

**STELLA
JONES**

Annual Information Form

For the financial year ended December 31, 2025



March 12, 2026

Contents

- Item 1 Introductory Information..... 3
- Item 2 Corporate Structure..... 4
- Item 3 General Development of the Business..... 4
- Item 4 Description of the Business 5
- Item 5 Dividends..... 14
- Item 6 Description of Capital Structure..... 14
- Item 7 Ratings..... 15
- Item 8 Market for Securities 16
- Item 9 Directors and Executive Officers 16
- Item 10 Audit Committee Disclosure..... 20
- Item 11 Transfer Agent 22
- Item 12 Material Contracts 22
- Item 13 Interests of Experts 23
- Item 14 Additional Information..... 23

Item 1 Introductory Information

1.1 Basis of Presentation

This Annual Information Form (“AIF”) is dated as of March 12, 2026. Unless otherwise indicated, the information contained in this AIF is stated as at December 31, 2025.

In this AIF, the terms “Company” and “Stella-Jones” refer to Stella-Jones Inc. and where applicable, its subsidiaries.

Unless otherwise noted, all dollar references in this AIF are expressed in Canadian dollars.

1.2 Caution regarding Forward-Looking Statements

This AIF contains forward-looking information within the meaning of applicable securities laws (“forward-looking statements”). The words “may”, “could”, “should”, “would”, “assumptions”, “plan”, “strategy”, “believe”, “anticipate”, “estimate”, “expect”, “intend”, “objective”, the use of the future and conditional tenses, and words and expressions of similar nature are intended to identify forward-looking statements. Forward-looking statements include, among others, statements about our current and future plans, expectations and intentions, results, levels of activity, performance, goals or achievements or any other future events or developments, and are provided for the purpose of assisting the reader in understanding the Company’s financial position, operating results and cash flows and management’s current expectations and plans (and may not be appropriate for other purposes). Such statements are based upon a number of estimates and assumptions and are made by the Company in light of the experience of management and their perception of historical trends, current conditions and expected future developments, as well as other factors believed to be appropriate and reasonable in the circumstances. However, there can be no assurance that such estimates and assumptions will prove to be correct. By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. Such risks and uncertainties may relate to, among other things, the Company’s dependence on major customers, the availability and cost of raw materials, operational disruption, climate change, reliance on key personnel, information technology, cybersecurity and data protection incidents, global economic conditions, geopolitical uncertainty, the Company’s acquisition strategy, the Company’s future plant expansion, the Company’s ability to raise capital, environmental compliance and litigation, and factors and assumptions referenced herein and in the Company’s continuous disclosure filings. These and other risks and uncertainties related to the business of the Company are described in greater detail in the section entitled “Risks and Uncertainties” of the Company’s Management Discussion and Analysis for the year ended December 31, 2025 (the “2025 MD&A”). Many of these risks are beyond the Company’s ability to control or predict. Because of these risks, uncertainties and assumptions, readers should not place undue reliance on these forward-looking statements. Furthermore, forward-looking statements speak only as of the date they are made. Unless required to do so under applicable securities legislation, the Company’s management does not assume any obligation to update or revise forward-looking statements to reflect new information, future events or other changes after the date hereof.

All forward-looking statements contained in this AIF are expressly qualified by this cautionary statement.

Item 2 Corporate Structure

2.1 Name, Address and Incorporation

Stella-Jones Inc. (“Stella-Jones” or the “Company”) 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. Stella-Jones’ 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, Stella-Jones’ articles were further amended to add a provision authorizing the directors to appoint a limited number of additional directors to hold office until the close of the next annual meeting of shareholders. On January 1, 2014, Stella-Jones filed articles of amalgamation evidencing its amalgamation with its wholly-owned subsidiary, I.P.B. – W.P.I. International Inc. On January 1, 2015, Stella-Jones 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, Stella-Jones 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.

Stella-Jones’ registered office is located at 3100 de la Côte-Vertu Blvd., Suite 300, Montréal, Québec, H4R 2J8.

2.2 Intercorporate Relationships

As at December 31, 2025, 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

3.1 Three-Year History

Stella-Jones is a leading North American manufacturer of products focused on supporting infrastructure that are essential to the electrical distribution and transmission network, and the operation and maintenance of railway transportation systems. It supplies the continent’s major electrical utilities companies with treated wood poles and crossarms, steel lattice towers and steel transmission poles, as well as 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 5, 2025, Stella-Jones completed the acquisition of the assets of Brooks Manufacturing Co. (“Brooks”), a U.S. producer of treated wood distribution crossarms and transmission framing components operating in Bellingham, Washington. The purchase price was approximately US\$140 million, subject to working capital adjustments. The transaction was funded through the Company’s existing revolving credit facilities.

On May 7, 2025, Stella-Jones acquired Locweld Inc. (“Locweld”), a Candiac, Québec-based designer and manufacturer of steel lattice towers and steel transmission poles. The purchase price was \$58 million on a cash-free, debt-free basis, subject to working capital adjustments, with up to an additional \$7 million in contingent consideration tied to performance milestones. The acquisition was financed through the Company’s existing revolving credit facilities.

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 distribution yards located in Des Moines, Iowa and Pittsburgh, Kansas. The Company financed the acquisition through its existing credit facilities.

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.

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.

None of the aforementioned transactions constituted a significant acquisition for the purposes of Part 8 of National Instrument 51-102; accordingly, Form 51-102F4 (Business Acquisition Report) was not filed in respect of any of these transactions.

Item 4 Description of the Business

4.1 Business Segments

Stella-Jones operates a diversified infrastructure-support business across North America, organized into two business segments: (i) pressure-treated wood, which includes utility products, mainly wood utility poles, steel lattice transmission towers, steel utility poles, railway ties, residential lumber and industrial products, and (ii) logs and lumber.

The following table sets forth the Company's revenues and the percentage of revenues by operating segment and sub-categories for the fiscal years ended December 31, 2025 and December 31, 2024:

(in millions of dollars except for percentages)	Fiscal Years Ended December 31, 2025 and 2024			
	2025 (\$)	2025 (%)	2024 (\$)	2024 (%)
Utility products	1,822	52	1,705	49
Railway ties	821	24	890	26
Residential lumber	615	18	614	18
Industrial products	160	5	154	4
Pressure-treated wood	3,418	98	3,363	97
Logs and lumber	74	2	106	3
Total	3,492	100	3,469	100

In 2025, the Company expanded its infrastructure offerings through previously announced acquisitions of steel lattice towers and steel transmission poles and transmission crossarms. These products, reported within the utility products category, are in full commercial production and integrated into existing utility customer programs.

4.2 Products Description

4.2.1 Utility Products

The Company supplies a broad range of utility infrastructure products to electrical utilities across North America. Its product portfolio includes treated wood utility poles, treated wood distribution crossarms and transmission framing components, steel lattice towers, steel transmission poles and related overhead distribution hardware.

Wood utility poles continue to represent a principal product used by utilities due to their long service life (typically 40 to 50 years or more), cost-effectiveness and ease of installation, maintenance, drilling, and field modification. Overhead line construction supported by wood poles remains the predominant approach in rural and remote areas, where underground cabling is less common because of higher installation costs and more limited accessibility. Underground systems are typically utilized in urban centers where existing underground infrastructure is already established.

In 2020, the Company introduced an intumescent fire-resistant wrap for utility poles. This product is designed to provide enhanced protection and extend service life in regions exposed to wildfire activity and is used by utilities seeking to strengthen grid resilience.

In 2025, the Company expanded its utility product offering through two strategic acquisitions:

- Locweld, which added steel lattice transmission towers and steel utility poles used in high-voltage electric transmission infrastructure; and
- Brooks, which added treated wood transmission crossarms and framing components.

Through these product lines and acquisitions, the Company provides utilities with both wood and steel solutions for transmission and distribution applications across North America.

4.2.2 Railway Ties

The Company supplies pressure-treated railway ties to Class 1 railroads, short line railroads, commercial rail operators, and contractors involved in rail line construction, maintenance, and repair across North America. Demand for railway ties is primarily driven by recurring maintenance and replacement programs, with additional demand arising periodically from new track construction. Management estimates that approximately 1.5% to 3.0% of ties on active railway lines require replacement annually to maintain track integrity and operational safety.

4.2.3 Residential Lumber

The Company manufactures and distributes pressure-treated residential lumber for construction applications, including decking, fencing and other outdoor applications. Products include premium grade treated lumber and complementary accessories and are supplied to big box retailers and numerous other retailers and independent dealers in Canada and certain regions of the United States.

4.2.4 Industrial Products

Industrial products include a variety of wood species and preservatives for outdoor applications across the industrial, marine and civil sectors, such as bridge and crossing timbers, marine and foundation pilings, construction timbers and other specialized treated wood components used in infrastructure and construction projects. These products are typically sold directly to railroad companies, construction contractors and public authorities. The Company also manufactures creosote wood preservatives for treating operations and produces coal tar-based products, including roof pitch and road tar, which are sold to third party customers.

4.2.5 Logs and Lumber

The Company sells logs harvested through the Company's procurement activities that are determined to be unsuitable for the manufacturing of utility poles. These logs are resold into regional building and lumber markets. In addition, as part of procuring competitively priced volumes of residential lumber, the Company may acquire amounts exceeding its internal requirements; such excess lumber is resold primarily into local home-building and construction markets.

4.3 Description of Manufacturing Process

4.3.1 Wood Manufacturing Process

The Company manufactures its wood products through a comprehensive process beginning with the sourcing and selection of raw material (see Section 4.5 – Raw Material Procurement and Supply below for more information). For wood utility poles, the trees are harvested, peeled and then inspected to ensure suitability, whereas wood used for railway ties is procured directly from sawmills in a pre-sawn form.

The wood preservation process utilizes industry-standard pressure-treating techniques designed to protect against decay, insects, and environmental degradation and generally consists of two stages: drying and preservative impregnation.

Drying Phase

Before treatment, moisture content is reduced to optimize preservative penetration. Drying is achieved through air-seasoning, kiln drying, steam-vacuum conditioning, or other conditioning methods performed either externally or within the treatment cylinder.

Preservative Treatment Phase

Dried wood is placed in steel treatment cylinders where vacuum or pressure conditions are applied prior to the introduction of preservatives. Approved preservatives include, among others, creosote, chromated copper arsenate (CCA), DCOI and Copper Azole. Excess preservative is recovered through closed-loop systems, and final measures ensure no surface residue remains.

After the preservative treatment phase, all materials are inspected to ensure compliance with specifications focusing on preservative penetration and retention.

4.3.2 Steel Manufacturing Process

Locweld, now Stella-Jones Steel Structures Inc., manufactures steel transmission structures through a multi-stage fabrication process that includes precision cutting, drilling, welding, and forming using automated and computer-controlled equipment. Components such as angles, beams, and plates are processed and fabricated to project-specific engineering requirements, as structures are custom-designed based on site conditions and load specifications rather than mass-produced.

Following fabrication, all steel parts comprising the structure are hot dip galvanized by third party galvanizers. This process includes cleaning, acid stripping, fluxing, immersion in molten zinc, and post-treatment steps to provide corrosion protection. Quality control is conducted before and after galvanizing, including inspection and, when necessary, test assembly to confirm fit, alignment, and field readiness prior to shipment. When required, test assembly is performed prior to mass production to verify fit and alignment.

4.4 Manufacturing Operations

As at December 31, 2025, the Company operated an integrated North American network comprising 44 wood-treating facilities, supported by pole peeling operations, distribution yards, and an extensive procurement and logistics infrastructure across Canada and the United States. The Company also operated a steel structures manufacturing facility and a coal-tar distillation facility.

Many facilities are located near key wood baskets or connected to Class 1 railway lines, enabling efficient procurement and transportation logistics.

The Company's manufacturing and operational footprint includes the following:

Canadian Operations

Facilities for wood treated products are located in British Columbia (Galloway, New Westminster, Prince George), Alberta (Carseland), Manitoba (Neepawa), Ontario (Stouffville, Guelph, Peterborough, Gormley, Shelburne, Kirkland Lake), Québec (Delson, Gatineau, Rivière Rouge, Sorel Tracy) and Nova Scotia (Truro).

The Candiac, Québec facility designs and manufactures steel lattice transmission towers and steel utility poles.

United States Operations

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

The Memphis, Tennessee distillery produces creosote and coal-tar derivatives supporting treating operations and external sales.

Pole Peeling & Distribution

Pole peeling operations exist in Canada and the U.S., supplemented by third party peeling services. The Company's distribution network is comprised of several distribution yards in strategic locations and enables rapid response to customer requirements across North America.

4.5 Raw Materials and Supply

The Company's primary raw materials include wood, wood preservatives, steel and zinc. For wood-based utility poles, the Company sources timber from a diversified supply base comprising timber harvesting licenses, federal, state and provincial timber sales, private woodland owners, and open-market purchases across Canada and the United States. Wood used for railway ties, timbers and residential lumber is procured from hundreds of sawmills in various regions across Canada and the United States.

Steel is sourced primarily from steel service centers and steel mills, while zinc is obtained through third party galvanizers. Both steel and zinc are sourced in North America and Turkey. The Company maintains long-standing supplier relationships supported by a dedicated procurement team to ensure access to a sufficient and competitively priced supply of raw material.

Forest Tenures

The Company holds forest licenses in British Columbia and Québec, providing access to timber on Crown lands under the regulatory frameworks administered by the respective provincial authorities.

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 Québec, most of the managed forest is public property managed by the *Ministère des Ressources Naturelles et des Forêts* (the "Ministère"), which determines the market value of the stumpage. Timber allocation agreements, called *Garanties d'approvisionnement*, or GAs, 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:

Province	Allowable Annual Cut (m ³)	Term
British Columbia	138,913	15-year renewable
Québec	3,600 ⁽¹⁾	5-year renewable ⁽²⁾

(1) This comprises 800 m3 of jackpine and 2,800 m3 of red pine.

(2) The first prorated 1-year term, ending March 31, 2023, was for 1,300 m3/year. The second standard 5-year term which began April 1, 2023, has been increased to 3,600 m3/year and is eligible for renewal at a new negotiated volume in 2028.

Purchased Timber

In addition to the forest licenses listed above, the Company procures timber through supply agreements with major licensees and private woodland owners in British Columbia, Ontario and Québec, and through active participation in timber sales in Washington, Wisconsin, Oregon and Idaho in the United States. The Company also purchases timber from hundreds of private landowners and sawmills within its operating regions.

Timber Harvesting

The Company utilizes selective harvesting to obtain pole-quality timber and undertakes regeneration harvests that support sustainable forest management practices. Access to timberlands is facilitated through harvesting agreements with land managers, sawmills and forest products companies in Canada.

4.6 Sales, Marketing and Competitive Conditions

The Company markets its products through regional sales representatives in Canada and the United States, with sales conducted through multi-year contracts, public tenders and direct supply arrangements. Principal customers include:

- For utility products, North American electric utilities and distributors of such products
- For railway ties and timbers, Class 1 railroads, short lines railroads, commercial rail operators, and contractors
- For residential lumber, North American major retailers and independent dealers in Canada and certain regions of the United States

The Company operates an integrated operational network spanning North America, comprising multiple treating facilities, extensive raw material sourcing operations, and a network of distribution yards. This infrastructure supports efficient service across diverse regions, enables long-term supply commitments, and allows the Company to accommodate short-term demand surges. The Company's diversified product portfolio is supported by sizeable inventories and multiple plant locations that enable consistent availability and on-time delivery. The Company maintains specialized logistics

capabilities through a dedicated transportation management team and a fleet of over 1,700 leased railcars and approximately 100 company-owned trucks, enabling direct delivery to customers across North America.

The Company's primary focus remains on the North American market. The Company continues to evaluate export opportunities selectively where pricing and risk levels support appropriate returns. The following table shows the Company's sales by region for the years ended December 31, 2025 and 2024.

(in millions of dollars except for percentages)	For Fiscal Years Ended December 31, 2025 and 2024			
	2025 (\$)	2025 (%)	2024 (\$)	2024 (%)
United States	2,660	76	2,515	72
Canada	832	24	954	28
Total	3,492	100	3,469	100

4.7 Employees

As at December 31, 2025, the Company employed more than 3,200 employees across Canada and the United States, including salaried, unionized and hourly employees engaged in manufacturing, engineering, logistics, procurement and administrative functions.

4.8 Sustainability

Sustainability is a key priority that extends beyond a set of objectives. It is integrated into the Company's operations and embedded in its continuous efforts to contribute positively to the world while ensuring the Company's business remains profitable and resilient. The Company's sustainability strategy titled "Connecting our Sustainable Future" is based on measurable targets across six key topics, namely (i) Climate Change & Greenhouse Gas Emissions, (ii) Health and Safety, (iii) Our People, (iv) Indigenous Peoples, (v) Responsible Supply Chain, and (vi) Sustainability Risk Governance.

The Company's latest Environmental, Social and Governance Report was published in September 2025 and shows progress on actionable goals in (i) increased renewable energy consumption contributing to the 2030 target of a 32% absolute reduction in Scope 1 and Scope 2 GHG emissions relative to the Company's 2022 baseline, (ii) reduction in total recordable injuries through effective training, implementation of process improvements and a communication campaign supporting a culture of active safety ownership, (iii) land remediation, water and waste management, and (iv) enhancement of employee engagement and human resources capabilities through dedicated recruitment, talent development and total rewards. Furthermore, a human rights risk assessment of tier 1 suppliers advanced the Company's ongoing commitment to ethical and responsible sourcing while its climate change transition scenario analysis was carried out to further refine resiliency strategies. The Company also took important steps this past year to develop its enterprise risk management. Additionally, it worked to cultivate a framework for meaningful relationship agreements with Indigenous Peoples.

During 2025, the Company enhanced its sustainability reporting by delivering its first Climate Report within the Company's 2024 Annual Report. The climate risk assessment included in the Climate Report was informed by transition risks using the Shared Socioeconomic Pathway 2 (SSP2) models to evaluate 1.5°C and 4°C warming scenarios over 2030- and 2050-time horizons. The Company also completed its first Nature-related Risk Assessment under the Taskforce on Nature-related Financial

Disclosures. In its latest Environmental, Social and Governance Report, the Company improved its reporting by aligning more closely with the Canadian Sustainability Standards Board (“CSSB”) framework. Although the CSSB standard is not yet mandatory in Canada, the Company remains committed to following its recommendations to ensure transparent and useful disclosures for its stakeholders.

The Company’s Board of Directors (the “Board”) has ultimate oversight for the Company’s sustainability approach, including reviewing and approving the sustainability strategic plan and program, the annual Environmental, Social and Governance Report, and, on a semi-annual basis, reviewing the annual Enterprise Risk Review, which addresses climate-related risks and mitigation strategies and action plans.

The Environmental, Health and Safety Committee of the Board is tasked with advising and assisting the Board on matters relating to sustainability, including management plans, long-term objectives for improved sustainability performance, and integrating sustainability into the Company’s business strategies. It is also responsible for monitoring and reporting to the Board on the Company’s health and safety performance on a quarterly basis, and on its progress against sustainability targets, including those related to climate change and greenhouse gas emission reduction, at least on an annual basis.

The Company’s latest Environmental, Social and Governance Report is available in the “Investor Relations” section of the Company’s website at www.stella-jones.com.

See also “Climate Change” and “Environmental, Social and Governance Initiatives and Standards” in the section entitled “Risks and Uncertainties” of the Company’s 2025 MD&A.

4.9 Environmental Protection

The Company’s operations are subject to a variety of environmental laws and regulations by federal, provincial, state, and local authorities, including those related to air emissions, wastewater discharges, releases of hazardous and toxic substances, remediation of contaminated sites and the use of antimicrobial pesticide products authorized in the United States under the Federal Insecticide, Fungicide, and Rodenticide Act of the U.S. Environmental Protection Agency’s regulation and in Canada under the Health Canada Pest Management Regulatory Agency and its Pest Control Products Act. These environmental laws and regulations require the Company to obtain various environmental registrations, licenses, permits and other approvals, as well as carry out inspections, compliance testing, decontamination, and meet timely reporting requirements in order to operate its manufacturing and operating facilities. The section entitled “Risks and Uncertainties” in the Company’s 2025 MD&A contains more information regarding environmental compliance as a risk factor for the Company.

As part of its commitment to sustainable operations and the protection of human health and the natural environment, the Company implemented an Environmental, Health and Safety Policy (the “EH&S Policy”), pursuant to which the Company committed to:

1. 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. effective implementation of the Company’s environment, health and safety management system at all production locations;
3. continuous improvement in environmental performance aimed at pollution prevention and the use of best management practices;

4. reducing absolute Scope 1 and 2 GHG emissions by 32% across all operations by 2030;
5. utilizing freshwater efficiently at all production sites, investing in processes that enable water recycling and re-use where possible;
6. implementing a waste management program that seeks to reduce waste sent to landfill, increase recycling, and maintain compliance with waste regulations;
7. monitoring air quality and maintaining regulatory permits at all production sites where required;
8. working pro-actively to train employees in hazard identification;
9. 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. opening communication and dialogue with interested stakeholders on the Company's environment, health and safety aspects; and
11. encouraging research to expand knowledge of the environmental impact and benefits of the industry's activities.

The Company has a dedicated environmental health and safety team throughout North America, who together, oversees the implementation of the EH&S Policy by ensuring compliant execution of rigorous practices at its operations and facilities.

The Company maintains comprehensive health, safety, and environmental protection programs at all locations. These programs are regularly upgraded to incorporate best management practices for the protection of employees, the public, and the environment. Contingency plans are in place to enable prompt corrective and remedial action in response to potential incidents.

One of these programs is the Safety, Health, Improved Environment, Leading our Decisions ("SHIELD"), an integrated environmental, health, and safety management system implemented and maintained at each manufacturing location. SHIELD guides decisions regarding environmental, health, and safety activities, with the overarching goal of achieving zero workplace safety and environmental incidents. All Company employees and contractors are responsible for following and enforcing the SHIELD system.

Reports regarding the Company's activities in relation to environmental, health and safety matters, including risk management, are provided to the EH&S Committee at each regularly scheduled meeting. The EH&S Committee communicates key findings from these reports to the Board. Reports regarding the Company's progress towards sustainability initiatives are presented at least annually to the EH&S Committee. The EH&S Committee then communicates the key elements of these reports to the Board.

4.10 Indigenous Peoples and Human Rights Policies

The Company has implemented an Indigenous Peoples Policy which outlines the Company's commitment to building lasting and collaborative relationships and business partnerships with Indigenous Peoples where the Company operates, increase the Company's awareness and understanding of Indigenous cultures and history and ensuring that the Company's forestry practices and use of natural resources benefit from Indigenous perspectives and remain sustainable. In 2025, the Company approached five priority Bands in British Columbia with the intent of developing long term relationship agreements. The Company entered into a Memorandum of Understanding with one of the Bands. In addition, 96% of the Company's Canadian employees completed the Indigenous

cultural awareness training.

The Company has also adopted a Human Rights Policy outlining the Company's commitment to upholding internationally recognized human rights principles. The policy promotes fair and non-discriminatory working conditions and prohibits forced labour, human trafficking, slavery and non-compliance with local minimum age laws within the Company's operations and supply chain. In implementing this policy, the Company requires employees to complete annual human rights training on identifying and reporting related risks. In 2025, the Company also conducted training sessions for select suppliers to reinforce its human rights commitments and expectations.

4.11 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 2025 MD&A, which is incorporated herein by reference into this AIF. The 2025 MD&A is available on SEDAR+ at www.sedarplus.ca and under the "Investor Relations" section of the Company's website at www.stella-jones.com.

Item 5 Dividends

On March 7, 2023, May 9, 2023, August 8, 2023 and November 6, 2023, the Board 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 declared a quarterly dividend of \$0.28 per Common Share.

On February 26, 2025, May 6, 2025, August 6, 2025 and November 4, 2025, the Board declared a quarterly dividend of \$0.31 per Common Share.

On February 25, 2026, the Board declared a quarterly dividend of \$0.34 per Common Share.

The Company's dividend policy provides that the Company consider a dividend on a quarterly basis. All decisions by the Board regarding the payment of dividends are subject to its capital allocation policy and any other factors that the Board may deem relevant. Although the Company has declared regular cash dividends on the Common Shares, there is no assurance that the Board 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 12, 2026, there were 54,583,771 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 and 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 1, 2024, the Company completed a private placement of C\$400 million aggregate principal amount of senior unsecured notes due October 1, 2031 (the "Notes"), bearing interest at the rate of 4.312% per annum, payable semi-annually until maturity. The Notes are unsecured obligations of the Company, and rank pari passu with the other present and future unsecured and unsubordinated obligations of the Company.

Item 7 Ratings

In connection with the Notes offering completed on October 1, 2024, DBRS assigned a rating of "BBB", with a stable trend. DBRS reviews the Company's credit ratings on an annual basis and, most recently, on September 16, 2025, DBRS confirmed the Company's Issuer Rating and Senior Unsecured Notes rating at BBB, with all trends remaining stable. The Company 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, investors 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 Company in any way, and may be subject to revision or withdrawal at any time by the credit rating organization.

Item 8 Market for Securities

8.1 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:

Fiscal year ended December 31, 2025				
Month (2025)	High \$	Low \$	Close \$	Volume Traded
January	75.98	65.43	70.13	~3.8 million
February	73.00	65.13	69.18	~2.5 million
March	72.74	65.11	68.24	~3.2 million
April	69.17	62.26	67.60	~1.8 million
May	78.68	66.53	77.59	~2.2 million
June	79.56	74.63	78.49	~1.9 million
July	82.70	77.09	78.99	~1.7 million
August	80.16	73.58	78.22	~2.4 million
September	81.26	75.50	79.41	~2.2 million
October	83.04	77.00	79.61	~1.8 million
November	88.00	77.01	87.09	~2.4 million
December	88.46	83.32	85.13	~1.7 million

Item 9 Directors and Executive 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. 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. Executive officers are appointed annually and serve at the discretion of the Board. The Company has an Audit Committee, a Human Resources and Compensation Committee, an EH&S Committee, a Governance and Nomination Committee and an Executive Committee.

9.1 Directors - Name, Address and Occupation

Name and Place of Residence	Office held with the Company	Director since	Principal Occupation(s) For the Past Five (5) Years
Michelle Banik ⁽²⁾⁽⁴⁾ Ontario, Canada	Director	January 2024	Corporate Director
Robert Coallier ⁽¹⁾⁽²⁾⁽⁵⁾ Québec, Canada	Director	January 2020	Corporate Director

Name and Place of Residence	Office held with the Company	Director since	Principal Occupation(s) For the Past Five (5) Years
Sean Donnelly ⁽³⁾⁽⁴⁾ Ontario, Canada	Director	October 2025	Corporate Director (2021-Present) President and Chief Executive Officer, ArcelorMittal Dofasco (2014 – 2021)
Anne E. Giardini ⁽³⁾⁽⁴⁾⁽⁵⁾ Rome, Italy	Director	January 2021	Corporate Director
Karen Laflamme ⁽¹⁾⁽⁴⁾⁽⁵⁾ Québec, Canada	Director	December 2018	Corporate Director
Renée Laflamme ⁽¹⁾⁽²⁾ Québec, Canada	Director	October 2025	Executive Vice-President, Individual Insurance, Savings and Retirement at iA Financial Group
Katherine A. Lehman ⁽¹⁾⁽⁵⁾ New York, U.S.A.	Director	October 2016	Partner, Palladium Equity Partners, LLC (2022 – Present) Hilltop Private Capital (2016 – 2022)
Douglas Muzyka ⁽³⁾⁽⁴⁾⁽⁵⁾ Pennsylvania, U.S.A.	Director	December 2019	Corporate Director
Simon Pelletier ⁽²⁾⁽³⁾ Georgia, U.S.A.	Director	May 2012	President and CEO, H-E Parts International
Eric Vachon, CPA Québec, Canada	President, Chief Executive Officer and Director	October 2019	President and Chief Executive Officer, Stella-Jones Inc.

(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.

9.2 Executive Officers who are not Directors

Name and Residence	Position within the Company	Principal occupations for the past 5 years for executive officers with less than 5 years in current roles
Marco Albanesi Quebec, Canada	Vice-President, Corporate Development and Treasury	Director of Investment Banking (2023-2024) and Vice-President Investment Banking (2019-2023) at TD Securities
Joel Alexander Texas, U.S.A.	Vice-President, Procurement, Southern Yellow Pine	Director of Resource at Stella-Jones (2019-2023)

Name and Residence	Position within the Company	Principal occupations for the past 5 years for executive officers with less than 5 years in current roles
Dean Anderson Washington, U.S.A.	Vice-President, Utility Pole Sales	Senior Director (2020-2023) and Director (2012-2020) of U.S. Poles Sales at Stella-Jones
Wesley Bourland Missouri, U.S.A.	Senior Vice-President and Chief Operations Officer	Chief Operations Officer (2024-2025) and Vice-President of Operations (2021-2024) at Northwest Hardwoods Senior Vice-President and General Manager and other operations and management roles at Arcosa Wind Towers (2011-2021)
Kyle Brown Ontario, Canada	Vice-President, Utility Pole and Residential Lumber Operations, Eastern Canada	Director of Operations, Residential Lumber, Canada East (2022-2025) and General Manager, Shelburne Facility (2019-2022) at Stella-Jones
Steve Bryant Alabama, U.S.A.	Vice-President, Operations Southern Yellow Pine-West	Director of Operations, Southern Yellow Pine (2021-2023) and various positions in operations, EH&S, resource and quality control at Stella-Jones since 2014
Kevin Comerford Washington, U.S.A.	Senior Vice-President, Utility Poles and U.S. Residential Lumber	Vice-President, Utility Pole and U.S. Residential Lumber Sales (2013-2023) at Stella-Jones
Sylvain Couture Ontario, Canada	Vice-President and General Manager, Railway Ties	Vice-President, Utility Pole and Residential Lumber Operations, Eastern Canada (2020-2025) at Stella-Jones
Jason Dallas Pennsylvania, U.S.A.	Vice-President, Railway Tie Procurement	-
Marcel Driessen Washington, U.S.A.	Vice-President, Human Resources	-
Emilie Filiatrault Quebec, Canada	Vice-President and Head of Human Resources	Director, Total Rewards at Stella-Jones (2023-2026) Head of Total Rewards at Taiga Motors (2022-2023) Director, Global Total Rewards at Fiera Capital (2018-2022)
David Galison Ontario, Canada	Vice-President, Investor Relations	Head of Investor Relations at ATS Corporation (2022-2025) Capital Market Communications at LodeRock Advisors (2020-2022)
Brian Grant Ontario, Canada	Vice-President, Canada Residential Lumber Sales and Procurement	Director Sales and Marketing, Canadian Sales and Lumber (2020-2022) and Senior Lumber Trader (2015-2020) at Stella-Jones

Name and Residence	Position within the Company	Principal occupations for the past 5 years for executive officers with less than 5 years in current roles
Mathieu Hébert Québec, Canada	Vice-President, Finance	Vice-President, Finance (2024) and Treasurer (2019-2023) at Transcontinental Inc.
James P. Kenner Kansas, U.S.A.	Senior Vice-President, Chief Legal Officer and Secretary	Vice-President, Risk Management and General Counsel, U.S. Operations (2021-2025) and Vice-President and General Counsel (2011-2021) at Stella-Jones
Steve Larocque Québec, Canada	Vice-President, Information Technology	-
Andy Morgan Washington, U.S.A.	Vice-President, Utility Pole Operations (Western Species)	-
Gordon Murray Nova Scotia, Canada	Vice-President, Research and Development	-
Jeremy Meyer Wisconsin, U.S.A.	Vice-President, Utility Pole Sales	Senior Director of Pole Sales (2020-2023) and Director of Pole Sales (2013-2020) at Stella-Jones
James Raines West Virginia, U.S.A.	Vice-President, Global Railway Tie Sales	Vice-President, Railway Tie Sales (2020-2021) and Vice-President, Sales (2019-2020) at Stella-Jones
Patrick Stark Pennsylvania, U.S.A.	Vice-President, Environment, Health and Safety	-
Silvana Travaglini, CPA Québec, Canada	Senior Vice-President and Chief Financial Officer	-
David Whitted Texas, U.S.A.	Vice-President, Railway Tie Operations and Production Planning	Vice-President, Railway Tie Sales Operations at Stella-Jones (2015-2021)
Jon Younce Washington, U.S.A.	Vice-President, Utility Pole and U.S. Residential Lumber Procurement	-

As of March 12, 2026, directors and executive officers as a group beneficially owned, directly or indirectly, or exercise control or direction over approximately 117,285 Common Shares, representing approximately 0.2% of all issued and outstanding shares of the Company.

Item 10 Audit Committee Disclosure

10.1 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, Ms. Renée Laflamme, 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. 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 Caisse from 1993 to 2012, where she held various senior positions in real estate. Ms. Laflamme brings extensive knowledge and expertise from numerous public and private boards of directors where she has been serving on audit committees.

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.

Ms. Renée Laflamme holds a bachelor's degree in administration from Université Laval and is a Fellow Chartered Professional Accountant (FCPA) as well as a Chartered Financial Analyst (CFA). She has over 25 years of experience in the financial services and insurance sectors. She currently serves as Executive Vice-President, Individual Insurance, Savings and Retirement at iA Financial Group. In this capacity, she is responsible for the growth strategy and oversight of all operations across distribution, underwriting, product development, marketing, and administration. Ms. Laflamme has a strong track record of leading large-scale transformational initiatives, notably major digital transformation programs and the deployment of artificial intelligence solutions aimed at enhancing underwriting efficiency and overall operational performance. She also brings significant governance expertise to the Audit Committee through her service on the board of directors of Mila – Québec Artificial Intelligence Institute, a leading collaborative research organization focused on advancing artificial intelligence.

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.

10.2 Mandate of the Audit Committee

The Audit Committee advises and assists the Board on financial matters. In this capacity, the Audit Committee is responsible for making recommendations to the Board regarding the nomination and remuneration of the external auditors, assessing their independence and overseeing their work. The Audit Committee also reviews the Company's financial statements and public disclosure documents containing financial information, monitoring the Company's internal control procedures, ensuring compliance with International Financial Reporting Standards as issued by the International Accounting Standards Board, and advising the Board accordingly.

The Audit Committee meets regularly with the Senior Director, Corporate Internal Audit, Risk & Compliance to provide oversight of the internal audit function. Each year, the Committee reviews and approves the internal audit charter, the internal audit budget and resource plan, as well as the risk-based internal audit plan. The Committee also makes appropriate inquiries of management and the Senior Director, Corporate Internal Audit, Risk & Compliance to determine whether any scope or other limitations exist. Additionally, the Audit Committee is responsible for reviewing the Company's tax compliance and overseeing the Company's information technology, cybersecurity, artificial intelligence and privacy risk exposures, as well as the controls in place to mitigate any related material risks. The Committee receives quarterly reports on whistleblowing complaints and the implementation of any resulting corrective actions. It also oversees the Company's policies and procedures for identifying, assessing and monitoring related-party transactions and approves such transactions as required under the Company's Related-Party Transaction Policy.

The written mandate of the Audit Committee is attached to this AIF at Appendix "A" and is available on the Company's website at www.stella-jones.com.

10.3 Policies and Procedures

The Audit Committee has adopted an Auditor Independence Policy designed to prevent relationships that could impair, or be perceived to impair, the external auditor's objectivity. The policy covers, among others, (a) the identification of services that may and may not be performed by the external auditors; (b) the governance procedures to be followed prior to approving and retaining services from its external auditors, which require pre-approval of all audit and non-audit services, and agreeing to fees relating to such services; (c) a restriction in the amount of non-audit services that can be awarded to PricewaterhouseCoopers LLP ("PwC") to less than 30% of the total fees paid to PwC in each financial year, (d) the reporting of services rendered to the Audit Committee; (e) a requirement to perform a comprehensive review every five (5) years with annual assessments based on audit quality indicators following each audit; (f) mandatory rotation of the lead audit partner and a prohibition to reappoint a prior audit partner in such capacity; and (g) required cooling off periods by partners, former partners, directors or former directors of the external auditors prior to serving in financial oversight roles for the Company.

Pre-approved service categories include audit services, audit-related services, tax services (including tax compliance, tax consulting, transfer pricing, customs and duties, and expatriate tax services), and certain other permitted services such as due diligence, employee benefit plan audits, limited valuation services for tax purposes, and forensic fact-finding work. The Auditor Independence Policy also identifies specific prohibited services, including bookkeeping, financial information systems design, actuarial services, internal audit outsourcing, management or human resources functions, broker-dealer and investment banking services, legal services, and expert services.

10.4 External Auditor Service Fees

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

Fees	Year ended December 31, 2025	Year ended December 31, 2024
Audit Fees	\$1,197,100	\$1,062,200
Audit Related Fees	\$20,400	\$148,043
Tax Service Fees	\$132,203	\$119,631
Other Fees	\$22,400	\$22,000
TOTAL	\$1,372,103	\$1,351,874

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 for prospectus work, sustainability-related 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 11 Transfer Agent

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

Item 12 Material Contracts

The Company did not enter into material transactions during the year ended December 31, 2025.

Item 13 Interests of Experts

The Company's external auditors are PwC, Chartered Professional Accountants, who have prepared the Independent Auditor's Report dated February 25, 2026 in respect of the Company's annual consolidated financial statements and the notes related thereto for the year ended December 31, 2025. PwC has advised that they are independent with respect to the Company within the meaning of the Code of Ethics of Chartered Professional Accountants.

Item 14 Additional Information

Additional information relating to the Company may be found on SEDAR+ at 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 management information circular in connection with the upcoming annual meeting of shareholders of the Company to be held on May 6, 2026.

Additional financial information is provided in the Company's consolidated financial statements for the year ended December 31, 2025 and the 2025 MD&A.

Appendix A

Mandate of the Audit Committee

Mandate of the Audit Committee

1. **Formation.** The Board of Directors of Stella-Jones Inc. (the “Corporation”) 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, cybersecurity, 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 11, 2025.