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April 19, 2021

Dear Shareholder

Re: Teck Resources Limited – 2021 ISS Say on Pay Recommendation

I am writing in connection with last week's recommendation by ISS that Teck shareholders vote against the say on pay resolution at Teck's upcoming April 28 annual meeting. For the reasons set out below, we believe that the ISS recommendation is fundamentally flawed. We are asking that you recommend to your stewardship/voting team that your institution not follow the ISS recommendation. The Chair of our Board and I would be pleased to meet virtually with you and/or your voting team, to discuss the flaws in the ISS analysis and our approach to executive compensation in more detail.

Teck is committed to leading pay practices that align management interests to those of shareholders. We believe that our 2020 pay outcomes demonstrate strong pay for performance alignment, and that ISS has ignored or misconstrued important aspects of our compensation program and significant factors beyond management's control affecting relative share price performance. Some of the issues with the ISS analysis are set out below.

In 2020 Teck's PSU Plan vested at 10% of the original grant level.

ISS essentially ignored the fact that Teck's PSU plan, which takes into account relative TSR compared to a group of peer companies, resulted in extremely low payouts for senior executives in 2020, in line with poor TSR performance in comparison to the performance peer group. PSUs vested in late 2020 at 10% of target level. Share price changes from the date of grant to the payout date further decreased payout amounts. As an example, the CEO's 2020 PSU payout was $189,526, approximately 94% below the initial grant date value of $2,967,500, representing a reduction of $2,777,974 from the grant date value. ISS's analysis, which looks at hypothetical grant date values, ignores this powerful evidence of strong alignment with shareholder interests in realized pay outcomes. The comparison of CEO realizable pay to shareholder value at page 42 of our Management Proxy Circular makes this relationship clear.

ISS compares Teck's performance to that of companies in different industries, producing different commodities.

Teck's operating results and share price are heavily influenced by commodity prices. In particular, steelmaking coal prices have a major impact on Teck's operating performance and share price. Steelmaking coal prices fell 14% during 2020. ISS compares Teck to producers of iron ore (up 73% during 2020), uranium (up 21% in 2020), and gold (up 25% during 2020). In addition, other companies in the ISS peer group include two fertilizer producers, a packaging and labelling producer, a lumber company and a methanol producer. There is not a single company in the ISS peer group that produces the same commodities as Teck. It is simply not reasonable to use comparisons of Teck's performance against those companies as a basis for assessing relative performance.

ISS mischaracterizes an apparent increase in Teck's CEO's long-term incentives.

ISS criticizes a significant apparent increase in Teck's CEO's long-term incentive entitlement, without noting that a major reason for the increase was to restore LTI to market-appropriate levels following the CEO's voluntary reduction in 2019 of his LTI entitlement significantly below 2018 levels. This reduction in compensation was recommended by the CEO himself. Effectively, ISS is punishing Teck for a decision taken in early 2020, before the full scope of the pandemic was evident, because its CEO did the "right thing" in 2019. The 2019 reduction in LTIP is evident in the compensation table at page 58 of our Circular. Despite the 2020 increase, the CEO's total target compensation remains at approximately 90% of the median CEO compensation for Teck's compensation peer group, which we believe is more representative than the ISS peer group.

ISS relies on a legacy issue as a basis for recommending "Against".

ISS states that one reason for its negative recommendation is a three times severance multiplier in Teck's CEO's employment agreement. ISS does not typically use this as a basis for recommending against say on pay. That agreement was entered into in 2004, and was consistent with market practice at that time. In employment agreements entered into since 2004, severance payments have been capped at two times annual compensation.

The issues outlined very briefly above clearly indicate that ISS's recommendation does not reflect important substantive issues. We note that Glass Lewis has taken some of these issues into account and has issued a favourable recommendation, including noting that over a five-year period, realized pay is in line with TSR.

We understand that investors are rightly concerned that compensation policies and practices of their investee companies reflect best practice and appropriately align incentives with the shareholder experience. We believe strongly that Teck's practices do just that, and that this year's ISS recommendation is fundamentally flawed. We encourage you to do your own analysis, to not accept the ISS recommendation at face value, and to vote **FOR** our say on pay resolution.

We would be pleased to address any questions that you might have, or to meet with you and your stewardship team to discuss these issues in more detail. We appreciate your attention to this matter. To arrange a discussion, please contact our Corporate Secretary, Amanda Robinson, at amanda.robinson@teck.com.

Yours sincerely,

Ed Dowling, Chair
Compensation, Talent and Technology Committee
Teck Resources Limited

Cc: Sheila Murray, Board Chair
Don Lindsay, President and Chief Executive Officer