

CANSO SELECT OPPORTUNITIES CORPORATION

RELATED PARTY TRANSACTIONS POLICY

Last updated and approved by the Board of Directors on May 23, 2024

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(the “Corporation” or “CSOC”)

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1. Purpose of this Policy

Related Party Transactions (**RPT**) are a regular feature of business and commerce and can be beneficial to the Corporation. While RPTs can be beneficial, due to the inherent conflicts of interest, such transactions have the potential in certain circumstances to be unfair or abusive to the issuer or shareholders. For these reasons, CSOC has adopted this policy to ensure that only transactions that are beneficial to the Corporation and its shareholders may be entered into by the Corporation in which case any related party interests will not supersede those of CSOC and its shareholders.

2. What is an RPT?

Under Multilateral Instrument 61-101 *Protection of Minority Security Holders in Special Transactions* (**MI 61-101**), a RPT is a transaction between the issuer and a related party¹ of the issuer at the time the transaction is agreed to as a consequence of which the issuer directly or indirectly enters into specified transactions, including a purchase or sale of assets, issuing securities or subscribing for securities, borrowing or lending money, and forgiving debts or liabilities.

3. Disclosure and Valuation

It is essential, in connection with the disclosure, valuation, review and approval processes followed for RPTs that all securityholders be treated in a manner that is fair and perceived to be

¹ For the purpose of this Policy, a “related party” of CSOC means a person (individual or corporate), other than a person that is solely a *bona fide* lender, that, at the relevant time and after reasonable inquiry, is known by CSOC or a director or senior officer of CSOC to be:

- (a) a control person of CSOC,
- (b) a person of which a person referred to in paragraph (a) is a control person,
- (c) a person of which CSOC is a control person,
- (d) a person that has
 - (i) beneficial ownership of, or control or direction over, directly or indirectly, or
 - (ii) a combination of beneficial ownership of, and control or direction over, directly or indirectly, securities of CSOC carrying more than 10% of the voting rights attached to all CSOC’s outstanding voting securities,
- (e) a director or senior officer of
 - (i) CSOC, or
 - (ii) a person described in any other paragraph of this definition,
- (f) a person that manages or directs, to any substantial degree, the affairs or operations of CSOC under an agreement, arrangement or understanding between the person and CSOC, excluding a person acting under bankruptcy or insolvency law,
- (g) a person of which persons described in any paragraph of this definition beneficially own, in the aggregate, more than 50% of the securities of any outstanding class of equity securities, or
- (h) an affiliated entity of any person described in any other paragraph of this definition.

fair. The Board is responsible for overseeing RPTs by, among other things, and providing enhanced disclosure in press releases and material change reports. CSOC Board will provide full and adequate disclosure to their shareholders about these transactions, so investors can better understand their business purpose and value and a means to endure the fair treatment of shareholders. The disclosure will describe in reasonable detail the material factors on which beliefs regarding the RPT are based.

4. Review and Approval Process

i) Investment Committee Review and Approval:

The Corporation's Investment Committee, assesses and approves all investment transactions pursuant to the Investment Committee Mandate and Responsibility. From time to time, it is expected that an investment may be purchased from or divested to a related party, in which case the investment, or divestiture will be deemed an RPT and will be subject to additional review and approval as detailed below. In those situations, RPTs are subject to the same processes and controls as other transactions, that is, they are subject to standard approval procedures by the Investment Committee and Board oversight. In considering RPTs, the Investment Committee will assess the materiality of the RPT on a case-by-case basis with respect to both the qualitative and quantitative aspects of the proposed RPT.

ii) Special Committee Review and Recommendation:

In addition to Investment Committee review and approval, RPTs are also subject to review of a special committee (the **Special Committee**) comprised of members of the Board who are independent of CSOC and are not members of management of the Corporation. The mandate of the Special Committee considering a RPT is to consider whether the RPT is in the interests of, or fair to, shareholders of the Corporation. The Special Committee may request and shall readily obtain information of a proposed RPT from the Investment Committee in order to fulfil their obligations herein. The Special Committee has the authority to hire its own independent legal and financial advisors to provide a fairness opinion or a formal valuation without the involvement of, or interference from, interested parties or their representatives. It is the responsibility of the Special Committee, acting reasonably, to determine whether or not to engage an advisor and on what terms, and in doing so, must consider the overall size of the proposed RPT and the economic and financial impact of such engagement on its the shareholders and the Corporation. The Special Committee will provide a recommendation to the Board as to whether the RPT is in the interests of, or fair to, shareholders of the Corporation.

iii) Board Review and Approval:

The Board has the duty to review and consider the recommendation of the Special Committee, and provide a final decision on the RPT.

5. Exemption from Minority Approval and Formal Valuation requirements under MI 61-101

CSOC may only conclude a RPT with the approval of the minority shareholders unless an exemption from this requirement has been obtained or is available under MI 61-101.

An exemption from the minority approval requirements are available when, at the time the RPT is agreed to, neither the fair market value of the subject matter of the transaction, nor the fair market value of the consideration for the subject matter of the transaction, insofar as it involves interested parties, exceeds 25% of CSOC's market capitalization.

If the relevant fair market values are readily determinable, the Board shall determine whether the exemption from the minority approval requirements is available.

Since CSOC's securities are listed on the TSX Venture Exchange, it can rely on the exemption provided under section 5.5(b) *Issuer Not Listed on Specified Markets*. Therefore, CSOC does not need to obtain a formal valuation because it can rely on the exemption from the formal valuation requirements in MI 61-101.