart below. The Board of Directors addresses all dimensions and its Committees have specific responsibilities:

SASB Dimension	Board	Audit	Governance & Sustainability	Compensation and Organizational Development
Environment (E)	•	•	•	
Social Capital (SC)	•	•	•	•
Human Capital (HC)	•	•	•	•
Business Model & Innovation (BM&I)	•	•		•
Leadership & Governance (L&G)	•	•	•	

A sample of the ESG responsibilities and oversight processes of the Board of Directors and its Committees is outlined below with reference to the applicable SASB sustainability dimension. Practices often relate to one or more sustainability dimension as is the case with quarterly CEO reports on HSE performance, metrics and initiatives. Each Committee reports to the Board of Directors on a quarterly basis. The table below does not represent the full mandate and various topics may be presented as conditions warrant.

Board of Directors	SASB Dimension
Quarterly HSE Performance Reports, Trends & Program Updates	E/HC
Site Remediation and Decommissioning Reports	E
Product & Service Quality Updates	SC
Strategic and Business Plans, Portfolio Management (M&A)	BM&I
Research & Development, Materials Management and Processing	BM&I
Strategic Technology Development & Sustainable Innovations	BM&I
Enterprise Risk Management and Quarterly Risk Reports	L&G
Project and Approval Management	L&G
Corporate ESG Culture	L&G

Audit	SASB Dimension
Quarterly HSE Audit Reports	E/HC
Regulatory and Legal Matters	E
Information Systems, Privacy and Data Security Management	SC
Financial & Operational Risk Review & Management	BM&I
Code of Conduct and Whistleblower Reports	L&G

Governance and Sustainability	SASB Dimension
Management Systems and Practices	HC
Board Recruitment, Renewal & Diversity	L&G/HC
Policy Management – Codes of Conduct, Whistleblower, etc	L&G
ESG Benchmarking, Disclosure and Reporting	L&G
Board and Committee Director Evaluation/Skills Matrix	L&G

Compensation & Organizational Development	SASB Dimension
Community & Employee Engagement	SC
Succession Planning & Talent Management	HC
Labour Relations, Diversity and HR Policies	HC
Compensation and Policies	HC
Organizational Design and Capabilities	BM&I/HC

Disclosure Item	Comments
	Corporate Culture The Board of Directors considers corporate culture and the '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 of Directors and Committee meeting, Board briefings on emerging sustainability issues and evaluation trends, and formal/informal Board site visits to the Company's operations. **2020 Sustainability Highlights** The Company completed several actions in the last year to advance its sustainability programs, including the following: • **Published** the Company's first official Sustainability report, utilizing the Sustainability Accounting Standards Board (SASB) framework (Leadership & Governance). Please see www.shawcor.com/about/sustainability • **Experienced** a record year for safety performance across the entire organization, with low recordable rates across all segments. (Human Capital) • **Established** a program to promote diversity and inclusion, and to educate the broader organization on the importance of a diverse workforce and extinguishing biases. (Human Capital) • **Communicated** the Company's environmental, energy and emissions disclosure and reporting practices on its website, including a link to the Carbon Disclosure Project (CDP) global disclosure system. Shawcor has been reporting to CDP since 2008. (Environment and Leadership & Governance) • **Updated** high-risk metrics reporting with risk ratios to measure operational activities with the potential for death and/or serious injury to personnel. (Human Capital) • **Maintained** a coaching-based in-vehicle monitoring system (IVMS) and standards to support safe driving and the Company's Incident and Injury Free (IIF) goal. (Human Capital) • **Leveraged** the iLINE™ technology to allow customers to conduct remote audits, reducing personnel requirements in high-risk areas and in turn reducing commuting requirements to/from remote sites. (Business Model & Innovation, Human Capital and Environment) • **Launched** additional platforms within the iLINE™ technology to digitize essential business documentation, reducing paper consumption requirements (Business Model & Innovation and Environment) • **Expanded** the Governance Committee's responsibilities to include oversight of ESG practices in what is now the Governance and Sustainability Committee. (Leadership & Governance) • **Initiated** the "Purpose and Impact Program" to engage the broader organization on ESG topics and strategy. (Human Capital) • **Facilitated** an ESG course for employees to learn about the foundations of ESG. Over 75% of the executive team completed the course. (Human Capital and Leadership & Governance). All of the Directors standing for election have taken the course. • **Incorporated** ESG criteria into executive compensation considerations. **For More Information** For additional information related to the Company's sustainability programs please see www.shawcor.com/about/sustainability on the Company's website.

SECTION 5 COMPENSATION DISCUSSION & ANALYSIS

Introduction

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

- Focus on enduring financial performance targets in the annual incentive plans (earnings per share ("EPS") growth and Return on Invested Capital ("ROIC") at the Corporate level);
- Long-term equity grants that align with share price performance over multiple time horizons and long-term cash awards with values based on rolling 3-year growth in revenue and operating income and total shareholder return; and
- A mix of incentive awards tied to performance at the Corporate and Operating unit levels, offering effective line of sight to plan participants.

The program is intended to advance the interests of stakeholders and contribute to a dynamic, accountable and performance-oriented environment which is attractive to the executives and managers we seek to hire and retain. The Compensation and Organizational Development Committee 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 (80% for CEO at target) • 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 (Value Growth 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 the CEO and severance and termination provisions are aligned with market practice • External independent advisor supports the Board and Committee

We thank shareholders for their support of our executive compensation program in 2020, with "Say on Pay" support greater than 98%.

2020 Performance Summary

In 2020, Shawcor's financial and operating performance results reflect the resilience of its diversified portfolio servicing the automotive, energy and infrastructure markets. 2020 presented unprecedented challenges including the general market disruption caused by the COVID-19 pandemic, facility operational and capacity limitations, supply chain interruptions, capital spending reductions and stock market volatility. At the onset of the COVID-19 pandemic, the company took swift and aggressive actions to adjust its operations to ensure the health and safety of employees, reduce costs, and to continue to serve customers and secure and execute work.

For the year, Shawcor reported revenue of $1.18 billion, a decrease of $311 million or approximately 20.9% versus 2019 revenue of $1.49 billion. The Company delivered net loss attributable to shareholders of $233 million in 2020, down from net loss of $33 million in 2019. The net loss in 2020 is primarily due to a $213 million non-cash impairment charge and other one-time expenses, partially offset by gains on sale of land and facilities, investment in associates and gain from disposal of discontinued operations. On an adjusted basis, adjusted net loss in 2020 was $56 million, compared to adjusted net income of $25 million in 2019.

All operating segments experienced revenue reductions as compared to 2019 due to the dual impacts of COVID-19 and commodity price declines. The Pipeline and Pipe Services and Composite Systems segments were most impacted with revenue declines of approximately 23%. The Automotive and Industrial segment faced headwinds in the second and third quarter of the year, partially offset by record revenues in the fourth quarter resulting in full year revenues 6% below 2019 levels.

The Company's year-end order backlog dipped to $453 million as rapid execution of high margin pipe coating projects was underway, representing a 12% decrease over backlog at the end of 2019. Project bid activity remained strong with over $2.3 billion in outstanding firm bids and budgetary estimates. Included in the Company's firm bid figures, but not in the 2020 backlog, were conditional contracts between engineering, procurement and construction (EPC) firms and Shawcor for scopes of work pending project sanction, which are estimated at over $130 million.

Throughout 2020, the Company undertook significant actions to right-size the organization and rationalize its operational footprint. These actions included a 22% reduction of its salaried workforce, closure of six pipe coating facilities, as well as capital expenditure and working capital reductions. The Company divested its Pipeline Performance Products business (the "Products business") in December. Shawcor generated cash proceeds from the sale of assets of $133.2 million reflecting the sale of the Products business and $24.7 million related to other assets. These actions, along with the successful amendment to the credit facility which provided covenant relief through December 31, 2021, served to strengthen the Company's balance sheet as it exited the year. Effective May 1, 2020 the CEO took a 20% salary reduction for the year and his direct reports (including the Named Executive Officers) took a 10% salary reduction.

The Company continued its progress in 2020 on its sustainability disclosures, practices and policies by publishing its inaugural sustainability report in accordance with the Sustainability and Accounting Standards Board (SASB) framework and Canadian Coalition for Good Governance (CCGC) practices. New sustainable products and technologies were added to its 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. Environmental, Social and Governance factors were also integrated into executive compensation considerations.

Shawcor's expertise in material sciences is the common thread in its offerings across a variety of sectors, including automotive, energy and infrastructure markets. In 2019, the Company partnered with Shell to produce LotusFlo™, a diamond-like coating (DLC) designed to reduce and possibly eliminate deposition on pipe. In 2020, LotusFlo was utilized on an offshore project in Norway, marking the first application of its kind in the North Sea. In addition, the Company's DERAY®-V25 technology was selected as the solution of choice to provide insulation for unprotected connections on wind turbines in western Europe. The heat-shrinkable tube was designed to withstand a dielectric strength of 16kV/mm, as well as support a broad, continuous operating temperature range of -75°C to 150°C. Throughout the year, the Company continued to leverage its proficiency with fiberglass reinforced plastic technologies to strengthen its position within infrastructure markets for applications such as water and wastewater management.

The Company has made significant progress in diversifying its portfolio with several notable transactions, including the acquisition of ZCL in 2019 and the sale of the Products business in 2020. Revenues outside of the energy sector increased from less than 10% in 2013 to over 33% in 2020. The Company will continue to evolve its portfolio while maintaining its material science expertise to bring new or enhanced offerings to customers across a broad range of diverse markets.

Compensation Implications

As Shawcor's incentive plans are largely tied to financial and operating performance, payouts in 2020 under the annual Senior Executive Incentive Plan ("SEIP") were well below target levels.

Payouts under the longer-term Value Growth Plan ("VGP") were also well below target resulting from the lower cumulative revenue and operating income level for the 2018–2020 performance period as compared to the 2015–2017 baseline period. For further information, see *Compensation Decisions for 2020 – Long-Term Incentives – Value Growth Plan*.

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 2020 NEOs include two corporate executives, Shawcor's Chief Operating Officer, one executive from the Company's Pipeline Performance Group, and one executive from the Company's Composite Systems Group. The 2020 NEOs were:

Name	Position	Location
Stephen Orr	President & Chief Executive Officer	Toronto, Canada
Gaston Tano	Senior Vice President, Finance & Chief Financial Officer	Toronto, Canada
Henri Tausch	Senior Vice President, Chief Operating Officer	Houston, USA
Joe Tabak	Group President, Composite Systems	Calgary, Canada
Kevin Reizer	Group President, Pipeline Performance	Houston, USA

Compensation and Organizational Development Committee

For information regarding the responsibilities, processes and operation of the Company's Compensation and Organizational Development Committee and the independence of each of its members, see *Committees of the Board of Directors and Their Roles*. All Compensation and Organizational Development Committee members have direct or indirect experience that is relevant to their responsibilities in executive compensation. Pam Pierce, the current Chair of the Compensation and Organizational Development Committee, assumed this position in 2020. She is currently the CEO & President of a global energy services company and has served as a Director and Chair of the Compensation Committee of Laredo Petroleum. Robert Mionis is the Chief Executive Officer of Celestica Inc and is a member of its Board of Directors. Laura Cillis currently serves as a director and is a member of the HR & Compensation Committee of Crescent Point Energy Corp. She also serves as a director of Western Forest Products Inc. She has over 25 years of financial leadership experience within the North American energy industry, most recently as Senior Vice President, Finance and Chief Financial Officer of Calfrac Well Services Ltd from 2008–2013. All three members of the Committee have had lengthy careers in operations and general management in the oil and gas and other manufacturing industries. In their roles as members of the Compensation and Organizational Development Committee and as current or former senior executive officers or directors of large global organizations, each member of the Compensation and Organizational Development Committee has developed skills and experience in executive compensation issues which enable them as a group to make decisions on the suitability of the Company's compensation policies and practices.

Consulting Advice & Services

In 2020, Willis Towers Watson provided independent advice to the Compensation and Organizational Development Committee on compensation levels for the President & CEO of the Company. Willis Towers Watson also served as a resource to management (with the approval of the Compensation and Organizational Development Committee) in establishing appropriate compensation programs for these employees, including providing market data for Executive compensation. Specific services provided by Willis Towers Watson during the year included:

- Supporting the Compensation and Organizational Development Committee with ongoing executive compensation related activities, including preparation for and attendance at Committee meetings in 2020;
- 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 Compensation and Organizational Development Committee 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.

Willis Towers Watson's aggregate fees to the Company in each of 2020 and 2019 were as follows:

	Executive Compensation-Related Fees	All Other Fees	Total
2020	$ 132,946	–	$ 132,946
2019	$ 149,750	–	$ 149,750

Compensation Philosophy

Our executive compensation programs and practices are guided by the Company's Executive Compensation Philosophy. This philosophy is reviewed annually by the Compensation and Organizational Development Committee 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 energy services company operating through several complementary Operating Units. Our strategic focus is on sustained operating performance and profitable growth of Shawcor and each of our Operating Units.

The purpose of our executive compensation program is to attract, retain and reward high calibre leaders who realize sustainable and profitable growth and maximize long-term value for our shareholders. 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 energy services, oil and gas, and industrial manufacturing, 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 (50^{th} 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 Shawcor, Operating Unit 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.
- Ensure there is a link between executive earnings and Shawcor's relative performance against its peer group.

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 policies reward appropriate risk taking and discourage inappropriate risk taking.
- Ensure senior executives meaningfully share the risks and rewards of ownership with Shawcor shareholders by: a) basing a portion of their total compensation on Shawcor share price performance, and b) requiring them to hold a minimum level of Shawcor shares or share units within 5 years of their employment in or promotion to a senior role.

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

Although management should be accountable for actual results delivered, the Compensation and Organizational Development Committee 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 Compensation and Organizational Development Committee 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, 82.3% of the aggregate 2020 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 on standard, objective measures of business performance that are derived from the Company's audited financial statements, e.g., revenue, net income, earnings per share or return on invested capital, or market value of the Company's shares. 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 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 Compensation and Organizational Development Committee 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	Each compensation 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 grants vest over 5 years, share units vest over 5- or 7-year terms and awards under the Value Growth Plan "cliff-vest" after 3 years, with the value dependent upon performance within the 3 year 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 Compensation and Organizational Development Committee on a regular basis reviews and considers evolving good compensation governance practices and policies.

These and other practices, supplemented by using a Willis Towers Watson 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 to a select group of organizations (the "Peer Group"). 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 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 in over 25 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 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 2020 Peer Group was comprised of organizations with which the Company competes for business and/or executive talent. The Compensation and Organizational Development Committee 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.

The 2020 Compensation Peer Group (which remained unchanged from the 2019 Peer Group) consisted of:

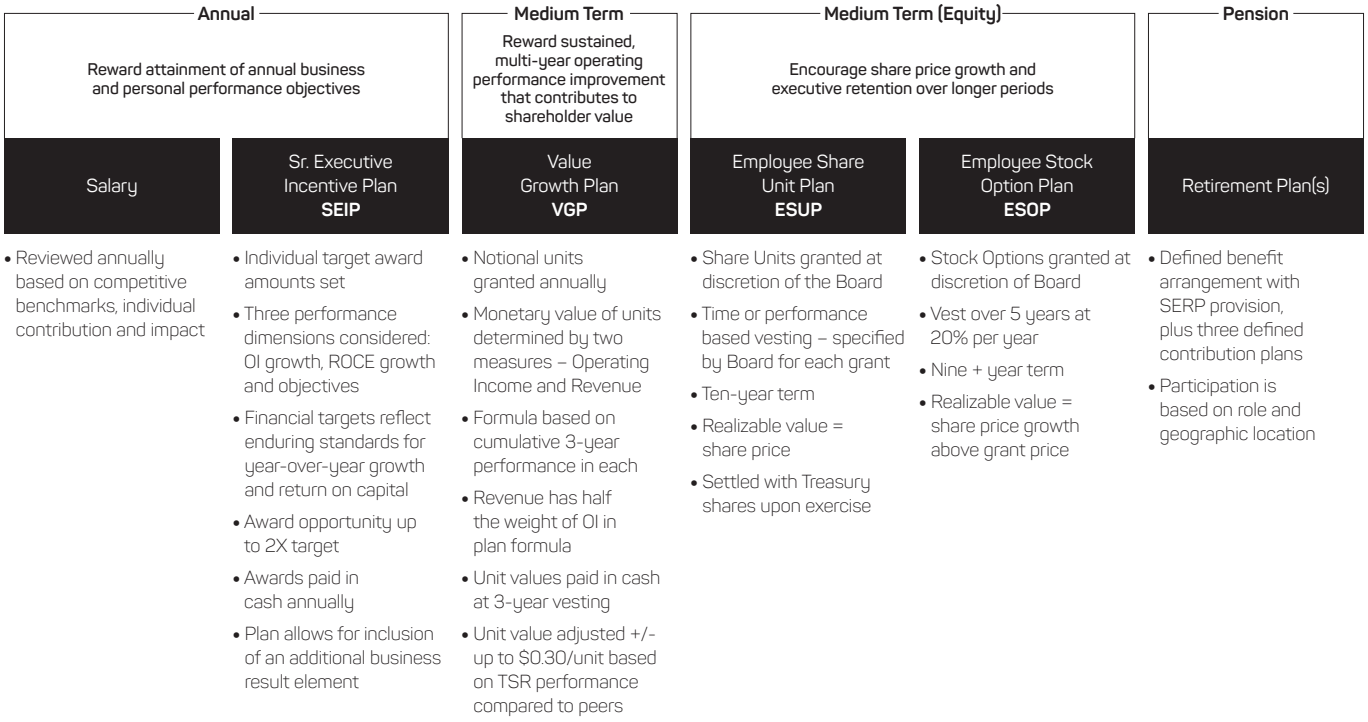
Aegion Corp. (US)
Apergy Corporation (US)
Dril-Quip, Inc. (US)
Enerflex Ltd. (Can.)
Finning International Inc. (Can.)
McDermott International Inc. (US)
Oceaneering International Inc. (US)
Oil States International (US)
Precision Drilling Corp. (Can.)
RPC Inc. (US)
Secure Energy Services Inc. (Can.)
Toromont Industries Ltd. (Can.)
Trican Well Service Ltd. (Can.)

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

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

Elements of Compensation

Shawcor's executive compensation program includes the following elements:



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 award is intended to partially compensate recipients for the lower value option and unit grants in 2020. This award is expected to be a unique, one-time action that will not form a standard element of the Shawcor Executive compensation strategy.

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 2020, 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[2]			Long-term Incentives		
Name	2020 Base Salary[1]	% of Salary	$ Target Value	Target Annual Cash	% of 2019 Base Salary	$ Target Value	Target Total Direct Compensation
Stephen Orr	$ 714,133	120%	$ 856,960	$ 1,571,093	300%	$ 2,472,000	$ 4,043,093
Gaston Tano	$ 461,422	70%	$ 322,995	$ 784,417	180%	$ 901,877	$ 1,686,294
Henri Tausch[3]	$ 506,011	70%	$ 354,207	$ 860,218	150%	$ 775,443	$ 1,635,661
Joseph Tabak	$ 303,000	40%	$ 121,200	$ 424,201	100%	$ 324,643	$ 748,844
Kevin Reizer[3]	$ 432,989	50%	$ 216,495	$ 649,484	120%	$ 514,441	$ 1,163,925

(1) Effective May 1, 2020, the Named Executive Officers took a voluntary reduction in salary. Mr. Orr's salary was reduced by 20% for the remainder of 2020. Messrs. Tano, Tabak, Tausch and Reizer had their salaries reduced by 10% for the remainder of 2020.

(2) Annual cash incentives are based on the actual salary amounts earned and paid in 2020.

(3) Messrs. Tausch and Reizer are compensated in US dollars. The average US dollar conversion rate used by the Company for transactions during 2019 was $1.327 and in 2020 was $1.338.

Retirement Income

The Company provides both defined benefit and defined contribution pension arrangements for executives based on geographic location. Competitive pension arrangements represent a basic condition of executive employment and should not have a major role as a performance incentive. 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. 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 2020

Market Benchmarking Process

In 2020, Willis Towers Watson was asked to conduct an executive compensation review for the Compensation and Organizational Development Committee focused on CEO compensation. The data was provided to the Board Chair and all members of the Compensation and Organizational Development Committee.

The Board Chair conferred with Willis Towers Watson to understand the outcomes of the Company's compensation programs relative to the CEO market data and to form compensation recommendations for the CEO. The Board Chair subsequently met with the Compensation and Organizational Development Committee to review individual CEO accomplishments for 2019 and present 2020 compensation recommendations for review and approval.

The CEO consulted with Willis Towers Watson in forming his compensation recommendations for other NEOs and Designated Employees and reviewed his recommendations with the Board Chair and the Compensation and Organizational Development Committee.

Following its review, the Compensation and Organizational Development Committee presented its 2020 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 2020, Shawcor's business results were significantly impacted by the economic downturn tied to the COVID-19 pandemic. Shawcor's management took decisive steps to respond to the crisis, including facility closures and employee terminations. Included in the response was a decision by the Executive team to take a voluntary reduction in salary that began May 1, 2020 and remained in place for the balance of the year.

The table below summarizes base salary levels as of January 1, 2019 and 2020 for individual NEOs:

NEO	2019	2020[1]	% Increase
Stephen Orr	$ 824,000	$ 714,133	-13.3%
Gaston Tano[2]	$ 426,420	$ 461,422	8.2%
Henri Tausch[3]	$ 516,962	$ 506,011	-2.12%
Joseph Tabak	$ 324,643	$ 303,000	-6.7%
Kevin Reizer[3][4]	$ 428,701	$ 432,989	-1.0%

(1) Effective May 1, 2020, the Named Executive Officers took a voluntary reduction in salary. Mr. Orr's salary was reduced by 20% for the remainder of 2020. Messrs. Tano, Tabak, Tausch and Reizer had their salaries reduced by 10% for the remainder of 2020.

(2) Mr. Tano's salary was increased to $501,043 effective February 1, 2020, which was subsequently voluntarily reduced to an annualized $450,939.

(3) Messrs. Tausch and Reizer's salaries are paid in US dollars. The average US dollar conversion rate used by the Company for transactions during 2019 was $1.327 and for 2020 was $1.338.

(4) As part of Mr. Reizer's repatriation to the United States from The Netherlands, his salary was increased to US$339,213, which was voluntarily reduced to an annualized US$305,292.

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").

In 2020, Messrs. Orr, Tano and Tausch participated in the Corporate SEIP and Messrs. Tabak and Reizer 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

	Return on Invested Capital ("ROIC")[1]		Growth in Earnings per Share ("EPS")[2]		Individual Performance		SEIP Payout
Weight (% of target award)	25%	+	50%	+	25%	=	100%
Payout Range (% of target payout)	0% – 200%		0% – 200%		0% – 200%		0% – 200%

Operating SEIP

	Return on Capital Employed ("ROCE")[3]		Growth in Operating Income ("OI")		Individual Performance		SEIP Payout
Weight (% of target award)	25%	+	50%	+	25%	=	100%
Payout Range (% of target payout)	0% – 200%		0% – 200%		0% – 200%		0% – 200%

(1) Return on Invested Capital ("ROIC"), a non-GAAP measure, is defined as net income adjusted for after-tax interest expense divided by average invested capital over the year. Average invested capital is calculated as the average over the year of bank indebtedness, long-term debt and equity and is used by the Company to assess the efficiency of generating profits from each unit of invested capital, independent of the Company's financing choice. Investors use this measure to evaluate how well the Company is using its invested capital to generate returns and for comparing its long-term return performance to the performance of other companies.

(2) For the purposes of the Corporate SEIP, EPS is calculated based on income from continuing operations and excludes the impact of any asset value impairments or write-ups and any fair value gains or losses relating to the acquisition of an interest in a company.

(3) Return on Capital Employed ("ROCE") is a non-GAAP measure calculated by dividing Income from Operations (before impairment of property, plant, equipment, intangibles and goodwill) by the average capital employed during the year. Capital employed is an appropriate measure of Operating unit performance and consists of the total of accounts receivable, inventories, prepaid expenses, property, plant and equipment, intangible assets and goodwill, minus accounts payable and accrued liabilities, short-term and long-term provisions and deferred revenue. Average capital employed is calculated as the sum of capital employed at the beginning of a year and at the end of each month in the year, divided by thirteen. Non-GAAP measures do not have standardized meanings and are not necessarily comparable to similarly titled measures of other companies.

These plans reward the achievement of corporate and/or operating unit financial objectives and individual performance.

Financial Performance for 2020

SEIP Plan	Measure	Performance Range			Actual Performance	Performance Factor (% of Target)
		Threshold	Target	Maximum		
Corporate	ROIC[1]	7.5%	10%	15%	-4.3%	0%
	EPS[2]	$0.22	$0.25	$0.29	-$1.04	0%
Pipeline Performance	ROCE[3]	–	–	–	Not Disclosed[4]	0%
	OI Growth	0%	15%	30%	No Growth	0%
Composite Systems	ROCE[3]	–	–	–	Not Disclosed[4]	91%
	OI Growth	0%	15%	30%	No Growth	0%

(1) See footnote 1 in the previous chart.

(2) See footnote 2 in the previous chart.

(3) See footnote 3 in the previous chart.

(4) Providing specific information on ROCE targets and actual ROCE achieved at the Operating 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. Operating unit targets for ROCE are aligned with the Corporate objective of achieving 15% ROIC over the full business cycle. They are considered to be stretch targets and the achievement of Operating Unit performance targets reflects a comparable degree of difficulty to achieving the Corporate ROIC performance target.

The Corporate SEIP and Operating SEIP provide 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 Compensation and Organizational Development Committee.

Individual Performance for 2020

In addition to financial objectives, executives are rewarded based on individual performance. This element has a 25% 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 such as health, safety and environmental ("HSE") performance, operational efficiency, cost reduction and leadership attributes. Objectives are set annually based on the challenges the corporate or operating unit business and strategic plans present for each executive 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 discretionary amounts within the Corporate SEIP and the Operating SEIP through judgment exercised by the immediate supervisor of the individual executive, the Compensation and Organizational Development Committee and the Board.

In 2020, Shawcor's financial results were significantly impacted by both the economic downturn tied to the COVID-19 pandemic and the continued market instability in the Energy Services Sector. By mid-2020, business conditions had deteriorated significantly enough that the financial performance components of the incentive program were assessed as not achievable. While modification of the financial performance targets was considered, it was concluded that any adjustment at that time was not advisable. In determining the final Individual Performance awards, several factors were considered, including:

- Shawcor's strong HSE performance in 2020 that included all-time lows in recordable and high-risk events
- Decisive actions taken in response to both the safety and business continuity challenges of the pandemic including significant operations retrofitting and process changes, and the move to remote work of over 95% of the office-based workforce
- Significant restructuring actions taken to address ongoing costs that included facility closures and sales and the downsizing of the salaried employee base by approximately 22%
- The renegotiation of the Shawcor banking facility
- Asset and business sales that generated value and cash including the sale of the Pipeline Performance Products business that contributed to a year-over-year increase in the cash balance of $116M

The final individual performance awards for four of the Named Executive Officers including the President and CEO were set above the target value, while remaining within the allowable range defined in the plan. In total, including the Financial Performance components of the SEIP, the average total incentive payout level was only 42.2% of target for the Named Executive Officers.

Actual SEIP Awards for 2020

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 2020, and performance against those targets.

	Target Incentive				2020 Performance	Actual Award[1]	
	% of 2020	Cash[1] Target[2]		Weight (% of	Factor		
NEO	Earned Salary	($)	Measure	Target Award)	(% of Target)	% of Earned Salary	$[2]
Stephen Orr	120%	$ 856,960	ROIC	25%	0%	60%	$ 428,480
			EPS Growth	50%	0%		
			Individual	25%	200%		
Gaston Tano	70%	$ 322,995	ROIC	25%	0%	35%	$ 161,498
			EPS Growth	50%	0%		
			Individual	25%	200%		
Henri Tausch	70%	$ 354,207	ROCE	25%	0%	18%	$ 88,552[3]
			OI Growth	50%	0%		
			Individual	25%	100%		
Joseph Tabak	40%	$ 121,200	ROCE	25%	0%	17%	$ 51,510
			OI Growth	50%	0%		
			Individual	25%	170%		
Kevin Reizer	50%	$ 216,495	ROCE	25%	0%	22%	$ 94,716
			OI Growth	50%	0%		
			Individual	25%	175%		

(1) Cash incentives are based on the actual salary amounts earned and paid in 2020.

(2) All values expressed in Canadian dollars using an average 2020 exchange rate of US$1 = C$1.338.

(3) Mr. Tausch left the employment of the Company effective December 31, 2020. As part of the arrangements made with Mr. Tausch upon his departure from the Company, his short-term incentive award was agreed at this amount.

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. If the Company or any division fails to make a profit, the Board reserves the right to withhold or defer any incentive payment.

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 significant 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* and *Amendment of 2001-Employee Stock Option Plan* 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.

Employee Share Units generally 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* and *Amendment of Employee Share Unit Plan* for more information concerning the ESUP.

Value Growth Plan

The Value Growth Plan ("VGP") is intended to motivate and reward senior executives for sustained growth and profitability within operating divisions and for the Company overall. It is the primary long-term incentive plan for most executives and key employees and is based on the achievement of fundamental financial measures. These measures reinforce focus on profitable growth and are key drivers of the Company's share price performance and return to shareholders.

The Plan rewards participants for revenue and operating income performance over a three-year performance cycle, referred to as the Performance Period, compared to the performance achieved in the three fiscal years immediately prior to the Performance Period, referred to as the Baseline Period. This structure provides a clear basis for evaluating performance that is consistent through the cycle and does not require the setting of budgets, which can be difficult over a multi-year period.

Beginning with the 2017 grants, a three-year relative total shareholder return modifier was added, which can increase or decrease unit value at vesting by up to $0.30 per unit. This addition was made to align VGP payout values with relative shareholder performance over the long term.

Units are granted annually and 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. See *Incentive Plan Awards – Long-Term Incentive Plans* for additional information concerning the VGP.

Vested 2018 Value Growth Plan Units

Shawcor VGP units granted in 2018 vested on December 31, 2020. The 2018–2020 performance period saw a decline in operating income and revenue in comparison with the baseline performance period. As a result, the 2018 Shawcor VGP grant had a value of $0.00 per unit.

Measure	Baseline Period (2015 to 2017)[1]	Performance Period (2018 to 2020)[1]	3-Year Growth	Factor	TSR Performance Modifier
Cumulative Operating Income	106.6	-264.7	-348%	0.00	($0.15)
Cumulative Revenue	4,586.6	4,076.8	-11%	0.00	

(1) Amounts are shown in millions.

Using the same formula for the Pipeline Performance VGP units granted in 2018, revenue and operating income performance over the past three years was also below the baseline period, resulting in a value for the 2018 Pipeline Performance VGP grant of US$0.00 per unit.

Using the same formula for the Composite Systems VGP units granted in 2018, revenue and operating income performance over the past three years was significantly above the baseline period, resulting in a value for the 2018 Composite Systems VGP grant of C$3.35 per unit. 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.

Target Grant Values for 2020

In 2020, 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 2019 and 2020:

	Target Long-Term Incentive (% of Salary)	
NEO	2019	2020
Stephen Orr	300%	300%
Gaston Tano	180%	180%
Henri Tausch	150%	150%
Joseph Tabak	100%	100%
Kevin Reizer	120%	120%

The following table summarizes the mix of long-term incentives granted to each NEO for 2020 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. Value Growth Plan units have no monetary value at grant, with a final value to be determined at vesting of between $0 and $3.50 per unit.

	Mix of 2020 Long-Term Incentives					
		Stock Options		Employee Share Units		Value Growth Units[1]
NEO	Weight	(#)	Weight	(#)	Weight	(#)
Stephen Orr	21%	163,142	9%	20,202	71%	1,236,000
Gaston Tano	30%	81,425	11%	8,845	59%	360,800
Henri Tausch	29%	100,669	8%	6,275	63%	383,900
Joseph Tabak	15%	17,140	7%	2,123	78%	194,800
Kevin Reizer	26%	43,615	8%	4,163	61%	224,400

(1) For the above table, Value Growth Plan units reflect a notional value of $1.00 for Messrs. Orr, Tano and Tabak and US$1.00 for Messrs. Tausch and Reizer.

2020 Stock Option and Share Unit Grants

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 are 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
Stephen Orr	$ 1,415,382
Gaston Tano	$ 619,661
Henri Tausch	$ 439,592
Joseph Tabak	$ 291,632
Kevin Reizer	$ 148,704

At grant date, this incentive had no cash value and does not appear in the Summary Compensation Table. Should there be an incentive earned and paid, it will be reflected in the table at that time.

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 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, 2020, 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
Stephen Orr[3]	$	714,133	4 x Salary	2,856,533	6,575,758	230%
Gaston Tano[3]	$	461,422	2 x Salary	922,843	1,544,423	167%
Joseph Tabak[3]	$	303,000	1 x Salary	303,000	797,908	263%
Henri Tausch[2][3]	$	506,011	1 x Salary	506,011	1,584,564	313%
Kevin Reizer[2][3]	$	432,989	1 x Salary	432,989	876,194	202%

(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 $3.52.

(2) Messrs. Tausch and Reizer are paid in US$. The amounts shown have been converted from US$ at the 2020 average exchange rate of $1.338.

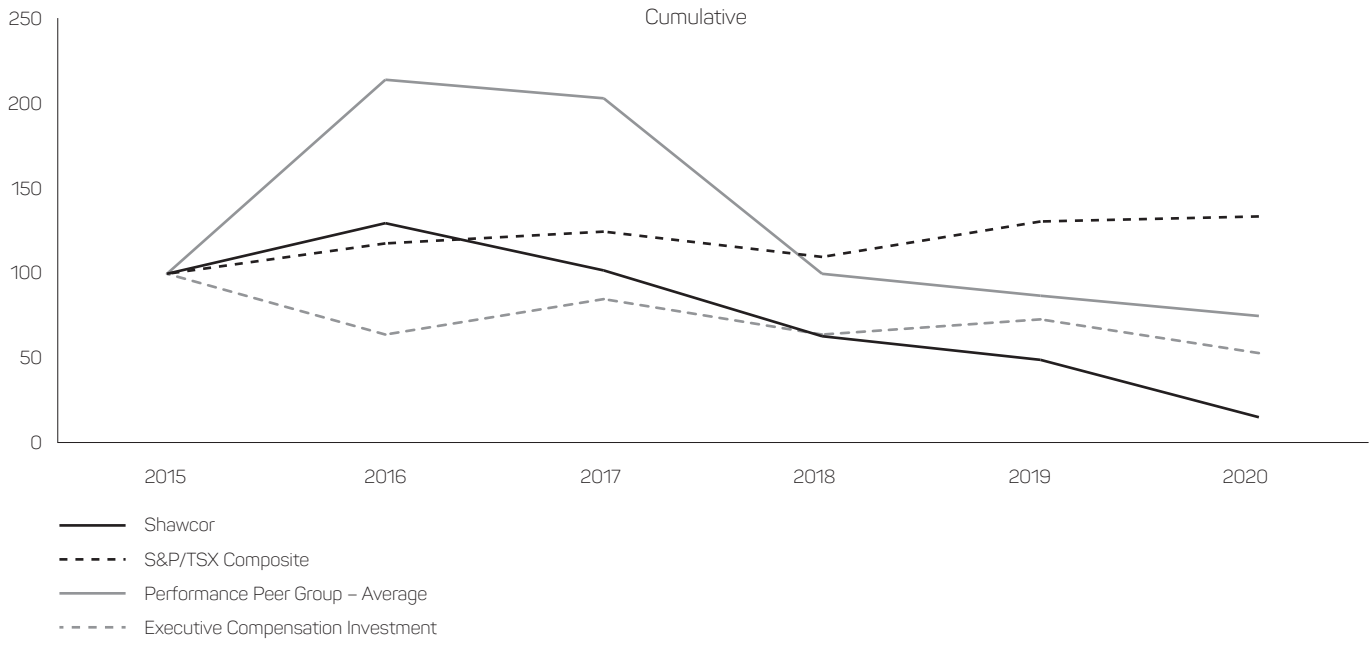
(3) Messrs. Orr, Tano, Tausch, Reizer and Tabak each bought Shawcor shares on the open market in 2020.

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, 2015 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 2015 year representing a value of 100.



Component	2015	2016	2017	2018	2019	2020
Shawcor	100	130	102	63	49	15
S&P/TSX Composite – Total Return Index	100	118	125	110	131	134
Performance Peer Group – Average[1]	100	215	204	100	87	75
Executive Compensation Investment[2]	100	64	85	64	73	53

(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 2015 to 2020 have been restated from those shown in the previous year to properly reflect the total shareholder return of the current 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. This 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 were granted and by applying the actual value of Value Growth Plan Units paid.

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 growth in key financial measures and Shawcor's share price over various performance cycles.

The table below compares Mr. Orr's awarded compensation (pay opportunity) in each of the last five years, to the actual value of that compensation as at December 31, 2020. 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 units that remain outstanding), and
- Value of "in-the-money" outstanding stock options 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 Mr. Orr's awarded compensation over the cumulative periods (down 66% on average) is in alignment with the return to shareholders (down 81% on average). On average Mr. Orr has realized 28% of compensation awarded over the 5-year period.

Year	CEO Awarded Compensation (000s)[1]	CEO Actual Compensation as of December 31, 2020 (000s)[2]	Period	Value of $100 Investment CEO[3]	Value of $100 Investment Shareholder[4]
2016	$ 3,416	$ 1,192	12/31/2015 to 12/31/2020	$ 35	$ 15
2017	$ 4,688	$ 2,133	12/31/2016 to 12/31/2020	$ 45	$ 12
2018	$ 3,511	$ 1,100	12/31/2017 to 12/31/2020	$ 31	$ 15
2019	$ 3,543	$ 1,172	12/31/2018 to 12/31/2020	$ 33	$ 24
2020	$ 4,738	$ 1,213	12/31/2019 to 12/31/2020	$ 26	$ 30
			Average	**$ 28**	**$ 16**

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

(2) Includes the sum of base salary, actual SEIP, actual value of VGP payouts, current value of outstanding VGP units assuming $1 per unit, in-the-money value of outstanding stock options (as of December 31, 2020) and market value of outstanding ESUs (as of December 31, 2020).

(3) 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.

(4) 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.

2020 Summary Compensation Table

The following **Summary Compensation Table** reflects total compensation paid to NEOs for 2020, and provides comparative compensation particulars for prior years.

Name & Principal Position	Year	Salary ($)	Share-Based Awards ($)[1]	Option-Based Awards ($)[2]	Non-equity Incentive Plan Compensation ($)		Pension Value ($)	All Other Compensation ($)	Total Compensation ($)
					Annual Incentives[3]	Long-Term Incentives[4]			
Stephen Orr	2020	714,133	154,141	362,175	428,480	0	206,700	22,999	1,888,628
President and CEO	2019	824,000	618,008	552,875	247,200	716,040	189,800	24,560	3,172,482
	2018	824,000	200,015	1,039,350	247,200	0	248,600	25,184	2,584,349
Gaston Tano[6]	2020	461,422	67,487	183,287	161,498	0	241,500	18,096	1,133,290
SVP, Finance & CFO	2019	419,210	222,513	199,367	73,362	306,061	115,500	20,991	1,357,004
	2018	409,000	360,022	0	71,575	0	133,300	21,560	995,457
Henri Tausch[5]	2020	506,011	47,878	176,266	88,552	0	65,174	447,757[6,7]	1,331,638
SVP and Chief Operating Officer	2019	509,433	191,121	171,216	89,151	0	70,029	60,591	1,091,540
Development and Solutions	2018	486,960	0	384,012	85,218	0	97,206	50,188	1,103,584
Joseph Tabak	2020	303,000	16,198	38,051	51,510	621,090	21,019	11,700	1,062,569
Group President,	2019	320,684	63,411	56,764	61,571	603,000	29,030	11,750	1,146,211
Composite Systems	2018	314,794	46,426	67,158	164,724	446,400	22,446	11,901	1,073,849
Kevin Reizer[5]	2020	432,989	31,764	98,779	94,716	0	87,923	641,789[8]	1,387,960
Group President,	2019	422,457	126,801	113,529	52,807	0	80,639	849,287	1,645,520
Pipeline Performance	2018	404,498	60,024	159,086	50,562	0	109,461	833,731	1,617,362

(1) Amounts shown are the grant date values for share unit awards granted under the Employee Share Unit Plan, being equal to the number of share 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 2018, 2019 and 2020:

Inputs	2018	2019	2020
Valuation Methodology	Black-Scholes	Black-Scholes	Black-Scholes
Share Price Volatility	27.0%	32.7%	32.2%
Dividend Yield	2.409%	2.857%	1.781%
Risk-free Interest Rate	2.04%	1.872%	1.09%
Expected Life	6.25 years	6.25 years	6.25 years
Value per Option ($ Value)	$ 5.33	$ 5.16	$ 2.22

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

(4) In 2018, 2019 and 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 value of units granted to the NEOs in 2016, 2017 and 2018 and vesting on December 31, 2018, December 31, 2019 and December 31, 2020, respectively, are as shown. Unit values can range from $0 to $3.50 ($4.00 for pre-2017 grants). For further information, see *Incentive Plan Awards – Long-Term Incentive Plans – Value Growth Plan*. Each NEO, received a VGP grant in 2020 as follows: Mr. Orr, 1,236,000 2020 Shawcor VGP units; Mr. Tano, 360,800 2020 Shawcor VGP units; Mr. Tausch 383,900 2020 Shawcor VGP units, Mr. Tabak, 97,400 2020 Composite Systems units and 97,400 2020 Shawcor units and Mr. Reizer 97,100 2020 Pipeline Performance VGP units and 127,400 2020 Shawcor units. These units vest on December 31, 2022.

(5) The amounts shown above for salary, annual incentive, pension and all other compensation for Messrs. Tausch and Reizer are converted from US dollars. The average US dollar conversion rate used by the Company for transactions during 2018 was $1.296 , during 2019 was $1.327 and during 2020 was $1.338.

(6) Includes $39,739 of tuition cost payments for Mr. Tausch's children and $19,267 for automobile allowance.

(7) Includes $388,751 as part of the arrangements made with Mr. Tausch upon his departure from the Company on December 31, 2020.

(8) Mr. Reizer was transferred from Singapore to the Netherlands in 2015 and relocated to USA in 2020. Of the amount shown, $138,677 represents compensation relating to his foreign assignment to offset the higher cost of living in the foreign location, including a housing allowance and $215,769 in tax equalization payments and $185,967 for costs associated with moving and relocation.

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, 2020.

	Option-Based Awards				Share-Based Awards		
Name	Number of Securities Underlying Unexercised Options (#)	Option Exercise Price ($/Share)	Option Expiration Date	Value of Unexercised In-the-Money Options as at December 31, 2020 ($)[1]	Number of Unvested Share-Based Awards (#)	Market or Payout Value of Share-Based Awards That Have Not Vested ($)[2]	Market or Payout Value of Vested Share-Based Awards Not Paid Out or Distributed ($)[2]
Stephen Orr[3]	30,000	26.51	Dec 31, 2025	0	59,117	208,092	249,336
	118,700	37.40	Dec 31, 2026	0			
	195,000	25.22	Dec 31, 2027	0			
	119,800	21.05	Dec 31, 2028	0			
	163,142	8.42	Dec 31, 2029	0			
Gaston Tano	43,200	21.05	Dec 31, 2028	0	32,508	114,428	32,535
	71,425	8.42	Dec 31, 2029	0			
	35,000	3.52	Dec 31, 2029	0			
Henri Tausch[4]	58,500	25.22	Dec 31, 2027	0	19,756	69,541	479
	21,300	23.46	Dec 31, 2027	0			
	37,100	21.05	Dec 31, 2028	0			
	50,669	8.42	Dec 31, 2029	0			
	50,000	2.76	Dec 31, 2029	0			
Joseph Tabak	9,200	26.51	Dec 31, 2025	0	6,499	22,876	3,136
	7,700	37.40	Dec 31, 2026	0			
	12,600	25.22	Dec 31, 2027	0			
	12,600	21.05	Dec 31, 2028	0			
	17,140	8.42	Dec 31, 2029	0			
Kevin Reizer	10,200	37.40	Dec 31, 2026	0	12,223	43,025	58,432
	16,300	25.22	Dec 31, 2027	0			
	21,300	23.46	Dec 31, 2027	0			
	24,600	21.05	Dec 31, 2028	0			
	33,615	8.42	Dec 31, 2029	0			
	10,000	3.52	Dec 31, 2029	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, 2020, which was $3.52, 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, 2020 by the number of units.

(3) In September of 2020, Mr. Orr agreed to a transaction wherein Shawcor would buy back 100,000 vested, but not exercised options issued to Mr. Orr on September 17, 2013, with a price of $42.28. The agreed-to price was $0.01/option. These options were returned to the option inventory for future use.

(4) Mr. Tausch left the employment of the Company effective December 31, 2020. As part of the arrangements made with Mr. Tausch upon his departure from the Company, outstanding options, share based and VGP awards continue to vest until June 30, 2021, and, if not exercised, will be forfeited 90 days thereafter.

Value Vested or Earned in 2020

Options granted under the Shawcor Employee Stock Option Plan ("ESOP") vest over five years at a rate of 20% per year. Certain Unit Awards granted under the Employee Share Unit Plan ("ESUP") vest over five years at a rate of 20% per year; others vest at a rate of 25% per year on the fourth through seventh anniversaries of the grant date. The following table tabulates the value of options and share-based awards vested during 2020 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]
Stephen Orr	Mar 8, 2020	23,960	21.05	6.30	0	57,904	428,480
	Mar 3, 2020	39,000	25.22	7.81	0		
	Mar 4, 2020	23,740	37.40	7.45	0		
	Mar 4, 2020	6,000	26.51	7.45	0		
Gaston Tano	Mar 8, 2020	8,640	21.05	6.30	0	25,734	161,498
Henri Tausch	Mar 3, 2020	11,700	25.22	7.81	0	25,524	88,552
	Nov 8, 2020	4,260	23.46	2.19	0		
	Mar 8, 2020	7,420	21.05	6.30	0		
Joseph Tabak	Mar 8, 2020	2,460	21.05	6.30	0	7,614	672,600
	Mar 3, 2020	2,520	25.22	7.81	0		
	Mar 4, 2020	1,540	37.40	7.45	0		
	Mar 4, 2020	2,300	26.51	7.45	0		
Kevin Reizer	Mar 8, 2020	4,920	21.05	6.30	0	13,780	94,716
	Nov 8, 2020	4,260	23.46	2.19	0		
	Mar 3, 2020	3,260	25.22	7.81	0		
	Mar 4, 2020	2,040	37.40	7.45	0		

(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 2018 which vested in 2020.

Long-Term Incentive Plans

Value Growth Plan

The Value Growth Plan ("VGP") was originally approved by the Board in 2010 and was amended in 2017. It is a 'performance unit', cash-based plan that recognizes and rewards senior employees for profitable growth over multi-year periods, as measured by Revenue and Operating Income. Unlike equity-based plans, payments under the VGP are non-dilutive to shareholders and tax deductible and provide a more direct means of rewarding senior employees at the operating unit level.

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

Performance Measures	• Revenue and operating income for Shawcor and Operating Units • Shawcor average TSR performance vs. peers, as a modifier of revenue and operating income performance
Performance Cycle	• Three years • Growth of revenue and operating income during the three-year Performance Period, compared to a three-year Baseline Period • Average TSR vs. performance peer group calculated over four periods, with the sum of individual years (year 1, year 2, year 3) representing 50% weight and the full three-year period representing the remaining 50% weight
Range of Unit Values	• Nil payout for unit values below $0.50. Potential payout range of $0 to $3.50 per unit • Relative TSR performance vs. peers will increase or reduce the final calculated unit value by up to $0.30 (within the defined range of $0 to $3.50 per unit)

Performance Peer Group

To calculate the relative TSR performance modifier in the VGP group, Shawcor's TSR in the performance period is compared to a select group of organizations in the Canadian and US energy services industry (the "Performance Peer Group"). 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 VGP awards which vested December 31, 2020, the following companies were used as the Performance Peer Group:

Aegion Corp. (US)
Dril-Quip, Inc. (US)
Enerflex Ltd. (Can.)
McDermott International Inc. (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.)
Technic FMC PLC (France)
Toromont Industries Ltd. (Can.)
Trican Well Service Ltd. (Can.)

Value Growth Plan Units Vesting in 2020

There are two steps in reviewing performance and calculating the value of a VGP unit at vesting, including a review of Revenue and Operating Income performance and assessing Shawcor's three-year total shareholder return, relative to the Company's Performance Peer Group.

Step 1 – Revenue and Operating Income Performance

The VGP measures cumulative Revenue and Operating Income for three consecutive fiscal years, referred to as the Performance Period. It then compares the results for the Performance Period to the cumulative results for the three fiscal years immediately prior to the Performance Period, referred to as the Baseline Period.

For the purposes of calculating the value of vested units under the VGP, growth in Operating Income has two times the weight of growth in Revenue. Unit values can range from $0 up to a cap of $3.50 for exceptional performance during the Performance Period. Units do not have a value at the time of grant but are given a notional value of $1.00 for target compensation purposes.

$$\frac{\text{Performance Period Operating Income}}{\text{Baseline Period Operating Income}} \times \left[1.0 + \left(\frac{(\text{Performance Period Revenue} - \text{Baseline Period Revenue})}{\text{Baseline Period Revenue}} \div 2\right)\right]$$

The table below provides a reference to the VGP vested unit values which would be calculated by various combinations of cumulative growth in Revenue and Operating Income. For illustration purposes, the unit value of $1.88 is highlighted as this is a value which would be obtained through 50% growth in cumulative Revenue and Operating Income, which closely matches the Company objective of growing earnings per share by 15% per year over the full business cycle. The final unit value would be modified based on relative TSR performance as described in Step 2 below, but the eligible payout range remains as illustrated.

Illustration of VGP Unit Values – 2020 Grant

	140%	1.80	2.16	2.40	2.64	3.00	3.36	3.50	3.50
	110%	1.58	1.89	2.10	2.31	2.63	2.94	3.26	3.50
	80%	1.35	1.62	1.80	1.98	2.25	2.52	2.79	3.06
Cumulative	**50%**	1.13	1.35	1.50	1.65	**1.88**	2.10	2.33	2.55
Operating Income	**20%**	0.90	1.08	1.20	1.32	1.50	1.68	1.86	2.04
Growth Factor	**0%**	0.75	0.90	**1.00**	1.10	1.25	1.40	1.55	1.70
	-20%	0.60	0.72	0.80	0.88	1.00	1.12	1.24	1.36
	-50%	0.00	0.00	0.50	0.55	0.63	0.70	0.78	0.85
		-50%	**-20%**	**0%**	**20%**	**50%**	**80%**	**110%**	**140%**

Cumulative 3-Year Revenue Growth

Step 2 – Relative Total Shareholder Return as a Performance Modifier

Shawcor's three-year total shareholder return ("TSR"), relative to the Company's Performance Peer Group will increase or decrease unit value at vesting by up to $0.30 per unit. To determine the relative TSR modifier, Shawcor's TSR is calculated for the three-year Performance Period, and individually for each fiscal year comprising the Performance Period. Shawcor's average TSR for these distinct periods is then ranked against the average TSR of the Performance Peer Group companies for these same periods.

The average TSR percentile rank over the four periods measured is calculated, with the sum of the individual years representing 50% of the weighting, and the full three-year period representing the remaining 50%. The average TSR percentile for the Performance Period is assigned a quartile rank as set out below. For each quartile rank, there is a defined monetary value to be applied against the calculated unit value, which will serve to enhance or diminish the final vested unit value.

Shawcor's Average TSR Percentile Rank	Shawcor's Quartile Rank	TSR Modifier
75 – 100	1st	+ $0.30 / Unit
50 – 74	2nd	+ $0.15 / Unit
25 – 49	3rd	– $0.15 / Unit
0 – 24	4th	– $0.30 / Unit

The final vested unit values calculated after the TSR modifier is applied cannot exceed $3.50. Similarly, awards are payable only if the calculated vested unit values are equal to or greater than $0.50 per unit. Calculated values below this threshold are deemed to be nil.

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 11, 2016. As at December 31, 2020, options to acquire 1,842,132 common shares were outstanding and 484,831 shares remained reserved and available for issuance under the ESOP, representing 2.62% and 0.69%, 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, 2020 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, 2020	Number of Shares Reserved and Available for Future Option Grants
605,327[1]	199,975	$ 0.00	0	$ 0.00[2]	1,842,132[3]	484,831[4]

(1) Includes tandem SARs. Options/tandem SARs granted under the Employee Plan in 2020 represented 0.86% of the common shares outstanding as of December 31, 2020.

(2) The aggregate gain on options/tandem SARS exercised by NEOs in 2020 was $0.

(3) Representing 2.62% of the common shares outstanding as of December 31, 2020.

(4) Representing 0.69% of the common shares outstanding as of December 31, 2020.

The "burn rate" under the ESOP was 0.54% for 2018, 0.45% for 2019 and 0.86% for 2020. 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.

Employee Share Unit Plan

The Employee Share Unit Plan (the "ESUP") is a fixed-number plan which was approved by the shareholders of the Company at the annual and special meeting of shareholders held on May 7, 2010. It 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, 2020, there were 475,017 share units outstanding and an additional 134,438 shares reserved and available for issuance under the ESUP, representing 0.67% and 0.19%, respectively, of the Company's outstanding shares on that date.

During the financial year ended December 31, 2020, 110,331 share units were granted under the ESUP, which represented 0.16% of the common shares outstanding as at December 31, 2020.

The "burn rate" under the ESUP was 0.10% for 2018, 0.15% for 2019 and 0.16% for 2020. 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.

Equity Compensation Plan Information

The following provides information as at December 31, 2020 with respect to common shares authorized for issuance under the ESOP and the ESUP. As at December 31, 2020, 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	2,317,149	$ 21.58	619,269
Equity compensation plans not approved by security holders	Nil	Nil	Nil
Total	2,317,149[1]		619,269[2]

(1) This number includes 1,842,132 common shares under the ESOP and 475,017 common shares under the ESUP and represents 3.29% of the total common shares outstanding as of December 31, 2020.

(2) This number includes 484,831 common shares under the ESOP and 134,438 common shares under the ESUP and represents 0.88% of the total common shares outstanding as of December 31, 2020

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, each of Mr. Orr and Mr. Tano are eligible to receive an annual pension equal to up to 2% of his 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 age 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 5 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, 2020.

NEO	Years of Credited Service as at Dec. 31, 2020	Annual Benefits Payable ($)[1]		Opening Present Value of Defined Benefit Obligation as at Jan. 1, 2020 ($)	Compensatory Change ($)	Non-Compensatory Change ($)	Closing Present Value of Defined Benefit Obligation as at Dec. 31, 2020[3] ($)
		As at Dec. 31, 2020[1]	At Age 65[2]				
Stephen Orr	7.33	120,900	252,700	1,707,700	206,700	193,800	2,108,200
Gaston Tano	4.25	37,500	153,600	462,800	241,500	87,400	791,700
Joseph Tabak	6.92	21,400	21,400	308,800	(500)	67,700	376,000

(1) Based on credited service and best average earnings at December 31, 2020. Pension payable at age 65.

(2) Based on credited service projected to age 65 and best average earnings at December 31, 2020.

(3) 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, 2020 financial statements, which are filed on SEDAR.

Mr. Tabak participates in the Defined Contribution Plan for Salaried Employees. His membership in the "Shawcor Salaried" Defined Benefit Plan was suspended as of December 31, 2008. 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 of 2% 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. Tabak's pension arrangement and the accumulated value.

NEO	Accumulated Value as at January 1, 2020 ($)	Compensatory Change ($)	Accumulated Value as at December 31, 2020 ($)
Joseph Tabak	305,721	21,019	413,014

International Named Executive Officers

Certain US executives, including Mr. Tausch and Mr. Reizer, are members of a 401(k) plan established for designated employees. Company contributions to the 401(k) plan are 6% of base salary and bonus, subject to the maximum company contribution limits related to 'Highly Compensated Executives' and maximum personal contribution amounts. Mr. Tausch and Mr. Reizer also participate in a secular trust to which the Company contributes 8% of annual

cash compensation. Investment choices are made by the Executives from among 11 funds available in the 401(k) plan and any eligible Merrill Lynch investment product for the secular trust. In 2020, prior to his repatriation to the United States, Mr. Reizer participated in Shawcor's International Savings Plan. 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. Mr. Reizer has funds in Shawcor's International Savings Plan, but is no longer an active member.

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

NEO	Accumulated Value as at January 1, 2020 ($)	Compensatory Change ($)	Accumulated Value as at December 31, 2020 ($)
Henri Tausch	597,627	65,174	783,394
Kevin Reizer	2,134,978	87,923	464,781[1]

(1) Accumulated value reduction due to in-year voluntary withdrawal from plan, which is permitted under the terms of the plan.

Termination & Change of Control Benefits

Mr. Orr's employment agreement provides for the payment of base salary, Senior Executive Incentive Plan awards calculated using the prior three-year payout period, automobile allowance, eligible health and medical benefits, continuation service credit towards pension and continued vesting of ESOP, ESUP and VGP 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. Orr signing a non-solicitation/non-competition agreement for a 24-month period following his termination.

If Mr. Orr's employment had been terminated without cause effective December 31, 2020, he would have been entitled to approximately $2.3 million in incremental payments and benefits under his employment agreement. This amount does not include the estimated value of the continued vesting of ESOP and ESUP awards as the full value of these awards at the time of grant was reported in the Summary Compensation Table for 2020 or prior years.

Mr. Tano's employment agreement provides for the payment of base salary, Senior Executive Incentive Plan awards calculated using the prior three-year payout average, automobile allowance, eligible health and medical benefits, continuation service credit towards pension and continued vesting of ESOP, ESUP and VGP 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. Tano signing a non-solicitation/non-competition agreement for a 24-month period following his termination. The employment agreement termination compensation provisions are restricted to a change of control, otherwise any payments on termination of employment are governed by common law and the terms of the ESOP, ESUP and VGP.

If Mr. Tano's employment had been terminated on December 31, 2020 without cause, or if he resigned for "good reason", following a "change of control", he would have been entitled to approximately $1.4 million in incremental payments and benefits under his employment agreement. This amount does not include the estimated value of continue vesting of ESOP and ESUP awards, as the full value of these awards at the time of grant was reported in the Summary Compensation Table for 2020 or prior years.

Mr. Taush left his employment with Shawcor as of the close of business on December 31, 2020. As part of the arrangements made with Mr. Tausch upon his departure, it was agreed by the Company to continue base salary, automobile allowance, eligible health and medical benefits and ongoing contributions to the Shawcor 401(k) and secular trust until June 30, 2021. The Company further agreed to the continued vesting of his previously granted long-term incentives until June 30, 2021. These arrangements were contingent on Mr. Tausch agreeing to a non-competition, non-solicitation covenant in favour of the Company which expires on June 30, 2021. The estimated value to Mr. Tausch of the continued vesting of his previously granted long-term incentives is approximately $26,580, based on the $3.52 closing market price of Shawcor's common shares on the TSX on December 31, 2020.

Messrs. Tabak and Reizer 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 VGP.

Messrs. Orr, Tano, Tausch, Tabak and Reizer 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 and VGP units would have had a value to Messrs. Tausch, Tabak and Reizer of approximately $107,541, $76,608 and $43,025, respectively, had their employment been terminated without cause effective December 31, 2020 following a change of control (based on the TSX closing price for the common shares on December 31, 2020).

SECTION 6 OTHER INFORMATION

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). The aggregate amount of insurance is $55,000,000 in any one policy period. The policy provides for no deductible for any loss in connection with claims against a director or officer which are not reimbursed by the Company and a deductible of $100,000 for claims for which the Company affords indemnification to the director or officer. The annual premium for the period from July 1, 2020 to June 30, 2021 was $315,600.

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.

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, 2020. 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, 2020 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, 2020 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 29th day of March, 2021.



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: December 10, 2014

A. DUTIES AND RESPONSIBILITIES OF THE BOARD OF DIRECTORS

1. Management and Supervision

The Board of Directors of Shawcor is responsible for the stewardship of the Company. This role is primarily carried out by means of the Board's supervision of the management of Shawcor's business and affairs by Shawcor's senior officers. The functions, duties and powers of directors are set out in the *Canada Business Corporations Act* ("CBCA"), the Company's Articles and By-Laws and within the developing principles of common law. Directors cannot and do not manage the affairs of the Company in the literal sense, as such duties are delegated to the Company's officers. The function of directors relates more to the supervision of the management rather than to the actual management of the Company. Generally, the directors' role is to provide supervision of the management of the Company, to approve policies of the Company and to be knowledgeable about and approve of the major decisions taken by the Company. The Board's role includes advocating and supporting the best interests of the Company.

The Board seeks to perform its role by reviewing, discussing and approving the Company's strategic planning and organizational structure and supervising management to oversee that the strategic planning and organizational structure enhances and preserves the business of the Company and its underlying value. In broad terms, the stewardship of the Company involves the Board in strategic planning, risk management and mitigation, senior management appointments, succession planning, communication policy, safety and environmental issues, corporate governance and internal control integrity.

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 to such senior officers. The Board's primary roles are overseeing corporate performance and providing quality, depth and continuity of management to meet the Company's strategic objectives.

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 or her powers and discharging his or her duties shall:

(i) act honestly and in good faith with a view to the best interests of the corporation; 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 should 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 should 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 should disclose to the Board the member's interest and should not participate in consideration of the matter and should not vote on the matter. The Corporate Secretary should 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 or her 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 twenty directors. A majority of directors shall be "independent" as such term is defined in the Company's Corporate Governance Guidelines.

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 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 Chief Executive Officer.

4. Compensation of Directors – Members of the Board shall receive such remuneration for acting as directors as the Board may from time to time determine. The Governance and Sustainability Committee should periodically review all aspects of such remuneration and make recommendations to the Board respecting the same. The Chief Executive Officer 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 should include a session without senior management present and a session of the independent directors only without senior management present.

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 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 ongoing 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; and

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

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 should:

(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. The committees shall each adopt a formal written charter approved by the Board;

(b) appoint for each committee a Chair from among its 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.

D. FULFILMENT OF ROLE

1. Strategic Planning and Risk Management – The Board should 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 should 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 annual business plan forecasts and prior year results.

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

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

2. Independence and Lead Director – To facilitate the functioning of the Board independently of management of the Company and the non-independent directors, the Board may appoint one of its independent directors to act as Lead Director. The Lead Director, if appointed, should consult and meet with any or all of the independent directors, at the discretion of either party and with or without the attendance of the Chair, and should represent such directors in discussions with the Chair on corporate governance issues and other matters. The Lead Director should also promote best practices and high standards of corporate governance and assist in the process of conducting director evaluations.

3. Communication – The Board believes that accurate, timely and regular communication with its shareholders 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 reports to shareholders, including financial statements and the associated Management's Discussion and Analysis, are reviewed and recommended to the Board for approval by the Audit Committee, and are posted on the Company's website. On the recommendation of the Governance and Sustainability Committee, the Board reviews and approves the Management Proxy Circular. In addition, as directed and monitored by the Board, senior management is charged with the responsibility of complying with the Company's regulatory disclosure obligations and responding to inquiries from shareholders, analysts and other interested parties.

4. Internal Control and Reporting – The integrity of the Company's internal control and reporting systems are primarily the responsibility of management with oversight review by the Audit Committee of the Board, which should meet regularly with both the Company's financial and accounting personnel and the Company's internal and external auditors to review these matters. The Audit Committee should report to the full Board with respect to any issues that arise out of such discussions.

5. New Board Nominees – Responsibility for proposing new board nominees rests with the Governance and Sustainability Committee.

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

7. Board Orientation and Education – The Governance and Sustainability Committee's role includes the orientation and the education of the directors. All new members of the Board should be provided with a Board Manual, containing detailed information on the Company and its businesses, its charter and history, and expectations and policies relevant to the Board and its members, together with a Code of Conduct and Disclosure and Insider Trading policies. Regular visits to selected plant sites and meetings with senior management should 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 should be considered periodically by the Board, and on an ongoing basis by the Governance and Sustainability Committee.

9. Board Compensation – As part of its mandate, the Governance and Sustainability Committee of the Board should periodically review the adequacy and form of compensation of directors, including minimum share ownership requirements, and should make appropriate recommendations to the Board. In making its recommendations, the committee should take into account the level and form of compensation necessary to attract directors of the caliber and experience required to effectively oversee a company of the Company's current size, complexity and market scope.

10. Executive Performance and Compensation – The Board should:

a) appoint all officers and assess the performance of the Chief Executive Officer and approve the compensation of the Chief Executive Officer and Chief Financial Officer and the annual compensation of executives who report to the Chief Executive Officer, following a review of the recommendations of the Compensation and Organizational Development Committee;

b) establish objectives for the Chief Executive Officer;

c) satisfy itself, to the extent feasible, as to the integrity of these individuals and that the Chief Executive Officer 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 all employees including:

   i. the Company's broad compensation strategy and philosophy;

   ii. new benefit programs or material changes to existing programs; and

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

11. Succession Planning – The Board should 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 should periodically review succession planning, including recommendations with respect to the appointment of senior officers, as and when required. The full Board approves the appointment of senior officers and the Compensation and Organizational Development Committee should monitor senior management succession.

12. Corporate Governance – The Governance and Sustainability Committee's role includes making 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 should 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 should formulate for Board approval position descriptions for the Chair, the Lead Director, the Chair of each Board Committee, and the CEO.

14. Confidentiality – The Board should monitor management's enforcement of policies respecting confidential treatment of the Company's proprietary information and the confidentiality of Board deliberations.

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

a) review and approve the Company's health, safety and environmental policy ("the Policy");

b) periodically evaluate the Company's progress in implementing the Policy and approve Policy updates as appropriate; and

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

16. Code of Conduct – The Board should:

a) ensure a written Code of Conduct (the "Code") has been adopted by the Company which is applicable to all directors, officers and employees. The Code constitutes written standards that are intended and reasonably designed to promote integrity and deter wrongdoing. In particular, it should address conflicts of interest, protection and proper use of corporate assets, confidentiality of corporate information, fair dealing with security holders, customers, suppliers, competitors and employees; compliance with laws, rules and regulations, and reporting of any illegal or unethical behaviour; and

b) monitor the Company's compliance with all significant policies and procedures by which the Company is operated, including the Code.

E. GENERAL

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

The Board's role is an oversight role, and nothing in this Mandate is intended to require the Board to ensure the Company's or any other person's compliance with applicable laws or regulations. The Board is not, and shall not be deemed to be, an agent of the Company's security holders for any purpose whatsoever. The Board of Directors may, from time to time, permit departures from the terms hereof, either prospectively or retrospectively, and no provision contained herein is intended to give rise to civil liability to security holders of the Company, or other liability whatsoever.

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FSC CERTIFICATION IS FPO

