

## Stella Jones Inc.

("Stella-Jones" or the "Corporation")

### Minimum Shareholding Policy for Senior Management

#### 1. Purpose

The purpose of this minimum shareholding policy ("**Policy**") is to strengthen the alignment of the interests of Stella-Jones' senior management team with the interests of the Corporation's shareholders, and to further support long-term value creation. In this Policy, "Stella-Jones" or "the Corporation" shall mean Stella-Jones Inc. and its subsidiaries. This Policy shall become effective **January 1, 2025 ("Effective Date")**.

#### 2. Scope

This Policy applies to members of the Corporation's senior management team who are eligible to participate in the Corporation's Treasury Share Unit Plan, as may be amended from time to time, namely, (i) the President and Chief Executive Officer of the Corporation, (ii) vice-presidents in charge of principal business units, divisions or functions (including sales, finance or production) of the Corporation, (iii) senior vice-presidents of the Corporation, or (iv) persons performing a policy-making function in respect of the Corporation (together, the "**Executive Officers**").

#### 3. Policy

##### Minimum Share Ownership Requirements:

As at the Effective Date, minimum share ownership levels ("**Minimum Share Requirements**") will apply to Executive Officers as follows:

| Executive Officer Position | Required Ratio         | Inclusions  | Exclusions                          | Term to meet Minimum Share Requirements  |
|----------------------------|------------------------|---|-------------------------------------|--|
| CEO                        | 5 X annual base salary | Common shares held directly <sup>1</sup> or indirectly <sup>2</sup> (to comprise <i>at least 25% of Minimum Share Requirement</i> ) + | Unvested PSUs<br>+<br>Stock Options | <b>later of 5 years<sup>3</sup> from:<br/>implementation of Minimum Share Requirements;<br/>or<br/>promotion to position level</b> |
| Senior Vice-Presidents     | 3 X annual base salary | Unvested RSUs and DSUs  |                                     |  |
| Vice-Presidents            | 1 X annual base salary | +<br>Vested and Unexercised RSUs and PSUs   |                                     |  |

An Executive Officer will have five (5) years from the latest of the Effective Date of this Policy or the date he/she becomes an Executive officer, to meet the Minimum Share Requirement. An Executive Officer who is subsequently promoted to a position with a higher Minimum Share Requirement will have five (5) years from the date of promotion to acquire any additional shares

<sup>1</sup> Includes immediate family members living in the same household.

<sup>2</sup> Includes, for example, shares held in the Corporation's employee share purchase plan.

<sup>3</sup> If there is a significant upwards or downwards movement of the Corporation's common share price on the Toronto Stock Exchange such that the retention of the Minimum Share Requirement is considered burdensome or insufficiently aligned to shareholders, the Board of directors can exercise its discretion to have the Term of the Minimum Share Requirement extended.

to meet the new Minimum Share Requirement. The original Minimum Share Requirement will remain in force and the original term to meet such requirement will continue to apply.

Once achieved, the Minimum Share Requirement must be maintained as long as the employee remains an Executive Officer

#### **4. Non-Compliance with Policy**

Failure to meet or, in unique circumstances, to show sustained progress toward meeting the Minimum Share Requirement may, at the discretion of the Human Resources and Compensation (“HRC”) Committee, in consultation with the CEO, result in:

- (i) mandatory conversion of a percentage of the net value of any short-term incentive plan (“STIP”) payment to the Executive Officer into common shares of the Corporation (“Shares”); and/or
- (ii) suspension of Long-term Incentive Plan (“LTIP”), STIP awards, or a portion thereof, to the Executive; and/or
- (iii) Enforcement of a trading restriction in Shares until the Minimum Share Requirement is reached by the Executive Officer.

#### **5. Valuation Considerations**

The Minimum Share Requirement for each Executive Officer will be established by taking his or her gross base salary (“Salary”) as of January 1st of each year. The determination as to whether the Minimum Share Requirement is met will be made on December 31<sup>st</sup> of each year (“Valuation Date”).

Stella-Jones recognizes that the value of the Shares may vary from time to time. Accordingly, for the purposes of calculating whether the Minimum Share Requirement has been met, the calculation is based on the higher of the Share price at the date of purchase or RSU/PSU<sup>4</sup>/DSU grant, and the closing price of the Shares on the Toronto Stock Exchange on the Valuation Date.

For the purposes of U.S Executive Officers, the applicable salary as well as the Shares, RSU and DSU PSU prices shall be translated into US. dollars on the Valuation Date.

#### **6. Exemption from Compliance with this Policy – Extension of Term and Permitted Disposals**

In exceptional circumstances, the HRC Committee, in consultation with the CEO, may, at its discretion, temporarily waive compliance with this Policy as it applies to a specific Executive Officer and approve the extension of the Term, or the disposal of Shares, where, as a result of such extension or disposal, the Minimum Share Requirement will not or no longer be met.

Exceptional circumstances include:

- (i) severe financial hardship;
- (ii) continuing to meet the Minimum Share Requirement would prevent the Executive Officer from complying with a court order or other enforceable undertaking, or
- (iii) where the disposal is reasonably necessary to meet statutory obligations (e.g., taxation requirements).

In these circumstances, the Executive Officer may submit a written request to the Chief People Officer of Stella-Jones which shall include details of the circumstances relative to the exemption being sought from the Policy. The CEO, in collaboration with the HRC Committee, will determine whether and to what extent any exemption under this Policy may be granted and if granted, an alternative arrangement will be developed for the Executive Officer.

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<sup>4</sup> Unvested PSUs are excluded when calculating whether the Minimum Share Requirement has been met.

## **7. Administration and Compliance Testing**

The CPO will monitor and administer this Policy with oversight by the HRC Committee.

An annual compliance report by Executive Officers in respect of this Policy will be provided by the CPO to the HRC Committee for review at the first HRC Committee of each year and compliance with this Policy shall be disclosed in the Corporation's annual management proxy Circular.

The Board shall retain absolute discretion to make such alterations, variations, additions, deletions or modifications to all or any of the Policy as the Board deems fit.

## **8. Supporting Policies**

This Policy is to be read in conjunction with Stella-Jones other governance policies and frameworks including:

- Code of Business Conduct and Ethics
- Insider Trading blackout policies and notifications
- Disclosure Communication Policy
- Executive Officer Clawback Compensation Policy

## **9. Annual Review**

The Policy is to be reviewed by the HRC Committee and approved by the Board on an annual basis. However, the Board may, at its absolute discretion, amend, vary or terminate the Policy at any time and in any individual case, may depart from the Policy wholly or in part.

Reviewed and approved by the Board of Directors on December 10, 2024.