

# POLICY ON RELATED-PARTY TRANSACTIONS

## 1. Overview

### 1.1 Objective

To further its commitment to maintaining the highest standards of business conduct and integrity, Stella-Jones Inc. (the “**Company**” or “**Stella-Jones**”) has adopted a Policy on Related-Party Transactions (the “**Policy**”). The Policy is written in accordance with (i) the Stella-Jones Code of Business Conduct and Ethics, which sets out the Company’s standards for ethical business conduct, in particular, as it relates to the avoidance of conflicts of interest; and (ii) the Mandate of the Audit Committee of the Company’s Board of Directors (“**Board**”), which sets forth, among others, the Audit Committee’s responsibilities for reviewing and overseeing related-party transactions.

This Policy sets out procedures for the appropriate assessment and disclosure of all Related-Party Transactions as defined herein, unless exempt under Section 2 (“**Exempt Transaction**”) hereunder.

### 1.2 Definitions

**Related-Party Transaction:** any transaction, arrangement or relationship (including any financial transaction such as any indebtedness or guarantee of indebtedness) other than an Exempt Transaction, in which (a) the aggregate amount involved will or may be expected to exceed twenty-five thousand dollars (\$25,000) in local currency (“**Threshold Amount**”); and (b) the Company or one its subsidiaries is a participant, and (c) any Related Person has or will have a direct or indirect interest.

**Related Person:** a person who is, or was, at any time since the beginning of the Company’s last fiscal year, a Director (including a nominee for Director), Executive Officer, beneficial owner of more than 10% of any class of voting shares of the Company (“**10% Shareholder**”), Immediate Family Member or a company that any of the preceding parties control.

**Executive Officer:** any individual who has been appointed an officer of the Company and/or who is a member of the Company’s Senior Management Team (Vice-President, Senior Vice-President, Head of Human Resources, CLO, COO, CFO or CEO) or an individual acting in a similar capacity.

**Director:** any member of the Board who is not also a member of the Senior Management Team.

**Immediate Family Member:** any child, stepchild, parent, stepparent, spouse, sibling, mother-in-law, father-in-law, son-in-law, daughter-in-law, brother-in-law, or sister-in-law of a Director, nominee for

Director, or Executive Officer, or of a 10% Shareholder if such Shareholder is a natural person, and any individual (other than a tenant or an employee) living in the same primary residence of such person.

**Senior Management Evaluation Committee:** a Committee comprised of the President and CEO, the Senior Vice-President and Chief Financial Officer and the Senior Vice-President and Chief Legal Officer.

## 2. Exempt Related-Party Transactions

Each of the types of Related-Party Transactions listed below shall be deemed to be Exempt Transactions (i.e., pre-approved, exempt or ratified), even if the aggregate amount involved exceeds the Threshold Amount, and shall not require further review, approval or ratification under this Policy:

- a. *Disclosed compensation.* Compensation paid to Directors or Senior Management which has been or will be disclosed in the Company's annual proxy circular, or if such compensation for executive officers has been approved (or recommended for Board approval) by the Company's Human Resources and Compensation Committee and would have been disclosed in the Company's proxy statement if such Executive Officer was a "named executive officer";
- b. *Business expenses.* The reimbursement of reasonable business and travel expenses incurred in the ordinary course of business, in accordance with Company policy;
- c. *Stipulated Vehicle Repurchases;* Purchases of Company vehicles used exclusively by employees in the course of their duties, upon their retirement;
- d. *Designated foreign income tax payments.* Income tax payments made by the Company or one of its subsidiaries to a foreign tax authority on behalf of the Related Person for the purpose of relieving the Related Person of double taxation; and
- e. *Transactions where all shareholders receive proportional benefits.* Any transaction where the Related Person's interest arises solely from the ownership of the Company's common stock and all holders of the Company's common stock received the same benefit on a pro rata basis (e.g., dividends).

## 3. Policy and Procedures

### 3.1. Notification of Related-Party Transactions

Each Director and Executive Officer shall promptly notify the Senior Vice-President and Chief Legal Officer in writing, at [secretary@stella-jones.com](mailto:secretary@stella-jones.com) of any interest that such person or an Immediate Family Member of such person had, has or may have in a Related- Party Transaction before the

Company and the Related-Party enter into such Related-Party Transaction (“**Notice**”). The Notice shall include a description of the transaction and the aggregate dollar amount.

The Senior Vice-President and Chief Legal Officer shall make a preliminary evaluation (“**Preliminary Report**”) indicating whether the proposed Related-Party Transaction is an Exempt Transaction or requires preapproval and the Preliminary Report shall promptly be submitted to the Senior Management Evaluation Committee.

In the event the Preliminary Report concludes that pre-approval is required:

- (i) If the Related-Party transaction is valued between the Threshold Amount and one million CDN dollars (\$1,000,000), *and* no member of the Senior Management Evaluation Committee is party to the Related-Party Transaction, then the Senior Management Evaluation Committee shall be responsible for the examination, approval, ratification or rejection of the Related-Party Transaction and the Disclosure Committee of the Corporation shall include, with the delivery of its Disclosure Committee report, , a summary of the material facts, rational and financial statement impact, if any, of all approved Related-Party Transactions in the format provided herein at Schedule 3.1 (“**Summary Report on Related Party Transactions**”) to the Audit Committee at its next regularly scheduled meeting; and
- (ii) If the Related Party Transaction is valued at over one million CDN dollars (\$1,000,000), or if a member of the Senior Management Evaluation Committee is party to the Related-Party Transaction, the disinterested members of the Audit Committee shall be responsible for the review, approval, ratification or rejection of the Related Party Transaction.

No Executive Officer who is a member of the Senior management Evaluation Committee shall participate in any discussion or approval of a Related Party Transaction for which he or she or any member of his or her Immediate Family Member is a Related Person, except that such Executive Officer shall provide all material information concerning the Related-Party Transaction to the Senior Management Evaluation Committee for the purposes of its examination.

### **3.2. General Criteria for Approving Related-Party Transactions**

In determining whether to approve, ratify, disapprove or reject a Related-Party Transaction, the Senior Management Evaluation Committee, or the Audit Committee, as appropriate, shall take into account, among other factors it deems appropriate, whether the Related-Party Transaction is entered into on terms no less favorable to the Company than terms generally available to an unaffiliated third-party under the same or similar circumstances; the results of an appraisal, if any; whether there was a bidding process and the results thereof; review of the valuation methodology used and alternative approaches to valuation of the transaction; and the extent of the Related Person’s interest in the transaction. The following information will be reviewed when assessing a Related-Party Transaction:

- Whether the terms of such transaction are comparable to those that could be obtained in an arm's length transaction with a third party who is not a Related Party;
- The Related Person's interest or role in the transaction;
- The purpose and potential benefits to the Company of the transaction;
- Whether the transaction was undertaken in the ordinary course of the business;
- if the transaction involves the sale of an asset, a description of the asset, including date acquired and costs basis;
- Information concerning potential counterparties in the transaction;
- The approximate dollar value of the transaction and the approximate dollar value of the Related Person's interest in the transaction;
- Description of any provisions or limitations imposed as a result of entering into the proposed transaction;
- Whether the proposed transaction includes any potential reputational risk issues that may arise as a result of or in connection with the proposed transaction; and
- Any other relevant information regarding the transaction.

### **3.3. Related-Party Transactions Not Approved Under This Policy**

In the event the Company becomes aware of a Related-Party Transaction with a Related Person that has not been approved under this Policy prior to its consummation, the matter shall be reviewed by the Senior Management Evaluation Committee, who shall consider all of the relevant facts and circumstances regarding the Related-Party Transaction, including the items listed in Section 3.2 above, and shall evaluate all options available to the Company, including ratification, revision or termination of the Related-Party Transaction. The Senior Management Evaluation Committee shall also examine the facts and circumstances pertaining to the failure of reporting such Related-Party Transaction under this Policy and shall report such failure to Internal Audit and take any such action it deems suitable.

### **3.4. Owner**

This Policy is subject to further guidance and recommendations from the Company's Audit Committee, and the Board shall have full authority to interpret or amend this Policy.

Questions about the Policy and its application to Related Persons or their Immediate Family Members, should be directed to the Senior Vice-President and Chief Legal Officer.

### **3.5. Effective Date**

This Policy was reviewed and approved by the Board of Directors on December 11, 2025.

**SCHEDULE 3.1****Summary Report on Related Party Transactions (RPT)**

<b>Nature of transaction</b>	<b>Related party</b>	<b>\$ value</b>	<b>Assessment / justification</b>