Purpose Interpretation and Implementation Policy

Date: Oct 22 2026

Purpose

This policy records the Board's interpretation of Article 2.1 of the Company's Corporate Articles and establishes guidelines for applying that Article in Board and management decisions.

Interpretation of the Company's Purpose

The Board recognizes that Article 2.1 of the Company's Corporate Articles establishes restrictions on its permitted business activities, rather than a list of aspirational goals. The Company's purpose is to manage and operate forestry operations for the benefit of the local community.

Generating revenue to sustain the Company, as set out in Article 2.1(b)(i), is the foundation that makes lasting community benefits possible.

Accordingly, no Board decision may be justified by the objectives in Articles 2.1(b)(ii)–(v) where that decision would compromise the Company's financial sustainability. Local employment, contracting opportunities, local management, processing, value-added manufacturing, recreation and tourism must be pursued within this financial foundation and the restrictions established by the Corporate Articles.

Application to Decisions

When considering budgets, contracts, investments, financial assistance or other commitments, the Board and management shall:

- Assess the effect on the Company's financial sustainability and ability to meet its obligations.
- Obtain sufficient financial, legal and operational information to support the decision.
- Apply the Company's approved authority limits, procurement requirements and conflict-of-interest policies.
- Ensure that anticipated community benefits do not justify commitments that compromise the Company's continued operation.

This policy shall be applied alongside the Company's forest stewardship responsibilities, applicable legal requirements and the remaining provisions of Article 2.1.

Consistent Communication and Orientation

The Company's policies, plans, reports and public communications shall accurately reflect Article 2.1 and preserve its wording as a restriction on permitted business activities.

This policy shall be included in the Board Policy Manual and reviewed during every new director's orientation.

This policy guides the Board's application of Article 2.1 and does not amend or replace the Corporate Articles. Where any inconsistency arises, the Corporate Articles prevail.

VALEMOUNT COMMUNITY FOREST

Board Resolution

THAT the Board of Directors adopt the Purpose Interpretation and Implementation Policy as a Board governance policy, direct that it be incorporated into the Board Policy Manual and included in new director orientation, and require that it guide future Board and management decisions.

Adopted: _____Oct 22, 2026_____ Resolution No.: _____R471-10-21_____