



**ANNUAL INFORMATION FORM**

**For the financial year ended December 31, 2024**

**March 14, 2025**

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## ITEM 1 DATE OF ANNUAL INFORMATION FORM

This Annual Information Form (“AIF”) is dated as of March 14, 2025. Unless otherwise indicated, the information contained in this AIF is stated as at December 31, 2024.

## ITEM 2 CORPORATE STRUCTURE

### 2.1 NAME AND INCORPORATION

Stella-Jones Inc. (“SJ”) was incorporated as 2865165 Canada Inc. on October 26, 1992 under the *Canada Business Corporations Act* and changed its name to Stella-Jones Inc. on February 19, 1993. SJ’s Articles were amended on March 31, 1994 to delete private company restrictions. The Articles were again amended on June 13, 1994, subdividing all 100,001 common shares issued and outstanding into 6,200,000 common shares redesignated “Common Shares”, creating Preferred Shares, issuable in series, cancelling all authorized but non-issued preferred shares and creating the Series 1 Preferred Shares. On May 27, 1996, SJ’s Articles were further amended to add a provision to the effect that the directors may appoint a limited number of additional directors to hold office until the close of the next annual meeting of shareholders. On January 1, 2014, SJ filed Articles of Amalgamation evidencing its amalgamation with its wholly-owned subsidiary, I.P.B. – W.P.I. International Inc. On January 1, 2015, SJ filed Articles of Amalgamation evidencing its amalgamation with its wholly owned subsidiaries, Stella-Jones Canada Inc. and Guelph Utility Pole Company Ltd. On January 1, 2016, SJ filed Articles of Amalgamation evidencing its amalgamation with its wholly owned subsidiaries, Ram Forest Group Inc., Ramfor Lumber Inc., Ram Forest Products Inc. and Trent Timber Treating Ltd. On May 12, 2017, Stella-Jones filed Articles of Amendment to increase the minimum and maximum number of directors to three and twelve, respectively.

The registered office of SJ is located at 3100 de la Côte-Vertu Blvd., Suite 300, Montréal, Québec, H4R 2J8.

### 2.2 INTERCORPORATE RELATIONSHIPS

As at December 31, 2024, Stella-Jones Corporation (“SJ Corporation”) and Stella-Jones U.S. Holding Corporation (“SJ Holding”) were the principal subsidiaries of the Company.

Name of Subsidiary	Percentage of Voting Shares Owned by the Company	Jurisdiction of Incorporation
SJ Corporation	100%	Delaware
SJ Holding	100%	Delaware

## ITEM 3 GENERAL DEVELOPMENT OF THE BUSINESS

*Unless the context dictates otherwise, “Stella-Jones”, “SJ” and “the Company” mean Stella-Jones Inc. and its subsidiaries.*

### 3.1 THREE YEAR HISTORY

Stella-Jones Inc. (TSX: SJ) is a leading North American manufacturer of products focused on supporting infrastructure that are essential to the delivery of electrical distribution and transmission, and the operation and maintenance of railway transportation systems. It supplies the continent’s major electrical utilities companies with treated wood utility poles and North America’s Class 1, short line and commercial railroad operators with treated wood railway ties and timbers. It also supports infrastructure with industrial products, namely timbers for railway bridges, crossings and construction, marine and foundation pilings, and coal tar-based products. Additionally, the Company manufactures and distributes premium treated residential lumber and accessories to Canadian and American retailers for outdoor applications, with a significant

portion of the business devoted to servicing Canadian customers through its national manufacturing and distribution network.

On November 1, 2022, the Company completed the acquisition of substantially all of the assets of the wood utility pole manufacturing business of Texas Electric Cooperatives, Inc. (“TEC”), located in Jasper County Texas. Total consideration associated with the acquisition was US\$31 million, including inventories estimated at four million dollars US. The Company financed the acquisition through its existing credit facilities. As this was not a significant acquisition for the purposes of Part 8 of National Instrument 51-102, Form 51-102 F4 (Business Acquisition Report) was not filed in respect thereto.

On February 14, 2023, Stella-Jones acquired the Southern Yellow Pine pole peeling and drying assets of IndusTREE Pole & Piling, LLC (“IndusTREE”), located in Goodwater, Alabama. The Purchase price was US\$12.5 million. The Company financed this acquisition through its existing credit facilities. As this was not a significant acquisition for the purposes of Part 8 of National Instrument 51-102, Form 51-102 F4 (Business Acquisition Report) was not filed in respect thereto.

On June 16, 2023, the Company acquired substantially all of the Southern Yellow Pine pole peeling and drying assets of Balfour Pole Co., LLC (“Balfour”), located in Baconton, Georgia, for a total consideration of US\$15 million. The Company financed this acquisition through its existing credit facilities. As this was not a significant acquisition for the purposes of Part 8 of National Instrument 51-102, Form 51-102 F4 (Business Acquisition Report) was not filed in respect thereto.

On July 14, 2023, the Company acquired substantially all of the assets of the wood utility pole manufacturing business of Baldwin Pole and Piling Company, Inc., Baldwin Pole Mississippi, LLC and Baldwin Pole & Piling, Iowa Corporation (collectively, “Baldwin”) for a total consideration of US\$49 million. Baldwin comprises two Southern Yellow Pine pole treatment facilities located in Bay Minette, Alabama and Wiggins, Mississippi, as well as two finished good yards located in Des Moines, Iowa and Pittsburgh, Kansas. The Company financed the acquisition through its existing credit facilities. As this was not a significant acquisition for the purposes of Part 8 of National Instrument 51-102, Form 51-102 F4 (Business Acquisition Report) was not filed in respect thereto.

## **ITEM 4 DESCRIPTION OF THE BUSINESS**

### **4.1 GENERAL**

The Company operates within two business segments, the production and sale of pressure treated wood for several different product groups (described below) and logs and lumber. Wood treating facilities are located in the Canadian provinces of Alberta, British Columbia, Manitoba, Nova Scotia, Ontario, Québec, and the states of Alabama, Arizona, Arkansas, Georgia, Indiana, Kentucky, Louisiana, Mississippi, Nevada, Oregon, Pennsylvania, South Carolina, Texas, Virginia, Washington, and Wisconsin in the United States. Additionally, the Company distills coal tar and distributes products from that process at its Memphis, Tennessee distillery.

### **4.2 DESCRIPTION OF PRODUCT GROUPS AND SERVICES**

#### **Utility Poles**

Customers for transmission and distribution poles are predominantly regional telecommunication and electric utility companies. A product favoured by utilities due to its durability (typically lasting 40 to 50 years or more), sustainability, and their relatively low cost of purchase, installation and maintenance. Furthermore, wood poles can be easily drilled and crosscut, offering greater ease of servicing for line workers. Underground cabling is typically used in urban centers where existing underground infrastructures

exist but is less common in rural areas due to the higher cost and difficult accessibility. In 2020, the Company began to offer utility poles applied with an intumescent fire-resistant wrap. This provides added protection and prolonged service life to the product in areas prone to wildfires and has gained favour with utilities looking to harden their grid against the increase in severity and frequency of fires.

### **Railway Ties**

Demand for railway ties is driven primarily by ongoing upgrade and maintenance needs, with occasional activity in new track construction. Capital expenditures on track and infrastructure improvements are expected to remain constant in the coming years.

A relatively stable volume of new ties is required for maintenance purposes, with management estimating that approximately 1.5% to 3.0% of ties on active railway lines need replacement annually. In addition to servicing the needs of Class 1 railroads for railway ties and timbers, the Company also sells to short line railroads, commercial railroad operators, and contractors engaged in the installation and repair of rail lines.

### **Residential Lumber**

This category primarily includes premium pressure-treated lumber for patios, decks, fences, and other outdoor applications, along with the distribution of wood and wood-alternative accessories. The Company supplies residential lumber across Canada, as well as in the U.S. Pacific Northwest and Alaska.

### **Industrial Products**

These products include railway bridge and crossing timbers, marine and foundation pilings and construction timbers. The Company also manufactures the wood preservative, creosote, for use in its wood treating activities, as well as other coal tar-based products such as roof pitch and road tar, which are sold to third party customers.

### **Logs and Lumber**

Logs comprise the sale of logs harvested in the course of the Company's procurement process that are deemed unsuitable for use as utility poles. Additionally, as part of procuring sufficient competitively priced residential lumber volumes, the Company resells excess lumber into local home-building markets.

## **4.3 DESCRIPTION OF MANUFACTURING PROCESS**

Preservation is the process of protecting wood from decay and pests through controlled pressure impregnation with preservatives that are resistant to wood destroying organisms.

The manufacturing process comprises at least two stages: drying and impregnation with preservatives through hydraulic pressure. The preservatives used are approved by both Health Canada and the United States Environmental Protection Agency and can be either oil-based or water-based. The raw materials consist of wood and preservatives.

In the first phase of treatment, excess moisture in the wood is reduced prior to impregnation with the preservative. This is accomplished by air-seasoning, kiln drying or through a "conditioning process" in the treatment cylinder itself.

In the second phase, treatment is performed on batches of wood that are similar in species, shape and moisture content. Such batches are inserted into the treatment cylinder, where either a vacuum or a pressurized condition is created prior to the admission of the preservative. Following the admission of the preservative, hydraulic pressure is maintained in the treatment cylinder until the wood has absorbed the preservative to a pre-determined amount. Once the absorption process is complete, excess preservative is

returned to storage tanks, and a few final steps are taken to ensure that no preservative remains on the surface of the wood before it is removed from the treatment cylinder.

#### **4.4 MANUFACTURING OPERATIONS**

The Company operates 15 wood treating facilities in Canada and 29 wood treating facilities in the United States. In Canada, the facilities are located in Carseland (Alberta), Galloway, New Westminster and Prince George (British Columbia), Neepawa (Manitoba), Truro (Nova Scotia), Stouffville, Guelph, Peterborough, Shelburne and Kirkland Lake (Ontario), Delson, Gatineau, Rivière-Rouge and Sorel-Tracy (Québec).

In the United States, the facilities are located in Bay Minette, Brierfield, Clanton and Montevallo (Alabama), Eloy (Arizona), Rison and Russellville (Arkansas), Cordele (Georgia), Winslow (Indiana), Fulton (Kentucky), Alexandria, Converse and Pineville (Louisiana), Scooba and Wiggins (Mississippi), Silver Springs (Nevada), Eugene and Sheridan (Oregon), Dubois and McAlister (Pennsylvania), Whitmire (South Carolina), Lufkin and Jasper (Texas), Goshen and Warsaw (Virginia), Arlington and Tacoma (Washington), and Bangor and Cameron (Wisconsin).

The majority of the facilities are situated in close proximity to wood baskets, and most of the railway ties facilities are located along, or have sidings connected to, the main Class 1 railway lines.

The Company produces the wood preservative, creosote, at its coal tar distillation facility in Memphis, Tennessee.

The Company is complemented by an extensive distribution network across North America, operates pole peeling facilities in Canada and in the United States, and is serviced by numerous pole peeling sites operated by third parties in both Canada and the United States.

#### **4.5 WOOD SUPPLY**

One of the Company's important advantages is its strong wood supply position in key regions of Canada and the United States. During the financial year ended December 31, 2024, the Company obtained its raw material requirements for utility poles from its own timber harvesting licenses (forest licenses and/or timber quotas), state and provincial timber sales, private woodland owners and through purchases of timber on the open market. Wood supply for railway ties and timbers as well as residential lumber are purchased from hundreds of sawmills in various regions throughout Canada and the United States. The Company's strong procurement team has built well established relationships to help ensure a sufficient and competitively priced supply of all of Stella-Jones's raw material.

##### **Forest Tenures**

Forest tenures are used primarily by the Company for the procurement of utility poles and other roundwood products.

In British Columbia, the Ministry of Forests, Lands, Natural Resource Operations and Rural Development ("FLNRORD") is responsible for issuing and monitoring tenures which grant the licensee the right to harvest a specific volume of timber on crown lands administered by the FLNRORD. A forest license generally has a term of 15 years and is renewable every 5 years, subject to the licensee satisfactorily performing its administrative, planning, harvesting, silviculture and environmental stewardship operations. Non-renewable forest licenses for a fixed volume to be cut in a specified time may also be granted. The Company is also collaborating with First Nations communities regarding British Columbia timber supply.

In the Province of Manitoba, the Forestry and Peatlands Management Branch of the Department of Sustainable Development is responsible for the planning and management of Crown land and forests, and determining sustainable limits on when, where and how trees on Crown land in Manitoba are harvested. Cutting authority quota allocations are granted by either Timber Sales Agreements, which are five-year

renewable agreements issued for annual quota volumes greater than 300 m<sup>3</sup>, or Timber Permits, which are one-year permits issued for annual quota volumes of less than or equal to 300 m<sup>3</sup>.

In Québec, most of the managed forest is public property managed by the *Ministère des Ressources Naturelles* (the “Ministère”), which determines the market value of the stumpage. Timber allocation agreements, called *Garanties d’approvisionnement*, or GA’s, allow the lumber industry to cut an annual volume. These forest cutting privileges, which are renewable in term, are reviewed and automatically extended every 5 years so long as the beneficiary has complied with its obligations. Supplementary volume may also be purchased and cut within a specified timeframe, as determined by an auction system on public land via the Ministère’s timber marketing board, known as the *Bureau de Mise en Marché des Bois*.

The Company currently holds the following forest licenses:

COMPANY’S FOREST LICENSES		
Province	Allowable Annual Cut (Cubic metres)	Term
British Columbia	138,913	15 years
Manitoba	15,567 <sup>1</sup>	2 years and 5 years
Québec	3,600 <sup>2</sup>	5-year renewable <sup>3</sup>

### Purchased Timber

In addition to the forest licenses listed above, the Company has several exclusive supply agreements with major licensees and private woodlands owners who hold cutting licenses in British Columbia, Ontario and Québec. The Company is also very active in purchasing timber sales in the states of Washington, Wisconsin, Oregon and Idaho in the United States as well as British Columbia in Canada. These programs make available to qualified bidders, pole quality raw material located on specific tracts of land. The Company also purchases raw material from hundreds of private landowners within its operating jurisdictions, and in the case of untreated railway ties and residential lumber, through its dealings with hundreds of sawmills in the United States and Canada.

### Timber Harvesting

The selection and harvesting of wood poles are a process that allows the Company to harvest selectively individual trees of a quality suitable for poles, as well as regeneration harvests essential to forest health and silviculture, promoting pole quality timber. In order to have access to as many areas of timberland as possible, the Company has entered into harvesting agreements with a number of timber land managers, sawmillers and forest products companies in British Columbia, Ontario and in Québec.

## 4.6 SALES, MARKETING AND COMPETITIVE CONDITIONS

By the end of the year 2023, there were approximately 50 wood preserving plants operating in Canada and an estimated 360 wood preserving plants operating in the United States. The following describes the competitive conditions in which the Company operates as well as its sales and marketing initiatives.

<sup>1</sup> This comprises two 5-year renewable Quota Timber Sales Agreements with a total combined annual cut of 3,067 m<sup>3</sup> per year and a 2-year renewable Special Allocation Timber Agreement having an annual cut of 12,500 m<sup>3</sup>.

<sup>2</sup> This comprises 800 m<sup>3</sup> of Jackpine and 2,800 m<sup>3</sup> of red pine.

<sup>3</sup> The first prorated 1-year term, ending March 31, 2023, was for 1,300 m<sup>3</sup>/year. The second standard 5-year term which began April 1, 2023, has been increased to 3,600 m<sup>3</sup>/year and is eligible for renewal at a new negotiated volume in 2028.

## Overview

The Company markets its treated wood products through a network of regional sales representatives throughout Canada and the United States.

The following table sets out the Company's sales by major product group for the financial years ended December 31, 2024 and 2023:

<b>COMPANY'S SALES BY PRODUCT GROUP FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023</b>				
	<b>2024</b>		<b>2023</b>	
	<b>(millions of dollars)</b>	<b>%</b>	<b>(millions of dollars)</b>	<b>%</b>
Utility poles	1,705	49	1,571	47
Railway ties	890	26	828	25
Residential lumber	614	18	645	19
Industrial products	154	4	148	5
Logs and lumber	106	3	127	4
<b>TOTAL</b>	<b>3,469</b>	<b>100</b>	<b>3,319</b>	<b>100</b>

### Utility Poles

Most of the Company's sales of utility poles are through multi-year contracts and in response to public tenders issued by customers, primarily regional electrical and telecommunication companies. The key criteria in successfully obtaining orders are high quality, consistent on-time delivery, customer service and competitive prices. The Company's ability to offer a variety of wood species and preservatives, combined with its multiple plant locations and sizeable inventories, creates a competitive advantage.

### Railway Ties

SJI's numerous locations, broad product offering and reputation for quality and service are significant advantages. Through its long tradition of providing consistent superior services, the Company has developed enduring relationships with the major railway companies, short line railroads and contractors, and is an important supplier of treated wood ties to these customers in North America.

### Residential Lumber

This product group primarily serves a major big box retailer and numerous other participants varying in size. Opportunities exist for high quality producers who can successfully differentiate their product and service. The Company provides premium quality treated residential lumber products and accessories to lumber retailers in Canada and the United States for outdoor applications.

### Industrial Products

Sales predominantly include various treated wood products used in construction projects, such as wharfs, railway bridges and foundation and marine piling. Products are typically sold directly to end customers, such as railroad companies or construction contractors as well as governmental authorities in response to tenders for a certain quantity and specification of preserved timber for a particular project. The Company sells railway bridge timbers and crossing planks, which are custom manufactured to the specification of the customer. In addition, piling sales comprise construction materials used mainly in work projects, including marine and foundation pilings. This category also includes coal tar-based products such as roof pitch and road tar.



## Logs and Lumber

The log component represents logs harvested in the course of the Company's procurement process which are determined to be unsuitable for use as utility poles. Additionally, in the course of procuring sufficient competitively priced residential lumber volume, the Company engages in reselling excess lumber into local home-building markets.

## Export

The Company's focus is primarily in North America.

Nonetheless, the Company continues to monitor opportunities outside of Canada and the U.S. and will continue to evaluate export prospects at price levels that will provide adequate returns for the additional risks inherent in these markets.

COMPANY'S SALES BY REGION FOR THE YEARS ENDED DECEMBER 31, 2024 AND 2023				
(audited)	2024		2023	
	(millions of dollars)	%	(millions of dollars)	%
United States	2,515	72	2,456	74
Canada	954	28	863	26
<b>TOTAL</b>	<b>3,469</b>	<b>100</b>	<b>3,319</b>	<b>100</b>

## 4.7 EMPLOYEES

As at December 31, 2024, the Company had a total of 3,018 employees, of which 876 were salaried non-unionized, 446 were unionized and 1,696 were paid at an hourly rate and non-unionized.

Country	Salaried (Non-Unionized)	Unionized	Paid at hourly Rates (Non- Unionized)	Total
United States	502	110	1,487	2,099
Canada	374	336	209	919
<b>TOTAL</b>	<b>876</b>	<b>446</b>	<b>1,696</b>	<b>3,018</b>

## 4.8 ENVIRONMENT, HEALTH AND SAFETY POLICY

Environmental protection and sustainability are an integral part of doing business and the Company is committed to minimizing, through a continuous improvement process, the impact that its activities may have on the environment. The Company is committed to sustainable operations and the protection of human health and the natural environment. The Company recognizes the environmental implications of its activities and embraces its responsibility to take all reasonable measures to conserve and protect the environment.

Additionally, the Company is committed to the health and safety of its employees and to providing a safe and healthy working environment. To that end, the Company will focus on continuously improving, towards an accident-free workplace through effective administration, education, training and the proper maintenance and design of its facilities and equipment.

To implement this policy, Stella-Jones is committed:

- 1) to constructing and operating its facilities in compliance with all applicable rules and regulations, providing for the protection of the environment, employees and the public;
- 2) to effective implementation of the Company's environment, health and safety management system at all production locations;
- 3) to continuous improvement in environmental performance aimed at pollution prevention and the use of best management practices;
- 4) to reducing absolute Scope 1 and 2 GHG emissions by 32% across all operations by 2030;
- 5) to efficient use of freshwater at all production sites, investing in processes that enables water recycling and re-use where possible;
- 6) to implementing a waste management program that seeks to reduce waste sent to landfill, increase recycling, and maintain compliance with waste regulations;
- 7) To monitoring air quality and maintain regulatory permits at all production sites where required;
- 8) to working pro-actively to train employees in hazard identification;
- 9) to ensuring every employee is properly trained, responsible and accountable within their sector of activity for conducting operations in compliance with the Company's environmental and health and safety policy;
- 10) to opening communication and dialogue with interested stakeholders on Stella-Jones' environment, health and safety aspects; and
- 11) to encouraging research to expand knowledge of the environmental impact and benefits of the industry's activities.

### **Environmental Protection and the Promotion of Health and Safety**

The Company's Vice-President, Environment, Health and Safety leads a dedicated environmental health and safety team throughout North America, who together, oversee the implementation of this policy by ensuring compliant execution of rigorous practices at its operations and facilities.

Comprehensive health and safety and environmental protection programs exist at all locations (see SHIELD Section 4.9 below). These programs are upgraded and updated on an ongoing basis to ensure that the best management practices are being used to protect the employees, the public and the environment. Contingency plans are in place to anticipate proper corrective and remedial measures prior to the occurrence of any problems.

The Vice-President Environment, Health and Safety, as well as the Vice-President, Risk Management and General Counsel, U.S. Operations, report to the Company's Environmental, Health and Safety Committee of the Board of Directors ("EH&S Committee") regarding the Company's activities in relation to environmental protection, sustainability measures, risk management and health and safety and progress towards environmental, social and governance ("ESG") initiatives at each regularly scheduled EH&S Committee meeting (the "Environmental Report"). The EH&S Committee communicates the key elements of each Environmental Report to the Board of Directors in all instances.

Environmental undertakings and indemnifications in relation to acquisitions provided herein in section 3.1 "Three-Year History" include the following:

Under the TEC purchase agreement, the seller agreed to resolve certain key matters pre-close and has undertaken to address others post-close and indemnify the Company for claims relating to certain environmental matters resulting from activities conducted during the period prior to the purchase by the

Company. Indemnification shall be up to a maximum specified amount, for a specific duration and is triggered only once aggregate claims exceed a certain total dollar threshold.

Under the Baldwin purchase agreement, the seller agreed to resolve certain key environmental matters pre-close. Additionally, it has undertaken to indemnify the Company for any liabilities relating to or arising out of the environmental condition of its facilities prior to the closing of the transaction, including, without limitation, any environmental claims relating to the environmental condition existing before closing, whether known or unknown at the time of closing or whether such claims are made before or after closing, the whole, subject to specified amounts and durations.

#### **4.9 SHIELD – ENVIRONMENTAL, HEALTH AND SAFETY POLICY COMMITMENT STATEMENT**

The Company is committed to Safety, Health, Improved Environment, Leading our Decisions (“SHIELD”). SHIELD is the framework for all aspects of environmental, health and safety within the organization and leads decisions regarding environmental, health and safety activities with the overall goal of zero workplace safety and environmental incidents. The Company’s commitment to SHIELD is a commitment to:

- compliance with all applicable legal requirements and other requirements to which the Company subscribes which relate to its environmental aspects and safety and health hazards,
- continuous improvement, pollution prevention, and conformance with the Company environmental, health and safety requirements,
- protection of employee and contractor health and safety, and the environment in which the Company operates,
- communication and employee participation at all levels within the Company,
- ongoing training to employees on safety, health, and the environment, and
- effectiveness assessments of the SHIELD management system using key performance indicators.

SHIELD is an integrated environmental, health, and safety management system that is documented, implemented, and maintained at each manufacturing location. SHIELD is officially authorized and endorsed by senior management, who undertake to provide appropriate resources for the success of SHIELD and communicate SHIELD to all persons working for or on behalf of Stella-Jones. All employees of the Company and contractors working on behalf of the Company have the responsibility to follow and enforce the SHIELD policy commitments.

#### **4.10 RISK FACTORS**

A discussion of the risks to which the Company is subject is presented in the section entitled “Risks and Uncertainties” and “Financial Instruments and Risk Management” of the Company’s management’s discussion and analysis for the years ended December 31, 2024, and 2023 dated February 26, 2025 (“MD&A”) which is incorporated herein by reference into this AIF. The MD&A is available on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca) and on the Company’s website at [www.stella-jones.com](http://www.stella-jones.com) under the “Investor Relations” section.

### **ITEM 5 DIVIDENDS – THREE MOST RECENTLY COMPLETED FINANCIAL YEARS**

#### **5.1 DIVIDENDS – THREE MOST RECENTLY COMPLETED FINANCIAL YEARS**

On March 8, 2022, May 10, 2022, August 9, 2022 and November 8, 2022, the Board of Directors declared a quarterly dividend of \$0.20 per Common Share. On March 7, 2023, May 9, 2023, August 8, 2023 and November 6, 2023, the Board of Directors declared a quarterly dividend of \$0.23 per Common Share. On February 28, 2024, May 7, 2024, August 6, 2024 and November 5, 2024, the Board of Directors declared

a quarterly dividend of \$0.28 per Common Share. On February 26, 2025, the Board of Directors declared a quarterly dividend of \$0.31 per Common Share.

## **5.2 POLICY AND RESTRICTIONS**

The Company's dividend policy provides that the Company consider a dividend on a quarterly basis. All decisions by the Company's Board of Directors regarding the payment of dividends is subject to its capital allocation policy. Although the Company has historically declared regular cash dividends on the Common Shares, there is no assurance that the Board of Directors of the Company will not reduce, defer or eliminate the dividend in the future.

## **ITEM 6 DESCRIPTION OF CAPITAL STRUCTURE**

The authorized share capital of the Company consists of an unlimited number of Common Shares and an unlimited number of Preferred Shares, issuable in series. As of March 14, 2025, there were 55,652,232 Common Shares issued and outstanding and no outstanding Preferred Shares.

The Common Shares provide for the right to receive notice of, attend and vote at all meetings of shareholders and receive dividends, subject to the prior rights of the Preferred Shares and any other shares ranking senior to the Common Shares. The Common Shares are subordinated to the Preferred Shares and any other shares ranking senior to the Common Shares in their entitlement to receive the property and assets of the Company in the event of a dissolution, liquidation, or winding up of the Company.

The Preferred Shares are non-voting. The Preferred Shares are entitled to priority over Common Shares of the Company and over any other shares of the Company ranking junior to the Preferred Shares with respect to priority in payment of dividends and the distribution of assets in the event of liquidation, dissolution or winding-up of the Company.

On October 1st, 2024, Stella-Jones Inc. completed a private placement of C\$400 million aggregate principal amount of senior unsecured notes due October 1st, 2031 (the "Notes"). The Notes were issued pursuant to a Trust Indenture, as supplemented by a First Supplemental Trust Indenture, (each as defined below under the heading "Material Contracts"), and bear interest at the rate of 4.312% per annum, payable semi-annually until maturity. The Company used the net proceeds from the Notes to repay existing indebtedness under its revolving credit facilities.

The Notes are unsecured obligations of Stella-Jones, and rank *pari passu* with the other present and future unsecured and unsubordinated obligations of Stella-Jones. The Notes are guaranteed on an unsecured basis by certain wholly owned subsidiaries of Stella-Jones.

### **Ratings**

In connection with the Notes offering completed on October 1<sup>st</sup>, 2024, DBRS assigned a rating of "BBB", with a stable trend. The Corporation has not obtained and has not requested any other credit rating.

DBRS credit ratings range from AAA to D, which represent the range from the highest to lowest quality. According to DBRS, the BBB rating is the fourth highest of 10 major rating categories. All rating categories other than AAA and D also contain subcategories ("high") and ("low"). The absence of either a ("high") or ("low") designation indicates the rating is in the "middle" of the category. Long-term debt rated BBB is of adequate credit quality. The capacity for the payment of financial obligations is considered acceptable but it may be vulnerable to future events. Each DBRS rating category is appended with one of three rating trends - "Positive", "Stable", or "Negative". The rating trend helps to give the investor an understanding of DBRS's opinion regarding the outlook for the rating in question. However, the investor must not assume that a positive or negative trend necessarily indicates that a rating change is imminent. A credit rating is not

a recommendation to buy, sell or hold securities of the Corporation in any way, and may be subject to revision or withdrawal at any time by the credit rating organization.

## ITEM 7 MARKET FOR SECURITIES

### 7.1 TRADING PRICE AND VOLUME

The Common Shares of the Company are listed on the Toronto Stock Exchange and are identified under the symbol “SJ”. The following table sets forth the market price range, in Canadian dollars, and trading volumes of the Company’s Common Shares on the Toronto Stock Exchange for each month of the most recently completed financial year:

<b>FISCAL YEAR ENDED DECEMBER 31, 2024</b>				
<b>Month (2024)</b>	<b>High \$</b>	<b>Low \$</b>	<b>Close \$</b>	<b>Volume Traded</b>
January	85.77	74.95	79.54	2,070,390
February	83.32	72.76	76.30	3,076,896
March	79.62	71.41	79.00	3,474,342
April	82.58	77.8	79.98	2,720,458
May	86.64	72.28	81.36	3,409,008
June	89.98	80.93	89.27	2,373,631
July	98.00	84.38	92.89	2,417,122
August	93.43	83.37	92.8	2,700,613
September	94.55	86.27	88.79	3,201,779
October	94.74	83.65	84.18	2,943,712
November	88.55	67.13	71.54	5,608,540
December	74.82	69.37	71.19	3,609,593

## ITEM 8 DIRECTORS AND OFFICERS

The tables below set forth the name, place of residence and position held within the Company of the Company’s directors and executive officers, the principal occupation(s) and term of office of each director, the period or periods during which each director has served, as well as the number of Common Shares beneficially held, directly or indirectly, or over which control or direction is exercised by each director of the Company as at March 14, 2025. Each director is elected at the annual meeting of the shareholders to serve until the next annual meeting or until a successor is elected or appointed. Officers are appointed annually and serve at the discretion of the Board of Directors. The Company has an Audit Committee, a Human Resources and Compensation Committee, an Environmental, Health and Safety Committee, a Governance and Nomination Committee and an Executive Committee.

## 8.1 NAME, ADDRESS, OCCUPATION AND SECURITY HOLDING

Name and Place of Residence	Office held with the Company	Director since	Principal Occupation(s)	Number of Common Shares Beneficially Owned, Directly or Indirectly, or over which Control or Direction is Exercised
Michelle Banik <sup>(2)(4)</sup> Ontario, Canada	Director	January 2024	Corporate Director	nil
Robert Coallier <sup>(1)(2)</sup> Québec, Canada	Director	January 2020	Corporate Director	7,875
Anne E. Giardini <sup>(3)(4)(5)</sup> Rome, Italy	Director	January 2021	Corporate Director	2,000
Rhodri J. Harries <sup>(1)(3)</sup> Québec, Canada	Director	May 2020	Executive Vice-President, Chief Administrative Officer, Gildan Activewear Inc., (publicly listed producer of basic apparel)	20,000
Karen Laflamme, FCPA, ASC <sup>(1)(4)(5)</sup> Québec, Canada	Director	December 2018	Corporate Director	9,000
Katherine A. Lehman <sup>(1)(5)</sup> New York, U.S.A.	Director	October 2016	Partner, Palladium Equity Partners, LLC (private equity firm)	7,500
James A. Manzi, Jr. <sup>(2)(4)(5)</sup> Florida, U.S.A.	Director	April 2015	Corporate Director	4,500
Douglas Muzyka <sup>(3)(4)(5)</sup> Pennsylvania, U.S. A	Director	December 2019	Corporate Director	4,700
Simon Pelletier <sup>(2)(3)</sup> Georgia, U.S.A.	Director	May 2012	President and CEO, H-E Parts International (service and repair solutions in support of surface mining equipment fleets, crushing and material processing equipment)	8,000
Eric Vachon, CPA Québec, Canada	President, Chief Executive Officer and Director	October 2019	President and Chief Executive Officer, Stella-Jones Inc.	25,684

(1) Member of the Audit Committee.

(2) Member of the Human Resources and Compensation Committee.

(3) Member of the Environmental, Health and Safety Committee.

(4) Member of the Governance and Nomination Committee.

(5) Member of the Executive Committee

Within the five preceding years, , James A. Manzi and Jr., and Douglas Muzyka have held the same or similar principal occupations indicated. Katherine Lehman served as Managing Partner of Hilltop Private Capital from 2016 to February 2022, Anne Giardini served as chancellor of Simon Fraser University from 2014-2020. Rhodri Harries served as Executive Vice-President, Chief Financial and Administrative Officer, Gildan from 2015 until February, 2025. Karen Laflamme served as Executive Vice-President and Chief Financial Officer, Retail, of Ivanhoé Cambridge from 2016 to 2020 and Simon Pelletier served as Senior Vice-President, North American Sales and Operations at Metso from 2013 until 2020.

#### Executive Officers who are not Directors

<b>Name and municipality of residence</b>	<b>Position within the Company</b>
Marco Albanesi Quebec, Canada	Vice-President, Corporate Development and Treasury, SJI
Joel Alexander Texas, U.S.A.	Vice President, Procurement, Southern Yellow Pine, SJ Corporation
Dean Anderson Washington, U.S.A.	Vice-President, Utility Pole Sales, SJ Corporation
Steve Bryant Alabama, U.S.A.	Vice President, Operations Southern Yellow Pine-West, SJ Corporation
Richard Cuddihy Québec, Canada	Senior Vice-President and Chief People Officer, SJI
Kevin Comerford Washington, U.S.A.	Senior Vice-President, Utility Poles and U.S. Residential Lumber, SJ Corporation
Sylvain Couture Ontario, Canada	Vice-President, Utility Pole and Residential Lumber Operations, Eastern Canada, SJI
Jason Dallas Pennsylvania, U.S.A.	Vice-President, Railway Tie Procurement, SJ Corporation
Marcel Driessen Washington, U.S.A.	Vice-President, Human Resources, SJ Corporation
Marla Eichenbaum Québec, Canada	Vice-President, General Counsel and Secretary, SJI
Brian Grant Ontario, Canada	Vice-President, Canada Residential Lumber Sales and Procurement, SJI
Mathieu Hébert Québec, Canada	Vice-President, Finance, SJI
James Kenner Kansas, U.S.A.	Vice-President, Risk Management and General Counsel, U.S. Operations, SJ Corporation
Patrick Kirkham Pennsylvania, U.S.A.	Senior Vice-President, Railway Ties, SJ Corporation
Steve Larocque Québec, Canada	Vice-President, Information Technology, SJI
Andy Morgan Washington, U.S.A.	Vice-President, Utility Pole Operations (Western Species), SJ Corporation
Gordon Murray Nova Scotia, Canada	Vice-President, Research and Development, SJI
Jeremy Meyer Wisconsin, U.S.A.	Vice President, Utility Pole Sales, SJ Corporation
Glynn Pittman Louisiana, U.S.A.	Vice-President, Utility Pole Operations (Southern Yellow Pine), SJ Corporation

Name and municipality of residence	Position within the Company
Patrick Stark Pennsylvania, U.S.A.	Vice-President, Environment, Health and Safety, SJ Corporation
Silvana Travaglini, CPA Québec, Canada	Senior Vice-President and Chief Financial Officer, SJI
David Whitted Texas, U.S.A.	Vice-President, Railway Tie Operations and Production Planning, SJ Corporation
Jon Younce Washington, U.S.A.	Vice-President, Utility Pole and U.S. Residential Lumber Procurement, SJ Corporation

As of March 14, 2025, directors and executive officers as a group beneficially owned, directly or indirectly, or exercise control or direction over approximately 144,959 Common Shares, representing approximately 0.3 % of all issued and outstanding shares of the Company.

The principal occupations over the past five years of the Company's executive officers who have not served in their current principal capacities for over five years are given below:

**Marco Albanesi** has served as Vice-President, Corporate Development and Treasury, SJI, since January of 2024. Prior to that, he was Director of Investment banking (2023-2024) and Vice-President Investment banking (2019-2023) at TD Securities.

**Joel Alexander** was promoted to the position of Vice-President, Procurement, Southern Yellow Pine of SJ Corporation effective September, 2023. Prior thereto, he served as Director of Resource from 2019 to 2023.

**Dean Anderson** was promoted to the position of Vice-President, Utility Pole Sales of SJ Corporation effective July, 2023. Prior thereto he served as Senior Director (2020-2023) and Director (2012-2020) of U.S. Poles Sales.

**Steve Bryant** was promoted to the position of Vice President, Operations, Southern Yellow Pine-West, SJ Corporation, effective October, 2023. Prior thereto, he served as Director of Operations, Southern Yellow Pine (2021-2023) and has held positions in Operations, EH&S, Resource and Quality Control. since joining the Company in 2014.

**Kevin Comerford** has served as Senior Vice-President, Utility Poles and U.S. Residential Lumber, SJ Corporation since July of 2023. Prior thereto, he served as Vice-President, Utility Pole and U.S. Residential Lumber Sales, SJ Corporation from 2013 to 2023.

**Sylvain Couture** has served as Vice-President, Utility Pole and Residential Lumber Operations, Eastern Canada of SJI since December 2020. Prior to that, he was Vice-President, Operations, Central Region of SJI beginning January 1, 2020. From 2017 to 2019, he was Director of Operations, Central Region.

**Richard Cuddihy** joined SJI as Senior Vice-President and Chief People Officer in November of 2022. Prior thereto, he served as Vice-President, Human Resources at Bonduelle Americas Long Life from January 2019 to November of 2022.

**Jason Dallas** has served as Vice-President, Railway Tie Procurement of SJ Corporation since December of 2020. He previously served as Director of Procurement from June 2016 to November of 2020.

**Brian Grant** was promoted to the position of Vice-President, Canada Residential Lumber Sales and Procurement of SJI in January of 2023. Prior thereto, he served as Director Sales and Marketing, Canadian Sales and Lumber (2020-2022) and as Senior Lumber Trader (2015-2020).

**Mathieu Hébert** joined SJI as Vice-President, Finance in July of 2024. Prior thereto, he served as Vice-president, Finance (2024) and Treasurer (2019-2023) at Transcontinental inc.



**Patrick Kirkham** was promoted to the position of Senior Vice-President, Railway Ties of SJ Corporation effective November 1, 2021. Mr. Kirkham joined the Company in 2011 and from 2016 to 2021, served as its Vice-President, Railway Ties Operations.

**Steve Larocque** was named Vice-President, Information Technology effective December 1, 2021. He began his employment with SJI in March of 2020 as Senior Director, IT. Prior to joining Stella-Jones, he served as Director Business Applications of Uni-Select Inc. from 2012 to 2020.

**Jeremy Meyer** was named Vice-President, Utility Pole Sales of SJ Corporation in July of 2023. Prior thereto, he held the position of Senior Director of Pole Sales from 2020-2023 and Director of Pole Sales from 2013-2020.

**Gordon Murray** has held the position of Vice-President, Research, and Development of SJI since December of 2020. Prior thereto, he was the longstanding Vice-President, Environment and Technology and General Manager, Atlantic Region of SJI.

**Glynn Pittman** was promoted to Vice-President, Utility Pole Operations (Southern Yellow Pine) of SJ Corporation in October of 2020. From 2016 to 2020, he served as Director of Operations, Southern Yellow Pine.

**Jim Raines** was named Vice-President, Global Railway Tie Sales of SJ Corporation in October 2021. He previously held the position of Vice-President, Railway Tie Sales from 2020-2021 and Vice-President, Sales from 2019-2020.

**Patrick Stark** was named Vice-President, Environment, Health and Safety of SJ Corporation in December of 2020, overseeing all North American operations. Since April of 2018, he served as Vice-President, Environment, Health and Safety, U.S. Operations of SJ Corporation.

**Jon Younce** has served as Vice-President, Utility Pole and U.S. Residential Lumber Procurement of SJ Corporation since December of 2020. Prior thereto, he was Vice-President, U.S. Fibre & Transportation/Logistics of SJ Corporation since January of 2018.

**David Whitted** was named to the position of Vice-President, Railway Tie Operations and Production Planning, SJ Corporation in October 2021. Prior thereto, he served as Vice-President, Railway Tie Sales Operations of SJ Corporation.

## **ITEM 9     AUDIT COMMITTEE DISCLOSURE**

### **9.1     COMPOSITION OF THE AUDIT COMMITTEE AND RELEVANT EDUCATION AND EXPERIENCE**

The Company's Audit Committee is composed of Ms. Karen Laflamme (Chair), Mr. Robert Coallier, Mr. Rhodri Harries, and Ms. Katherine A. Lehman. All members of the Committee are "independent" and "financially literate" within the meaning of Multilateral Instrument 52-110 *Audit Committees*.

**Ms. Karen Laflamme** holds a bachelor's degree in business administration (BBA) from HEC Montréal and has been a member of the Québec CPA order since 1986. She holds the designation of certified corporate director and was named fellow of the Québec Order of Chartered Professional Accountants (FCPA) in 2012. From 2016 to early 2020, she served as Executive Vice-President and Chief Financial Officer, Retail, of Ivanhoé Cambridge, an investor and developer of superior quality real estate properties, projects and companies around the world. She joined Ivanhoé Cambridge in 2012, where she served in various roles, including Executive Vice-President, Corporate Management & Institutional Affairs, where she was responsible for investor relations, internal audit and integrated risk management. Prior thereto, Ms. Laflamme worked at the CDPQ from 1993 to 2012, where she held various senior positions in real estate.

**Mr. Robert Coallier** holds a master's degree in business administration ("MBA") from Concordia University and a bachelor's degree (B.A.) in economics from McGill University. From 2012 to 2019, he served as Chief Executive Officer of Agropur Dairy Cooperative. He was Vice-President and Chief

Financial Officer of Dollarama L.P. from 2005 to 2010 and held various senior positions at Molson Coors Brewing between 2000 and 2005, including Global Chief Development Officer, Executive Vice President, Corporate Strategy and International Operations, President and Chief Executive Officer, Brazilian Operations and Executive Vice-President and Chief Financial Officer. From 1996 to 2000, Mr. Coallier Served as Vice President and Chief Financial Officer of C-MAC Industries Inc.

**Mr. Rhodri J. Harries** holds an MBA from McMaster University and a Bachelor of Science degree in Chemical Engineering from Queen's University. He currently serves as Chief Administrative Officer of Gildan Activewear, a publicly listed (TSX/NYSE: GIL) producer of basic apparel and beforehand served as its Executive Vice-President, Chief Financial and Administrative Officer. Previously, he served as Chief Financial Officer of Rio Tinto Alcan, a leading global integrated aluminum business where he was responsible for all finance activities including business analysis, capital approval processes, risk management, financial planning and reporting, control and compliance and Information technology.

**Ms. Katherine A. Lehman** holds an MBA from Columbia Business School and a B.S. in Economics from The Wharton School, University of Pennsylvania. She is currently Partner, Palladium Heritage at Palladium Equity Partners, LLC, a private equity firm, where she leads the Palladium Heritage strategy, which is focused on companies in industrial and business services. From 2016 to February 2022, she was Co-Founder and Managing Partner at Hilltop Private Capital LLC. Ms. Lehman's background in capital allocation and financial analysis has positioned her well to serve on more than a dozen public and private Boards and she has been or is an active member of several audit committees including prior service from 2016-2018 and 2020-2022 on Stella-Jones' Audit Committee.

## **9.2 MANDATE OF THE AUDIT COMMITTEE**

The mandate of the Audit Committee is to advise and assist the Board of Directors of the Company on financial matters. As such, the Audit Committee is responsible, among others, to make recommendations to the Board of Directors with respect to the nomination and remuneration of external auditors, to review the financial reporting process, to review the internal control procedures of the Company, to review the Company's compliance with International Financial Reporting Standards as issued by the International Accounting Standards Board ("IFRS") and to advise the Board of Directors thereon.

The Audit Committee is responsible to meet regularly with the Senior Director, Corporate Internal Audit, Risk & Compliance and provide internal audit stewardship, review and approve the internal audit charter on an annual basis, review and approve the internal audit budget and resource plan annually, review and approve the risk-based internal audit plan each year and make appropriate inquiries of management and the senior Director, Corporate Internal Audit, Risk & Compliance to determine whether there are any scope of other limitations. Additionally, the Audit Committee is tasked with reviewing the Corporation's tax compliance and overseeing the Company's information technology, cybersecurity, artificial intelligence and privacy risk exposures and controls in place to mitigate any related material risks. The Audit Committee receives quarterly reports on whistleblowing complaints and the corresponding implementation of corrective action and oversees the Corporation's policies and procedures in place to identify, assess and monitor related-party transactions and approves all related party transactions as required under the terms of the Corporation's related-party transaction policy.

In performing its duties, the Audit Committee maintains effective working relationships with the Board of Directors, Management and the internal and external auditors. The mandate of the Audit Committee is attached to this AIF at Appendix "I".

### 9.3 POLICIES AND PROCEDURES

The Company's Auditor Independence Policy contains the Audit Committee's procedures for approval of audit and non-audit services by the external auditors ("Procedures"), which state that the engagement for the annual audit of the Company's consolidated financial statements is specifically approved on an annual basis by the execution of the audit engagement letter with the Company's external auditors ("Auditors").

In respect of proposed engagements of the Auditors involving the services hereunder, SJI's management and/or its Auditors must seek specific pre-approval by the Audit Committee.

- tax services such as tax compliance, tax consulting transfer pricing, customs and duties, expatriate tax services; and
- other services such as due diligence and forensic investigations.

To further satisfy itself as to the independence of the Auditors, and to prevent relationships that could impair or be perceived to impair the independence of Stella-Jones' Auditors, the Auditor Independence policy also contains provisions for mandatory rotation of the lead audit partner and prohibition of reappointment in such capacity, and requires cooling off periods by partners, former partners, directors or former directors of the Auditors prior to serving in financial oversight roles for the Company.

### 9.4 EXTERNAL AUDITOR SERVICE FEES

The following table sets out the fees billed to the Company by PricewaterhouseCoopers LLP for the last two fiscal years for various professional services:

FEES	YEAR ENDED DECEMBER 31, 2024	YEAR ENDED DECEMBER 31, 2023
Audit Fees	\$1,062,200	\$1,048,035
Audit Related Fees	\$148,043	\$18,400
Tax Service Fees	\$119,631	\$125,219
Other Fees	\$22,000	\$21,515
<b>TOTAL</b>	<b>\$1,351,874</b>	<b>\$1,213,169</b>

#### Audit Fees

The services comprising these fees include the audit of consolidated financial statements, the quarterly reviews of the interim financial statements and accounting consultations required to perform the audit in accordance with Canadian Generally Accepted Auditing Standards.

#### Audit Related Fees

These fees represent services related to fees for prospectus work, ESG services and the audit of the pension plan.

#### Tax Fees

These fees include professional services rendered in connection with the transfer pricing.

#### Other Fees

These fees represent services related to agreed-upon procedures on certain financial information.

## **ITEM 10 TRANSFER AGENT**

The Company's transfer agent and registrar is Computershare Investor Services Inc. ("Computershare") The register of transfers of the Common Shares of SJI maintained by Computershare is located at its offices in Montréal, Québec.

## **ITEM 11 MATERIAL CONTRACTS**

Except for those contracts entered into in the ordinary course of business, the following material contracts were entered into by Stella-Jones during the year ended December 31, 2024:

- Trust indenture dated as of October 1, 2024, between the Company and Computershare Trust Company of Canada (the "Trust Indenture"); and
- The first supplemental trust indenture dated as of October 1, 2024, between the Company and Computershare Trust Company of Canada (the "First Supplemental Trust Indenture").

## **ITEM 12 INTERESTS OF EXPERTS**

### **12.1 NAMES OF EXPERTS**

The Company's auditors are PricewaterhouseCoopers LLP, Partnership of Chartered Professional Accountants, who have prepared the Independent Auditor's Report to the shareholders of SJI on page F-05 of the Company's 2024 annual report. PricewaterhouseCoopers LLP has advised that they are independent with respect to the Company within the meaning of the Code of Ethics of the *Ordre des comptables professionnels agréés du Québec*.

## **ITEM 13 ADDITIONAL INFORMATION**

Additional information relating to the Company may be found on SEDAR+ at [www.sedarplus.ca](http://www.sedarplus.ca).

Additional information, including information regarding directors' and officers' remuneration and indebtedness (if any), principal holders of securities of the Company, and securities authorized for issuance under equity compensation plans, if applicable, is contained in the Company's information circular for its most recent annual meeting of shareholders that involved the election of directors.

Additional financial information is provided in the Company's consolidated financial statements and Management's Discussion & Analysis for its most recently completed financial year.

**APPENDIX “I”**  
**AUDIT COMMITTEE MANDATE**  
**STELLA-JONES INC.**  
(the “Corporation”)

**MANDATE OF THE AUDIT COMMITTEE**

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1. **Formation.** The Board of Directors may appoint annually from its members an Audit Committee consisting of such number of members as the Board of Directors may from time to time determine, but not less than three.

Each of the members of the Audit Committee shall be Independent as defined by the Canadian Securities Administrators and such other rules or guidelines as may be applicable from time to time.

The Audit Committee shall determine its own organization and procedure, except as provided in the By-Laws of the Corporation or as may be otherwise determined by the Board of Directors.

2. **Tenure and office.** All members of the Audit Committee shall be appointed by the Board of Directors. The Board of Directors may remove from office any member of the Audit Committee, with or without cause. Any vacancy in the membership of the Audit Committee may be filled by the Board of Directors. All members of the Audit Committee shall cease to be in office at the close of each annual meeting of shareholders.
3. **Powers.** The Audit Committee shall advise and assist the Board of Directors on financial matters, including, without limiting the generality of the foregoing, the following:
  - review the recommendations of the officers of the Corporation as to the appointment of external auditors, verify the independence of the external auditors and make recommendations to the Board of Directors with respect to the nomination and remuneration of external auditors to be appointed at each annual meeting of shareholders;
  - oversee the work of the external auditors engaged for the purpose of preparing or issuing an independent auditor’s report or performing other audit review or attest services for the Corporation, including the approval of the annual audit plan and the resolution of disagreements between management and the external auditors regarding financial reporting;
  - review with the external auditors the scope and timing of their audit services and any other services they are asked to perform, their report on the Corporation’s accounts following completion of the audit and the Corporation’s policies and procedures with respect to internal accounting and financial controls, discussion of quality and depth of staffing in the accounting and financial departments, discussion of implementation of new accounting systems (e.g. computers), discussion of recent prospective releases of the Chartered Professional Accountants of Canada and their impact on the Corporation’s financial statements, discussion of the need to extend the audit examination into areas beyond those required under a normal statutory audit;
  - pre-approve all non-audit services to be provided to the Corporation or its subsidiary entities by the Corporation’s external auditors;
  - review the audited annual financial statements, the unaudited interim quarterly financial statements, the annual and interim management’s discussion and analysis, the interim and annual CEO and CFO certifications and the annual and interim earnings press releases of the Corporation and report thereon to the Board of Directors of the Corporation before approval thereof by the Board of Directors and prior to disclosure thereof to securities authorities, shareholders and the public;

- see, to its satisfaction, that adequate procedures are in place for the review of the Corporation's public disclosure of financial information extracted or derived from its financial statements and periodically assess the adequacy of those procedures;
  - review and oversee the Corporation's policies and procedures to identify, assess and monitor related-party transactions and approve all related party transactions as required under the terms of the Corporation's Related-Party Transaction policy;
  - review the internal control procedures of the Corporation and advise the directors on auditing practices and procedures as part of the responsibility of directors to meet their moral and legal responsibilities to the Corporation;
  - review the Corporation's compliance with International Financial Reporting Standards and advise the Board of Directors thereon;
  - meet on a regular basis with the Corporation's Senior Director, Corporate Internal Audit, Risk & Compliance and provide internal audit stewardship;
  - review and approve the Internal Audit Charter on an annual basis;
  - review and approve the Internal Audit budget and resource plan, annually;
  - review and approve the risk-based Internal Audit plan each year;
  - review and approve recommendations regarding the appointment and removal of the Senior Director, Corporate Internal Audit, Risk & Compliance;
  - make appropriate inquiries of Management and the Senior Director, Corporate Internal Audit, Risk & Compliance to determine whether there are any scope or resource limitations;
  - review and approve the Corporation's hiring policies regarding partners, employees and former partners and employees of the present and former external auditors of the Corporation;
  - review the Corporation's information technology, cyber-security, artificial intelligence and privacy risks and controls to mitigate any related material risks;
  - review the Corporation's tax compliance, at least annually;
  - establish procedures for (i) the receipt, retention and treatment of complaints received by the Corporation regarding accounting, internal accounting controls or auditing matters and (ii) the confidential and anonymous submission by employees of the Corporation of concerns regarding questionable accounting or auditing matters;
  - review the accuracy and reliability of data to be disclosed to interested parties;
  - review the relationship among external auditors, internal auditors, if any, and employees; and
  - review management plans regarding any requirements for revised accounting practices.
4. **Accountability of external auditors.** The external auditors are ultimately accountable to the Board of Directors and the Audit Committee as representatives of shareholders.
5. **Signed resolution.** A resolution in writing signed by all the members of the Audit Committee entitled to vote on that resolution at a meeting of the Audit Committee is as valid as if it had been passed at a meeting of the Audit Committee. A copy of every resolution referred to in this paragraph shall be kept with the minutes of the meetings of the Audit Committee.

6. **Chair, quorum and procedure.** The Audit Committee shall have the power to appoint a Chair and a Vice-Chair, to fix its quorum, which quorum shall consist of not less than a majority of its members, and to determine its procedure.
7. **Meetings.** Meetings of the Audit Committee may be held at the registered office of the Corporation or at such other places within or without Canada as the Audit Committee may from time to time determine, including by teleconference and videoconference. Meetings of the Audit Committee may be called by or by the order of the President of the Corporation, the Chair of the Audit Committee, the Vice-Chair or any two (2) members thereof.

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